

BDOHP Biographical details and index**Sir John Stephen WALL, GCMG 2004 (KCMG 1996; CMG 1990); LVO 1983 (Born 10 January 1947)**

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Sir Stephen Wall, GCMG, interviewed by Thomas Raineau (Université de Paris-Sorbonne)

Part 1. Tuesday 14 December 2010. 11.15am. London, The Wolseley

Part 2. Tuesday 28 February 2012. 3.00 pm. London, The Wallace Restaurant

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TR: *First of all Sir Stephen, let me thank you one more time for accepting this interview. If you agree with this procedure, we will go through your career chronologically, and try to deal with some particular points and questions about the overall architecture of the European machinery that exist in Whitehall.*

Let's start with your educational background and your studies if you do not mind talking about personal matters. If I am not wrong, you were an undergraduate student at Selwyn College, Cambridge. Which subjects were you reading?

SW: I was reading French and Spanish.

TR: *And you were studying in Cambridge in the early Sixties?*

SW: In the mid-Sixties, from 1965 to 1968.

TR: *At that time, did you hear from the European Community? Was it debated within University circles (such as the Students' Union or various Debating Societies)? Did you have an opinion about it?*

SW: Not much, no. I was at school still, when de Gaulle cast his first veto in 1963, and that was a very traumatic experience, for Britain generally. I think it is hard now to remember, but it was a big shock, because he [de Gaulle] was a World War Two ally, etc., and suddenly, the guy who - we thought - owed us something, was humiliating us. And it was a demonstration that Britain was not the country that it once was. We all knew that our economy was doing less well than the economies of the European Community countries. And I remember that very strongly, but it was more a feeling, because most people of my generation were rather idealistic about Europe. I was born just after the War. We bought into the Monnet ideal, really. But I remember that [the veto] being discussed a lot in school at that time.

TR: *At school?*

SW: Yes, I was by then in the Sixth form, not quite my last year, but getting on that way. And I think in general, among certainly my friends from University – partly because we were doing languages, and that meant basically either French or German or possibly Spanish, so I think you would not have found anybody who did not think it was a good idea for Britain to be a member of the European Community. Among that community [students of languages] obviously more widely. The fact is that when Harold Wilson reapplied to join in 1967, he had a lot of popular support, and when de Gaulle vetoed the application for the second time, public opinion went down. And I think what you see now with Turkey is rather similar: you see public opinion in Turkey fluctuating. You know, if you don't feel loved, well, public opinion reacts.

TR: *I notice that you have used the word “humiliation”, which is not so common to find in historical accounts or essays about Britain and Europe. And you used the word as well in the first pages of your first book¹. According to you, the vetoes meant humiliation?*

SW: Yes. And when you watch the news clips of de Gaulle, of both his press conferences, you can see this wonderful magisterial style. It was politely done, but it was surely *de haut en bas*.

TR: *In the first pages of your book, you also explain that you had a family background and family ties that might explain you were sympathetic to continental events. Do you also think that religion matters in that respect? Did the fact of being Catholic play any role in that wider sympathy to continental Europe?*

SW: Probably. But I think it was more than that. My mother had lived for several months in France after she left school in the 1920s; my father had fought in World War One, and they both travelled, they used to travel to Germany a lot on holiday before World War Two. My mother spoke very good French, my father spoke French and German, which was normal for educated people of that generation. So I think it was more a feeling of familiarity with continental Europe. Yes, a cultural background, definitely.

TR: *Did you choose to read French and Spanish in Cambridge because you were interested in international affairs, or because your intention was already to join the Diplomatic Service?*

¹ *A Stranger in Europe. Britain and the EU from Thatcher to Blair*, Oxford University Press, 2008

SW: It really came to me at quite a young age. I was good at French, and I became good at Spanish, and I was better at those subjects than any other. So it came into my head that a career in the British Diplomatic Service could be interesting, but I knew nothing about it, I had no family connections with it. But the idea had lodged into my mind and sort of stuck there. But my father was an engineer, and had I been good at maths, there is a fair chance I would have become an engineer, but I was not good at maths, so I haven't. So there is no great logic in it I'm afraid.

TR: *So when, one day, you decided to try to join the Diplomatic Service ...*

SW: Which I decided when I was twelve.

TR: *A decision that was definitely early then. And you opted for the Diplomatic Service, and not for the Home Civil Service.*

SW: Yes, definitely. Why? Well, I knew nothing about it, but it just sounded attractive.

TR: *So when you took this decision, did you know how to proceed? Was there a great difference in the recruiting procedure between the Home Civil Service and the Diplomatic Service?*

SW: Yes. The basic routine was the same for all, for what was then known as the "Administrative class" of the Civil Service, and the Diplomatic Service used to take about 25 people a year in those years.

You went through a series of exams and interviews, which were common to the whole of that level of the Civil Service until the final interview. And this final interview was more specialized in terms of the Department which you wanted to join. And for the Diplomatic Service – well nowadays we talk about the Foreign Office, nobody talks about the Diplomatic Service – in those days, it was not quite like a military career but it was a thing apart. It had its own *esprit de corps*, a kind of feeling that, when you signed up, you signed an undertaking that you were prepared to go wherever you were sent - there was no process of choosing where you went – you said where you wanted to go but ultimately you were sent. There was an overall feeling of being an elite: in those days, most of the intake at that level was from Oxford and Cambridge, it was just a fact, and it enhanced that sense of being part of an elite.

TR: *You joined the Diplomatic Service in 1968 and you were immediately sent to Ethiopia.*

SW: Not immediately. I was sent off to New York. In those days, you had two weeks of training, and that was it. Two weeks of training were your training for life, and I learnt the basics: in the Foreign Office, you don't knock on the door, you just go into the room, you never knock on the door because the assumption is nothing that you shouldn't see is going on behind the door, and so you don't waste people's time; or how to write a submission to the Secretary of State, how to draft a telegram, etc. There were very basic things, but useful things to know.

And I was sent off to New York to the General Assembly, because there were always two people in the new intake who were sent to New York, basically as "dogs' bodies" really. But it was a great introduction. Then I came back after three months and I worked for 9 months – we had two United-Nations Departments – and I was in the United Nations Economic and Social Department, and then I was posted to Ethiopia.

TR: *1968 is also the year when the Fulton Report on the Civil Service was published. Did you hear about it? Was it commented on within diplomatic circles?*

SW: Yes, but it did not impinge very much on the Diplomatic Service, for the two worlds were separated in the sense that in those days, the Cabinet Secretary and the Head of the Civil Service were two separate people, and now it is combined in one person [*note: these two posts were once again split between two people on the retirement of Gus O' Donnell*]. And the Head of the Civil Service was Head of the Home Civil Service, not the Diplomatic Service, so it did not impinge on us. There was a separate report on the Diplomatic Service, not long afterwards, called the Duncan Report and that was the first time really that I thought about the future of the Diplomatic Service. The thing that did impinge very early on did happen when I was in New York in that end of October 1968, and that was the merger of the Foreign Office and the Commonwealth Office. I remember - that was part of our training - we were taken to see the Permanent Under-Secretary (PUS), Sir Paul Gore-Booth, and he had just sacked 25 people the day before, quite senior people because with the merger, there were too many people in the newly combined Foreign Office and Commonwealth Office. And these were people in their fifties, with children in boarding schools, and there was no compensation, nothing, they just got their pension. It was very brutal.

TR: *With your friends and colleagues in the Diplomatic Service. Was this episode debated or was it too fresh to take any distance from it?*

SW: I was 21 years old, you know. I thought I was immortal, and these were fifty year-olds. They were, to us, old: they should go, and get out of our way!

TR: *To go shortly backwards, how did you react to the second veto in 1967?*

SW: Well, it was less of a shock, because we had got used to the way de Gaulle operated, and he signalled his punch a bit, he had made it pretty clear. There was no doubt, throughout that period – and I'm doing some research now so I can see the confirmation when I look at the papers. Harold Wilson and George Brown (the Foreign Secretary) knew that de Gaulle did not want us to join, there was no question about that. The only question was whether he would feel inhibited or not by the attitude of his other partners, the Germans in particular; that was the doubt. So when the veto came, it was not a surprise; they were prepared for it. And in 1963, Harold Macmillan made a mistake really, because in the face of the French veto, he withdrew the British application whereas Wilson maintained the application in 1967 and that was very smart of him. The mood was changing. De Gaulle's own position was less secure: I cannot remember what year it was – I think it was 1967 – when he went to Canada and made his *Vive le Québec libre* speech. I remember I came across a report sent by the British Embassy in Paris, and it said that for the first time, our French contacts were saying to us "Maybe he's losing it". And then of course, the year after, there were the *événements*, so the general feeling was that whatever happened, de Gaulle could not last forever.

TR: *You were in Ethiopia until 1972 and during that period, did you keep an eye on European issues?*

SW: No, I was focused on my job. Obviously I would read the news: the *Times* used to arrive in the diplomatic bag once a week, so you had seven days to wait to know about the issues of that time. In those days, obviously, there was no internet and no means of access to current news, so far as I was concerned, except through the newspapers, the BBC World Service, or the Foreign Office telegrams. The latter operated along different lines of distribution, so by and large, if you were posted in Africa, you were not on the European distribution, so I would not have seen any of the telegrams from our Brussels Representation or our European posts: I was reading about African issues, so the answer to your question is no.

TR: *Would you say that there was a generation gap between your generation – people, as you said who had been raised after the War - and the generation of senior diplomats who were, as far I*

know, much more sceptical, if not reluctant about the European Community? Was this gap real or obvious in the late 1960s?

SW: I think it was less so. Because of the experience of not joining in the later Fifties, and realizing quite quickly that it was a mistake, and then being kept out for ten years, there was a real feeling that we had made a very big foreign policy mistake. If you read David Owen's memoirs, I think there is quite some truth in it: quite a lot of the Foreign Office officials who worked for him, people of David Hannay's generation or maybe a little bit older, were so scarred by the experience that some found it difficult to be tough in dealing with our partners because they were terrified that the same thing could happen to us again. There were people – and here David Hannay is an exception – with that general feeling and that certainly coloured the attitude of the Foreign Office and the attitude of people like me or above me, for example when I was working on the Single European Act when we felt "If we do not join, the others will go ahead without us". That feeling was very, very strong.

TR: *Had you heard about people such as Roger Makins and other senior people who had advised the government in the 1950s not to join the Communities? Was there a legacy of these people in the Department?*

SW: Have you read a book by Michael Charlton, *The Price of Victory*?

