

BDOHP Interview Index and Biographical Details

Sir Graham (Holbrook) Fry KCMG (2006)

(Born 20 December 1949; son of Wing Commander Richard Holbrook Fry and Marjorie Fry; 1977 married Mayko Iida (marr.diss 1991), two sons; 1994 married Toyoko Ando)

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**RECOLLECTIONS OF Sir Graham (Holbrook) Fry KCMG
RECORDED AND TRANSCRIBED BY MOIRA GOLDSTAUB**

MG: This is the 5th April 2016 and Graham Fry is in conversation with Moira Goldstaub who is recording his recollections of his diplomatic career.

MG: Sir Graham, what made you apply to take up a Diplomatic career?

GF: I think the idea was first suggested to me when I was about 16 by one of my teachers at school. I had lived for 2 years in Singapore with my parents by then, and he put this idea in my mind, but I didn't think seriously about a career until I had to leave university. My main aim then was to live overseas, and so the Foreign Office seemed a good idea, and I went through the standard Diplomatic Service application procedure.

MG: You were successful! What was your first day like? Where were you working?

GF: I can't remember my first day, but I do know that we had 2 weeks' introductory course. There were about 20 of us, all male and all from Oxbridge, except one who had been to Durham. Then we were sent out to different departments in the Foreign Office where we began our "on the job" training. My job was in the Rhodesia Department, as it then was, and I spent a year mainly replying to letters from members of the public.

MG: What was it like there? Was that round the time of the Tiger talks?

GF: No, there was nothing going on. We had attempted under Sir Alec Douglas-Home to negotiate a solution and had actually reached an agreement with Ian Smith's administration; but the British Government had insisted that this was put to the people of Rhodesia, whose views were assessed by a Commission. The Commission decided that the people didn't like the deal, and so the government took the deal off the table but found it hard to develop a new initiative. I had to write these letters to members of the public, which had very little content.

MG: Were the members of the public anxious about it?

GF: Not very. At exactly the same time Idi Amin began to throw out the Asians from Uganda, and my colleague, who should have had a quiet job in the East African Department, had mailbag after mailbag to deal with.

MG: Who was your boss?

GF: My immediate boss was Charles Drace-Francis, and in the same room was Tony Galsworthy, who later became ambassador to Beijing. Both of them had been on an overseas posting, and Charles's job especially was to train me in what to do.

MG: You were there for a year and then you went for language training, now how did that come about?

GF: After about six months, I was feeling that the job wasn't quite living up to what I'd hoped. They gave us all a language aptitude test, and I must have done quite well. They then asked me if I wanted to learn a hard language, and I thought that sounded good, and they asked which language I wanted to study. I thought that, since the work wasn't very interesting, it might be better to study for as long as possible. So I asked which were the most difficult ones. They said "Chinese and Japanese", and I said I'd do one of those; and somebody, unknown to me, in the Personnel Department, decided to send me off to do Japanese rather than Chinese.

MG: So it wasn't your choice?

GF: I don't remember it as being my choice, and yet that changed my whole life. So it was a remarkable decision for someone else to have taken for me.

1973-1974 Language Training at Sheffield University.

MG: Your training was at Sheffield University - did they have special Foreign Office trained linguists or the normal Sheffield University team?

GF: There were three of us from the Foreign Office and there was (and is) a Centre for Japanese Studies in the University. We joined the second year undergraduates. The teachers were good, but it was quite hard to carry out conversation practice in Japanese in Sheffield at that time because there weren't many Japanese around. Two of us moved in as lodgers with one of the Japanese teachers and his family, and that helped, but we concentrated on reading and writing.

MG: Did you have anything in mind as your next step as a result of going on the language course?

GF: The next thing was that we would be sent to Japan. The course lasted two years with the first year at Sheffield and the second year in a seaside town, Kamakura, just south of Tokyo where the Foreign Office had its own language school.

1974-1978 Second Secretary, British Embassy Tokyo.

MG: So you went to Tokyo in 1974 and the first part of the four years that you were there was to study the language?

GF: The first year was full-time language studies.

MG: What preparations did you have to make for your posting to Tokyo; did you have to set up an establishment?

GF: The Embassy language school was actually a two-storey house that was rented. There were three classrooms on the upper floor, and my place, where I lived, was the lower floor. Every morning I got up and went to work by climbing the stairs. We had

three remarkable teachers who had extraordinary life stories, and they kept us working hard. One of them, for example, was captured at the end of the War, I think by the Australians, and for him this was a matter of great shame and his immediate urge was to commit suicide, but fortunately somebody got him teaching Japanese, and he found another objective for his life. So you can imagine the emotional charge of the teaching that he gave us.

MG: Who was the Ambassador at the time?

GF: The Ambassador for that year was Fred Warner, whom I never really knew. That was the year when the Queen paid a state visit, but we were not much involved. After him came Michael Wilford. I thought he was excellent; he didn't speak Japanese, but he had a scratch golf handicap, played golf with all the top Japanese people, and made lots of contacts through that.

MG: In 1975 you presumably became second secretary?

GF: Then I moved to the information department

MG: What did that involve?

GF: The information department was the public face of the Embassy, the PR department, headed then by a Counsellor. I had one colleague who concentrated on the commercial side, PR about British companies and what they were trying to sell; and I was doing the general PR. We sent out press releases about developments in the UK, we would invite occasionally a VIP Japanese to go on a visit to the UK to see it for himself, and we kept in touch with the TV channels, and things like that.

MG: What were relations between the UK and Japan like at the time?

GF: They were cordial. I think the aftermath of the war was gradually fading and the Queen's state visit was a sign of that. The Japanese Emperor had visited Britain before

she came, and so we'd reached that formal stage of exchanging Head of State visits. It was cordial and there was goodwill towards Britain, but the dominant issue was trade. The Japanese had gone through twenty years of economic miracle and, particularly in cars and consumer electronics, they had extremely competitive and efficient industries: they produced very good products at reasonable prices, and British industry, especially in those sectors, couldn't compete. The British government resorted to a form of protectionism which was just about consistent with our international obligations, and involved a series of industry-to-industry voluntary restraint agreements. There was, for example, a negotiated ceiling on the share of the British car market which Japanese manufacturers could have, and there were similar arrangements for televisions and so on. The other side of that, our justification, was that it was extremely difficult to sell our goods in Japan. Many Japanese would say to you that their economic miracle was still fragile: they were like somebody riding a bicycle – if they stopped, they would fall off. They had to import most of their food and almost all their raw materials, and therefore they had to have a surplus in manufactured goods. They invented a raft of non-tariff barriers to foreign imports - things like standards. I remember when I went out there I was told that only two British cars met the Japanese standards - one was a kind of Jaguar and the other was a Mini. So two of us got Minis!

My next job, in the Commercial Section, was about trying to help British companies sell their products in Japan, especially in my case, machinery of various kinds; but it was an uphill business. The British government was making quite a big investment in export promotion. We had a large trade centre in the middle of town where we held a dozen trade shows every year. There was a special unit in the DTI called the Exports to Japan Unit, trying to encourage British companies to look at the Japanese market. I think part of this was a reply to the Japanese line that “you could sell your exports, but you're not trying.” We were trying to show that we were trying but it wasn't working.

MG: Was there any sort of thing we had an edge in?

GF: There were specific areas where British companies were successful. The basic rule of thumb was that if the Japanese were making something similar you were unlikely to

be able to sell it to them, but you could succeed if you had new technology. One area I specialised in was not actually sales to Japan, but sales to the Middle East, where Japanese companies were winning contracts and needed to source various pieces of equipment.

MG: Now, Japan likes our luxury goods – did we export that kind of thing then?

GF: Yes, and whisky, for example, was a standard present if you were invited to somebody's house. The standard thing you took round was a bottle of Johnny Walker Black Label.

MG: You say you took a bottle of whisky to open doors – what sort of interface did you have with Japanese society? Were they friendly, did you mingle freely?

GF: It takes time to get to know Japanese people, and it was extremely rare to go to somebody's home, but you'd be taken out to a bar or a restaurant. But people were usually very friendly, and in the country, outside Tokyo, they could be almost embarrassingly generous. There were relatively few foreigners in Japan then, and even fewer who could speak Japanese, and people were very welcoming, once they got over the shock of realizing that you could speak their language. In my case bird-watching was a way of meeting people right outside the Embassy circuit.

