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### **JAY, Michael Hastings GCMG (Baron Jay of Ewelme)** **(b. 16 June 1946)**

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## THE LORD JAY OF EWELME GCMG

(Sir Michael [Hastings] Jay)

interviewed by Malcolm McBain at Ewelme, Oxon on 4 January 2007

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### Education and family background

MM: May I start by asking you a little about your family background and education, and how you came to come into the Government Service.

MJ: My father spent his entire career – indeed most of his life – in the Navy. He went to Osborne in, I think, 1914 and then onto Dartmouth; he then joined the Navy where he stayed until he retired as a Captain in 1956 at the age of 52. I spent the early part of my life partly in London and partly abroad with him, first of all in Hong Kong from 1949 to 1951, when he was Captain of a frigate called *The Black Swan*, which, among other things, went up the Yangtse to rescue the *Amethyst* in the Yangtse incident of 1949. My mother, sister and I were living in a one-room apartment in Hong Kong. I went to a nursery school there. Then we came back to London for a year or so, and then my father was seconded to the Indian Navy as Commodore of the naval base in Cochin in the South West, where we lived from 1951 to 1953 or so. I went to a little local naval school with lots of little Indian kids in Cochin, and then to the Bishop's School in Poona when my father was invalided up there for a while with hepatitis.

Then we came back to Britain and I went to a prep school, the New Beacon in Sevenoaks in Kent. My father then went to Malta, his last job as Flag Captain, and so I flew out for holidays there. By the time I was eight I'd been to school in Hong Kong, India twice, and two or three schools in London before I went to my prep school. I was at the New Beacon until the age of thirteen, then went on to Winchester. My father retired from the Navy in 1956 and got a job as a training officer with the National Coal Board near Nottingham, which was about as far away

from the sea as you can get in Britain, and lived there until he died. My mother who is now 94 still lives there; she's lived now for fifty years in the same cottage in East Bridgeford near Newark.

So I went to New Beacon until I was thirteen, then to Winchester from 1959 to 1964.

MM: Had your father been there too?

MJ: No, my father had been at the New Beacon but he left there to go to Osborne and then to Dartmouth. From the age of about ten or twelve, I think, he had an entirely naval education. But my uncle, Douglas Jay, had been at Winchester; my two cousins, Peter and Martin, had been at Winchester; my paternal grandfather had been at Winchester, and we were all in the same house.

And then I got a place at Magdalen College, Oxford to read History but, before going up to Oxford, I spent nine months in what would now be called 'gap year' teaching in a secondary school just outside Lusaka in Zambia, which got me interested in the problems of development and poverty, and I therefore decided to read PPE instead at Oxford with a focus on the developing world.

At Oxford I applied to the Civil Service with the intention of joining the Ministry of Overseas Development. I left Oxford in 1968 to do a Master's Degree at the School of Oriental and African Studies of London University.

MM: Before joining the Civil Service?

MJ: Yes; after Oxford and before joining the Civil Service. That was an MSc in Economic Development.

## **Ministry of Overseas Development 1969**

So I then joined the Ministry of Overseas Development with experience in Zambia, having specialised a bit in economics and development economics, both at Oxford and the MSc at SOAS.

## **Member of the UK Delegation to the World Bank and IMF, 1973-75**

I stayed in the Ministry of Overseas Development until 1980 or thereabouts, which included time in London and two extremely interesting years as part of our delegation to the World Bank and the IMF in Washington, from 1973-1975. This was the time of the first oil price crisis, and included setting up the interim committee and the development committee. In Washington, each major country has an executive director, as he is called, of the World Bank and the IMF. The UK executive director was Anthony Rawlinson, a senior official of the British Treasury. He subsequently died rather tragically falling off a mountain; he was a great walker. He had quite a small staff of two dealing with IMF affairs and two dealing with World Bank affairs, and I was what was called Technical Assistant dealing with the World Bank. There was a Ministry of Overseas Development Assistant Secretary called Rex Browning who was my boss, as it were. Anthony Rawlinson was the Executive Director. So I was seconded to the World Bank to do this but was also loosely attached to the Embassy under, first of all, Lord Cromer and then Peter Ramsbotham.