TR: *Yes I have; it is indeed an invaluable sum of information from ex-civil Servants. Do you think there was a legacy of these people in the Department?*

SW: I would say on the whole that it was rather the reverse. If you take for example Gladwyn Jebb, then Lord Gladwyn, our former ambassador in Paris, who was one of those, again on the evidence of Michael Charlton's book, who was a most enthusiastic European. The pendulum with him swung completely the other way: from doubt to enthusiasm. And there was a generation of people coming into the senior posts: the two ambassadors I worked for in Paris, Christopher Soames and then Edward Tomkins, were people who had something in their blood – well, Edward Tomkins was half-French anyway, his mother was French; and then you had Nicko Henderson who was ambassador in Bonn: all of them were very pro-European people. And not very long after that, Michael Palliser who was our first Permanent Representative in Brussels, subsequently became PUS, and you know he was married to Paul-Henri Spaak's daughter, etc. So I would say that in that period, if anybody was anti-European, he would have concealed it.

TR: *Looking at the transitional period, within the Foreign Office, and maybe the Civil Service in general, it seemed to me that the Home Civil Service, and maybe the Diplomatic Service, were far less Europeanized than I expected.*

SW: Well, I cannot really speak of the Home Civil Service for that period, for I had not much to do with it, so you maybe would have found a different attitude there. For a start, there were relatively few departments in Whitehall that had experience of Europe. Basically you had the Ministry of Agriculture, self-evidently. And given both the CAP and the Common Fisheries Policy that were always problematic, they were very good at negotiating, but they were dealing with difficult issues. Then you had the Board of Trade (subsequently DTI) and beyond that, and beyond the Foreign Office, the Treasury to an extent, but not very much. For example the European experience of the Home Office at that period was close to zero and the same was true for the Ministry of Defence.

TR: *Then you were then posted in Paris as Private Secretary between 1972 and 1974. What was your job there?*

SW: It was pretty low-level stuff. It was very organisational rather than policy, if you see what I mean: when the ambassador was going to do a tour outside Paris, I arranged the details; I got somebody to draft the speeches, but I was not involved in policy. Obviously I saw a bit of it, I was aware of the discussions that went on in 1972, in particular between Robert Armstrong who was working for Ted Heath, and Christopher Soames and Michel Jobert from the Elysée, leading up to meetings between Heath and Pompidou, and all of that. But I was not directly engaged in it.

TR: *How was the atmosphere at the Embassy in those years, and especially after the conversations between Heath and Pompidou and the then successful negotiations leading to the signature of the Treaty of Accession? Euphoria or business as usual?*

SW: Yes, 1972 was a big year of course, the Queen made a State visit that was, as far as these things matter, a success, and Pompidou helped to make it a success, and – this is now retrospective rather than what I thought at that time - I don't think Pompidou had always thought of Britain as a member of the European Communities, in the way of simply waiting his chance to let us in, rather the contrary. And I think he was persuaded by Willy Brandt that the time had come. And very shrewdly, Pompidou insisted that the financing of the Community be decided by the Six before enlargement took place.

TR: *Surely a major psychological mistake in my opinion.*

SW: Yes I agree. There is one of my colleagues who was in Brussels, and who was much more involved at that time, Roderick Braithwaite - a great expert on Russia: I bumped into him in the street a few months ago and we just started talking about the research I am doing and he said to me that the Treaty of Accession was Britain's Versailles Treaty. And if it is a rather stark way of putting it, it is nonetheless rather true. But none of that was really apparent at that time: now I quite often ask myself the question whether and how crucial the personal dynamics were between Heath and Pompidou and their famous meeting. I think the truth is that the ground had been so carefully worked out that they'd have had to go out of their way to spoil it. On the other hand, I think it helped that they were both Conservative politicians with a big C. Pompidou was suspicious of Harold Wilson. Michael Palliser who was Wilson's foreign policy advisor in the mid-1960s told me the following story: Pompidou as Prime Minister came to Britain, in 1966 I would guess, and Wilson gave him lunch, and they had talks and so on. And then the following day, there was to be a dinner at the French embassy, but there was an emergency debate in the House of Commons on Vietnam, with a vote. So Wilson and George Brown had to stay at the vote and turned up at the French embassy after 10 o'clock at night. And it really rankled with Pompidou for understandable reasons, and I imagine probably Wilson was a bit *cavalier* about it, so there was a kind of personal thing, which I think would have stood in the way; and there is no doubt that people were suspicious about how European Wilson really was. I think Wilson was a European because he had made a cerebral decision about it, whereas Heath was a European of head and heart.

TR: *Heath is indeed usually described as one of the main, maybe the only, British politician who was pro-European from head to toe. Would you agree with that?*

SW: Well, I think it's interesting, because it might be a bit exaggerated, looking at the papers from the time. I think he was pro-European, and he committed himself to Economic and Monetary Union but his views of Europe were very much in line with other, later, Prime Ministers. In other words, Heath thought: "This, the EEC, is an organisation that should basically be run by Britain, France and Germany". Two or three times, I came across Heath saying in private discussions "Of course we want politicians to be members of the Commission, not because we want a political Commission, but because we want Commissioners who understand the domestic politics of the member-states". And you know he had no love for the European Parliament. And Heath's

behaviour in late 1973 during the oil crisis, was pretty self-interested. So I would not see so much difference between him, say, and Blair or John Major.

TR: Did this first period in Paris have any influence on your choices or your later assignments dealing with European policy, or did you just go on with the normal progression of your career?

SW: I wish I could say it did really, and partly because the truth is that, at that time, you did not have very much choice. So when I came to leave Paris, one of the senior people in the embassy who had been Head of the Foreign Office News Department, the Press Department, got me a job in the Foreign Office News Department. I started off dealing with non-European issues and I was then moved to dealing with EEC issues within the News Department, so I used to go to Brussels a bit, and saw a bit of things. And in 1974-75, I was pretty conscious of how at that stage the British Press corps present in Brussels was ferociously pro-European and was very critical towards the new Labour government. But again, my natural reaction - and that was my job - was to defend the position of the British government.

TR: At that time in the mid-Seventies, the architecture of the European machinery in Whitehall was being built, in particular the European Secretariat being formally settled. Being in Paris, did you inform the British government about how the French were coordinating their European policy through the SGCI [Secrétariat Général du Comité Interministériel, the major organ of coordination of the French European policy at official level], because it is said sometimes that the SGCI was somehow seen as a model for other countries? Would you agree with that last statement?

SW: I think that would have happened at a slightly earlier stage, because of course we had thought at an earlier stage that we might be joining, etc. I think that looking at what was being done in France and elsewhere would have been done at an earlier stage, but I do not recall that. It was more a 'given' at that stage rather than something we were looking at closely.

TR: Back in London, what did you think of the claim from the newly elected Labour government to a renegotiation of the Accession Treaty?

SW: The general feeling in the Foreign Office was close to despair. I think those who were directly involved in it - I don't know if you have talked to Michael Butler; but he was Under-Secretary in the Foreign Office and he had a lot to do with Jim Callaghan who was Foreign Secretary. And there is pretty clear view that Jim Callaghan and Harold Wilson had decided that the renegotiation

had to succeed, and if you look at the papers that is very clear, and they actually handled that very difficult task. But the outcome could not be certain.

You have to remember that Labour's loss of the 1970 election had come as a big shock. David Owen, my former boss, said that three days before the 1970 election, he had sat in Roy Jenkins' kitchen, and Roy Jenkins was saying "I am going to be Foreign Secretary"; that was the way they talked! So the loss was a shock, and then Europe and the British membership became a dividing line within the Labour Party. Jim Callaghan, I think, saw Europe as an opportunity to win the leadership of the Labour party but he did not directly challenge Harold Wilson. Harold was fighting for his life in opposition, and though it was not very heroic, on the other hand, when you're a party leader, your first job is to keep the party together. And that was the job he had to do. So the renegotiation – it was felt anyway – was more directed at the Labour Party than it was directed towards the national interest. And the material gains from it were pretty marginal. But if you talked to Michael Butler, you would get a comment on Jim Callaghan's position from a pretty early stage.

There's a very interesting record of the first weeks of the new Labour government in 1974, February 1974. All the ambassadors from European Community countries were called back to London and there is a very full record of the meeting. Callaghan said right up front (remember they had a tiny majority - no in February they were a minority government in fact) and what Callaghan said was basically that "as long as the anti-European Conservative Right think we are serious about the renegotiation, they will not defeat us". So in other words, there was an added reason, there was not only the Labour Party.

But the truth is that the Foreign Office was very disappointed and the feeling was, again, that we had had such a long struggle to get in, and that now we were alienating our partners for local reasons.

TR: Did you know what was the feeling of others departments in Whitehall? For example, the Treasury was quite eager to see the budgetary question renegotiated ...

SW: Yes, Callaghan was very much in the driving seat: he had been a former Chancellor of the Exchequer, and he saw very clearly that the biggest issue for the British national interest was the budget, while Harold Wilson did not really see that. At that time, Wilson was a tired man and he was focusing on issues such as New Zealand, and so on, and he did not really focus on the budget

issue. That is partly why in the end the deal the Labour Government got on the budget was not a particularly good deal. But it was evident from pretty early on in our EEC membership that this would be an issue, but initially it was thought that it could be solved by expenditure policies, hence Ted Heath's insistence on having a Regional Development Fund, but that did not work.

TR: *Would you say that there existed a rivalry between the FCO and the Treasury to keep the lead on European policy?*

SW: I don't know really, because I was pretty junior, and I have a much clearer view of the 1980s. Certainly, from the official files, that does not come through so clearly.

TR: *In the Seventies was there in the FCO, a legacy of those whom the journalist and writer Hugo Young dubbed as "the elite regiment"², people such as Michael Palliser, John Robinson or David Hannay?*

SW: Yes I think there was, and equally, I think that in the FCO, Europe was very important career-wise: the European route was a key to the top. The very good people went into the European Departments - EEC business it was all rather esoteric for the rest of the Service. Although European business was a huge part of foreign policy, it was not the dominant part. First of all you had the Cold War and all the Cold War entailed, and then you had all the rest. When I was working for David Owen from 1977 to 1979, I was dealing with issues like Rhodesia and so on, and not with European issues.

And also psychologically, we liked that, because they (the global and 'colonial' issues) gave us greater relative importance in the world than we deserved; and I think it's partly the absence of those things that accounts for the fact that we have realized in the past 15 years with the departure of the Soviet Union, the end of the Cold War, end of Empire and all those things: "what's left?" The answer is: nothing. If you look at William's Hague foreign policy speeches: well we can have a good relationship with Abu Dhabi, great ...

So take Rhodesia for example, there was an Anglo-American plan: David Owen and Cyrus Vance travelled the world together, it was very seductive.

TR: *What was the reputation of John Robinson in the Foreign Office? Did he have a reputation?*

² *This Blessed Plot, Britain and Europe from Churchill to Blair*, Macmillan, 1999

SW: Oh yes he did. He had a reputation: as extremely clever, extremely awkward, and difficult. I only knew him very slightly when I went to Washington in 1979, and he was the No 2 at the Embassy. By the time I arrived in Washington, Jay had just left and Nicko Henderson had arrived, but people in the embassy who had lived under the regime where Peter Jay was the Ambassador and Robinson the Minister said if you were known by Jay to have talked to Robinson, you were cast into darkness, and vice versa. I had minor dealings with John Robinson; I was nervous of him, but he was fine, and he left very soon after I arrived, but he was fine.

