



Leadership at a Time of Transition and Turbulence - A conversation with Peter Sutherland KCMG Professor Kenneth Costa

8 March 2011

It is my great pleasure this evening to introduce Peter Sutherland to deliver the 4th lecture in our series on "Leadership in a time of transition and turbulence."

Peter is one of the best-known Irishmen of his generation, widely recognised as an international businessman and expert on world trade. He is currently the non-executive Chairman of Goldman Sachs International and also the U.N special representative for Migration.

One of the reasons I have invited Peter to address us this evening is the breadth of leadership positions he has held over the course of his life across such a wide range of different fields, including business, law, politics and academia. This makes him a rare breed and uniquely positioned to offer us his wisdom and experience as we consider the topic of leadership in these troubled times.

A barrister by profession, at the age of 34, Peter became the youngest ever Attorney General of Ireland. Four years later, he was appointed to the European Commission, where he became the youngest ever European Commissioner. [You can see a trend beginning to emerge...] While in his position at the European Commission, he had responsibility for competition policy and later also for education, where he helped to establish the ERASMUS programme for European students. After his time in Brussels, he became the Chairman of Allied Irish Banks, where he stayed for four years.

In 1993, he became Director General of the General Agreement on Tariffs and Trade, which soon after became the World Trade Organisation. Mickey Kantor, the former US trade minister, credited him with being the father of globalization and said that without him, there would have been no WTO.

Since then, Peter has held positions as Director of RBS Group (2001-2009), non-Executive Chairman of BP (1997-2009) and has sat on the board of numerous businesses and institutions including Natwest, Ericsson, ABB, Allianz, the World Economic Forum, the Trilateral Commission, the European Institute, the European Roundtable of Industrialists and the advisory council of Business for New Europe.

Peter has also been the visiting fellow at Kennedy School of Government, Harvard, visiting professor at University College, Dublin and holds honorary doctorates from 15 universities worldwide. In 2008, he took up the position as chair of the L.S.E council.

[In 2006, he was also appointed Consultor of the Extraordinary Section of the Administration of the Patrimony of the Apostolic See. For those of you who are wondering what on earth that might be, I think translated it means a financial adviser to the Vatican!]

Peter is well known for his pro-European position and apparently he describes the worst thing about his time battling throat cancer in 2009 as missing the "mortal combat" of fighting for the YES vote in the second Lisbon referendum.

Peter has also been deeply involved in the challenges surrounding the Irish economy this year, advising the government and commenting widely in the media. Despite all the challenges, he still holds an optimistic view, arguing in a recent interview with Bloomberg, that although Ireland's problems will take a number of years to overcome, buoyant exports and manufacturing growth shows that the country will be able to face the "appallingly difficult challenges."

In his capacity as an expert on world trade, Peter was recently asked by the governments of Germany, Britain, Turkey and Indonesia to assess the prospects for the Doha round and the WTO. He is convinced that the Doha round must be concluded this year and that failure to do so will make it impossible to bring it to a close for a period of years, given the inevitable paralysis of global trade negotiations following the US presidential elections next year.

Writing recently in the FT, he said:

“It is surely clear that a failure of the round would undermine the credibility of the whole institution and so increase the likelihood of protectionism and the erosion of the rule-based system, which has been an essential element in globalisation. It has also mitigated the worst effects of the recent financial crisis and has provided a bulwark against the protectionism that might well have ensued. If we are serious about interdependence and development we need to reinforce multilateralism. Concluding the round is an acid test of whether we have the collective will to do so.”

Peter has the most extraordinary breadth of experience and over his lifetime, has been exposed to many of the challenges of leadership in turbulent times, making him extremely well qualified to deliver this evening’s lecture.

It is a real honour to welcome him here tonight to talk to us about leadership in a time of turbulence and transition.

Ladies and Gentlemen, please welcome Peter Sutherland.

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Thank you very much for that truncated and understated introduction! There was somebody far more eminent than I who once said, having listened to such an introduction, that he was glad that it came to an end because he found it difficult to remain humble looking for any prolonged period of time, and I must say I share that with the person in question.

I am delighted to give this evening's lecture. You may not be because, in a sense, I am going to continue with a personal exegesis on my own experiences, rather than draw a lot of conclusions from them, because I have been fortunate, in my life, to live through a number of traumatic moments which were influenced by others, rather than I, who provided leadership. When I was asked to deliver this evening's lecture, I was told that I should reflect on my personal experiences in relation to leadership and who I have seen during that period.