MM: So that was a very interesting time.

MJ: It was very interesting for me to see, early on in my career, an international institution from the inside. It was very interesting to be in Washington at the time of Watergate, the impeachment hearings and so on. So it was also interesting in terms of domestic politics in the United States.

MM: Who was the American Executive Director? Of course they have two, don't they?

MJ: I can't remember who he was now. The President of the World Bank was Robert McNamara who at that stage was atoning for his part as US Secretary of Defense at the time of the Vietnam War. Again, one's looking at one's education. As a public servant just watching a very considerable figure, McNamara, changing direction altogether and focusing on poverty and the alleviation of poverty was, as I say, quite an education.

MM: Indeed! He'd been Ford Motor Company as well, hadn't he?

MJ: And then he'd been Secretary of Defense. I used to see him, because I used to go to every World Bank Board meeting, taking notes and sending telegrams back to London.

MM: To the ODM?

MJ: Yes. The ODM and the Treasury. Formally we were a Treasury delegation, so basically to those two.

MM: Did you have any problems about who signed your telegrams?

MJ: They were all signed Rawlinson. There was constant debate about whether they should be signed 'Rawlinson' or by the Ambassador, but there was a very clear agreement tenaciously kept to by the Treasury that it was the Treasury's delegation and they signed the telegram. Telegrams came to us rather than to the Embassy.

MM: Were they seen by the Embassy?

MJ: They would have been seen by the Embassy, but certainly not for the Embassy to clear. The Executive Director, Anthony Rawlinson, had two jobs: he was the

Economic Minister in the Embassy, in which case he would therefore be liaising for the Treasury with the Fed on bilateral economic issues, but then he was also the Executive Director of the Bank and the Fund and in that capacity he rather jealously guarded his fiefdom. He ran it, he sent the telegrams and, when the Chancellor of the Exchequer and the Governor came out, as they did regularly – Anthony Barber, and I can't remember who was Governor at the time, Gordon Richardson I think – he would look after them, not the Ambassador.

MM: An extremely interesting interlude. Is there anything you would like to say about that particular period from the point of view of your career development?

MJ: I think that it became curiously relevant at the very end of my career in my last two years in London working with Prime Minister Blair on G8, the Summits at Gleneagles and St Petersburg, when I was once again very much involved with Africa, with development, with the World Bank, and the IMF. Having had some experience of them even some years ago and maintained some contact with people there was a help. What those two years did, and in fact my time at the ODM also did, was to give quite a strong economic bias to my career which really carried right the way through. Indeed I was for a short time, when I came back from Washington, a member of the Government Economic Service, writing manuals and project appraisals and so on for the ODM. I was seconded to the Government Economic Service for a while as an economic adviser. So I'd worked, as it were, as a Home Civil Servant in the ODM; as a Home Civil Servant on secondment to the World Bank; a member of the Government Economic Service; a Home Civil Servant subsequently on secondment to the British High Commission in New Delhi; then as a member of the Diplomatic Service on secondment to the Cabinet Office at home and abroad. It was extremely useful later on in my career, as we'll come on to, to have had that experience early on, outside the Foreign Office, in a Home Civil Service department, and looking at the Foreign Office from the outside. Also I'd had an economic background, which was still comparatively unusual at the top of the Foreign Office, and indeed still is.

So I think that, in a funny sort of way, the value of that came back to me later on in my career.

### **Return to the Ministry of Overseas Development 1976-78**

MM: After Washington, you came back to the ODM for a couple of years – 1976-78. What were you doing then?

MJ: I was then posted to the Rural Development Department – which sounds a rather odd thing to do, but it was under Judith Hart who was then the Minister. She had decided that rural development was the great centre-piece of her time as a Minister. So I came back from Washington and was put in charge, as a sort of young principal, of reorienting a policy towards rural development. I did that for a couple of years, which I greatly enjoyed, until I was appointed to the High Commission in New Delhi as the First Secretary running the Aid programme there.

### **Appointment to British High Commission New Delhi as First Secretary (Aid) 1978-81**

MM: Was there a Counsellor as well?