MG: What were the highlights of your spell there as second secretary?

GF: The main thing was the introduction to Japan and getting to learn about Japanese culture in the broad sense - not just paintings and literature but how Japanese people thought and felt. That to me has always been the most interesting part of our profession: going somewhere and trying to understand why local people and governments operate in the ways they do. In the case of Japan, their culture is different from ours in many ways, and it takes time to understand the nature of their social and business relationships and the values that underpin them. I'm still learning new things about that.

1979-1980 Invest in Britain Bureau, Department of Industry.

MG: You then returned to Britain – how did that come about?

GF: Well, the four years were up and I was seconded to the Invest in Britain Bureau in the Department of Industry as it then was. They wanted somebody who had been in Japan and spoke Japanese because they could see that there was an opportunity to increase Japanese investment in the UK. That was a fascinating job. There were a number of Japanese companies already in the UK when I began: Sony in South Wales, YKK making zips in Runcorn, NSK making ball-bearings in the north east, Mitsubishi Electric making TVs just outside Edinburgh. And there was a bit of controversy. When Hitachi had said that they wanted to build a new factory in the northeast to make TVs, there were strong objections from the unions because we already had some large TV factories and they were worried that new efficient Japanese plants would put those out of business. Hitachi ended up in a joint venture with GEC, running their old plant in South Wales, and Toshiba ended up taking over the Rank factory in Plymouth. So there was some controversy, but basically this was a success story, and in time it transformed our relationship with Japan because instead of destroying British jobs, the Japanese were seen as coming in and creating them.

MG: Where were you based to do this job?

GF: I was based in an ugly building called Kingsgate House on Victoria Street, which has now been knocked down, and it was a far cry from the Victorian splendour of the Foreign Office. My memory is that for the first time I had staff working for me. I had three of them in a little unit. In the DTI officials at relatively junior level were given greater autonomy than in the Foreign Office, and so I had more direct dealings with the Minister of State than I would have done in the FCO.

MG: Who was that?

GF: Well the one I remember is Lord Trenchard, the father of the present Lord Trenchard, who had been a businessman before becoming a minister and had worked in the food industry. One of the early lessons came when I was summoned to his office and asked how many Japanese factories there were in Britain. I was a good civil servant and said it depended what you counted as a factory - how many people it employed, what processes they performed, etc. I afterwards learnt that he thought I must be useless because I couldn't answer a simple question! It was an early lesson in how to deal with ministers – give a clear answer.

MG: Who was the secretary of state at that time?

GF: Keith Joseph, but I had no contact with him. Another interesting aspect of the job was that it introduced me to what is now an even more contentious subject, which was the separate interests of the various parts of the United Kingdom. The UK would be competing with, say, Ireland or France for an investment, but within the UK there would be strong competition between Scotland, Wales, Northern Ireland and the English regions, and we had to try to ensure that the UK interest came first. Overall, I enjoyed my time there, and the most satisfying aspect was when the UK did win an investment and we could feel that we had played even a small part in providing jobs for people.

MG: You mentioned Nissan – tell me about that.

GF: This was in 1980 and Nissan didn't finally decide to come to the UK until 1984. So a lot of people put a huge amount of energy into that for several years, but my recollection is of the very first contacts. Because of the "voluntary restraint" Nissan couldn't expand the number of cars they were selling in the UK, and they and their UK dealer, an independent company called Datsun UK, became frustrated by this. The DTI was told very quietly that Nissan wanted to explore the idea of making cars in the UK. They had similar quota problems in other countries like France and Italy and they thought that if they manufactured in the EU they would be inside the barriers and could sell more freely. They wanted to talk to us about whether we would have them and if

we did what conditions we would put on their operations. When my boss and I next visited Japan, we had a meeting with the number 2 or 3 in Nissan, which was extremely unusual. Normally at a Japanese company, you'd start in the middle and then if a project was going well you worked up. We were told that at that stage only seven people in Nissan knew about this. I remember going out again later with a more senior DTI official, for more thorough discussion about what percentage of local content we would want them to achieve within what kind of time-frame, and many other points of that kind. Later on there were more complications - and discussions. A key political issue was that British Leyland, the remnant of the British car industry, was not doing very well, and a new Japanese plant, rather like the TV story, would be a strong competitor.

MG: At the time, you weren't thinking about where the factory might go or were you?

GF: This was a very early, exploratory stage. We were saying that if Nissan went to certain regions then it would receive the incentive payments offered at that time as part of our regional policy.

1981-1983 European Community Department (Internal), FCO.

MG: How did you find that?

GF: I was the desk officer for the EC Budget in the FCO for part of the period when Mrs Thatcher was trying to get our money back. The issue was that we believed we were paying too much to the EU budget and because of the CAP getting too little back. There were three brilliant officials who were at the heart of the negotiation: Michael Butler, who was the Ambassador in Brussels to the EU, David Hancock who was the Deputy Secretary in the Cabinet Office and the FCO representative, David Hannay, who was my boss. He was a very sharp and good boss to work for – you could learn a lot.

MG: Did this involve you in constant trips to Europe?

GF: No, I don't think I ever went to Europe - it was a desk role. Every week, Michael Butler, on a Friday morning, would come back to London, and senior officials from all the Ministries concerned, including the Treasury and Ministry of Agriculture, would discuss tactics for the coming week. Whenever possible I tried to sneak myself into those meetings. Sometimes they produced a commission to me to draft a brief or other paper, and it was a great help if you were actually there when they were discussing it instead of getting everything passed on afterwards.

MG: So where did this idea that we were paying too much come from? Was it a part of the actual political re-organisation that the government was carrying out or was it civil service-led?

GF: It had been an issue for a while. After we joined the EU we had our first renegotiation under the Labour government and it was an issue then, and some improvement was made on the contribution side, but the real problem was that the CAP swallowed up most of the budget. Our agricultural sector was relatively small, and so we weren't getting the payments back from the EU, which, say, the French were. By the time I got there we had already reached our first agreement on this which I think was in May 1980, and the final agreement was not reached while I was doing it, but later at the EU summit in Fontainebleau. A huge amount of it was down to Mrs Thatcher's force of personality and detailed knowledge of the subject. I was told she used to get frustrated with Chancellor Kohl because she knew every detail and he didn't, and the briefs I had to prepare for her were indeed very detailed – more so than for the successive Foreign Secretaries, Lord Carrington and Francis Pym.

MG: So were you at the Fontainebleau talks?

GF: As it happens, I was in Paris by then and was in charge of running the logistics. So I was there but not involved: I got the cars there on time!

MG: So then there were two years in Victoria Street when you were in the FCO again was it a better office?

GF: Yes. While I was there the Queen visited our office, because we were relatively close to the main staircase, and she was to be shown a typical Third Room. Thanks to her, the three of us in the room got new chairs, and although they didn't repaint the room they did wash the walls, which changed the colour. When she came round, we stood rather nervously in front of our desks. We had been told very firmly not to turn our backs on her, but when she said 'So this is where you work?', I said 'Yes!' and turned round to show her the desks - and then wished that I could die quietly having broken the rule. But nobody seemed to mind ...

1983-1987 Political Section, British Embassy, Paris.

MG: You then went to Paris? How did that strike you? It's the most historic Embassy, isn't it?

GF: Yes, the residence is magnificent and after the War we acquired the building next door, which is the Embassy where we worked. There were evenings in the summer when you could hear a tawny owl calling outside.

MG: Who was your Ambassador?

GF: John Fretwell, who I think has already been part of this process. There were three of us in one room reporting on French foreign policy. We rotated the subjects among us.

MG: How did you find out about French policy?

GF: That was quite difficult, because the French shared information less freely than we did and the French Foreign Ministry had relatively few people, and so it was often quite hard to get an appointment. The one thing you could do was to take somebody out to lunch - and in those days they did have proper lunches - and then you could get hold of a French official for a detailed discussion.

MG: Were they less forthcoming just with Britain or was it a general policy?