That, inevitably, brings together not merely individuals but causes, and I suppose that I can admit to being a man who has believed in causes all his life. I have always had ideas that I wished to fulfil, and I have always had mountains that I wished to climb. I decided that no doubt to your delight, I would not dwell upon the various theories of leadership itself. One study often cited, that of Professor Bird, in 1940, cited 79 characteristics of a good leader. Marx and Hegel were of the view that circumstances created leaders, rather than any talents that they innately had themselves. There is some evidence that seems to support that.

If you take the life of Churchill as an example, I think many historians might accept, and indeed, some have, that, if events had not led to the crisis which defined the life of Winston Churchill, he might have gone down in history as a rather inadequate politician who had been involved in a number of events which were not greatly to his credit and which, in fact, caused some damage and indeed, in the First World War, loss of life. However, the events which brought him to the leadership position that he occupied during the Second World War made him one of the greatest men of the century from any country in the world. So, in a sense, there is something to be said for the argument that it is the conjuncture of a time, a place, and a particular situation, with the characteristics of particular individuals, that creates a capacity to lead.

There are different approaches to leadership: Plato, Machiavelli and Chairman Mao all wrote about leadership. They had different political theories about what it meant and how it should be developed and how it has influenced the events of their time. There are different approaches too: General Patten famously said that "If you want to find me, you'll always find me in the first tank"; Robespierre, on the other hand, is alleged to have said, as the mob swept past during the French Revolution, "Quickly, let me through, I have to follow them because I am their leader!" I think that the Robespierre view of leadership is the more prevalent one with most politicians, much though they might wish to deny it.

Talking of the French Revolution, it is also worth bearing in mind, as a health warning at the beginning of the few words that I am going to express to you, the following anecdote, which covers the headlines in a French newspaper called "Le Monitor", which was a daily Parisian newspaper about the return of Napoleon from Elba. The headlines were as follows: on 9th March 1815 - "The beast has left its lair"; on the 11th, "The Corsican monster has set foot on French soil"; on the 13th, "The torturer spent the night in Grenoble";

the 18th, “The tyrant is marching towards Dijon”; the 20th, “Bonaparte wants to conquer Paris – will he succeed?”; the 20th – “The Emperor has already reached Fontainebleau; the 21st, “The liberator is pounding at the gates of the capital”; the 22nd, “His Imperial Majesty marched into Paris today; and, the 23rd – “Vive L’Emperor!” I suppose it proves that a week is a long time in politics, and that perceptions of leaders can change depending on the political events that surround them at any given moment of time.

I suppose that, in my life, I can say that I have been inspired by a number of individuals and I have been very lucky to have worked with them. They are leaders and people who have shown leadership ability in the face of great difficulty and great challenges, and leadership which is of a dimension that is really worth noting.

The first of them I am going to pass rapidly over because the events with which he was concerned are events which would not be of great interest to this audience or to an international audience. In my own country, I served as Attorney General in two Governments of Garret Fitzgerald, who remains to this day, at the age of 84, a vibrant intellectual force in my own country. We had to go through, in the early 1980s, dreadful challenges with the IRA, where we were under constant pressure, of a kind which I do not enjoy recalling, but I saw how people reacted under pressure at that time. I remember the British Embassy being burnt to the ground. That was immediately before we came into office, and I remember saying, at the time we came into office, that that dreadful event could never be allowed to happen again. During the term of office when I was in the role of Attorney General, there was another march on the British Embassy, which, at this stage, had moved to other premises. There was a determination on our part that, under no circumstances, could that Embassy be burnt to the ground. However, we were faced with the possibility that the marchers, instead of marching to Ballsbridge, where the Embassy was located, might instead have turned up Kildare Street and occupied Parliament. There were limited resources available to deal with this, in terms of the armed forces of the state or the police, because many of those who were protesting were being bussed down, in large numbers, from Northern Ireland.

This raised challenges, which, fortunately, did not come to a head because the thin blue line of policemen actually resisted the attacks that came on them, but it called for great leadership at that time to withstand many of the pressures which we were going through. We came through it because we had a leadership in my country which had to withstand even greater pressures than the pressures we visited through our countrymen and some of the outrages that were committed here in Britain, but I can assure you that, at sometimes, it is not easy to be in Government. It is not easy to be on the Security Committee at a time like that, as I was, with the Prime Minister, the Minister for Defence, and the Minister for Justice.