MJ: There was. There had never been an ODM person in that job before; it had always been done by the Foreign Office. There was an agreement that it should be done by the ODM and I was appointed. The Counsellor was Terence Wood who went on to be Ambassador in Vienna subsequently. After him, briefly, Roger Beetham who had been in Senegal I think and, subsequently went to Strasbourg as our Representative to the Council of Europe.

My three and a half years in New Delhi were fascinating. The budget was huge. We were giving India £159m a year in 1979 prices, which was enormous. It was being managed effectively by three of us – me, the Second Secretary and the Third Secretary. The High Commissioner, John Thomson, was an extraordinarily

impressive figure, a sort of rôle model throughout my subsequent career. It was a very interesting time, both in terms of the management of the Aid Programme and negotiation with the Indians about how it should be used. It also required me to spend about a week every month travelling around India to very remote parts of the country, tribal areas and so on, where there were either projects or could be projects. So I greatly enjoyed that. It was quite a responsibility too because, as I say, the amounts of money were quite substantial.

MM: It must have been one of the best jobs in the High Commission.

MJ: I think it was. And I think most other people who were there with me, and we had a very distinguished set of people there – the two other First Secretaries there were David Manning, who later went as Ambassador to Washington, and Robin Janvrin who became the Queen's Private Secretary. So we were all there together. The staff included John McGregor who became Ambassador in Vienna, and Michael Wills who is now a Labour MP and Minister. It was a young, very impressive group of people.

MM: And the High Commissioner?

MJ: ... was John Thomson throughout the time I was there. He taught me a lot. He had extraordinary intellectual curiosity; for him, everybody, no matter what they did in the High Commission, was of equal importance. Moving into an Embassy or High Commission when you are not a member of it, certainly thirty years ago and I suspect it's true now, can be a bit daunting. You assume the community is rather closed and that you are going to be looked down on by these rather superior figures. But that certainly wasn't the experience in Delhi; that was very largely, I think, because John Thomson made it clear from the very first day that, as far as he was concerned, the job I was doing was crucially important, and that he was going to take a huge personal interest in it – which he did. That's something he taught me and that is something which I have passed on to young men in the Service who've



said to me, “Who is your rôle model?” I always say John Thomson for that reason. He also taught me things like diplomacy, which was how you maintained contact with people, and the importance of maintaining contact with people even when they seemed to be completely down and out. At the end of the emergency, when Mrs Gandhi was really disgraced, John Thomson made a point of sending her little manuscript notes, keeping in touch with her even though this had to be done very discreetly. But she never forgot that and, when she got back into power again a little bit later and he was still there, it paid off. These are the little tricks of diplomacy which, as a young man, you notice.

MM: Tell me a little bit about Mrs Gandhi’s disgrace and rehabilitation because I know nothing about that period in India.

MJ: Well, there was the Emergency when she suspended democratic rule and ran the country in rather an undemocratic fashion. It caused serious divisions in the country. In the end, she was forced to hold elections and, as far as I remember – I’d need to go back to the history books – she resigned or lost, and was replaced by an old school Congress politician called Morarji Desai who ran the country as Prime Minister for a while and then he was replaced by Charan Singh.

And then a kind of longing for the return of the Nehru dynasty grew up. Actually what the country wanted after all was a sort of firmness and firm government, and so Mrs Gandhi was voted straight back in, but in a proper democratic election, as Prime Minister. And there she stayed until she was assassinated.

That was a very traumatic moment in Indian history which I think was summed up probably for us, my wife and me, when we had a showing of Bolt’s film ‘A Man for all Seasons’ in our house in Delhi.

MM: Where did you live?

MJ: We lived in Kautilya Marg about half a mile from the High Commission, outside, which meant that we were subject to all the vagaries of power cuts and so on. It also meant that Indian friends, of whom we had very many – and still have very many, the same ones – could just come in and see us without having to go past the Gurkha guards on duty at the High Commission compound. So that was a huge advantage. The Janvrins lived above us.

MM: You were all in the same house?