GF: No, I think it was a general way of operating, at least at that time. When I was there they had the 'cohabitation', which was when Mitterrand was President – a socialist – and, after an election for the National Assembly, Chirac became Prime Minister - a conservative/Gaullist. They therefore had to manage a government in which the President and Prime Minister were from opposing parties. It was fascinating to see how the French coped, and it meant for us that you couldn't just go to one place and learn what French policy was. You had to try to go to Mitterrand's people, Chirac's people and the Foreign Ministry to get some idea of where the battle lines were drawn. When Mrs Thatcher visited, they almost competed to have time with her.

More generally, I'd been in Japan, which everybody thought was strange and remote. But it was interesting to me how different, at that time anyway, the French seemed to be from us. They still had troops stationed in quite a number of African countries.

MG: Your speciality was Africa; where were the French and what were they trying to do?

GF: They'd never really withdrawn from Africa in the way that we had, so there would still be key positions in an African government occupied by French officials. Then in Senegal, say, and Ivory Coast, there would be a detachment of troops; and the relationships between the African presidents and the French president were often very personal and didn't always pass through the Foreign Ministry. That made it difficult to find out what was going on. But then for most of the time for the UK it didn't matter all that much. When I was there, they became heavily involved in Chad because Gadhafi was trying to push southwards and the French were trying to support the legitimate government. It was a very different kind of involvement from that which we had with Africa.

MG: You have raised the nuclear doctrine. What was that?

GF: Yes, in the second half of my tour I did politico-military affairs. I can't remember the intricacies, but they had a distinctive national nuclear doctrine whereas ours was linked in with the Americans and with NATO. They had, because they weren't in the military part of NATO, distinctive views on arms control too. You had to try to debate with them. A particular incident arose while I was there because France carried out nuclear testing in the South Pacific. Greenpeace sent a boat called the Rainbow Warrior to sail into the test area to prevent the French from testing. France's external intelligence agency sent agents to New Zealand, where the boat was docked, and sank it in Auckland harbour, and one of the crew-members was killed. I thought that if that had happened in Britain, there would have been an almighty row and huge criticism of the government, but the French reaction was that this was necessary for national security. The defence minister became a mini-hero - he was a man called Hernu. The Prime Minister was the present Foreign Minister - Laurent Fabius - and Mitterrand was President. The opposition didn't attack strongly because they didn't want to be accused of undermining French national security. I had the job of drafting reports on this from Paris.

1987-1988 Western European Department ,FCO.

MG: In 1987 you moved on from there, where to?

GF: I was brought back to London to be the assistant head of the Western European Department, which handled our bilateral relations with European countries but none of the real substance, which mostly passed through the EU or NATO.

MG: You say it was dull, why?

GF: There wasn't much left really. The one thing we did that was quite important was that the Department was responsible for Berlin, which at that stage was under four-power occupation. There were events like Rudolf Hess committing suicide, but this was handled by the Head of Department, not by the humble assistant.

MG: Who was the head?

GF: David Dain, and I looked at his entry for the archive but he's managed to miss out this period completely!

MG: How many of you were there in the department?

GF: We had desk officers for each country or for each group of countries and some of them were very able, but a lot of the work was assembling briefs that other people had written. So after a while I reminded the personnel people that I could speak Japanese, and they sent me back to Tokyo. Within a year the Berlin Wall came down, and everything changed, but by then I had left ...

It is now the 21st April and Sir Graham Fry is in conversation once again with Moira Goldstaub who is recording his recollections of his Diplomatic career.

1989–1992 Political Counsellor, British Embassy Tokyo.

MG: Well, we have now reached 1989 and it's the time of your return to Tokyo. Did you apply for a return or were you merely sent?

GF: I did apply. I think I have said that I was a bit bored by my existing job in Western European Department, and I was also keen to get back to Asia and Japan. I was fortunate as there was a vacancy as Political Counsellor in the Embassy at that time - a job that had been called Head of Chancery, but that title had disappeared. The main responsibilities were to try to understand Japanese domestic politics and to try to influence the Japanese on foreign policy issues. I arrived, as it happens, seven days after Emperor Hirohito died, and the first task was organising the arrangements for the British participation in the funeral. The Duke of Edinburgh came out, accompanied by the Foreign Secretary, Sir Geoffrey Howe. It was a big, complex event for the Japanese

to organise. President Bush senior came and many other world leaders, and it was an absolutely freezing day in February. Inevitably the death of the Emperor brought back a lot of memories, in the UK and other countries, of the Second World War. The Duke of Edinburgh went down to the Commonwealth War Graves cemetery, just outside Yokohama, and then on to the funeral itself. At one stage in the ceremony, I remember, each of the Representatives had to go up in front of the coffin, bow to the late Emperor and then return to his or her place; and there was some debate in the British press as to what the Duke of Edinburgh would do. He bowed at precisely the right angle so that the Japanese felt that he had been courteous but the Sun newspaper was able to say: "Philip nods Hirohito to hell".

So that was the first task, and we'll probably come back to the memories of the war later on. It was an interesting time in Japan because there was a major political scandal; the popularity of Prime Minister Takeshita went down to single figures (and one of his cabinet ministers commented that that was all right because it couldn't go below zero), and he eventually departed. There was then a succession of Prime Ministers, none of whom lasted very long, and shortly after I left in 1993, the party which had ruled Japan continuously since 1955 - the Liberal Democratic Party - split, and the opposition came into power. So there was plenty going on domestically, but of more interest to the UK was the foreign policy side.

The Ambassador was John Whitehead, who, of all the Ambassadors I worked for, was - in my opinion - the best. He'd been in post since 1986 and stayed until John Boyd took over in 1992, so he was Ambassador for a long period; it was his fourth time in Japan. He taught me quite a lot. One point was the importance of getting London's attention because there is always a problem in persuading ministers to make such a long trip and to get to know their Japanese counterparts. He was very good at that. The Japanese economy then appeared to be doing exceptionally well, and there were huge amounts of money being invested around the world. A Japanese company bought the Rockefeller centre, Sony bought CBS, and there was rather wild talk about America being in decline and Japan as No.1. At the same time, the UK and Japan were engaged in 3 or 4 fairly classic trade disputes, about the tax on whisky, about seats on the Tokyo Stock

Exchange for British companies and about legal services. These arguments reached the Prime Ministerial level, and John Whitehead fought the good fight. But he was also conscious that you had to have a more positive side to the relationship.

A big part of that was the investment that I talked about before, and the effort to promote Japanese investment was continuing. Another side was developing more of a dialogue, more co-operation, with the Japanese on political issues. When I was there it was the period of the first Gulf war: Saddam Hussein invaded Kuwait, and the US, UK and others joined forces to drive him out. No Japanese soldiers were sent to that war, and in fact it would have been illegal to send any, but in Washington there was a strong feeling that Japan was benefitting enormously because it depended on imported oil but was not doing anything to help – “our blood for your oil”. All the Japanese could do at that time was to send money, and they promised, I think, a total of \$9 billion to the Americans. We argued to them that it was not just the Americans fighting the war but we were too; and if they were prepared to pay \$9 billion then maybe there should be some of that for their British allies. In the end we did persuade them to pay us a small percentage of the money. A bigger political issue in Japan was whether to introduce a new law to enable their troops to go overseas in limited circumstances, to take part in UN peace-keeping for example. The Opposition was strongly against, but the law went through. So it began to look as if Japan, with its increasing investment and international interests and the gradual development of its security policy, was going to be a more significant actor internationally, and we encouraged British ministers and senior Foreign Office officials to come out and talk about international issues with the Japanese.

Another event at this time, 1989, was the students’ demonstration in Tiananmen Square in Beijing and its bloody conclusion. The Japanese had strong interests in China and so, in a different way, did we.

MG: What were Japanese-Sino relations at the time?

GF: Very different from what they have now become. The Japanese at that time, especially in the Foreign Ministry, took the general view that Japan should have close

relations with China for the stability of the region. So after Tiananmen, Japan was one of the first countries to start moving its relations back to where they had been before. Of course now it would be very different.

MG: When you were there in 1974, the Japanese were saying that their economy was still fragile and it was like riding a bike - you fell off if you stopped! They justified their trade restrictions in that way. Were they the tiger economy when you went back in 1989?