We went through difficulties too in terms of legislative proposals that brought forward great tension. For an example, there was a movement, at that time, to include in the constitution a total prohibition on abortion, and the wording that was put forward was held by me to be ambiguous. It had been accepted by the previous Government and was to be put to a referendum; we had to try to withdraw the amendment from the referendum. Our own political party split, half voting with the opposition, as a result of which we ended up in the paradoxical situation where the Prime Minister and most of his Ministers were arguing against a referendum which was being put to the people in terms of this particular issue. I will avoid the details of it. Suffice it to say that I saw the pressures that were brought to bear, and can be brought to bear, in a situation of that kind, where people believe, on both sides of the issue, that they have a unique moral insight in regard to the issue in question. You can imagine how difficult an issue that was in a country which is as Catholic as Ireland was at that time, although perhaps less so in current times because of recent scandals.

I have been inspired by a small number of great leaders in my time, and the two that I will focus on have their detractors, particularly perhaps in this country, but before referring to them, let me say something of my time and how I came to interface with them. The two individuals to which I will refer are Helmut Cole and Jacques Delors. I have always believed that the noblest political project of our time is the project of European integration, and of all of the political events that I have been engaged in in my life, that has been the one that has emotionally affected me most.

I know that, here, there is a different view, overwhelmingly felt, according to the polls of Euro Barometer, in Great Britain, in a way which is, in fact, quite unique. Even the Scandinavian countries, which have a reputation for scepticism about Europe, are in nothing like the same position as public opinion here. There may be many different reasons for that. Britain has never been invaded, effectively, since the Norman Invasion. Britain has fought many wars on the Continent. Perhaps, even, there is a sense of the reformation about attitudes in Britain, that the Continent is an alien place in different ways, and sometimes,

I must say, as a person who greatly respects the country which has been so generous to me, I have been disturbed by the stereotypes that are sometimes expressed about Continental Europeans by some of the tabloids in particular in this country. The French are described in one way, the Germans are described in another. My own country is described in one way, usually with a humorous smile rather than a critical comment. Nonetheless, stereotypes seem to be more part of life than they ought to be.

Jacques Delors became a crucial part of my life when I was nominated. Probably, like Sir Thomas More, I was a turbulent priest who was to be moved out of Ireland after a turbulent time as Attorney General, but I was asked by my Prime Minister to become the Irish Commissioner in Brussels. The four years that I spent there, with Jacques Delors, were a vitally important part of my life.

Sometimes people wonder here why it is that those who are sent to Brussels go native, as so many have done. Every Commissioner that has gone from this country that I can recall, on his return, after four years, is a transformed personality in terms of their attitude to Europe. The reason for me why it was important was that I saw a nobility of purpose, however ineffective it may be in practice, in taking on and challenging nationalism, which is the core rationale for the existence of European integration. It was founded following the Second World War on a philosophical base.

I was struck, when I went first to Paris to meet Jacques Delors, before he became President or before I became a commissioner, but in the immediate aftermath of our selection. I had lunch with him in a restaurant called Chez Edgar, off Avenue Montagne in Paris, and he asked me whether I was a European and I replied that I was. I remember him telling me that he had been inspired by a Christian philosopher, Emmanuel Mounier, and Jacques Maritain, another philosopher, who wrote immediately following the Second World War, who, in turn, had inspired, at that time, the founders of the European movement – Jean Monnet, De Gasperi, from Italy, Adenauer, from Germany, and Schuman, above all, from France.

These men were all driven by a moral vision, and they said from the very beginning that that was what inspired them. That inspiration was evident throughout the course of those early years – the Congress of The Hague in the late-1940s, the creation of the Coal and Steel Community, in 1951, and later, the Treaty of Rome, which came into existence following the Council of Messina. At the time, Rab Butler was asked what all of the other Europeans were doing down there in Messina in Sicily, and he said he supposed that they were on an archaeological excavation. Well, he may have thought they were on an archaeological excavation, but the reality was that they were laying the seeds for something that inspired and still inspires Jacques Delors, a man in his mid-80s. I still serve on his foundation in Paris. He was driven by a belief in integration between peoples, which, whether it is a good idea or a bad idea, cannot be disputed to be other than a noble idea.