MJ: Yes. It was sort of two flats, that's right. We were on the ground floor and then above us, first of all, was John McGregor and then Sue Binns, who was also a very bright First Secretary dealing with internal political affairs who left to go to the European Commission in Brussels where she worked for Bruce Millan who was one of the Commissioners. She then left the Foreign Office and joined the Commission. Then, after that, Robin and Isabelle Janvrin came and lived above us. So that was rather fun.

But what was interesting about 'A Man for all Seasons' is that the dilemma of principle against expediency which characterised Thomas More's life was what a number of those who were at that dinner party had experienced, and it led afterwards to a very passionate debate amongst those who had, as it were, stayed loyal to Mrs Gandhi and those who, in many cases at personal cost to themselves, some journalists going to prison for example, had argued against it and in some cases gone to prison. That sort of tension between principle and expediency which exists in some other societies and still, I think, exists to-day - I feel the same a little bit in Russia - is something which we do not experience here at all in the Civil Service.

MM: Can you tell me how the Emergency arose?

MJ: I'd need to go back to the history books because that was before I got there.

So that was three and a half years there which, as I say, was ...

MM: How did you control the way the aid money was spent? I mean, did you control it or did the Indians?

MJ: It was a mixture of the two in that we had agreed a certain sum of money at the beginning of the year which would be spent on India, and then it would be allocated; some of it would be for technical assistance, most for what we called capital aid, but the issue which always arose was were we actually financing something which would have been financed anyway? Were we in effect just simply financing imports which in any event would have come from Britain? Quite a lot of aid money went on projects; fertiliser projects, steel mills, and various other capital projects around the country, which I had to visit.

MM: Was it still OK for us to spend aid money on goods and services from the UK?

MJ: Oh yes! Absolutely!

MM: There came a time when UK aid money could be spent only in certain specific ways, jealously guarded by the ODM, and had to be completely divorced from any economic or trade benefit to the UK.

MJ: No, that was much later. When I first went there in 1978, it was the end of the Labour Government. There was quite a strong social element to it. When, after 1979 when the Conservatives came in, a stronger trade element came into it and indeed some of the aid programme then had to be spent more directly on benefiting British exports. But at the same time there were elements which focusing on rural development, welfare – there was a family planning programme, for example, in Orissa in the south east. It was a mixture. However, there was tension then, and I suspect it is still there now, between the Indian states and central government in

Delhi. We were obliged to channel funds through the central government. We couldn't deal direct with the state governments. And you never quite knew what the terms on which the centre made the funds available to the states were. But it was a very interesting period.

MM: Did the states know that the money was coming from Britain?

MJ: Not always! I think the states knew they were getting money from Britain, but when I visited some of the projects, a fertiliser plant or a chemical plant somewhere, they wouldn't know; all they knew was that they'd got permission from the central government to import certain bits of equipment for a project which they were building. They had no knowledge that the funds which made that possible had come from the British Government. They were slightly puzzled when I'd turn up and say that I would like to go round the factory. What they thought of a thirty-one year-old turning up and going round asking questions, I'm not quite sure. But I think they were unaware, until I explained the particular rôle of Britain.

What we'd also try to do sometimes was to add to that. If you had a fertiliser plant, then you'd try to add some rural development element to that, so we were also providing funds for that further down stream.

MM: How did you find Mrs Judith Hart as a Minister?

MJ: I had a great admiration for her. She had very clear ideas, she was a very strong Minister, and she pushed her ideas through. I thought she was very effective, more effective than Reg Prentice, the other Labour Minister who was there, and more effective than Neil Marten who took over for the Conservatives. I like Neil Marten a lot; his wife and my mother had been physiotherapy students together during the War so there was a sort of link there. But there was no doubt that, of the Ministers I worked for in my time in Overseas Development, Judith Hart was by far the most impressive. And of course, as I reminded her in my farewell speech, her special

adviser was one Margaret Jackson, subsequently Margaret Becket. The first time I met Margaret Becket was in almost my first job in the Office when she was special adviser to Judith Hart.

### **Transfer to the Foreign and Commonwealth Office 1981**

MM: After New Delhi you joined the Foreign Office?