When I was in Ethiopia, there was a woman who came out at the embassy who had worked as Robinson's secretary in London. She obviously liked him, but he was a person who swore, and used four letter words, which in those days, on the whole, people didn't do; you know, gentlemen did not swear, especially in front of ladies. One other thing about John Robinson: I haven't been able yet to demonstrate, and I haven't looked in the FCO files, but in the late Sixties, there was a big divide, and the famous "Soames Affair" in 1969 may have been the culmination of it, as to whether basically to get Britain into Europe you had to have the Five gang up against the French – that was the Foreign Office view, and I think that was Robinson's view; or whether, and that was Wilson's instinct, you had to do a deal with France – which was the correct view. And I think that Robinson was in favour of the confrontational view.

TR: *You said that being posted in Brussels was already prestigious for a diplomat in the mid-Seventies. Were you talking about going into the institutions or about diplomatic postings?*

SW: Yes indeed, I was talking about the diplomatic postings, and not of going into the institutions. As far as the Home Civil Service was concerned, Ted Heath sent an instruction that all the Permanent Secretaries should look for their best people to go to Brussels and there is a piece of manuscript on the files in Heath's hand saying those who don't do as instructed won't find themselves remaining Permanent Secretaries. But I am not sure of how far that ever really worked, and I think it got worse since, certainly. I was thinking more of postings to the UK Representation from the Foreign Office. They were considered a good thing.

TR: *From what you could observe at the time you were working for David Owen, how would you qualify/describe the relationship between the Permanent Under-Secretary and the Minister?*

SW: Well, I was devoted to David Owen, and I am indeed godfather to his daughter, but he was a difficult boss. You should ask Michael Palliser about this. At that time, David Owen had the reputation of a tremendous European while Tony Benn was then pushing a very euro-sceptic line in Cabinet, so Palliser was always urging David Owen to take him on, and David Owen was always reluctant to do so, I think, because David Owen thought he would be future leader of the Labour Party, so he was playing the politics. And in those days, it seemed hard to understand that. But Benn was a big figure on the left of the Labour Party. So, there were those sorts of friction. And I am thinking of somebody who knew David Owen better than I did at that stage, a friend of his who had also worked on European issues: he always thought that David Owen was a sort of European nationalist, that he was European but with that sort of nationalist streak that was quite strong.

TR: Was he at odds with the Permanent Under-Secretary?

SW: He was, really. I think it was David Owen's fault rather than Michael Palliser's fault. David Owen disliked the fact that he thought that the civil servants, including Michael Palliser or David Hannay, were taking a more political view than they should. In other words, they were trying to get him to do things which were not themselves improper – in particular, as I said, taking on Tony Benn - but he thought it was improper of civil servants to do it. And of course, Owen was himself hedging his bets. I've never had this conversation with him. But as usual things are said by Ministers in front of their drivers and their protection officers and they get reported back. And one of them reported a conversation in which Owen set out how he would become Leader of the Labour Party. And of course to do that, you would have to appeal to the Left as well as to the Right.

In an interview, Sir Brian Crowe said indeed the "The Office did not like him at all", referring probably to what you have just said about Michael Palliser. And in his Memoirs, Lord Owen confirmed the problematic work relationship with part of the top staff in the Ministry. Was it only a problem of substance over the policy or Owen's cautiousness in Cabinet, or a problem of matching personalities?

SW: David Owen was the youngest Foreign Secretary since Anthony Eden; he was only 38 when he became Foreign Secretary. He became Foreign Secretary in tragic circumstances after the sudden death, from a stroke, of Tony Crosland. And the Foreign Office is quite a genteel department, more so than other departments, and it likes to operate on the basis that officials think of ideas, and they put them in formal submissions to the Foreign Secretary and the Foreign

Secretary says yes or no. But David Owen did not work like that: he had a thousand ideas a day, some of them were very good and some of them were bad. I think, looking back, that he was probably feeling more insecure that he would actually acknowledge. Besides, he was going through a very difficult time personally, because his oldest child – he then had two boys – had leukaemia, and they feared he was going to die, but fortunately he's alive and well to this day. So he was under pressure.

But he was very hard on things, he was rude to people. And it is quite difficult for officials to answer back in those circumstances. If he disagreed on something, he would write or say: "This is the worst piece of work I have ever seen" – that kind of tone.

I did not know him at all before I went to work for him – I had had my interview with Crosland, and Owen just accepted that I was part of the inheritance as it were, and he had started to be Foreign Secretary about two months before I went to work for him. I thought, for about the first year I worked for him, that he thought I was a complete idiot. And we went off to Namibia because there was an effort from Britain, France, Germany, Canada and the United States to bring Namibia to independence. And while we were away, Debbie Owen, David Owen's wife, invited my wife to go down to their country house in Wiltshire for lunch. And Debbie said to Catharine: "David has a very high opinion of Stephen", and that was the first indication I had. I remember thinking to myself after the first few months: "This is fundamentally a decent man who behaves badly but he is basically a decent man".

And I enjoyed working for him, although he was hard, because I liked the fact he was so full of ideas. I was doing African issues mostly, Rhodesia in particular. And the Foreign Office's policy, which he inherited, was the so-called "Internal Settlement". It meant that you do a deal with Smith and Bishop Muzorewa – do you remember Bishop Muzorewa? He is lost in the mists of time now! And David Owen could see that it was not tenable - he saw clearly that at some point you had to deal with the Patriotic Front, you had to deal with Mugabe and Joshua Nkomo. And he worked out – cleverly I think – that the best way to do that was to bring pressure to bear on the Rhodesian government through the South-African government on whom they depended, and the best way to put pressure on the South-African government was through the Americans. And so he lined up with Cyrus Vance, the American Secretary of State. And essentially, when Labour lost power in 1979 and the Conservatives came in, Carrington basically took the Owen policy over. And of course it was much easier for a Conservative government to bring it to fruition than for a Labour government, for the Labour government had had longstanding links with that part of Africa that

supported the Patriotic Front, and therefore it was unclear whether a Labour government would be really tough enough with the Patriotic Front, etc. By contrast, the Conservatives were prepared to walk away. Equally, when Ian Smith and his regime saw that the Conservative Government meant business they began to see that they had lost their leverage on Conservative opinion in Britain on which they had hitherto always counted.

So that side of David Owen, that kind of imaginative side which is still there – he's in his seventies now - I liked a lot. I had nothing to do really, with the European side of things and he was a disappointment to the Europeans, to people like Michael Palliser.

TR: That may explain indeed why David Owen did not really give any ministerial impulse when it was proposed to Britain to re-launch the EMS in early 1978. From what I could see in the papers, the Treasury had sort of confiscated the whole initiative on the EMS with the Foreign Office very much as an observer.

SW: Yes. And Denis Healey was fundamentally a sceptic about Europe; he partly disguised it, but he was really. And he was a powerful figure, he had stood for the leadership against Callaghan and he had lost, but he was a powerful figure: he was not afraid to slap down people who disagreed with him, fairly fiercely. And there was a bit of jealousy towards Owen who had, at that stage, a privileged relationship with Callaghan which people were probably envious of as well.

TR: Do you concur with the view of Lord Owen who wrote that the senior hierarchy of the Office was "a sect" of federalists?

SW: No, I think he may have exaggerated that in his own mind. They were highly motivated people, because they were all people who had lived through that humiliation of Britain not being there at the beginning and then being kept out, and then the whole period of the renegotiation and the referendum when officials had to take political positions. That was in their blood, so Owen is right to that extent but talking of "federalist", I don't think any of them – from the documentation I've seen and from my knowledge of them – was federalist in the classic sense.

TR: David Owen suspected his officials to be in close contact with the British seconded in the European Institutions, and especially in the Commission, people like Crispin Tickell who was Chef de cabinet to Roy Jenkins when the latter was President of the Commission.

SW: Yes, he hated all that. Again, there was a slight sense of paranoia in this. He hated all that, the notion that officials were talking to each other. His view was he would tell officials what had to happen and they would find the way to make it happen. And the idea that they could be involved in evolving a policy in discussion in Whitehall rather than executing his policy; he simply disliked it. But that is the way government works. It cannot actually work in any other way. And to be honest, he was not always successful in Cabinet in getting his way: he is a brilliant conceptual thinker, but he is not a tactician at all, his whole political career demonstrates that. And it is partly his personality: it is a pity but he did not make the normal accommodations in courtesy to people that usually help to oil the machine.

TR: So you were dealing mainly with African issues at that time.

SW: Yes, Africa and the Commonwealth, of which Rhodesia and also the International Settlement in Namibia were all-consuming really.

TR: Did you hear, at that time, of the drafting of a paper submitted to the Cabinet in the Spring of 1977 about Perspective for Britain's European Policy and for which David Owen sort of by-passed the top hierarchy of the Department?

SW: No, I didn't.

TR: It is quite interesting to see that this paper contained, as early as 1977, most of the main lines of the European policy Britain implemented in the 1980s (especially the budgetary question, the insistence on reforming the CAP, or even the tactics). It somehow leads to see the political rupture of 1979 in a more relative way.

SW: Well, I have not seen the paper, so obviously I cannot comment on it. But I am now in 1976 for the next volume³. The budget issue had been sort of sorted out at Dublin – but not really resolved as it turned out subsequently -, the CAP had been a British issue since the beginning really. I came across a paper today, a minute from Shirley Williams who was then Secretary of State for Prices and Consumers' Affairs, to Jim Callaghan who was about to become Prime Minister – it was in April 1976 -, and he and Harold Wilson were going to a European Council. And Shirley Williams was saying that he and the Prime Minister could raise the issue of the working of the CAP

³ *The Official History of Britain and the European Community, Vol. II: From Rejection to Referendum, 1963-1975: 2 (Government Official History Series)*, Routledge, to be published, July 2012.

and see what support they would get from our partners. So that was already an issue, and that was just after the Tindemans report had been published. And although the British reactions were that the report was not so bad, that it was sensible and pragmatic, hostility was raised against the perspective in Tindemans' report of more majority-voting. So you could already see some of the things that later became, in a more shrill fashion, British issues.

TR: And there was obviously a strong consensus on this line within Whitehall itself, don't you think? Officials were just waiting for the political leadership that would raise issues they had been thinking about since Britain's entry.

SW: Yes. And the referendum demonstrated, and it was even more obvious in the years after, that important split within the Labour party on European issues. So even if Callaghan and other senior colleagues had been more instinctively pro-European than they were, they had anyway to be cautious. Owen had his own convictions, but he was obviously playing to that tendency.

TR: David Owen also referred to Nicholas Henderson who was ambassador in Paris when he was Foreign Secretary. He remembered a meeting at the British embassy in Paris with Henderson who had expressed his satisfaction that Britain had now a pro-European Foreign Secretary, saying that they could achieve great things with European partners, etc. And this speech in which the ambassador was expressing his own pro-European stance had obviously infuriated David Owen and confirmed to him that top senior officials in the FCO had an agenda.