George Canning, in a remark actually in 1826, following the collapse of the Congress of Vienna, which had sought to create a certain harmony in Europe, made the comment after the collapse that “Things are back to a wholesome state, every nation for itself, and God for us all.” If you ponder those words, you have to recognise the irony of what he was saying. Far from it being God for us all, what he really welcomed was something which should have brought the retort “God help us all!” because of what was to happen – the Prussian Wars, the First World War and the Second World War - between Europeans.

Altiero Spinelli, a figure that is probably not known to many of you was imprisoned by Mussolini, and he wrote, on the island of Ventotene, while in prison, having been tortured, a document called the Ventotene Manifesto. After a period of four or five years, but still when Italy was under the boot of the Fascist powers, he was released, and in 1944, a group of resistance leaders met in Switzerland. They were the people who really started the European integration movement, because, even though, at that stage, it was apparent that the War would end with the Allies succeeding, there was no hint of the attitude which had followed World War One, and which made World War Two inevitable. There was none of the recrimination and reparations which had brought Germany to its knees and gave birth, ultimately, to Hitler and Fascism. There was no hint of that, quite the reverse.

Immediately after the War, these leaders, inspired by philosophers, not by pragmatists or people who were trying to make the argument on economic grounds that a single Europe would be better economically for them, drove these people into a position where they believed that they could lead Europe in coming together. The idea of peoples coming together and not fighting each other laid the foundations for the beginnings of the European Union – there was of course the Coal and Steel Community, which was to share coal and steel production, because coal and steel were the basic implements required for the power-to-power war or to make armaments. The Coal and Steel Community created a mechanism where, sharing sovereignty, no one state could act on its own. That took inspirational leadership in turbulent times to

confront the nationalism which existed, no doubt, in the countries that had had to fight Hitler and to prevent them seeking to wield the same degree of power against a defeated Germany that had happened in the past. The generosity of spirit that was behind this – and I am not trying to make an argument here for Christianity – was, I think, related to Christianity. I think it was related to the virtues of Europe, for what they are worth, which are built out of Christianity, or, if you are a humanist, you can say the enlightenment. They are based on principles which are linked to the dignity and the equality of man. Those were the principles that underpinned, for better or for worse, the experiment which was to become the European experiment.

Britain had, of course, a different position. It had a Commonwealth and ties to other parts of the world. It always believed that its interests were in free trade, but it has never been persuaded that the best way to govern is to share sovereignty. Perhaps the intimacy of the French, the Germans and the Italians with war, which was, if anything, more intimate a connection, however terrible, than that of Britain, drove them to new thinking which could not be taken here. When Winston Churchill went to Zurich and gave his famous speech in Zurich University, he made it clear that Britain favoured European integration, but not with Britain as part of it, but rather, as he described it, acting as a bridge between Europe and the United States, which is the old story of the Special Relationship. Americans today seem to say that the Special Relationship would be better exercised by Britain being at the heart of Europe rather than by being semi-detached from it. That logic has driven the British position ever since, but it is not the position which I hold, and it is certainly not the position that was held by either of the heroes that I believe influence me most, namely Jacques Delors and Helmut Cole.

I remember that day in Chez Edgar when Jacques Delors said to me, with a rye smile, that, as a theme for this first Commission, we would have a very specific one – we were going to try to create a functioning internal market of free movement of goods, persons, capital and services by 1992. He said that one of the strongest advocates of this, for once, if I may say so, on the positive side of the argument vis-à-vis European, was the United Kingdom, which is why it appealed to him as an idea. It appealed to the United Kingdom because it was the crystallisation of a pragmatic, rather than an airy-fairy ideal, as is often described as some of the European thinking. This was something practical and something that fitted in with the British concern about free markets and opening of markets.

I think that Jacques Delors had a somewhat different intention to that expressed at that time by Lady Thatcher, or Mrs Thatcher as she was, because he recognised, and I remember him saying it to me, almost in a conspiratorial way, that the only way that you could ever have an internal market was by having more European legislation, and that the only way you could have more European legislation, binding member states, was by having more majority voting. If you had majority voting, which could outvote individual member states, you were attacking the very core of national sovereignty, which is exactly what Jacques Delors intended to do, and, ultimately, it became apparent that he was right. He was an intellectual driven by what he often described as a moral view. He constantly referred – and I had never even heard of him – to this man Emmanuel Mounier, who had been a Christian Socialist during the period between the two Wars. That was driving him to a view, not merely that European integration was desirable, but that the more you could have sharing of sovereignty and the voting across the interests of individual member states by majority voting, the more you would get that integration. Of course, inexorably, the logic of this came through, and the Single European Act, which was the act which provided for this majority voting, was adopted, ironically, during the time of Maggie Thatcher.