MJ: This was also due to John Thomson because he said to me one day, "What are you going to do when you leave?" And I said I didn't know, and he said, "Well, why don't you think of transferring to the Foreign Office?" I thought about that and it wasn't self-evident that it was possible but he said that, if I wanted to do it, he would be a strong advocate. I decided I did want to, partly because I had, and retain, a fascination for issues of development but I had had two good jobs in London; I'd managed the most important aid programme we had in the world, and I'd been in the World Bank. So, in the twelve years or so in the ODM, I had done in some ways the most interesting jobs there were. The kind of idealism which lay behind that was going to be sorely tried by a Conservative Government which was putting much more emphasis on political and commercial advantage than on pure development. And so I thought it would be an interesting time to shift. The Foreign Office agreed and they found somebody who went on a head-for-head transfer to the ODM, as you had to do in those days.

### **Appointment to the Planning Staff in the FCO at the time of the Falklands War**

I was extraordinarily lucky in that Christopher Mallaby took me sight unseen as one of his two deputies on the planning staff, which was an essential part of the Office, working very closely to Michael Palliser who was then Permanent Under-Secretary. This was a real baptism of fire, going straight into the Foreign Office knowing virtually nothing about it, and finding myself in the bit that was supposed to guide others on some key aspects of foreign policy. That was quite difficult.

But there were a number of things about it which were very important. It had two aspects to it: one was planning, as it were, and the other was the bit of the Foreign Office which was then responsible for crisis management and the G8, or G7 as it then was. So I then worked with the G7, which meant that I went to the Versailles Summit in 1982 with Margaret Thatcher, which was interesting. But also it meant that I was heavily involved in the diplomacy of the Falklands conflict because, as soon as the conflict broke out, Christopher Mallaby was, as it were, put in charge of the British response. 'OK, war! What do we do now?' was the immediate question. I was very much involved in working with him, and with Francis Pym, devising the diplomacy, at first with a view, we thought, to avoiding a war and secondly just spinning out the diplomacy until the ships got there.

MM: A very fraught period.

MJ: It was a fraught period, and I was working with Robin Fearn who then ran the Emergency Unit, having been Head of the Latin American Department.

So that taught me a huge amount as well. It also brought me very closely into contact with Antony Acland who was then the Permanent Secretary. I was working almost daily with him because he would go off to meetings with the War Cabinet and see Mrs Thatcher.

MM: Was he then the PUS?

MJ: He was then the PUS, yes. He took over from Michael Palliser; it was almost Michael Palliser's penultimate day when the Falklands War broke out.

MM: He was retained as a special adviser, wasn't he, by Mrs Thatcher.

MJ: He was, though I never really came across him after that. He left, and his great farewell party had to be cancelled because of the conflict.

MM: Did you form the impression that the Foreign Office was blamed for the Falklands?

### **The Falklands and the lessons to be drawn from the conflict**

MJ: I think Mrs Thatcher tended to blame the FO for everything. I'm not certain that she ... I mean, there is tendency always to look for blame rather than explanations, and I suppose the tendency was to blame the Intelligence Services and the Foreign Office. The Franks Report was fairly judicious on the causes of the Falklands conflict. Looking back on it, I suppose what we probably did was to underestimate the instability in Argentina as Galtieri needed some kind of external adventure. Clearly there were wrong signals given.

MM: Like withdrawing the guard ship.

MJ: Like withdrawing *Endurance*, the guard ship. Also in retrospect, it is quite clear that nobody really took it seriously enough and I think that's why Carrington really resigned, because a number of people, including the Foreign Office, had been saying, "Look, you really do need to have a serious ministerial discussion about what's going on the Falklands. It's looking pretty nasty." But it never quite seemed urgent enough, so that kept being put off and Ministers never met, and that was a lesson which I learned from that moment and again, when I was Permanent Under-Secretary, there were a number of occasions when I had to say to the people in the Cabinet Office, "Look, I'm old enough to remember the Falklands War and this is just the kind of issue – including actually most recently the Falklands, when it looked as though that was also ..."