GF: By this time the economy was booming in Japan, or so it appeared. The price of land had gone up exponentially; this was the time when people said that if you sold the Imperial Palace you could buy Texas or something. We now know that all of this was funny money and it was the height of the Japanese financial bubble. The decline of the bubble began in 1990 although it was not very obvious to start with. So this was a turning point in Japanese economic history, and it led into what became the 10 “lost years” (and what is now probably the 20 lost years) of low or zero growth.

MG. When this decline started did it affect the man in the street - were there price rises and homelessness and things like that?

GF: Yes. During the bubble, for example, you could get a mortgage which would be repayable over two generations because the price of land was so high that one generation couldn't pay it back. But the bursting of the bubble did not lead to unrest or people taking to the streets as might have happened in other countries. The Japanese way of dealing with it probably delayed the impact; there was a long period when the authorities denied that the bad loans were as bad as they were and that the situation was as serious as it was. Some economists said they should have admitted it all up front, but the Japanese way was to spread the adjustment out over time.

MG: You mentioned your Ambassador John Whitehead. Did he speak Japanese or play golf or both?

GF: He did both.

MG: So he was outstanding then! What about your other colleagues at the time?

GF: The Economic Counsellor was Stephen Gomersall, who later became Ambassador himself, and then Charles Humfrey, who was Ambassador in Indonesia and Korea. The Commercial Counsellor was Paul Dimond, who was on his fourth posting to Japan and remains strongly involved in UK-Japanese affairs. In 1992 John Whitehead retired and received a GCMG, and John Boyd took over - which is of interest to Churchill College, as he later became Master of the College after he retired. John was different because he did not speak Japanese and had not been posted to Japan before, but he was a great expert on China. I overlapped with him for 6 months. He learnt quickly about Japan, and I remember trying to help him in his valiant attempts to make speeches in Japanese.

MG: How did you find life in Japan this second time? Previously you had been living in a little house by the sea for a while ...

GF: This time I was in the Embassy compound, with all the advantages and disadvantages of compound life – less privacy but a 50-yard walk to the office. The compound itself was beautiful - an oasis of green in the heart of Tokyo.

MG: What were the highlights of that four-year stint?

GF: One was the enthronement of the new Emperor. Just over a year after the funeral of Hirohito, the present Emperor was enthroned, and this time the Prince of Wales and Princess Diana came, and I was once again point-man for organizing it. I remember the Princess going off swimming. She wanted to go swimming every morning in Tokyo without being photographed, which was a bit of a challenge, but we managed it. I suppose the other big event was the visit by Mrs Thatcher. She came towards the end of 1989, and whatever her difficulties in the UK, she was immensely popular in Japan. I remember the Ambassador decided to give a dinner for 70 people, and we drew up a

list of the people we thought most important to relations with the UK. Almost all of them came. The only exceptions were those who were travelling outside the country. Such was her reputation at the time. One point of interest was that she requested to meet scientists who were researching climate change because, even in 1989, she was focusing on that issue.

MG: Going back to the coronation of the Emperor, how does Japanese ceremonial compare with ours?

GF: There was a Shinto ceremony, and the Emperor and Empress had magnificent costumes. Like us the Japanese re-invent their traditions: Emperor Hirohito had been on the throne for 60 years and had been crowned before the war. Japanese society and the role of the Emperor had changed radically during that time, and yet they still wanted to go back to the old tradition, and so like us they blended things. Again, dignitaries from across the world came to the event; I think the Prince of Wales was 75th in the protocol order as so many Heads of State attended.

1993 – 1995 Head of Far Eastern and Pacific Department.

MG: So in 1992 the time in Tokyo came to an end and you became Head of the Far East Department. Where did you operate from?

GF: That was in London, in some ways a continuation of my role in Japan. The Department started off covering bilateral relations with China, Korea and Japan, and then the Pacific was added on: Australia, New Zealand and the Pacific Islands. That was the first time I had been responsible for anything to do with China, and so I had a steep learning curve, and I was fortunate that my boss was Christopher Hum, who was a China expert and subsequently became Ambassador in Beijing. He guided me through it.

The Japanese tend to be indirect; their famous politeness is partly because they don't want to say something unpleasant to your face, but it doesn't mean that they don't think

it! So you have to work out what they are really thinking. The other feature of Japanese government is the importance of the middle level of bureaucracy. On the issue of money for the Gulf war, for example, we never lobbied any politicians - our friends in the Foreign Ministry advised us not to. We went to the middle level and it was all done by the civil servants. The various Ministries are always fighting each other. One Ministry will tell you that they would like to help you but another Ministry is preventing them from doing so, and so on. On the other hand, China is a one-party state, and whatever arguments there are internally, they present a united front and stick to the party line, and if they don't like something they will say so. We had a relationship with them where both sides could be pretty direct because there were known differences between us. I remember receiving pleas from the Embassy in Beijing for a properly coordinated UK policy towards China. That was difficult to achieve in Whitehall, and initially I wondered if it was really necessary. But subsequent governments have coordinated policy towards China more effectively. For example, the Blair government appointed John Prescott to be in charge of relations with China across government and pull the UK Ministries together.

Although the negotiations over Hong Kong were handled by another Department, we did handle relations with Taiwan, and under Christopher's guidance we tried to move the goal-posts a little bit. Taiwan is democratic and commercially successful. In principle it should be a good partner, but our relations had always to take account of the question of Chinese sovereignty. Various issues arose. For example, the Taiwanese needed visas to visit the UK. At that time, since we didn't recognize their passports, we would not stick our visas into them. We put the visa on a separate piece of paper. But eventually, after much debate, we summoned up our courage and decided to do as they had been requesting and put UK visas into "Republic of China" passports - and the world carried on. Now, I believe, there is no requirement for a visa.

MG: You mentioned the Japanese restoring relations after Tiananmen Square. Did we?

GF: We did up to a point, but for us everything was overshadowed by Hong Kong, and the events in Tiananmen Square had a big impact on Hong Kong and our relations with the Chinese there.

MG: How much were you involved with the handover? Did you work with Christopher Patten?

1995-1998, Director for Northern Asia and Pacific, FCO

GF: In 1995, I took over from Christopher Hum with responsibility for Hong Kong as well as what I had been doing in Far Eastern and Pacific Dept. From then on, for me the main topic for the next couple of years until the handover and beyond was Hong Kong. I had been reading the papers since 1993 but had not been directly involved until then. The Head of Hong Kong Department was Sherard Cowper-Coles, who has contributed to this archive and published his own memoir. He was to me a tower of strength with a great capacity for work.

By the time I came on the scene, the decisions on the legislature had been taken, and indeed agreement had been reached on the Court of Final Appeal, but still many issues remained to be negotiated. I travelled to Hong Kong fairly regularly. The Joint Liaison Group was the main forum for regular negotiation with the Chinese, and Sherard was the FCO representative on that, but quite often when Ministers visited Beijing and Hong Kong it was me who went along with them. The Foreign Secretary was Malcolm Rifkind, who had a fierce intellect, and there were a series of Ministers of State starting with Alastair Goodlad, who was quiet and wise, and then Jeremy Hanley, who was a tremendous character: both his parents were actors and he was a great performer.

The key issue on one subject after another - and Sherard has written about this - was whether and when to reach an agreement on a topic with the Chinese. In most of the negotiations we had an idea of what we wanted - which would have been a proper, free, liberal, western-style law, regulation or institution; but the Chinese wanted a system where they could exercise control in one way or another. On the question of the

legislature we didn't compromise in the end: we couldn't reach an agreement with the Chinese, and immediately after the handover, they abolished our Legislative Council and introduced their own. In the phrase often used then, there was no through-train. On the Court of Final Appeal we did in the end manage to reach an agreement, with the result that the same Court of Final Appeal continued after the handover.