I remember going to Luxembourg at that time, when the vital meeting was taking place to finally agree the text. I could not understand how Maggie Thatcher could possibly agree to it, but nor could I understand how she could possibly disagree with it, because it was the only way that she could get the internal market which had become the light motif of her position in regard to Europe. So, in the end, she agreed to it, and of course, to this day, it is thrown up against the Euro-sceptics in the Conservative Party as being the defining moment, the greatest irony of all, when Margaret Thatcher agreed with this proposal.

In parenthesis, I must say that there was another ironic moment. In many ways, I admire Lady Thatcher, so perhaps I should not perhaps laugh at this, but it was difficult not to be amused. At the time I was Commissioner for Competition, and I remember one day shaving in my house in Brussels and listening to the news, and there was a G5 meeting taking place in Toronto. I had been a rather turbulent priest in Brussels as well as in Dublin, and I had blocked the British Rover takeover and I had also been rather difficult over the merger of the Scottish airline - Caledonian and BA. Mrs Thatcher had not enjoyed this, and she was asked something about interest rates on the radio, and as I was shaving, she said, “Oh, I do not want to talk about interest rates,” she said, “I want to talk about that man in Brussels!” and of course, I am afraid it was me!

I had the revenge of at least being able to laugh at the following situation. When she came to give her famous Bruges speech, which was the denunciation of all things European, she gave it in the European University Institute in Bruges. It was in a very ancient hall, and the Rector of the University was a German, who was very much a European integrationalist, and when she finished her speech, out of four speakers in the hall came the blaring movement of Ode to Joy, the European national anthem. Mrs Thatcher, immediately, with her ambassador, jumped to attention with everybody else, she thinking, as it transpired, that she was standing to the Belgian national anthem whereas, the rest of us, with tears rolling down our face, were standing to the European national anthem!

Whether or not you agreed or disagreed with her, it is fair to say that Lady Thatcher was a great leader. She was a great leader because she combined the various qualities that I think are necessary for leadership: vision, resilience, courage, teamwork and communication though perhaps one can question how good she was at the last two. To an extent, she kept at least her own team together.

Those four years, for me, were the defining period of my life because I had taken the competition brief precisely because I was a constitutional lawyer, not an economist. I saw that I had powers, as a Commissioner for Competition that directly affected national sovereignty. For an example, there is the power to stop state subsidies being paid to an industry in one country by the government which has the revenue from its own taxation to pay the money. It is a very direct infringement of national sovereignty to tell that government that it cannot spend its money on its own industry because the effect is to beggar thy neighbour.

That power, of course, led one into some terrible battles, including, anecdotally a battle I had with a steelworks called Bagnoli. I spent four years trying to close Bagnoli. Bagnoli was outside Naples, and it was the most egregious example of money being passed by governments, under tables, over tables, and in every conceivable way, to keep a factory going, which was, of course, affecting competition elsewhere. I remember the first time I went down, as a new Commissioner, and I was told that either I stopped the money going to Bagnoli or there was going to be chaos in the European Council and an earth-shattering event. I remember arriving at the Via Veneto, the Department of Industry in Italy, and walking up the stairs, to be met by a very nattily-dressed Secretary General who said, "Do you mind, Commissioner, first of all, congratulations," he said, "on your appointment, and secondly, do you mind waiting for a moment?" I said, "Not at all." I said, "Is there a problem with...?" "No," he said, "you are not meeting one minister," he said, "you're meeting two, because wherever you meet a minister, one minister in any other country, you meet at least two here, and the two ministers in question that you are meeting, one for the public service and the other for industry, they're in a room," he said, "over there, and do you want to know what they're doing?" I said, "Yes, what are they doing?" He said, "They are fighting about what they're going to say to you!" Now, that was a bit different from my experience of civil servants elsewhere, and ultimately, we went into room and, after a display of histrionics which I have never equalled, banging tables and shouting and screaming and telling them that they were going to destroy Europe and everything else, I was met by a deadly silence on the other side of the table, and at the end of about an hour of this, I ran out as there was nothing more to say. One of the ministers looked at his watch and he said, "Do you know," he said, "it is time for lunch – let us depart, for my club. It is a hunting man's club, it is wonderful." So we went and nothing more was said of it.