MM: You mean Iraq?

MJ: No, the Falklands. Kirchner has been sabre-rattling in the last two or three years or so, and again it's only a slight exaggeration to say it's reminiscent of some of the early stages of what Galtieri did. And so I was very clear about the cutbacks, saying there needs to be a Cabinet or Ministerial discussion of this, not least because if something goes wrong, the lessons have not been learnt and it will look pretty bad.

### **Impressions of Mrs Thatcher and reflections on the Falklands**

MM: Did you gain any personal impressions of Mrs Thatcher in action in that period?

MJ: I gained some; I saw her more often when I left that job and went to work in the Cabinet Office on European Affairs. I would attend Cabinet Committees and met Mrs Thatcher there. I worked with her through the Single Act and so on in 1985-86. What I was conscious of during the Falklands war was absolute determination and, you know, it was her moment. There were doubters amongst the military and the politicians. But she showed absolute determination that she was going to commit troops to win.

MM: But she couldn't have done that had the military themselves said, "Look here! This is impossible."

MJ: No; they didn't say it was impossible. Not all of them were in favour of it. I don't think they said it couldn't be done; there were those who said it would be a hell of a task, which it was. There was some luck there and the Americans helped a lot, and Mitterrand helped a lot too in the sense of giving us details of the Exocet missiles.

MM: Who did?

MJ: Mitterrand, the President of France, who said that, yes we should be told some of the secrets of how the Exocets worked so that we could work out counter measures. It was a good example of European solidarity.



MM: Indeed. That was a great plus, only little known about.

MJ: I think it is little known. I haven't read Professor Laurie Freeman's book on the Falklands but I suspect that it's there. Freeman has written the official history of the Falklands; two volumes have just come out which were commissioned in about 1997 I think.

And this was early on in her time, of course. One forgets now that, before the Falklands War in 1981, she was looking pretty disastrous as a Prime Minister. The economy was in a dreadful state and people were saying she was not going to win the next election. Really the Falklands War, when you look back on it, established her and completely destroyed the Social Democrats.

MM: Yes, it really set her up and enabled her to win the 1983 Election.

MJ: Absolutely! And then on to 1987. I think it gave her a very strong sense of her own authority and a very strong sense of self-belief, and I suspect a tendency, which came to do her down in the end, not to listen to others. She was right at that point. On other issues, such as Europe or the Poll Tax, of course, I think she drew the wrong conclusions.

MM: It was very sad. Leaping ahead, I was going to ask you about Europe.

### **Appointment as Private Secretary to PUS, 1982**

MJ: Well, that comes up later .... So that was the Falklands. I was only in that job in the Planning Staff from September 1981 until June 1982, when Antony Acland asked me to be his Private Secretary, which again – you know, there's so much luck in all this. And, because he'd come across me – and in those days, of course, these things

were done much more by whom you knew rather than by applying for a job and interviewing! – he asked me to take over from Andrew Burns in June 1982.

MM: Do you think anything has been gained by this business of applying for jobs?

MJ: Yes, a huge amount. We can come to that later on. An enormous amount. I think that there is now a very strong perception, and correct perception, that jobs are awarded far more on merit and far less on who happens to be in the right place at the right time. I think that has led, without any question at all, to better quality of people and a greater sense of fairness and justice. I've no doubt about that.

MM: Anyhow, you became Antony Acland's Private Secretary and therefore got to know him rather well and his methods of working.

MJ: Yes, I did. He was absolutely straight. I got to know him very well, not least because his first wife died during the time he was PUS, so it was a dreadful nine months out of the two years I was working for him. He knew she was dying; I knew she was dying, but I don't know if she knew she was dying. This was very difficult for him and he managed astonishingly well, just to continue with the job when all that was happening. It must have been horrendously difficult.