SW: Again, that is more about David Owen than about everything else really. Most senior civil servants, especially of that generation, of Henderson's generation, had been through the War in one form or another; and a large number of the people who were senior minister in the Cabinet at that time were people whom Henderson had been to University with – for example Roy Jenkins was a long-life friend of his. He and Crosland were contemporaries. So Henderson would have expected to have those kinds of conversations with people who might be his political superiors but were willing to engage intellectually as equals. So for someone like Nicko Henderson to be faced with a young politician aged 38 who behaved like that ... Those who encountered that side of David Owen thought his behaviour needlessly ill-mannered and brutal.

TR: You dedicated your first book to Nicko Henderson. What were your relationships? What did you learn from him? Did he embody a certain type of diplomat/ambassador and does this type still exist?

SW: That is quite difficult to say really. Nicko Henderson was quite a rarity even within his own generation. He was more overtly committed to Europe than some of his contemporaries were. When Labour came back into power in 1974, Callaghan had a meeting with all the European ambassadors to talk about the policy of renegotiation, and they were all talking about the detail of it. And Henderson was the only one who actually said that there was a real national interest at stake here, whether we were part of the European Community or not: he was the only who had the nerve to say that.

TR: He has become quite a legendary figure now.

SW: Yes, and rightly so. I worked for him in Washington and I have a huge admiration for him. He had very great qualities, including qualities of judgement. He played a very key role in the Falklands issue with the American government, and publicly, and he saw all the issues and the tactics very clearly. I think there are probably people as able today, but anyway in each generation a few people stand out, and he certainly stands out in his generation.

Nicko was more flamboyant than most. He was described by a newspaper journalist, when we were in Washington, as looking like a broken down stately home – which he saw as a compliment. Whereas Michael Palliser, for example, another great contemporary, was always the former guardsman, perfectly correct, etc.

TR: In the early 1980s, I think that a “European fast stream” has already begun for high-flyers in Whitehall. Did you benefit from it, or do you know people who did?

SW: No, I certainly didn't. I did not really think of it. When I was about to leave Washington in 1983, Robin Renwick, whom I had known well because he was the Head of Rhodesia Department (I first had known him in Paris actually), was the Head of Chancery in Washington. He said to me he had arranged for me to go back to become the Assistant Head of European Communities Department. But I did not realize that at that stage he probably already knew that he would come back himself as Under-Secretary, and that he was sort of putting his people in place. He kind of decided.

TR: That was common practice, wasn't it?

SW: Yes it was. It would now be called “mentoring”. In those days, you did not bid for jobs in the way the Foreign Office does now. If you knew what was going up happen by and large, fair enough, but you were actually going where you were told to go, not necessarily where you would like to go. Robin was not doing anything unusual; he was doing me a favour, but it was not odd.

TR: So let's focus on the period you were posted in Washington as First Secretary at the British Embassy between 1979–83. What was the job about exactly?

SW: I was First Secretary and I was responsible for the issue of Northern Ireland, which was a big issue between the United States and Britain; and the other part of my job – and they were obviously linked because there was big US congressional interest in Ireland – was to report on American politics.

TR: You were already there when Ronald Reagan was elected. Did it change the style and the substance of Britain's relationship with America? Of course there was soon to be the “Ronnie and Maggie Romance”, but what could you see from the diplomat's point of view?

SW: Anglo-US relations went through a bad patch under Heath and Nixon, largely due to Heath and Kissinger more than anything else, and obviously because of the whole *débâcle* of Nixon's departure. Ford was in a sense a kind of stop-gap. Then Callaghan developed a good relationship with Jimmy Carter. Insofar as people started to think again about a special relationship: it began there. Carter was tougher than his public ‘folksy’ image suggested: there was a certain similarity between him and Callaghan, in that Callaghan's image of “Sunny Jim” disguised the fact that he was a tough politician, and rather rude as a politician; and Carter, beneath this kind of folksy, southern-states image, was quite tough as an individual. I remember going with Owen to a meeting at the White House, when Carter taunted one of the State Department advisers to whom he had asked a question which the advisor answered, and in front of everybody, in front of us, the visiting British delegation, Carter taunted him saying it was not the answer to the question he had asked, in a very rough way.

So the relationship was there. Margaret Thatcher came to Washington when Carter was still President, shortly after I arrived - I was brand new. She wanted to talk to Congress, so I went down to talk to the critical people asking whether we could have a joint-session of the House of Representatives and the Senate. Later, I discovered that was a privilege that had been reserved to people like Menachem Begin or Sadat, and so on ... But that was still ok, they would do it. So they

had this joint session for Margaret Thatcher to address, and she completely wowed them, because she was so direct! It was rather uncommon in American politics to have somebody who, when asked a question, would give a direct answer.

That was before the start of the Republican nomination process, but the Republicans in particular were saying “May we have a candidate like this, who embodies what the people want, etc.” So even then, that was a kind of feature of the scene, even before Reagan came in. I don’t think there was any particular feeling on the part of the British government: they probably wanted Reagan to win, but they had reservations about Reagan. Was he up to the job? Was he a finger-on-the-nuclear-trigger guy? There was a joke that went around in Washington at that time: “What’s black, flat and glows in the dark? Answer: “Tehran, five minutes after Reagan becomes President”.

I think that when he was elected, Margaret Thatcher made a conscious effort to get on terms with him and eventually it developed into something more than that, into a genuinely warm relationship. But again, in the classic American fashion, not to the point where America was putting aside their interest in favour of British interests: the Falklands were a classic example of that: Reagan’s own instincts on the Falklands were not particularly favourable to Britain’s position. He was much influenced by Jeane Kirkpatrick, his representative in the UN - and a former member of the American Cabinet. The Administration had had a policy towards Latin America which, they thought, was working. Cap Weinberger was much devoted to the British cause and gave the assurance that we would get all the military and intelligence help we needed – and badly needed - from them. Haig, the US Secretary of State, was ambivalent. So on major issues, the US Administration did not immediately and instinctively take the British line, whereas opinion in America was 99% sympathetic to the British cause as was Congress.

And on the nuclear issue, when Reagan was negotiating with Gorbachev and committed himself to a sort of unilateral nuclear disarmament, Thatcher was obliged to rush off to see him and claw back what he had conceded. And in my area a bit, on Northern Ireland, we were trying to persuade the Americans to sell handguns to the Royal Ulster Constabulary, not an unreasonable request for one ally to make to another. But we did not succeed in getting them to do so.

TR: Do you think that the “Special Relationship” is a concept that is regularly re-assessed by the Foreign Office, or is it an intangible principle engraved in marble?

SW: Well, if you go back to the Heath period, the Foreign Office was basically saying that there wasn’t a special relationship. There were things that were unique about it compared with that of

other countries, of which the intelligence and the nuclear relationships were the two most important. Both counted for a lot in British eyes given the commitment of successive governments to the so-called independent British nuclear deterrent; that was important. Also the intelligence relationship was considered hugely important. And of course, the feeling up till the late 1980s and early 1990s was, correctly, that at the end of the day, we did depend upon America for our security and our ultimate defence.

And beyond that, there was the fact that British Prime Ministers began to like that they were seen to be the closest buddy of the President of the United States. And it worked in British domestic politics. And that's partly because, if you have lost your Empire, etc, etc. you make yourself seem important vicariously by being close to the Superpower. British Prime Ministers always wanted to be the first person on the plane to Washington after the inauguration.

TR: Yes, I think the French and the Germans try to do more or less the same thing together.

SW: The truth is that, in terms of a personal relationship, language helps. But I think the Americans have a perfectly realistic view of the relationship while we British have a perfectly unrealistic view of that relationship.

TR: Did you enjoy your time personally in Washington?

SW: Yes. Our son Mathew was nine months old when we got there and he spent his first four years in Washington which is a very agreeable place to live. My job was interesting, it was interesting to follow American politics. Northern Ireland issues were interesting and very difficult because I was there during the time of the Northern Ireland IRA hunger strike and I had to handle all that in terms of American opinion, which was quite challenging. We thought we had a good story to tell, not a good story historically speaking, but in terms of what British governments had been trying to do since the late 1960s.

A group was formed in Congress called "The Friends of Ireland" and it was Ted Kennedy, Pat Moynihan, Tom Foley, and one who subsequently became Speaker of the House, Tip O'Neill. They were a powerful force, for good really, putting some pressure on us, but in particular saying to the Americans that the IRA were basically terrorists, because the IRA had huge fund-raising in the USA. And to his credit, Reagan was rhetorically unequivocal: he was asked, when he was a candidate, about his attitude towards the IRA and he said unequivocally that they were terrorists

and that the Americans should not have any truck with them. But there was always the huge Irish American diaspora, and it was the beginning of the whole “roots” fashion, people re-discovering their roots. There was a very tough Italian-American senator called Senator Amato who had a lot of Irish-American constituents in New York, and he had taken up the Irish cause. He was a real pain in the neck. I remember vividly: he was going on a visit to Northern Ireland, and although he had been a stern critic of all that the British did, we had a call from his office seeking our assurance that the British army would provide security for him when he went to Northern Ireland!

TR: Back in London in 1983, you became Assistant to the Head of European Community Department, and then Head of the Department itself, until 1988.

SW: Yes, there were two departments, the internal and the external. I was the Deputy-Head of the internal one, and then I became the Head of it. In theory, there was a hierarchy, but in fact, Patrick Fairweather who was the Head of Department and I kind of divided things up between us. I focused much more on what was already – though it was in the very late stages – on the *I want my money back*, (the budget) negotiation. I was first of all working for David Hannay, and then working for Robin Renwick as I explained.

TR: The European Community Department used to be called “European Integration Department” up to 1979. Do you think the renaming was just cosmetic or was it more substantial in terms of policy?

SW: As I said, when I came there were two departments, internal and external. So I don’t think you could have a “European Integration Department – External”. I think it had mainly to do with that, and nothing more than that. I don’t think there was any dis-integration.

TR: What was your job in the Department?

SW: We were almost a law unto ourselves. We were not particularly integrated with the rest of the Foreign Office. There was an attempt, rather unsuccessfully, to farm out bits of European policy to other departments: there was a department for Maritime, Aviation and Environment issues, so we assumed the latter might do some environment stuff for example. The fact is what you needed, certainly, was expertise in the particular subject, but you needed above all expertise in negotiating with the European Union. So there were large swathes of the Foreign Office for whom what we were doing was not central. And we always felt ourselves rather apart from the strictures which

Margaret Thatcher used to make about the Foreign Office being “wet”, as we regarded ourselves as kind of tough and committed to defend her policies and so on. And on the whole I think that was true.

Again, it was simply a reflection on the fact the subject matter was rather self-contained, complicated, and that you had people good at *doing* it since the beginning of times, like Michael Butler and David Hannay: and they were forceful people. And therefore what they said was the gospel really; there was nobody who would dare to question it.

TR: In the first pages of A Stranger in Europe, you described yourself working as a “back-room boy” at different European summits. Could you explain what it meant exactly?