Others like Robin McLaren have described what tended to happen. The FCO in London would receive advice overnight from the Governor and from the Ambassador in Beijing, and then officials in London had to provide their own advice to the Foreign Secretary. When Chris Patten became Governor, the balance between Hong Kong and Beijing changed, but it was still up to officials in London to advise the Foreign Secretary, and that wasn't always easy. The issue for us, as I saw it, was not whether it would in some way damage our relations with Beijing if we failed to reach an agreement. The issue was whether it was better to stick with our principles and hold out for the institution or law that we wanted and to introduce that unilaterally in Hong Kong in the knowledge that after midnight on 30 June 1997 it would almost certainly be changed for something worse – or to compromise in negotiation with the Chinese and achieve agreement on something that was less good than we ideally wanted, but probably better than what the Chinese would introduce if left to their own devices, and which was much more likely to continue after the handover. Time and again, that was the choice facing the British government.

MG: What were you getting from the people of Hong Kong themselves or did you only hear through the Governor?

GF: The Legislative Council, which was more democratic than its predecessors, had a strong contingent of the Hong Kong Democratic Party led by Martin Lee, who were pushing for us to resist Chinese pressure and preserve the rights and freedoms of the Hong Kong people. On the other hand, most of the business community was taking a more cautious, Beijing-friendly view. So there were different pressures, but the heart of the matter was that we were handing over the people of Hong Kong to a one-party communist state. That was the path we were on, and we had an enormous duty to do

everything that we could to secure safeguards for them, and they reminded us of that, quite rightly and understandably, through their politicians; and Chris Patten was the one who was right in the middle of it all in Hong Kong and had to hold it all together. He did a remarkable job.

At the very end, in the last few months before the handover, the Chinese Ambassador said to me something about wanting to put Chinese troops into Hong Kong before the handover. The idea of that had not occurred to me and, at first I misunderstood what he said, but soon it became clear that they were very serious about it. So we pushed back, and in the end a very restricted agreement was reached by our negotiators in Hong Kong which did allow into Hong Kong a limited number of Chinese troops under very tight conditions before the handover. It appears that, since their most senior leaders were going to travel to Hong Kong for the ceremony, they were worried about their security. In the event, the two top leaders, Jiang Zemin and Li Peng, each arrived in a Jumbo jet, and I found myself on the tarmac with Derek Fatchett who was Minister of State (as the Labour government had recently taken office) and was representing the British government, to greet them. As the planes taxied, we were standing there, holding our umbrellas because it was pouring with rain, and that reflected our mood: both of us were anxious and rather pessimistic as to what the Chinese would do after they had taken over. Derek sadly died very young, not long after, while still in his forties. He was a very able and hard-working man.

MG: You were there on June 30th? Paint a word picture of that occasion.

GF: Yes. I flew out with Tony Blair, not in a Jumbo but a VC10! Robin Cook, the Foreign Secretary, had gone out with Sherard a couple of days before. Tony Blair arrived on the morning of the handover, and we went off to a lunch with Chris Patten. The actual handover was in the evening. There were two ceremonies: the British handover, Britain's farewell to Hong Kong in an outdoor stadium, where the Prince of Wales read a speech in the pouring rain; and then the actual handover where every aspect had been negotiated to the finest detail. The initial idea was to hold the handover itself outdoors but the Chinese objected that it might rain and they didn't want their

leaders to get wet, and so it was held in the Convention Centre. The details had been planned so minutely that, for example, the flagpoles had little fans in them so that even indoors the flags weren't limp but blew out.

MG: Was there a Banquet after this?

GF: No. After the handover the British VIPs departed on Britannia, and the Chinese swore in their legislature in the middle of the night. There was a nervous feeling in the Labour government: they knew the handover was going to happen very soon after they took office, and although all the negotiating had been done by Conservative administrations, they feared they would get the blame if it went wrong. No one knew what would happen if the Chinese tore up all the agreements. It would have been extremely difficult, and we would have had fairly limited options. There was much talk of rallying the international community, and we were careful to keep the Americans and other friendly countries fully briefed on what we were doing. But as it turned out, the Chinese stuck to the deal almost to a fault. In fact there was no political crisis as feared, but there was a financial crisis in 1997. I met Donald Tsang, Financial Secretary as he then was, some months later when he was in London, and he said he had kept waiting for the phone to ring from Beijing but it didn't, presumably because the Chinese were respecting Hong Kong's autonomy. He said that if the British had still been in control the phone would never have stopped ringing! No one thought the handover would go as well as it did.

MG: Do you attribute the success of the handover to British negotiating and tenacity? You sought to find the art of the possible rather than principle?

GF: Up to a point. It was in China's economic interest for Hong Kong to continue to run smoothly and to maintain confidence in the territory. Most people also thought that they had one eye to Taiwan. The whole concept of "one country, two systems" had originally arisen in respect of Taiwan. Now they had recovered Hong Kong; they would soon recover Macao; and then their last big prize would be Taiwan. In reality, however, the Taiwanese are not attracted by a Hong Kong-style arrangement.

The other thing to mention at this time was in relation to Japan. In 1998 the Emperor and Empress paid a State Visit to the UK. 1995 was the 50th anniversary of the end of the Second World War, and from 1992 onwards there was a renewed focus in the UK on the treatment of the British prisoners of war and civilian detainees. A number of former prisoners started a joint legal action against Japan for compensation.

Understandably and rightly, there was huge sympathy for the ex-prisoners in the UK; but unfortunately this ran up against the enormous sensitivity in Japan of issues related to the War. The British Government faced a dilemma. It wanted to do the right thing by the ex-prisoners, but on the other hand it did not want to damage the friendly and beneficial relations with Japan which had developed since the War. The Japanese government was absolutely clear that they would not pay compensation because this had been settled by the Peace Treaty of San Francisco. So the idea arose, before I got back to London, of seeing whether it would be possible to seek voluntary donations from Japanese corporations in favour of the ex-PoWs. To be honest, I thought this had a low chance of success because if the Japanese companies had started donating to British ex-PoWs, there would have been no limit to the number of claims from China, Korea and other Asian countries; but we gave it our best shot. After much discussion, we sent an emissary to Japan to talk this over with the companies, but they refused even to meet him. The upshot was that the visit of the Emperor became a focus of protest, and as he drove up the Mall with the Queen some of the former prisoners turned their backs, and this attracted a lot of media coverage. I think, in the end though, we did navigate it with the Japanese more or less. They did regard the Emperor's visit as successful, despite demonstrations almost wherever he went. Later on, and separately, the British government made a payment to each of the ex-prisoners to recognise their sacrifice for their country.

1998 – 2001 High Commissioner to Malaysia.

MG: It is now 1998 and you are going to Malaysia as High Commissioner. You already had a lot of background in Asia: tell me about this appointment.

GF: It was time to move on. At that stage we had a system where you bid for postings, and for various reasons I did not initially put myself forward for Kuala Lumpur, but when I was asked to, I did. I had been in Singapore as a child at the age of 8 or 9, and we had visited Malaya, as it then was, for holidays, and I had warm memories of the country.

But two weeks before I arrived, Dr Mahathir, the Prime Minister, fell out with his deputy, Anwar Ibrahim, who was arrested. I never met Anwar because he was in prison the whole time I was there. It was also the time of the Asian financial crisis, which hit Malaysia hard. After Suharto fell in Indonesia, Anwar seems to have seen it as a chance to push for a change of Prime Minister in Malaysia, but Dr Mahathir was not having it. Subsequently Anwar was tried twice, first for abuse of power and the second time for sodomy. The British Government thought the trials were unfair, and we said so, and so did the Americans, the Australians, the EU etc. Some elements were farcical, particularly in the sodomy trial. They brought in a mattress, which was said to have various stains on it, but the prosecution could not demonstrate that it had not been tampered with after the alleged events were supposed to have taken place. But the problem for us was that we had history with Dr Mahathir. We had had big rows with him twice: the first when he issued an edict to buy British last, and the second when he stopped public procurement from British companies - and I don't think anyone wanted to go through another of those. On this occasion, we managed to navigate our way through.

Mahathir used our criticism for his own political purposes. At one stage in an election campaign, for example, one of his people splashed a story in the media that the UK, US, Australia and Canada had intervened to back the opposition party, led by Anwar's wife. The Heads of Mission were all summoned to the Foreign Ministry. The accusation was complete nonsense - we had not given any money to the opposition - but he was trying to damage them by association with the West.