And it was a very difficult time in foreign policy because Mrs Thatcher had, at that stage, lost respect for the Foreign Office. She didn't really have, as far as I could tell, any relationship at all with Francis Pym, the Foreign Secretary, and it was really Antony Acland who was the main link between the Foreign Office and the Prime Minister. He would see a lot of her; he'd be invited up to her flat from time to time to talk about the Falklands and so on, and he was really pushing her agenda, which was the Falklands, Hong Kong, Gibraltar, the very difficult post-Falklands issues which rose very quickly up the agenda because we couldn't have another Falklands. And I think he handled that very astutely and didn't really get enough credit for it at the time, because again you cannot flaunt the fact that it is you rather

than the Foreign Secretary that is having the serious conversations with the Prime Minister. But that's what was happening, until certainly the year or so after the Falklands War and the 1983 elections when Pym went and Geoffrey Howe came in.

MM: And that must have started all right?

MJ: What, Geoffrey Howe? Yes, it did. And he was a very different figure as Foreign Secretary. He was a formidable intellect; he had a very clear grasp of the issues and, to start with, I think that worked well until the falling out over Europe.

### **Promotion to Counsellor and transfer to the Cabinet Office, 1985-87**

So that was two and a half years with Antony Acland and then I was promoted Counsellor and went on to the Cabinet Office to work in the European Secretariat for two years. This was the very difficult period of the Single European Act. I was working with David Williamson, who subsequently became Secretary General of the Commission, and is now in the House of Lords. He was Head of the European Secretariat and worked closely with Robin Renwick, who was then the Under Secretary at the Foreign Office, and those two were responsible, really, at a very difficult time in our European policy, for trying to keep the show on the road, including the negotiations which led to the Single European Act at the end of 1985, early 1986, which Mrs Thatcher signed and which she subsequently rather tried to repudiate, claiming that she had been bamboozled. The idea of Mrs Thatcher being bamboozled is something that doesn't come easily. The truth was that it was very much in Britain's interest that we should have the Single European Act. The Act opened up the single market, which moved an awful lot of things in the right direction and was of huge benefit to Britain. She was quite right to sign up to it. I think it was a great pity she felt she had to repudiate it.

MM: I suppose, really, she'd borne the strain and burden of momentous events for far too long. Everyone has a limit to the amount of stress that they can stand. Do you think that, in the end ...

MJ: There is no doubt that her great moment was the Falklands and it was just about the only remaining foreign policy issue in which the British Prime Minister, as British Prime Minister, could determine what to do and do it – without any real interference from anybody else. The Americans helped, the French helped, but she wasn't doing it on behalf of the UN or the EU. She was doing it as the British Prime Minister, going to war in pursuit of a very clearly articulated and understood British interest. The Falklands Conflict was the last occasion on which she, or indeed probably any Prime Minister, was able to make a clear decision to go to war, and then to carry it out, on her own because this was a very clear British interest; it did not require the approval of, or indeed consultation with, the EU, UN or anybody else. Looking back on it all, I suspect that that's what rightly gave her huge satisfaction, and what she found frustrating later on in her premiership was that there were very few other issues, if any, in which she could behave in that way. She felt constrained by the EU; she felt constrained, I suspect, in some domestic issues. When on the Poll Tax, for example, she tried to lead from the front, it didn't work because there was opposition to it.

MM: Public opinion didn't permit.

MJ: Earlier on in her career – one forgets now – she campaigned rather strongly in favour of Europe in the 1975 Referendum, so what caused that shift? And I suspect it was partly that.

MM: Do you think, going back to your Planning Staff days, that it would have been possible to weigh up the economics of recovering the Falklands, or indeed perhaps handing them over to the Argentinians in exchange for some colossal sum of money

that could have been offered to all the inhabitants if they'd voted in favour of Argentina?

MJ: Well, they never would have voted in favour.

MM: But supposing you said to every man Jack of them, here's a million pounds (to be paid by the Argentinians, of course) in any currency you like if you vote in favour of Argentina.

MJ: I just don't know. There was the famous lease-back proposal that Nicholas Ridley suggested, and indeed proposed to the House of Commons in 1981, I think, shortly before the Falklands War, which again was seen by the Argentinians as another sign of a lack of British resolve to maintain them. I suspect that any approach of that kind could have led Galtieri, given the way in which he was behaving, to come to the same result – i.e. invasion.

MM: Do we know how much the war cost?