I got on the plane, and I told my German Director General "That must be the biggest disaster of a Commission meeting you have ever attended!" "Oh, no," he said, "it was absolutely wonderful! I never saw anyone so annoyed, which was magnificent – it was fabulous!" I said, "But we did not get anywhere!" He replied "Oh yes, we did!" I said, "I do not think we did – nobody said anything." "Do not worry," he said, "they will capitulate at the Council next week, and as soon as they capitulate, everybody will be delighted, they will go home, and then, two weeks later, they will start it all over again." "Oh," I said, "my God!" So it was to transpire, and four years later, after numerous rehearsals of precisely the same thing, Bagnoli was still operating, and when I went home to my house in Dublin – and this is the great thing about Europe – I received, some days later, a knock at the door, and I opened the door and there was a postman there with a box. I did not know what this was, and when I saw Naples, I wondered was it a bomb, but, in any event, I brought it in and I opened it up, and there was the most magnificent steel set of chessmen, which still is in my living room. It was absolutely beautiful work, and there was a little note which said, "From the workers and management of Bagnoli – farewell!" So, farewell it was, and that was the end of that!

At the same time, I remember Helmut Cole who was very different from Jacques Delors. He was a rough-hewn man. He is still alive, as Jacques is, but not in good health. He was tough. He was anything but an intellectual, but he was driven, in a messianic way, by a belief in the same thing that Delors was driven by,

and it was a coincidence of time. He absolutely believed, and believes to this day, in European integration, at any price to Germany.

I remember, at a particular stage of those turbulent times, having a meeting of the European Council, where part of the quid pro quo for the Single European Act, which, as I have explained, introduced more majority voting, was that, in some way, you would look after the poorer countries a little more – there would be more structural funds, as they were called, to be dispersed to countries like my own, Spain, Portugal, Greece and the poorer parts of the richer countries as well. To do that, they had to double the structural funds, as part of the overall bargain, and of course, the persons who were paying then were the same as the people who are paying now – Germany.

I remember it very well because Jacques Delors occasionally would take a couple of glasses of a diabolical potion called Fernet-Branca, which some of you may know, which I thought was for hangovers, but he used to have it for lunch, and one or two glasses of this was enough to send any normal person into orbit. He arrived back to the Commission meeting, which was preceding the Council of Ministers meeting – the meeting of Prime Ministers - which was to take place that evening, and I remember him coming into the room and looking around the room because we all feared the worst about getting this doubling of the structural funds, and he said, “I can tell you, that by this time tomorrow, I will have resigned.” This, I must tell you, was not the first time that we had heard that he was going to resign, but this time, he sounded even more serious than usual, and then he said, “And there is nobody in this room,” looking disparagingly at the rest of us, “who is going to resign with me – except you, Peter!” Of course, one of my British colleagues, Stanley Clinton-Davis, was making signals to me that I was out on my own.

In any event, that night, Jacques Delors came back, and I had dinner with him late that evening. I asked how it went and he said that it went fine. He said that at a vital moment we were going to lose because the Germans were not prepared to pay - they had had enough because they had been paying from the beginning, and they are paying, incidentally, to this day. Jacques could see that it was going wrong and spoke a bit of German. He told me that he went round the table to Helmut Cole and said, “You can’t do this, Helmut.” Helmut looked at him and said, “Jacques, do I really have to do this for Europe because it could be my political end?” and Jacques told him that he had to do it for Europe,” and he brought his fist down on the table and he said, “Germany will pay,” and Germany did pay, and he did go through a lot of difficulty in his own country. Again, it was evidence of leadership.

This part of my life was to influence me greatly in what happened subsequently because, and I think the British Government had something to do with it, I was asked to become Director General of GATT, which was to become the World Trade Organisation, to try to conclude the Uruguay round, as it was then, and to create a World Trade Organisation. That, to me, was the fulfilment of an idea which one of the founders of the European Union, John Monnet, had held dear. He always believed that European integration was a first step towards global governance, and the creation of the WTO would have been, and was to be indeed, the one great move that had taken place since the inspired period of institution-building in the immediate post-War period that created the IMF and the World Bank, but then rejected, because of the Americans, a World Trade Organisation.