SW: It means that I was not the person going to the meeting and doing the negotiation. I was drafting the briefings and I also attended some bilateral meetings. I was doing the submissions and drafting the letters that would go to No 10 and all that kind of stuff. And obviously, if you are Head of Department, you are also responsible for all those managerial issues within the Department as well, so I was also doing all of that.

TR: And in the early 1980s, what was the real grasp of No 10 on issues such as the rebate and the way European policy and the negotiations should be conducted?

SW: Well, I think there was the beginning of a difference of view between Mrs Thatcher and Geoffrey Howe, certainly about the manner in which she conducted things. But she was who she was, she was not going to be any different. I think one of her failings was the fact she had no real sense of other people’s feelings. You know, she would get the Treaty of Rome and ask her fellow Heads of Government “Has any one of you actually read this?” because she had read it! And of course it was humiliating! But you know she thought men were pretty unreliable anyway. We had got ourselves in a bit of a mess, because we had this very complicated Treasury formula on the budget. And in the end, it was Robin Renwick who came in as successor to David Hannay – I remember Robin taking himself off for several days before he took over from David, and reading through all the papers - and Renwick came to the conclusion that nobody understood what we were proposing, so how could you possibly make it work, really? And he was instrumental I think, in moving the policy to a more straightforward and negotiable position.

Now, had it been left to Geoffrey Howe, would we have settled earlier? Possibly ... Being what it is like in negotiations, you have to be seen to be tough. I think Jacques Attali says in one of his books that she could have had more or less the same deal six months earlier. But I think there was a feeling that Mitterrand wanted to wait to do the deal during the French Presidency. And Mrs Thatcher had to feel that she had got as much as she could get. You always have to demonstrate, you know, that you have gone the last mile.

TR: Like "Britain is back"?

SW: Yes, it is like the old negotiations used to be in the Agriculture Council: you know you have to sit here for two nights running, not because the deal you get is very different from the one you could have got, but simply to demonstrate that you fought the last inch of the game. Our sense within the European Communities Department was strongly in support of her. On the substance she was right: there was an injustice and we did not have any doubt about that.

TR: Do you agree with the idea that from 1977-1979 onwards, the European machinery within Whitehall had reached its cruising speed?

SW: Yes. Certainly at the time I came back in 1983, there was a very strong sense that it was the Foreign Office, the Cabinet Office, and UKREP *versus* the rest. David Williamson who was the Head of the European Secretariat, and Margaret Thatcher's principal advisor; Michael Butler who by then was in Brussels; David Hannay and then Robin Renwick - those three would concert about how they were going to handle the weekly Friday meeting, how they wanted to handle the other Departments, that was very much a tripartite collaboration. And I think it does not happen anymore. Certainly in my latter period, working for Blair, it did not happen anymore. In the earliest years of this century, it still happened between UKREP and the Cabinet Office, but the Foreign Office was not quite in the loop any longer.

TR: So the Foreign Office at that time was still strongly involved.

SW: Yes. And very much again, in the 20th century, for it does not really happen now really, except on institutional issues where the Foreign Office leads. In the '80s knowledge within Whitehall on the EEC was not that great. I can remember, for example, the desk officer under me, dealing with the structural funds, was a young diplomat called John Sawers - he is now the Head of MI6. So John was doing the structural funds, and he really made himself expert in it, and he could really

almost run the policy even though the Foreign Office was not the lead department in Whitehall on it.

TR: You had a good relationship with the Prime Minister then, and with her Foreign Policy advisers then I guess, because you were following the line, and successful in doing it?

SW: Yes. As I was a backroom boy as I said, I was not dealing with her directly. But we all felt that we were doing what she wanted to do, and we were getting feedback from people like Hannay, Renwick or David Williamson about what she was thinking and so on and so forth. Later on, I think, in the pre- and post- Bruges period, people began to feel unhappy. But at that stage, we thought we had a good cause, and that we had to be bloody and tough to get an outcome.

TR: From what you knew of the Foreign Office, did you observe significant changes during the 1980s, or was it still the Foreign Office of the Sixties and Seventies?

SW: I think it was still the Foreign Office of the old times. I had myself an unusual career in the sense that when I came back from Paris in 1974, I worked in the Press Office - News Department – and then I came to work in No 10 for a year and then came back to the Foreign Office. But the basic structure was very familiar, and unchanged from my time working for David Owen and Peter Carrington. And obviously, working in the Private Office, you have an overview of the Foreign Office, and structurally, it had not changed.

TR: Would you say that it changed later, at the time you were ambassador to Portugal for instance? Would you identify a break, a rupture?

SW: Well, not really. If it has been, it has been in the last 15 years, when big changes in the whole structure were implemented, in a kind of imitation of the structure of companies and so on, and of course, a big reduction in numbers. But up to that point, the big event had been the merger between the Foreign Office and the Commonwealth Relations Office in 1968. But beyond that, people kept priorities under review, what the priorities of the world were, and so on. And there were also issues such as “Can we afford to be everywhere?” and they were talking in the 1970s about “mini missions”. But there was still a feeling, probably up to the end of the Thatcher period, that we were still a kind of world power.

TR: Business as usual.

SW: Yes, there was still the feeling that our view, the British view on any issue, was important and listened to, and that there were people on whom we exercised influence in a way that I don't think people now believe in the Foreign Office.

TR: Was the end of the Cold War the major rupture?

SW: Two things really: the end of the Cold War was a big factor, and also the end of the residual Empire. For a long time, there had been residual issues, including South Africa, Rhodesia, the Indian sub-continent, Cyprus, Hong Kong. All those things, because they were British issues, and Britain had to deal with them, were important issues in terms of their ramifications, and they gave us a kind of world presence. And once those were by and large gone, except for Gibraltar and the Falklands, with that went the sense that Britain had a kind of residual world presence. If you look at this government, and if you look at William Hague's speeches when he first came in, they were the speeches of somebody who still saw Britain somehow walking the world stage, but he doesn't make those speeches any longer because he has seen that this reality isn't there. Up till the late 1980s, there was a belief - which was probably echoed among French officials in Paris in respect of France's position - that a British view on Palestine, on Arab-Israeli issues etc. was important. A visit to the area by a British Foreign Secretary or a French Foreign Minister was important, in that they could still do something different from the rest of the EU in policy terms and in terms of influence. Now that is not the case anymore.

TR: Then you became Private Secretary to three successive Foreign and Commonwealth Secretaries between 1988 and 1990. I guess you knew the job quite well from before. Was it a classical FCO promotion?

SW: Yes. John Kerr succeeded Robin Renwick, and he was my boss. He knew I was a candidate for the job, and John Kerr said to me he would make himself my campaign manager. So I went home and said to my wife: "My chances of getting that job are now zero, because if John Kerr has said he wanted to be my campaign manager, it's probably because he wants somebody else to do the job". That was my view of John's thought processes, and it was not far from the truth generally, but in that particular case, he meant what he said. And I had got to know Geoffrey Howe pretty

well, because I was seeing him the whole time at European meetings. And because I had previous Private Office experience, I was a logical candidate for the job.

TR: Had the job changed from what Nicholas Henderson has described in The Private Office?

SW: Not really, no and I would doubt that it has changed that much since. You are the last bit of the funnel, you are literally the last person who has access to the Foreign Secretary before he takes a decision, and you may be in the room at that moment and you're the person he talks to, and obviously you are the first person who is responsible for ensuring that his or her wishes get carried out. So whoever does that job is in a pretty significant position.

TR: What is the largest challenging part of the job?

SW: The crucial thing for anybody in those sorts of jobs is that you have to have the confidence of your boss. David Owen used to say that for the duration of their time in his office, he regarded his Private Secretaries as not being part of the Foreign Office. But that was ridiculous. You are not a successful Private Secretary unless you mediate relationships, and I spent my whole life mediating relationships. I had to have his trust and at the same time I had to have the trust of the people in the other parts of the Department. But the Foreign Secretary has to feel that you are reliable and the basis of the job is efficient management. I have already mentioned a colleague who was Private Secretary to a Minister called Lord Chalfont. And eventually Lord Chalfont sacked him because his view was that, brilliant though his Private Secretary was on the whole, he as the minister thought it was preferable to arrive at the airport before the plane took off rather than after! That's the basics; you are the guy who has to produce the Minister's passport at the right moment, and make sure that the Foreign Secretary gets the right material he needs, and so on and so forth. As well as managing the relationship with the Permanent Under-Secretary and with No 10, where the Principal Private Secretary has the responsibility above all. That was difficult in the last years of Geoffrey Howe because the confidence between him and Margaret Thatcher had broken down. I don't think I appreciated just how bad it had got really. Because she was always such a forcible personality and I don't think I quite understood the extent to which she had really stopped liking Geoffrey Howe and was getting increasingly irritated with him. That meeting, during which Howe and Nigel Lawson threatened to resign if she did not change her policy about the ERM, that was obviously the tipping point as far as she was concerned.

I had good relations with Charles Powell, but Charles was not somebody you could have a kind of private candid conversation about things with; he was pushing her line very much, and I think it would have been difficult for me engage him on the subject of her relations with the Foreign Secretary.

TR: Did the Foreign Office feel by-passed by the power and influence the No 10 Private Secretary had gained over foreign policy?

SW: Yes, to an extent, and there was certainly a feeling on the part of Patrick Wright, when he became Permanent Under-Secretary, that Charles had simply abrogated too much power to himself and Patrick wanted to move him on. But you have to live with those realities. There was an increasing tendency across Whitehall to use special advisors and obviously by definition, therefore they had the capacity to exercise more power, but of course it depended hugely on the individuals. If you get back to the files, they are full of minutes from Thomas Balogh who was very much a main counsellor at the times of Wilson's first Premiership. But there is no evidence ever of Wilson responding to a minute from Balogh, and Michael Palliser told me it was because he never paid any attention to what Balogh was saying, although he was considered as a very powerful person. Charles Powell was the official Foreign Office Private Secretary to Margaret Thatcher and he established himself in her confidence in a way that few others have with a Prime Minister before or since, and when I took over from him, I may have turned the job boring again!

TR: So, what happened when you took over from him as Private Secretary to the Prime Minister in 1991?

SW: Charles liked the power, there is no doubt about that. I was not interested in that, and I made a conscious decision that the job should be brought back to what it should be. And I think that it is right that the first source of advice should be the Foreign Secretary, not whoever happens to be doing the Foreign Office Private Secretary job in Downing Street, although that person is a source of advice to the PM inevitably: they are the person on the spot. But again, that influence depends upon the advice that the Foreign Office and the Foreign Secretary give being good advice. I remember, even if I've said this before, that one of the things John Major said when he became Foreign Secretary, very early on was: "I'm not surprised that you're getting so much kickback from Margaret Thatcher and not getting her agreement. It's because you're approaching her quite in the wrong way. You're saying: "This is what we should do" and she thinks "What is it that they are not telling me?" whereas what you have actually got to do is the classic: "Here are the pros, here are the

cons, and on balance, this is the right way we're thinking we should go, even if it's problematic" and then you can take her with you."