But our relations were not wholly negative. British companies worked hard to export and invest, and a large part of the High Commission's work was concerned with

commercial matters. The other major interest was education. I was actively involved with the British Council in promoting that, and many Malaysians chose to study in the UK. In addition, several UK universities established partnerships with Malaysian educational institutions. Nottingham University even set up its own campus in Malaysia. As it happened two of the nine Sultans and the then Education Minister (now Prime Minister) had studied at Nottingham.

MG: Were there any Commonwealth Conferences while you were there?

GF: There was a Commonwealth Law Conference. One of the things we were trying to do was to maintain the links between the British and Malaysian legal professions. Their Bar Council was very staunch in wanting to defend the rule of law. Lord Woolf and other senior legal figures came out for the Conference, and each year the British Council sponsored a legal lecture which was given by one of the most senior English judges. We thought the rule of law was not a lost cause, but it had suffered from political interference.

MG: Was there much unrest because of its high Muslim population?

GF: The population was about 60% Muslim, 28% Chinese and 10% Indian. Maintaining harmony among these different ethnic groups is absolutely crucial for Malaysia. At that time many Chinese were supportive of Mahathir as they wanted stability above all. But among the Malays Anwar's arrest caused considerable protests, and there was underlying unhappiness about corruption and, especially in the North-East, stronger Islamic feeling, which seemed to have been growing over the previous ten years or so. At the same time, the economic crisis led to a severe contraction in GDP, and that was visible in Kuala Lumpur, for example, in stalled building projects. Mahathir reacted by introducing some limited capital controls, which were widely criticised in the City and among economic commentators at the time, but which probably did help to limit the extent of the crisis - and were later reappraised by the IMF and others. Before I went out, I called on the then Governor of the Bank of England, Eddie George, and he told me that his personal view was that Mahathir had been right to

introduce the controls. That conversation was extremely helpful because it encouraged me to question the accepted wisdom about the state of the Malaysian economy.

MG: It's the 19th May and Moira Goldstaub is interviewing Sir Graham Fry for the final session of his recollections of his career as a Diplomat.

2001 – 2004 Director General, Foreign & Commonwealth Office

MG: We've reached 2001, Sir Graham, and you're Director General Foreign and Commonwealth Office. This sounds a tremendously important and impossibly wide role to undertake. What does it comprise?

GF: I was in London for two and a half years, and the job changed several times during that period. I started off with the title Deputy Under-Secretary for the Wider World, and theoretically I was responsible for everywhere outside Europe, which, as you say, seemed to me an impossible job. I had only limited knowledge of most regions apart from Asia, and so I spent much time visiting places that I'd never been to before.

I think for me there are two highlights of that period. One of them was a crisis between India and Pakistan which started at the end of 2001, when terrorists attacked the Parliament building in India. The Prime Minister and other senior Ministers were inside the building, but fortunately the Indian guards shot the terrorists before they could get very far inside. The Indian government was furious and blamed Pakistan. They mobilised their army along the border with Pakistan and threatened to invade unless the Pakistani government definitively broke with terrorism. This was just after 9/11, and so terrorism was high on the international agenda. The Pakistani President Pervez Musharraf had taken a strategic decision to side with the Americans on Afghanistan, but from an Indian perspective, for many years the Pakistanis had been fomenting dissent and what they saw as terrorism in Kashmir. By this stage both India and Pakistan were nuclear powers. The risk was that, if India invaded Pakistan, its greater resources meant that Pakistan was likely to lose the conventional war, and then the Pakistani President would have had to decide whether to resort to the nuclear option. Obviously that would

have been catastrophic. Consequently the US and UK embarked on a diplomatic offensive to try to persuade the Indian government not to launch an offensive, and there was very close cooperation between Colin Powell as Secretary of State and Jack Straw. I found myself as the coordinator in the FCO at the London end.

One of the more difficult aspects was consular because, if we had reason to believe there might be a nuclear war and there were British citizens in both Pakistan and India, then we ought to be giving them advice on when to leave the area and we ought to have a plan to evacuate them. In the case of Pakistan, there was already quite restrictive travel advice because of the terrorist threat, but decisions on India were more difficult. Eventually, I think in June 2002, we and the Americans agreed that we had to advise our nationals to leave India, unless absolutely necessary, because of the risk of conflict. We were afraid that this would so anger the Indians that they might cut off the diplomatic channel, but actually it seems to have had the opposite effect. The Indians kept their troops on the border all the way through the summer but did eventually pull them back.

The other thing I remember from that time was the importance of consular issues generally. While I was in London, one of the things I acquired responsibility for was the Consular Department. There was the bombing in Bali in October 2002, when over 200 people were killed including 28 British nationals, and our consular response was rightly criticised. I think to our credit, instead of just blaming the Ambassador in Indonesia, we realised that our systems were wrong. Afterwards, the Consular Department put a lot of effort into improving our arrangements for dealing with this type of crisis; we now have rapid reaction teams who are on standby and can go to a crisis scene very quickly and have the training and the experience to deal with it. I don't take personal credit for it, but it was an important change. The other issue, which was related, was the question of travel advice, because after 9/11 there were intelligence reports flowing in of terrorist threats in various places, and on each one the FCO had to decide what advice to give to British nationals: were you going to advise them to evacuate the country or ignore the threat or something in between? And if you ignored it

and the bomb went off, were you prepared to take the blame? I think Jack Straw was very good on these issues and trying to strike the right balance.

MG: What did these emergency teams comprise – were they military or police or what ..?

GF: These were Foreign Office people who were specially trained and equipped. One example was in Japan after I left, when the earthquake and tsunami happened in 2011. A team is sent in to reinforce the Embassy, to look out for British people who may have been killed or injured or need assistance, and to help families, who are trying to find their loved ones. There would be separate arrangements if military or police or other assistance was required. This is about the consular reaction.

MG. It's good to hear you travelled a bit more! So what travel were you doing?

GF: My own area was East Asia, and so I went also to India and Pakistan, one or two Middle Eastern countries, a few African countries, Brazil and Argentina, and the Falklands. Then, after a year and a half doing this, we reorganised and I became Director General for Economic Affairs for one year. That job meant that I had a lot of relationships within Whitehall and also had a negotiating role inside the G8, and it was useful for me later in Tokyo to have got to know senior officials in Whitehall from the Treasury, Business Department, DfID and so on - and Home Office since migration, even then, was an important issue.

MG: Tell me more about that because you're touching on something that is really current now: this question of migration.

GF: There was a high number of asylum-seekers coming into the UK, and the Government was very worried about it. This raised issues about visa regimes, where the FCO was involved; and there was an issue, which I suspect still exists, about sending back people whose asylum applications had failed. You can only send them back if the government of the country they come from is willing to take them, and

governments often weren't. The Home Office negotiated a number of bilateral agreements with countries on this, and I myself was involved in some negotiations with the Chinese.

MG: What about the Iraq war? How did that affect you?

GF: Not as much as I initially expected. Fairly quickly the lead in the FCO at the level of Director-General was assigned to Peter Ricketts, the Political Director. I concentrated again on the consular aspects, which were quite complicated because we believed Saddam Hussein had chemical, and possibly biological, weapons. There were a lot of British nationals in neighbouring countries and as, during the first Gulf War, he had fired a missile at Israel, they were potentially at risk. We had to think hard about travel advice and other precautions, particularly concerning the chemical/biological weapons. Of course we now know that he didn't have them after all.

MG: How does the role of Director General of the FCO relate to the Foreign Secretary of the day? Did you have many dealings with the Foreign Secretary?

GF: Jack Straw was Foreign Secretary almost all the time I was in post, and I had a great deal of respect for him. I thought he was not afraid to take political risks, when that was required by the situation; and during the India-Pakistan crisis, he knew far more about the issues than I ever did.

MG: You're in London until 2004, working in the FCO. And then, we have a major appointment.

GF: And then to Tokyo, yes.

2004 -2008 British Ambassador to Japan.

MG: You told me earlier you were able to bid for things. Was this another bid?