This was to be the moment when it was to take place, and I was asked one night, in Brussels, having dinner with Mickey Cantor, who was the American Minister for Trade, to have breakfast the following morning with Leon Britton, who was the European Commission for Trade. I knew, before I went to the meeting that it did not take a genius to know what they were going to ask me. I was Chairman of a bank at the time. I remember saying Mickey Cantor, “Mickey, why would I, in my right mind, take on the job of Director General of GATT when you have had seven years of negotiation and no sign that that negotiation is going to come to a happy conclusion?” I remember him saying, “Look into my eyes when I tell you this. I know that you do not go down in history for failing to reach agreements, my President knows that you do not go down in history for failing to reach agreements, and I am telling you that we will bring this round home if you come.” It was not dependent on my coming, I suppose, I am expressing it in a rather personalised way, but “When you come, you will see that we will deliver” and it was showing a leadership which, I should say, is not so evident today from Mr Obama in regard to the Doha round, because the evidence which was being given there was evidence that they were going to get this across the line, come what may. For me, Jean Monnet’s vision of a Europe integrating, being part of an integrated world was something which was remarkable, and that is why I went.

At the same time, Cole, with another feat of leadership, had grabbed the opportunity of uniting Germany, when the Russians were unclear as to their position, and the Western Europeans were unclear of their

support for German unification. They were certainly unsure in France. They were not generous in their response. They were doubtful and were expressing their doubts about a resurgent Germany which was united, and the same fears, more muted, were being expressed here. He grabbed the opportunity and he caused the collapse of the border.

When I went to the WTO, I remember going to his house in Bonne because, not for the first time, we were having trouble with the French. We could not get the French to agree to the agricultural part of the liberalisation that was required to conclude the Uruguay round and create a World Trade organisation. I went to try to inveigle Mr Cole into agreeing to pressure, in one way or another, the French. I remember him sitting there. He did not speak English or French, so he was speaking through an interpreter. He pointed to a portrait of Adenauer on the wall, and said, "I went into politics for four reasons, and they were the four reasons that drove that man, and we were driven by the same motivation. I had seen members of my family die in a war and I was determined it would never happen again, and the four reasons that I went into politics were: German unification, which we have achieved; secondly, European integration, based upon the Franco/German axis; thirdly, free trade, because I believe that it helps Germany; and, fourthly, the German/US relationship. However, if you are asking me to threaten what, for me now, is the most important of those, namely European integration, by publicly criticising the French, I will not do it because that is the thing, above all, that I believe in. I believe in European integration. I also believe in free trade, but I cannot go further than trying to help you in the background. We will keep in touch, and I will try and help."

I remember paying clandestine visits subsequently to Paris to try to get the French, Balladur in particular, who was Prime Minister, over the line. I know that it was the leadership, in this case uncharacteristically quietly displayed, by Cole; also, by a man for whom I have great fondness, who did a great deal, quietly, in his own way, John Major; and, finally, Clinton who helped create the World Trade Organisation. We all signed, and we all went to Marrakech.

No sooner had we created the World Trade Organisation than we had to recognise, which perhaps we had not fully recognised, that it existed because 140 countries all turned up and signed and agreed everything. However, the American agreement was subject to ratification by Congress, and some weeks later, I was told I had to go to Congress to try and convince them that it was in America's interest to join the organisation, which they had blocked the creation of in 1949-51 previously. However, Mickey Cantor lived up to his promise, because he faced down his own worst enemies, enemies of free trade in the United States, he did take risks. His boss took risks, and they also did something which was unique. It was not unique because we had marches against us, against free trade and against globalisation in Seattle and in Cancun. Globalisation, to me, is a morally desirable outcome because it is based upon equality of opportunity. It is based upon avoiding the mercantilism of the past and the domination of the rich by the rich of the poor.

It was perceived by many to be the opposite. Many NGOs - Friends of the Earth, and so on - were violently opposed to the creation of the WTO. They violently opposed globalisation. There are no longer any voices raised against the existence of the World Trade Organisation. The poorer countries of the world are the ones who have gained most by having a rule-based system which allows them the equality, on the global trading floor, that they were lacking throughout centuries of various forms of imperialism. They have law and rules on their side. They have a right to be involved in their own decision-making processes in a way which never existed before. The World Trade Organisation no longer has Cancun or Seattle demonstrations. It is no longer the bete noir of international organisations. In fact, the Doha round, which struggles on, and which I am still, as was explained, engaged with on behalf of Mrs Merkel and Mr Cameron who are, incidentally, living up to the historic positions of Cole and Major, in continuing to support this movement. That round is meant to be about development and helping developing countries.