I think we have kind of drifted into that, maybe a bit of a reaction to the fact that we did not get stuff through. We did not want to expose too much flank by pointing out the disadvantage of any course of action. And of course, in John Major's brief time as Foreign Secretary, the fact that she liked him helped. And he was more decisive than Geoffrey Howe.

TR: You explained quite thoroughly in your book the details of the negotiations before and at Maastricht. What would be your strongest recollection of that time?

SW: I suppose the most difficult issue was what Margaret Thatcher had effectively refused the advice of John Major, her Chancellor, that we had to allow the single currency to go ahead and get an opt-out because otherwise our partners would have simply signed a separate treaty – very much the issue that David Cameron faced, in a different way over the euro in 2011. So that was the first issue: it was a matter of ensuring that we had got the best deal we could get in terms of its content. To me personally, what occupied my time at Maastricht itself was the whole question of the Social Chapter opt-out, where Major was being put in a corner by Michael Howard. Have you read Sarah Hogg's book⁴? It's quite a good little book about the Major period and it covers this. Michael Howard was ensuring that John Major had no room for manoeuvre. It would have been perfectly possible to devise at an early stage, before Maastricht – the Department of Employment had worked on a version of the Social Chapter which may have been negotiable. But Michael Howard made that impossible, and for Major, the toing and froing on that, or "what could be the course of action that we could broker?" and for Howard, not willing to set out the Social Chapter, was the sticking point for him. In the end, I think it was the Dutch Prime Minister who suggested the opt-out. So that was my biggest worry.

TR: Over the period starting in the early 1980s, there is a passage where you quote David Hannay who regretted that British diplomats had spent too much time trying to water down or resist or block continental proposals, rather than pushing Britain's own proposals. I guess it is false and true at the same time, considering that Britain contributed quite a lot, for example, to the achievement of the Common Market in the mid-Eighties. Do you think it is still the case?

⁴ *Too Close to Call: John Major, Power and Politics in No.10* by Sarah Hogg & Jonathan Hill, Little, Brown (1995),

SW: Even before Blair, we were going to successive negotiations saying to ourselves that we mustn't go on the back-foot, that we had to be proactive. But I think that since renegotiation, and even before that, since the negotiation leading to Fontainebleau and subsequently to the Single European Act, Britain has defined herself as the institutional back-marker. So anything that Britain proposes becomes the floor, because it's Britain. And because for any British government, on the institutional question, there is only a very narrow margin for manoeuvre. And we are very literalist: we find it impossible to say stuff that we don't mean. We're not good at rhetorical effects. Did I tell you the "Golden Delicious" story?

TR: No.

SW: At some point in the 1980s, when quite a lot of British lamb was being burnt by French farmers, there was a feeling in Whitehall that we weren't getting much redress, so we were wondering what we could do to retaliate. So somebody came – I don't think it was me - and said "Why don't we simply hold imports of French apples at Dover, saying "we're sorry, we're too busy, we have got to inspect them and blah blah blah", and there was a meeting in Whitehall dealing with that, and Customs and Excise said that if they were ordered to do so, they would refuse to comply with this order, because it would be against the law. And even if they did comply, the British importers of Golden Delicious would go to Court, they would immediately get a Court order and the policy would be over in two weeks' time. So while the French government could give the order to hold Japanese video recorders in Poitiers, we couldn't just do the same in Britain.

TR: *This is obviously ingrained in the constitutional practice of Britain. Commenting on the very early steps of the European project, especially about the Schuman Plan and the Treaty of Rome, Con O'Neill says that the British could not accept it because the provisions of the Treaties would bind Britain forever. And we can see it again in the mid-Eighties when diplomats try to avoid any new Treaty and replace it by a gentlemen's agreement.*

SW: The truth is that the British non-treaty recipe was a non-recipe, really. The notion that you could do the Single Market without changing the Treaty was delusion. Whether Margaret Thatcher really believed it, I'm not sure. The difficulties of enacting Treaty changes led to an argument that was always a false argument. You had to have Treaty change. You could argue about subsequent IGCs: Maastricht was necessary for Economic and Monetary Union, but the need for the Amsterdam and then Nice and even Lisbon Treaties is more debatable.

TR: In 1993, you were posted as British Ambassador to Portugal. Were you happy about this appointment?

SW: Yes. I was tired after a long period as Private Secretary, working very long hours (around ninety hours a week), and it was another step up. There were three possible jobs that I could have had: one was ambassador to Denmark, the second was ambassador to the UN in Geneva. I did not fancy the UN job in Geneva and I thought that Portugal had obviously a nicer climate than Denmark! And British relationships with the Portuguese are rather close ones, so yes I was more than happy to do it.

TR: Jose Manuel Barroso was Foreign Minister at that time, so I guess you got to know him quite well.

SW: Yes he was and I got to know him quite well.

TR: What is your major recollection from your ambassadorship in Portugal?

SW: My major recollection is that I prefer multilateral diplomacy. It was fun, and there were certain things that, as an ambassador, you could do, on the commercial front in particular. The Portuguese have a rather political approach to big contracts, so you could help and use your influence. There was quite a big British community which occupied quite a lot of the time of the ambassador. There was the whole business of European lobbying: we lobbied far too much, on excruciating details, in a very British way. And with Portugal, compared with other European capitals, there were fewer direct telephone contacts between London and Lisbon, so there were things that the ambassador could do. And I was lucky that I knew John Major who came out twice when I was there, for holidays in Portugal, so the relations between him and Cavaco Silva were quite warm.

But I think that, in modern Europe particularly, bilateral diplomacy on the spot as it were, had its limitations. I got convinced of this when I was in Brussels, during our presidency, when we were negotiating on trade issues, just before the European-American summit which was due to be held in London. I remember chairing a meeting of COREPER going on late until the Sunday night. And I can't remember the precise details of the agreement that we were reaching, but we had agreement from everybody except from France and Spain, and around midnight I said I was going to conclude that we had a consensus in favour of what I had summed up, and that if anybody dissented, they

would have to get their Head of Government to ring Tony Blair before 8 o'clock on the next morning.

The point of my telling of this story is twofold. The first is that Colin Budd who was the Under-Secretary in London dealing with these issues, was keeping Michael Jay, the British ambassador in Paris informed, but Michael was not in the loop at all. Here was what in Anglo-French terms was actually a very important issue but it was being handled in London and Brussels, not by the British Embassy in Paris. And my French opposite Pierre de Boissieu said to me, as there was to be an ECOFIN the next morning: "If you get Lionel Barber the *Financial Times* correspondent, to ask Strauss-Kahn at his Press conference whether the French government does accept the deal, I will get Strauss-Kahn to say "Yes we do"", which he did.

So, there are compensations obviously. Portugal is not an important country like France, and I think if you are ambassador in Paris, there are compensations in the way there are things you can do, and you can be a figure on the scene. But so much more is done in Brussels, and so much more is done directly. When I was working in No 10 for Tony Blair, I was going to Paris all the time, or I was on the phone to the Elysée. And equally, Whitehall Departments and their French opposite numbers are in direct touch with each other, and quite rightly so.

TR: Do you think it has to do with the changes in the Service itself, in personnel with diplomats speaking languages and talking directly to each other?

SW: You have civil servants across the European Union who are not diplomats but they are people who have got to know each other, they have been in working groups, they kind of grow up together, and also they are the only people who understand issues, issues that are sometimes so technical. And so, rather than have someone in an embassy get their head around an issue, it's easier for the people who know about it in the different specialist departments in the different capitals to talk directly to each other.

So I don't regret it. The Foreign Office has to find a way of making itself viable in diplomacy generally, in different ways, and I think the present practice of expert speaking directly to expert is a good thing in terms of the efficiency of the way the European Union operates. I think there is still a job to be done in interpreting a country, even a country as close to us as France, back to Britain, and vice-versa. There is a difficulty though: I might have said it before, but one of the things that used to impress me about Roger Liddle, Tony Blair's Special Adviser on European issues, is that

Roger Liddle would go to, say Germany, to see his opposite numbers in the SPD and so on, and he would come back and he would do a minute to Blair and you would understand from it: “That’s why the Germans are doing whatever it was they were doing”. Because he was able to have conversations on the political net, which is hard for diplomats to do, because as soon someone in a department in Berlin, say, is seeing a diplomat, he or she knows the limits of what he or she is entitled to say to that diplomat: they are not going to reveal the private thinking of the politicians. But there is still a job of reporting and interpretation to be done, whoever it is done by, and however good the sources because a), politicians don’t have time to deal with those *minutiae* themselves and b) however well the politicians know their opposite numbers in different member states, unless they know somebody *really* well, they won’t have that degree of intimate understanding. It’s quite hard to understand other people’s politics.

TR: And the consequence of that, I presume, is that a multilateral posting such as the ambassadorship to the EU in Brussels is getting an increasing importance? You wrote that when you arrived in Brussels in 1995, you found a huge efficient machine that was performing extremely well. What was your first impression? I guess you were pretty familiar with Brussels?

SW: No, not really. I had been, as Private Secretary, to meetings of the General Affairs Councils, but I was not in the room, I was upstairs dealing with the rest, with whatever else was going on in London. I had been to European Councils, but again as Private Secretary. So I was not really familiar, even from my time in the European Community Department: my bosses used to go, but I didn’t. I was very nervous about it when I arrived in 1995, and very unconfident really.

TR: How was your appointment to Brussels decided?

SW: Obviously, I knew quite a lot about the European Union: I had led official work in the FCO on the Single European Act, and John Kerr had marked me out as the person who should be his successor. John Major critically wanted somebody he knew and trusted. But I was much less good at it instinctively than John Kerr was. I think I had an advantage, in a funny kind of way, as regards the rest of the team. For them, it had been slightly daunting to have a Permanent Representative who was able to do each of their jobs as well as they could; and when I came, they found a Permanent Representative who certainly couldn’t do their jobs as well as they could, so I was much more dependent upon them, their advice and briefings.

I was lucky I had a very good relationship with Pierre de Boissieu, the French Permanent Representative. I like Pierre, he is a good friend; I did know him a bit before, but not very well. My German opposite Dietrich von Kyaw I knew rather better from going to Bonn and then to Berlin.

And the fact is, if you are reasonably hard working and of enough intelligence, you can get on top of the issues fairly quickly. There was, certainly then, before the Union was enlarged from 15 to 27 members, a sort of collegiality within COREPER. I don't know how it is now; I suspect it is too big for this to apply, but it did exist.

TR: Did personal relationships matter for the success of such and such negotiations?