GF: I did bid for Tokyo. I went out in July 2004 and stayed for four years. My counterpart in London, Yoshiji Nogami, and I used to say the main problem in UK-Japan relations during that period was that there were no bilateral problems. This made it difficult to attract high-level attention on both sides. The closest we got to a row was when the French proposed to lift the EU arms embargo which had been imposed on China after Tiananmen Square in 1989. This made good sense in technical terms since the embargo had little or no practical impact by 2004, but we had under-estimated the political opposition which was aroused in Japan and the US. The UK quickly moved to oppose the French proposal, so the potential row with Japan fizzled out.

One early focus for the Embassy was the G8 summit in Gleneagles in 2005. Tony Blair decided that he was going to concentrate on two issues: climate change and Africa. At this stage we and the Japanese largely agreed on climate change: the difficulty was Africa, because it ended up as a discussion of aid and the Japanese had steadily cut their aid budget as a percentage of GDP, and their priority in any case was Asia. We had to try to persuade them to be more generous to Africa, and we put quite a lot of effort into that on various fronts. For example, we organised a conference on Africa in the Embassy and it began with four Japanese celebrities who were enthusiastic about the continent, including a former Prime Minister and a popular singer who was a Unicef ambassador. I asked them each to speak for five minutes on why they loved Africa and each of them went on for 15! But in general Japanese business and politicians were not interested in Africa then, and the discussions were difficult. The Japanese Prime Minister, Junichiro Koizumi, however, got on very well with Tony Blair and wanted to be helpful, and so in the end Japan made a reasonable pledge.

MG: Climate change, the famous agreement is the Kyoto agreement isn't it?

GF: That had already happened – that was 1997. What happened after Gleneagles on climate change was that Japanese industry became unhappy with what they had to do under Kyoto and complained that Kyoto had been too favourable to the EU. In the US the Congress and President Bush took a highly sceptical view and it was clear that the Kyoto targets would not bind the US. In addition, China was not bound by any targets under Kyoto, but its economy was booming and to some extent competing with the Japanese economy. As discussion began on what would follow Kyoto, Japanese industry became reluctant to sign up to further pledges, and that influenced the Ministry of Trade and Industry, which was traditionally more powerful than the Environment Ministry. After Gleneagles, we in the Embassy put quite a lot of effort into climate change as an issue and tried to get the Japanese to be more forthcoming.

MG: That is regrettable in a sense because in your earlier recollections, you pointed out that Mrs Thatcher had wanted to meet the climate change scientists.

GF: The Japanese never challenged the science, unlike in the US. There wasn't a climate-sceptic lobby. It was much more an issue about burden-sharing in their eyes, and, as in so many other areas, China became a big issue for them. In particular the energy-intensive industries – steel, cement, and so on – were strongly against our ideas for emissions caps and trading schemes. They influenced the rest of Japanese business, which didn't want to oppose those basic industries, and the Keidanren, the Japanese equivalent of the CBI, took a very cautious line. I didn't want to get us in a position where we were seen as hostile to Japanese industry. We did a joint seminar with the Keidanren, and we arranged meetings with Ministers, experts like Nick Stern and representatives of our CBI, but there was not much meeting of minds on that side. The opposition party were more sympathetic, and when they came into government, which happened after I left, they made a bold pledge, but in the end they weren't able to achieve it, to make it stick.

MG: How had things changed when you returned? When you left the downturn was starting, but it was disguised to some extent by their policy, it must have been in full flow for some time?

GF: It had been going for a long time and people talked about the lost decade, but it wasn't that Japan suffered a big recession - it was just that it hadn't had any growth. If you went to Tokyo there was no obvious sign of a place in distress. It was only when you went out into the regional cities and the rural areas that you could see the effects more clearly. Quite an important factor was demographic: Japan has been aging very fast, and the only place in Japan where the population has been going up is Tokyo. We quite recently went to one of the smaller islands, and the High Street had half the shops closed. Some of them had even been turned into private houses. Japan has not experienced the sort of big recession which we had in 2008. It has suffered from a lack of growth of the economy overall and the increasing burden of providing pensions and health-care for the older generation.

MG: Do they have any policy to remedy this? China had the reverse problem, so they had one child per family, but in Russia people are paid to have children – is there somewhere in between?

GF: There was quite a lot of discussion of this. I don't think they really got to grips with it and I think the reason for that is in part cultural. The people running Japan were elderly men and they're not necessarily the best people to work out how to encourage young families to have children! In addition, there continues to be great caution about immigration.

MG: What changes did you notice?

GF: The other big change is in attitudes to China.

When I was there previously the Japanese felt the need to work together and to help China and so to try to maintain stability in the region, but by 2004 China's economy had grown enormously and was still growing very fast, and the economic balance between Japan and China had changed fundamentally. As a result, the political and security relationship was changing too. China became Japan's largest trading partner, and

Japanese business made huge investments there, but at the same time China was challenging Japan's leading political position in the East Asian region, and as it continued to proceed with its military build-up it was increasingly seen as a direct security threat. Public attitudes in Japan towards China had become much more negative, and in China itself there were at one point anti-Japanese riots.

When I arrived, relations were at rock bottom. Koizumi, before he became PM, had promised that every year, if he was elected, he would visit the Yasukuni Shrine, and for China that was unacceptable - at least they said it was - because Yasukuni honours the war dead and in the 1970s the Japanese leaders who were executed as war criminals and therefore were seen as responsible for Japanese aggression, had been included among those honoured in the shrine. Chinese leaders refused to talk to Koizumi as long as he visited the shrine. One can debate how sincere the Chinese position was, since the Chinese Communist Party has used patriotic feeling as a way of bolstering its own legitimacy, but there is clearly genuine emotion about this in China as well. Whereas the trouble on the Japanese side is that there is on most issues in Japan a consensus, but there is no consensus about the Second World War, and my conclusion is that there never will be a consensus on the Second World War. Koizumi was appealing to his own right-wing electorate to get him chosen as party leader, and for them honouring those who died for their country is a big and emotional issue. The Chinese Ambassador, who is now the Foreign Minister, was very active in lobbying, and I think originally he was hoping he could persuade Koizumi not to pay any more visits. Japanese business was also keen for the relationship to return to an even keel. But Koizumi is a stubborn man and one of his characteristics was that he always did what he'd said he would do, and so he visited Yasukuni every year until he resigned. The next Prime Minister was Shinzo Abe, who is now Prime Minister again and has a reputation for being a right-winger on these issues; but in fact during his first period as Prime Minister, he mended the relationship with China by not visiting Yasukuni.

I thought at the time that although both sides would find it hard to adjust smoothly to the new balance between them and there would be repeated periods of tension as the Japanese resisted Chinese attempts to bully them and put them down, both sides

understood that it was not in their interests to let the situation get out of control, and that would prevent a really dangerous situation from arising. But I have no doubt that rivalry with China has now become the dominant feature of Japanese foreign policy.

MG: You mention the military build-up in China, you touched earlier on the fact that at one stage the Japanese couldn't send troops to the first Iraq war and then you were talking about the movement to allow them to be sent in certain circumstances. What was the position when you went back in 2004? What is it now?

GF: They had moved on in the sense that after the second Iraq war - and again this was a personal decision by Koizumi - they sent 500 members of the Ground Self-Defence Force to Iraq. They were all engineers, not fighting troops, and they went to one of the safest areas. Nevertheless, by Japanese standards, that was quite a big thing to do. They happened to be in the south of Iraq which was the area under British control, and two issues arose. The first was that as engineers they required other soldiers to be there to provide security. To start with, the Dutch were doing that, but they decided to withdraw from Iraq and there was a gap, which we had to fill until the Australians came in. It was interesting to me that the Australians chose to replace the Dutch. This was a clear decision by Prime Minister Howard, partly because he had supported the war and wanted to help, but partly also because of Australia's relationship with Japan, and it was specifically the Japanese angle that helped persuade the Australian public to support the deployment. The second issue concerned Japanese withdrawal when they'd finished their work. There was a fair amount of liaison with them to make sure that things went smoothly - which they did. Although, when Koizumi took the decision to send them in, he was expecting that they would have some casualties, in the end they had none.

MG: From what you've told me, the Japanese don't really have an interest in Africa, but the Chinese have made a speciality of investing in Africa. Can you account for that?

GF: Well the irony is that because the Chinese have been so active in Africa, the Japanese are now attempting to become more active there themselves. I think the Chinese saw the opportunity, particularly to acquire raw materials, which their

manufacturing economy requires. The Japanese have always been much more cautious and concerned about the political risks.