The final point I would make about the WTO is that it was the mechanism that allowed for the integration of China into the global nations of the world. I went to China a number of times and I always remember the Chinese application. It was a clear, unambiguous statement by China that they recognised that the command economy and the lack of freedom, in economic terms, for individuals meant no competition and no growth, and they explicitly said that they recognised that they had to open up in a way that they had never done before, which I have always seen as a precursor to political liberalisation as well. I remember going and speaking to Jiang Zemin about this, and he fully understood it, and that is what they wanted. That integration and liberalisation of command economies and over-regulated economies like India – it has been too slow, in my view - but nonetheless has worked massively to the advantage of these people.

The Human Security Report of the United Nations, which I subsequently was involved in writing, established the total numbers that had been brought out of abject poverty by trade. Admittedly, some parts of the world did not benefit from this - Sub-Saharan Africa in particular. However, in Asia, 1.5-2 billion people were brought out of abject poverty, within a relatively short number of years, and it continues apace. That has come from the opening of borders, rather than the closing of borders. The reason that Africa has not successfully participated is partially related to political structures but mostly related to the lack of human infrastructure and physical infrastructure to allow them to do it. It is not that globalisation has damaged them; it is that globalisation has passed them by because they are unable to participate in it.

However, that period of the 1990s will, when written up by historians, be described as a golden period when, following the collapse of the Iron Curtain, everybody aspired to the same, at least in name, type of economic society, and to an integration and interdependence that had never existed before. Whether we can withstand the pressures on it today will also be down to leaders, and whether we have those leaders. We had them in the 1990s and we did things in the 1990s which I am proud of and which history will record as important things. They were things that would not have happened automatically. They happened because there were leaders who were prepared to lead.

Peter Drucker, the great management guru, once made the remark that management is doing things right, but leadership is doing the right things. They were doing the right things, those leaders, and I include in that Jiang Zemin.

Therefore, I do not believe that historic events generally occur because of some ill-defined inevitability. They are in significant reasons for good and ill, influenced massively by individuals, and even the conclusion of the Uruguay round, which was the biggest moment in my life, an agreement of 22,000 pages, believe it or not, which has brought about huge change in global trade could not have happened if we had two bad apples in the four or five key countries. Particularly, historically, India and Brazil played a wrecking game in international trade, but they were both led by individuals who, at that time, wanted to get an agreement. Now, we have to see whether two countries step up to the mark with regard to the Doha round. Those two countries, in my opinion, are the United States and China. Whether they will lead or not is in the lap of the gods. They are meeting at the moment in terms of trying to overcome their difficulties, but if either of them resiles from what we are doing, we will be in a position where it will not happen.

I shall conclude by saying that I think the greatest leaders move and work with a clear and defined purpose, and I think they do it more effectively and efficiently if it is a moral purpose. In 1950, at a meeting in the Geneva Circle, Adenauer, De Gasperi, Schuman met with Monnet, under the auspices of this Geneva Circle, and they spoke, and later wrote, of a moral purpose binding them to great events. In a way, they attacked an idea that went back to 1583, when Bodin wrote of "de la Republique", of the creation of the idea of national sovereignty.

They went back to an idea which later Jacques Delors was to talk of in terms of Europe and his adventure seeking, as he said, "a soul for Europe", a soul for Europe that transcended national identity. If, in the next 10 years, we have not injected a spirit of belief in a soul for Europe that tramples on the appalling nonsense of tabloid headlines that disparage other peoples, then the game will be up, and the world will be a much worse place for it. Jacques Delors saw all of this. That is why he was the author of the single currency, something which some, with a certain schadenfreude, look upon now as a failure which they would be delighted to see. They will not see it fail because it will survive, but it will survive because people are determined that this whole experiment cannot die.

J.K. Galbraith said that all the great leaders have had one characteristic in common: it was the willingness to confront, unequivocally, the major anxiety of their peoples in their time. This, he said, and not much else, is the essence of leadership. He echoes the words of Baltasar Gracian, who wrote the greatest book of wisdom, according to Nietzsche, "The Art of Worldly Wisdom", who said: "The rarest individuals depend upon their times."

Thank you very much indeed.