SW: I think it helped. You could have a private conversation with somebody about a subject. One of the things I was instructed to do during the British Presidency in 1998 was to get a change in the rules whereby instead of having the Antici system [procedure by which a designated official from the Permanent Representation is allowed to enter the room of the European Council to bring/take messages to/from his/her political master, without being allowed to stay inside the room and take notes], where the Anticis stay in a room and are briefed by European Secretariat note-takers during the Council – there are no note-takers *in* the room – I was to propose that there should in future be note-takers in the European Council. So I summoned a private meeting of COREPER - there was nobody else there - and said: “This is afoot, I’m just warning you.” And I knew it would be very difficult, because it was such a British kind of initiative and I thought it was bad news for us to be seen to be proposing to break up the traditional system, so I established that when the British ambassador in X country called on the government in question, the answer would be “no”. The Foreign Office suspected I was up to something, but nobody ever shopped me. But I just thought it was one of those ideas that, because it came from the British, would have our partners thinking that it was meant to undermine the basis on which the European Council operated.

TR: Having been on the two sides of the Channel, would you say that the room for manoeuvre of the British Permanent Representative is more narrow than it is for his counterparts? And did that change throughout the 1980s?

SW: That’s an interesting question.

TR: *To be more precise, it is said here and there that the British way of negotiation is based on the position préalable, namely a position that is quite unlikely to evolve once it has been decided before in London.*

SW: Yes, that is certainly true. At every early stage, the decision would be taken at the political/ministerial level. Basically, a draft directive would come through for discussion in Whitehall, recommendations are made to Ministers, Ministers discuss it and then a position is reached, and the position then can only be changed then at a very high level.

So I could say that at political level, most member-states have a greater freedom of manoeuvre. Lower down the scale, I would say, when I was in Brussels, I had more “tactical” freedom of manoeuvre than, say, the German Permanent Representative did. The German Representative, partly because of the German coalition politics, the *Länder* and so on, was much more constrained. And also he had people from the *Länder* sitting in his delegation. I don’t know if it’s still the case, but the rule we had in the UK Representation was that the only people in the room were people from the Representation, nobody ever from London. So in that sense I was very clear on what the objectives were, I could not mess with that, but how to get there, I had a bit of freedom of manoeuvre. I wouldn’t say I had any more though than Pierre de Boissieu, or Pierre Vimont, the French Permanent Representatives during my time in Brussels.

TR: *During your time in Brussels, the so-called “triangle” between the European Secretariat, the Foreign Office and UKREP was working very efficiently I suppose?*

SW: The extent to which Prime Ministers have used the European Secretariat has been largely dependent on the quality of the individuals running it. Brian Bender and Andrew Cahn at the European Secretariat were very good, and they did a lot for Blair. And Robin Cook [Foreign Secretary from 1997 to 2001] was damaged, because of the whole story about his marriage and because he was very much Old Labour opposed to the New Labour. So Blair did not really trust him and he turned much more to the European Secretariat. As Permanent Representative, I had a relationship with the Secretariat – because I was an inescapable bit of the chain – but the Foreign Office rather felt cut out, and Paul Lever who was Deputy Under-Secretary at the time, felt it so strongly that he negotiated a kind of *Concordat* with the Cabinet Office, as to what had to be done by the Cabinet Office and what had to be done by them. It was as bad as that!

My recollection from the Eighties is that when you had Hannay in Brussels, Williamson in the Cabinet Office, and Renwick in the Foreign Office, that was very much a triangle. So it has deteriorated really from that period. That was partly because of the Robin Cook thing, and partly because a lot of changes had happened in Whitehall. In the Eighties the Foreign Office, the Ministry of Agriculture, and to much less an extent the Treasury, were the Departments with expertise, other Departments did not really have expertise, whereas in the intervening period, they acquired it, especially after Maastricht. People like the Home Office which had nearly nothing to do with Europe, suddenly had a lot to do with it.

I have already mentioned John Sawers who was dealing with the Regional Fund when I was in the European Communities Department: John could have a real influence in the shaping of policy. That has gone, except for the issues on which the Foreign Office retains the lead, such as institutional issues.

TR: During your time in Whitehall and then in Brussels, did you identify differences or possibly clashes of bureaucratic culture between London and Brussels?

SW: Yes. I think partly because of our politics. You know that up until now, we've never had coalition politics, and our politics is, you know, very confrontational, in every sense, or has been. That kind of *ethos* and culture pervaded Whitehall. I think also there's a kind of irritating British "we know best". It's very striking. We joined the Community in January 1973, and by about March, Alec Douglas-Home, the Foreign Secretary was making a speech to the Council of Ministers about what was wrong with the organization of the European Community. This is breathtaking! And not surprisingly, people look pretty askance you know ... This is a very British thing really.

There is an interesting 15th Century Venetian chronicle of a visitor from Venice to London who says: "this is a country where they don't dress very well, they don't eat very well, they don't live very well, but they think they are the best in the world"... And you know, there is a pride in the British bureaucratic tradition, which has some justification, but not more so than the French or others ...

And then I think the difficulties arise, because these are intrinsically such difficult issues: I do recall, for example, in the Ministry of Agriculture endless difficulties with the Single European Act because of the particularities of British rules on the import of plants and seeds. Personal

temperament also has something to do with it. The guy who was at middle level doing most of the work on the rebate issue in the Treasury in the 1980s was a very clever guy, but he was one of these people who believed that once you had formed a view and you believed it was right, then if you kept on saying it firmly enough, eventually, people would agree with you. So in his mind, there was absolutely no room for negotiation. And that became rather the Treasury position. The Treasury thought that Margaret Thatcher had sold out at Fontainebleau ...

So that was something in particular the Foreign Office was having to contend with. I think the Whitehall thing changed not because people wanted to change but, with the advent of more majority voting, people were forced to think tactically. And in a way, the Fontainebleau deal was a perfect illustration of how if you were tough enough, unanimity worked for you. So that did infect people, and made them harder.

TR: Did you enjoy living in Brussels?

SW: Yes, it is an easy place to live. My wife did not enjoy it. She teaches now in the prison service and she had done that before we went to Portugal where she got a job teaching in a Portuguese prison. She tried to do the same in Belgium but they would not allow it. So, compared with Portugal where the wife of the British ambassador has a lot to do in her own right, it was not the same in Brussels, so it was quite lonely for her. We talked about whether she would live in London and whether I would commute at weekends, but she felt that her place was to support me, but it was not great for her. And again, compared with a bilateral job, there was not a huge amount of entertaining to be done: you just had to do working lunches for visiting delegations of Parliamentarians, or a Minister would come and stay, that sort of thing. We had a household that worked very well. In Portugal, Catharine was always below stairs, intervening in fights of one kind or another. In Brussels, we had a team of Moroccans, led by a Moroccan who had been in the house since the age of 17. He was the butler. And he was a great guy: I just had to say to Yussuf that we would have 200 people coming for a reception in a week's time, and all I had to do was to turn up a week later. His organisation was fantastic. So for Catharine, it was not always necessary for her to be there to run the household. But Brussels is a pleasant place to live.

TR: You lived in Brussels for five years, between 1995 and 2000. I guess there were different British networks of officials, and places where people used to socialize, etc. But taking a view from the mid-Seventies maybe, would you say that a European milieu was gradually being built within the Civil Service in Whitehall and in Brussels? Informal networks? A community of views?

SW: Yes, it started to develop. Then, with the expenditure cuts, Whitehall started to contract, so there were rather fewer people. Most of Whitehall's departments stopped having a special European Unit, so there were slightly fewer people who, over a long period, had built up those kind of contacts. On the other hand, increasingly more and more people from Whitehall were coming out to Working Groups, and so on. Part of the result of the new definition of the role of the Foreign Office and of our bilateral embassies was that people in Whitehall picked up the phone and talk to their opposite numbers, and quite right too. And certainly the fact that for people English became a more common language, meant that you did not need the intermediary of the embassy. When I was ambassador in Lisbon, we were slightly more involved because people still felt there was a language barrier, while there probably wasn't in reality.

I don't think we were any better than other member states, but I think we were quite good at using our *cabinets* within the system. I think we were slightly ahead of the game, compared with most, in terms of networking in the European Parliament. We did much much more bilateral lobbying in capitals of Europe than anybody else, too much really. I think our problem is that we found it difficult to distinguish what was important from what was unimportant. And then everything becomes important. That's one of the problems of the system. When I was in Portugal, we were doing lobbying on all kinds of things really, that did not matter. There's a slight obsessiveness in the British bureaucracy.

TR: Back to London, you became Head of European Secretariat, Cabinet Office for four years. Did you enjoy the job?

SW: Yes and no, really.

TR: Sorry, one more question about Brussels. Did you part a role in the designation of your successor in Brussels?

SW: No. I advised on my successor in No 10; I advised Tony Blair to take Kim Darroch as my successor. But I did not play part in the nomination of Nigel Sheinwald, although he was the obvious person to do it.

The truth is that high point of my career was the UK Representation both in terms of interest and in career terms, and strictly speaking, the job I went back to in London was a job at a level below. I

was made a Second Permanent Secretary but actually it was a Deputy-Secretary Job. I had very good relations with Blair, so it was interesting, but it was less satisfactory coordinating policy in Whitehall than actually negotiating it for real in Brussels. And the thing that was interesting was the euro, that we were going to do the euro, that was partly the basis on which the job was sold to me, although the truth is that I had done five years in Brussels, it was time to leave and there was nowhere else for me to go, no job abroad to which I could have gone. I was glad to be asked, but it was the possibility of the euro that made it exciting.

TR: Have you been disappointed on the issue of the euro? I have read an article in which you sum up New Labour's European policy, and you are quite critical about the way they managed the euro issue. Was it a big disappointment to you?

SW: Yes it was. I was convinced that Blair really wanted to bring Britain into the euro but I am less convinced now than I used to be. Tony Blair is a difficult person to read. But I was convinced. I thought it was the right thing for Britain to do. In the Treasury, at the time when Gordon Brown was opposing Britain joining the euro, Gus O'Donnell, the Permanent Secretary, was saying that as far as he was concerned, convergence was about as good as it was going to get, and he saw it more as a political decision than as an economic decision.

I think Gordon Brown decided he did not want Britain to go into the euro and he used the convergence argument to support that. Most people would say now that he was right, but I think the reasons are more complicated than just that. Well, it did not happen, and I understood what the domestic realities were, but I felt then that, once the decision had been taken not to join the euro, the interest of the job had diminished as far as I was concerned. I had to decide whether I would stay on and do the EU Presidency in 2005, but I had done presidencies before: one from the European Communities Department, one when I was working for John Major and one in Brussels, and I decided the time had come to go; and there was no overseas posting available for me. The one that I might have had was Washington, for which my colleague David Manning had been earmarked, so that was it. I had to accept that as the end. But that's life, I was lucky to have the jobs I had.

TR: When you were at No 10 in the early 1990s and then between 2000 and 2005, did you keep an eye on the people in UKREP, just checking what they were doing? Do No 10 and/or the Cabinet Office monitor strictly what is going on in Brussels?