MG: What were the highlights of your time as Ambassador?

GF: A highlight quite early on was when I was invited to speak at the party conferences of both the main parties, I think by coincidence. I am not quite sure how it came about. Both of them perhaps were trying to show they were international. Anyway, they knew me, I could speak Japanese, and there were no difficult issues with the UK. As it turned out, because I was invited by both, I could claim still to be neutral as far as Japanese politics was concerned. The first one was the ruling party, which was celebrating its fiftieth anniversary, and I think I was given about three minutes, so I worked very hard on what I should say. My recollection is I got my biggest applause when I supported Japan's bid to be a permanent member of the Security Council, but I also urged them in general terms to pursue structural reforms of the economy. After that came the annual conference of the main opposition party – the Democratic Party.

MG: Did you say the same thing?

GF: I said the same sorts of things but I was given slightly more time!

Another highlight was organising a range of events to promote a more modern image of the UK. I thought we were being held back on tourism and to some extent our exports by people having a rather out-dated idea of the UK. There is nothing wrong with being seen as a country which values its traditions, but it is wrong if that is the only thing people associate with the UK. And so with the British Council we brought together a series of events focussing on modern developments in the UK in the arts, science and design. The highlight was an exhibition of twenty years of the Turner Prize which the Crown Prince opened and which was visited by over 250,000 people. None of this could achieve overnight results. You are constantly dripping on a stone, and people are influenced by many things including the media and nowadays Facebook and other social media. But it is important in my view to keep trying.

MG: When you were there before you were always trying to get ministers to come out and promote industry and exports and they didn't want to make the journey – did you still have that to contend with?

GF: We did get quite a flow of people coming through, but we could always have done with more. When we held the Presidency of the EU we were asked to produce a joint paper on EU-Japan relations, and the main theme that came out of that was that all the EU Ambassadors felt they weren't getting enough attention from their capitals.

MG: Where does the Ambassador live? When was it built? What is it like?

GF: The residence in Tokyo is very grand. I spent the first month moving all the furniture around, which I think was my way of exerting control over the house. It was built in about 1930 after Tokyo had had a devastating earthquake, and since most buildings in Tokyo have been re-built more than once since then, it has a historic feel to it. But it's also quite usable. During one visit by Jack Straw, for example, he and his party stayed at the house, he opened a scientific event for 100 people downstairs, and then we moved to another room for a private session with some key investors from the car and electronic industries. That's something I should talk about – inward investment - which is still crucial. The Japanese electronics industry has retreated somewhat over the years, and the television factories which I mentioned at the beginning have all closed. But the car industry remains extremely important for the UK, and when I was in Tokyo I remember the year when the UK was making over a million cars for the first time for many years, and half of those were made in Japanese-owned factories. A high priority for me was to get to know the senior executives from the three main companies, and I visited all the UK factories.

MG: As Ambassador you were then talking to the senior people, whereas before it was always the middle people?

GF: Yes, the middle people were quite important, but good relations at the top obviously were important too. And this is a success story for the UK; the companies have continued to invest in new models and new production lines within their UK factories. We also did a certain amount of work with the component suppliers because the Japanese car companies encouraged their suppliers from Japan to invest in the UK, and so you have not only a Nissan factory, for example, but a cluster of component suppliers as well. The smaller companies are less used to operating overseas, and they sometimes required quite a bit of help.

MG: Did you come back and forth a lot?

GF: Quite a bit, yes. One feature of the Embassy was that only a relatively small part of what we were doing was directly related to the FCO. A lot of what we did was with other Government Departments and with business. Right at the end of my time, the Japanese hosted their own G8 summit up in Hokkaido, and I had to give advice on how to influence them on that. By then Gordon Brown was Prime Minister, with his strong interest in overseas development.

MG: If the Gleneagles summit was climate change and Africa what was the hallmark for that one?

GF: We were still talking at that time about climate change and development. To some extent Tony Blair had set the agenda for subsequent years, and so it was still a question of how to influence them on these two topics so that from our point of view they were sufficiently ambitious.

MG: Did you have to travel, were there any state visits? Does the Ambassador have to accompany the Emperor if he travels?

GF: Yes, in principle, but it didn't work out like that. Many members of the Japanese Imperial family are scientists, and the Emperor was associated with the Linnaean Society, which celebrated its 300th anniversary while I was in Tokyo. He wanted to

attend the celebrations, which were in Sweden and London, but unfortunately his visit to London was timed precisely to coincide with a visit by Prince Andrew to Tokyo. I thought I should look after Prince Andrew and obtained permission from the Queen to let me stay in Tokyo, and so I missed the Emperor's visit, but we did have an opportunity to talk to the Emperor and Empress informally beforehand. By all accounts the visit went extremely well, and Prince Andrew's visit went well too.

MG: He was representing industry at that stage?

GF: It was his second visit while I was there. We organised a big event about aerospace to publicise the scale and importance of the UK aerospace industry because the Japanese were strongly influenced by the American industry and we wanted them to understand the importance of what the UK had to offer. All the major companies from the UK and Japan were represented at the level of CEO or Chairman, and Prince Andrew came out to open the main seminar.

Reflections on the Diplomatic Service

MG: I would like you to share your reflections on the Diplomatic life.

GF: Well, I think I was lucky to join the Diplomatic Service when I did, and I was lucky to be sent to Japan. I was able to do things which I thought were benefitting my country, I had good colleagues and I was able to see something of the world. I also seem to get on well with the Japanese and I've had the chance to understand a little of the way they feel about things. Within the FCO the spirit was quite collaborative, and people were very focussed on getting things done in a professional way. I think that one of the difficulties the FCO faced, because it had a strong culture of its own, was the need to modernise itself.

MG: Can you elaborate that a bit more?

GF: I remember when I was younger, listening to senior officials describing the FCO as providing a Rolls Royce service, and that contained a risk of complacency. Sooner or later somebody will ask whether they can afford or need a Rolls Royce, and the FCO has had to adjust to a harsher climate, both financially and within Whitehall. There was criticism of what some people saw as excessive focus on management as that adjustment took place, but the FCO did need to manage itself more efficiently and to demonstrate that it was adding value for money. In my view, though, it's now been cut too far. Beyond a certain point, in a service which is essentially based on people, you end up not just improving efficiency but cutting into real capabilities. The UK's foreign policy cannot only be about aid, trade or defence. It needs to be built around effective diplomacy, and the FCO's basic skills of understanding foreign countries, and its expertise in persuasion and negotiation, are just as important as they ever were.

MG: I think that the perception is that there was a golden age; there were great experts who had an in-depth knowledge of the places they were associated with. Unflattering comparisons are made with the American Foreign Service.

GF: I think we still have people with considerable regional expertise. In Tokyo I used to think it important to try to ensure that there was a pipeline of language-speakers so that in, say, 25 years' time we would still have an ambassador there who spoke the language and knew the country.

MG: In your time as a diplomat, do you see the character of the FCO has changed?

GF: It has, but it's not easy to sum up what has changed. It's become a lot more informal, but then everywhere has. The effort of managing media communications steadily increased throughout my time in the FCO. The overall environment has changed greatly. When I joined the central issue was the East-West conflict, the Cold War, but it's now much more complicated. The FCO has responded by shifting resources from Western Europe into the Middle East and China, for example. As I mentioned, the financial pressure has been unremitting and brought changes too. Underlying everything, if we are honest, is the steady erosion of the UK's influence in

the world, and leaving the EU won't help that. But quite a lot is still the same. I mentioned just now the basic skills; and most of the tasks have not changed: when I first joined the FCO, I was told that in future it would be essential for all of us to do trade and investment work, and that seems to be exactly the message which was reinvented by Mr Cameron.

MG: If it's not a Rolls Royce, what is it now?

GF: In both Malaysia and Tokyo, when I arrived, the Ambassador drove around in a Rolls Royce. In both cases I ended up with a Jaguar. I don't know if there's a moral in that ... probably not!

MG: I'll leave it at that. I remember when you first went to Tokyo in the 70s you had a Mini because that met Japanese standards.