SW: Oh yes. I think there is an advantage that smaller member states have – I mean I can only speak for myself and for the Brits here. During the Irish Presidency, when I was there, if my Irish opposite number had a problem, he would telephone the Irish Prime Minister. I couldn't do that. I mean, had I wanted to speak to Tony Blair, I would have had to negotiate through the different layers which would eventually have led to a conversation with Tony Blair, but I could do it only once and probably never again, whereas my Irish opposite number, he spoke to the Taoiseach once or twice a week. Pierre de Boissieu had good relations with Jacques Chirac and used to see Chirac quite a lot, but I don't think even Pierre could have picked up the phone and talked to the president.

TR: To stay a bit further on the period 2000-2004, and the question of the euro. Was it the tension between the Treasury and No 10 that prevented any attempt to bring Britain into the Single Currency?

SW: Yes. It was domestic politics. As I said, I think Brown had decided very early on that it was not a policy that would happen during his time, but I did not clearly see it at that time. We went through this long process where the Treasury was doing their work on individual aspects – a very thorough analysis, and we, meanwhile, in No 10 and in the Cabinet Office, we were doing the scenarios, the political scenarios such as “what you had do, by when, etc.”. I was not alone in thinking this. I think people like Jeremy Heywood and Jonathan Powell thought it was going to happen. And then, somewhere around the spring of 2003, I had a phone conversation with John Major, explaining to him what we were doing and he asked me “Stephen do you really think that Gordon is going to let Tony do this?” I paused and he added “Think about it, there is no way he is going to let it happen”. And suddenly, the more I thought about it, the more I thought that he was actually right.

TR: That was spring 2003?

SW: Yes, and the assessments were done in the summer of 2003. There was a political advisor called Peter Hayan; I said to Peter that I did not think that this would happen. He said that yes it would: we would be going in the euro. We would have a successful referendum on the euro on the back of what he called the “Baghdad bounce”, because the campaign in Iraq was supposed to be so successful that ...

TR: Ah ...

SW: Yes indeed. And we took a bet, Peter and I. I bet a bottle of champagne that we would not join the euro. He took the bet, and he still owes me the bottle of champagne. And after that I was much more open-eyed about it, but I still do not know quite what was in Tony Blair's mind. Because he had been asked: Jonathan kept saying to him during the previous period: "What about Gordon?" And Blair would reply that we should leave Gordon to him. And we all thought he was talking to Gordon whereas actually, as it subsequently transpired, he had not talked to Gordon at all. And when he did talk to Gordon, we got the result we saw.

Among the crucial things was the question of who would make the statement to Parliament about the assessment of whether the test we had set on convergence had been met, and Ed Balls rang to give to Jeremy Heywood a message from the Chancellor: "If the Prime Minister makes the statement, he won't have Gordon Brown as his Chancellor". So Blair gave way, and that was pretty critical.

Then after the statement in Parliament in June, because all this was seen as a kind of *débâcle*, the two of them, Blair and Brown, gave a press conference in which they announced a road show. They would go and take a road show around the country, talking about the euro. And I said to Jonathan Powell after the press conference that we had not done any work in the European Secretariat on that at all, and I asked what he wanted us to do. Jonathan kind of looked at me as if I was an idiot and said: "What are you talking about? There is not going to be a road show. Don't do anything". The road show was being announced and I was being told by the Prime Minister's Chief of Staff that nothing would ever happen. The Foreign Office kept asking about it. I don't know whether you know Gilbert and Sullivan and their opera *The Mikado*: a number of people have been sentenced to be executed and the Mikado is persuaded that when the Mikado says a thing should be done, it is as good as done, and therefore it has been done! So the Foreign Office argued, in that sense, that the road show had sort of happened too! And that was the end of it, and then the euro became a non-subject.

TR: What was the best of times, what was the worst of times?

SW: In this period? The worst of times was certainly the euro. The best of times, probably for me, was before I came back to London, doing the Presidency in 1998, and then, to some extent, getting to know Blair, working for Blair and watching the way he operated, and so on. A funny kind of high point was actually what from the coalface looked like a disastrous European Council, called to deal with the appointment of Wim Duisenberg as Head of the European Central Bank. Nigel Wicks

was the Head of the Monetary Committee and he kept being told by his French and German colleagues that Kohl and Chirac were effectively sorting it. And Blair got to Brussels, and it was absolutely clear that they had not sorted it at all, and indeed they were miles apart; and Duisenberg was sitting around somewhere in Brussels and he had his own views which were different from those of either Chirac or Kohl and he was also quite tough. It was seen as a disaster because the meeting went on and on, and the Heads of government were left sitting on their own in a room for hours and hours on end. So in fact Blair had to start from scratch with Duisenberg, and it was very very tense stuff. I do not speak German but I remember Nigel Wicks and I going down to the German Delegation's office where Kohl was having a meeting with his advisers, and it was clear they were saying to Kohl that they couldn't accept the deal which Kohl had been discussing with Chirac. And eventually, at the end of that day, Blair patched things together. I remember thinking here was someone, Blair, who had really got something, real ability. That was his great strength: he was very good at working people, and getting them together by a mixture of calm persistence and ingenuity.

In a similar way – and again the circumstances were unfortunate – but seeing Blair operating with Berlusconi when the two of them decided they were not going to have Jean-Claude Juncker as President of the Commission, seeing the way they put together a kind of coalition that saw off Schröder and Chirac. It had damaging consequence in terms of relationships, but as a piece of political operation, it was brilliant, and I remember that Berlusconi was brilliant. I remember at the height of it walking with Blair to a meeting room, saying to him “that is what I think you should do”, etc. And he turned to me and said - in a perfectly nice way, not in a nasty way, “Stephen, you don't think, do you, that I would have got where I am today without knowing this stuff?”.

TR: Do you agree with the idea that there was a succession of generations? Starting with Roger Makins and the sceptics, then switching to the generation of Palliser and Robinson in the 1960s, spreading knowledge and expertise – but not convincing the vast majority of the Foreign Office. Then the transitional generation of the 1970s, between accession and confirmation with the referendum of 1975, and finally a generation of the maturity in the 1980s?

SW: Yes, I agree, and I think it has changed again since. I'm not really that up to speed on the present day Foreign Office, but I think some of the general political euro-scepticism has infected the Department. I was very struck when I was in No 10. Roger Liddle, who worked on the policy, was a great European. He gave a lunchtime talk about European policy, to the policy people in No. 10, who were mostly younger than him and me. And he ended up saying something that seemed to

me *ça va sans dire*, such as “Making a success of our membership of the European Union is hugely important for our national interest” and they all laughed! They laughed cynically, you know, “You’ve got to be joking”. I was really shocked by this.

TR: *That was/is the next generation?*

SW: Yes. Well, you would need to talk to people working presently in the Foreign Office, but I think there is much less European spirit. You know, apart from Tony Blair, we had a succession of fairly sceptical governments, including this one. Nick Clegg is a very convinced European but you would not know it from what he said in the debates during the General Election campaign of 2010. The three leaders gave more or less the same answer which was basically that Europe was, for Britain, an unpleasant necessity.

TR: *So a last generation of Civil Servants and diplomats “infected” with Euro-sceptic ideas?*

SW: Because there are fewer European jobs, there are probably fewer people who are immersed in a West-European kind of culture. There are now half the number of UK-based staff in the British Embassy in Lisbon than when I was there.

TR: *I have read many times that a large part of the Civil Service, and especially people from the Treasury were quite shocked when the British pound was expelled from the Exchange Rate Mechanism on the Black Wednesday of 16 November 1992 and that the humiliation had enforced euro-sceptics feelings.*

SW: Well we expelled ourselves basically. That was a big thing, and the Foreign Office had fought a long campaign to get Britain into the ERM, for good economic reasons. And I still believe – and I have noticed John Major said it in a speech very recently – that without the Exchange Rate Mechanism, we would never have beaten inflation in Britain, and that was why we did it. As it turned out, we joined at an unfortunate time, with the German unification and all the rest of it. But had it not been for that, then it might have worked.

Coming out of it was a shock for people like me, plus of course – you know, we were then able to have our own interest rate, and then the British economy started to do well. That’s one of the things that conditioned the subsequent debate about the single currency. There’s a sort of memory there, not only for the general public, but it’s there in the editorial offices of the *Sun* newspaper you know,

“Economic recovery started when we left the ERM”. I think the danger for us is - seeing the steps they’re taking to a greater political control of the euro in terms of political integration and fiscal policy, - is that we diverge.

TR: A last question: do you think it is of any significance that the recently appointed Permanent Representative to Brussels is a man from the Treasury (John Cunliffe) and not from the Foreign Office?

SW: Well, as a good trade unionist, I regret it. When I was in the UK Representation, the Foreign Office had a system whereby they had what they called JESP scores: each overseas post had a score based on a number of factors: how important the country was, how much negotiation, etc. And the UK Representation in Brussels was the top, Washington was No 2 and Paris maybe No 3, something like that. So UKREP was arguably the Foreign Office’s most important overseas post. And there had always been a non-written rule but an understanding that the Foreign Office would occupy that post while a Home civil servant would occupy the Head of the European Secretariat. And that chain has been broken. So from that point of view, I regret it. But at the end of the day, the key factor is whether he does a good job; John Cunliffe has the same advantage that I had with John Major: David Cameron trusts him, and that is very important.

TR: From one veto to the recent veto, what do you think of what happened in December?

SW: I think that probably Cameron was advised that he would get more than he was actually able to get. And I think that asking our partners to go into reverse about things that were already existing with majority-voting and make them subject to unanimity was very hard to sell. From what I was told, the British were confident they would get it. I do not see the outcome in cataclysmic terms because if you take away the rhetoric, what was Cameron doing? He was effectively saying to himself and indeed to our partners that he’d better cut his losses. And in doing so, he made it much easier for our partners to go ahead. Of course it created certain longer-term issues, but talking about longer-term issues, what is going to happen to the Eurozone? In a way, unless that is sorted, it doesn’t matter what anyone thinks about Britain and what Britain thinks, because the EU as a whole will be ... in a mess.

My fear is that the kind of measures that are now being implemented are very hard to sustain with such a large and heterogeneous group. You could do it if you had a small group. The alternative in order to try to make it work is to do the thing that the Germans are the most reluctant to do, which is

to throw money at it, having a Europe of transfers. Chris Patten told me the other day that for the first time, he was more worried about our partners and Europe than he was about Britain and Europe.

I don't think that the countries of the Eurozone are going to pass laws that would massively damage the City. There is a huge exaggeration about the impact of the laws that you see now. It is not as if the absence of adequate regulation has been a brilliant success ... The politics is something, but the perception of the European social legislation and its impact is largely exaggerated, and anyway it is not, nowadays, a very active agenda. There is not actually very much in the real world of EU legislation that can harm us. And if you think of the balance of advantage, the truth is that none of us can survive on our own, we'd better work with our neighbours who are fellow democracies, and the European Union is the best means of doing it that anybody has ever devised, so it may not be ideal, but there it is. I think the sad thing is the absence of the policies that we ought to be doing, like a coherent energy policy: there doesn't seem to be any serious interest in it anywhere.

TR: *Thank you very much Sir Stephen.*