MJ: I don't know how much it cost.

MM: We didn't count, did we?

MJ: Well, not at the time. The Prime Minister decided she was going to go to war no matter what it cost, really. And I think, as things turned out, that was the right decision; no doubt about that. At the time it seemed a curious thing to do; in retrospect it was the right thing to do.

MM: It must have cost the Argentinians a fair bit.

MJ: Well, it did in all sorts of ways, of course; manpower, reputation and the loss of a lot of their ships. Once the *Belgrano* had been sunk – the aircraft carrier which was the thing which we really feared, had never left port.

MM: Ours!

MJ: No, their aircraft carrier, the *Ventasette Maio*. So I very much doubt that there was another approach. And I don't for the moment see that there is one now either, other than trying to work with any responsible Argentinian government to strengthen links in both directions so that over time the acrimony can lessen.

MM: I've often wondered whether a strictly commercial deal approach might apply to Gibraltar.

MJ: No, I don't think so. I just don't think it would. I can't see the British Parliament accepting it. I think these issues of sovereignty are still very strongly felt.

MM: Politics are still the art of the possible.

MJ: Yes. I think on Gibraltar it is really quite remarkable that the agreement which has been reached in the past year which would not have been thought of a few years ago, even two or three years ago, I would have said that would be impossible that you'd have got the Chief Minister of Gibraltar and the British Foreign Secretary and the Spanish Foreign Minister to agree on the really thorny issues on which they reached agreement this year.

MM: Yes, congratulations on that!

MM: Going back to the Cabinet Office, what was your actual job there?

MJ: My actual job was the Assistant Secretary in the European Secretariat. There was the Head of the Secretariat, David Williamson; there was the number two who was called John Holroyd and there was me number three. I effectively worked for David Williamson on the big policy issues of the day. The big policy issues of the day were really preparing European Council meetings and the negotiations leading up to the Single European Act. On this he and I worked very closely with the Foreign Office and with UKREP – Michael Butler and then David Hannay and their teams - preparing a negotiating strategy for getting from that very difficult period in the summer of 1985, when the French and the Germans if you remember, decided that they were going to have an inter-governmental conference (IGC) to look at treaty change, and Mrs Thatcher tried to veto it. It then turned out that this was a decision which was taken by simple majority, so she was effectively out-maneuvred. This was probably to an extent revenge on the French and the Germans' part for her having, as they saw it, pulled the wool over their eyes when she got the agreement in Fontainebleau the year before. This was their comeback, I think, in some ways. And then we found ourselves that summer, when we went away for holidays, in the very difficult position with a negotiation happening in which the Prime Minister had said she wasn't going to take part, which she didn't want, and then we had to manage those negotiations through the Autumn of 1985. We started off by effectively saying we were not going to take a position but, were we to take a position, it would be ... etc. And then we had to move Mrs Thatcher into a position in which we did actually have a position and negotiate accordingly with the focus on the completion of the single market and acceptance that that was an objective which was so important to us that the movement towards qualified majority in certain areas of Community policy would be worth while. I'm quite sure this was the right position. They were difficult negotiations but it was concluded.

MM: And you had direct contact with Mrs Thatcher?

MJ: I was working for David Williamson but was present at a number of Cabinet meetings working closely with Geoffrey Howe, who was at that stage Foreign Secretary, and attending Cabinet and Cabinet Committee meetings with Mrs Thatcher and seeing again, there, the determination with which she managed that Cabinet. That was one of the interesting things, having seen Mrs Thatcher, John Major and Blair, seeing the difference between the Cabinet management of different Prime Ministers. She was very much leading from the front. John Major was very much seeking the consensus. Take the Maastricht European Council meeting, for example, which agreed the Maastricht Treaty. The way in which John Major handled that was he knew two or three difficult issues had to be dealt with and he had a series of quite long Cabinet Committee meetings in which the sceptics were present, were brought into the discussion, and so were part of the agreement at the end. They could not say afterwards that they'd been kept out. He did that with Michael Howard and with Peter Lilley for example so that, when John Major came back with agreement at Maastricht, they were committed; they had agreed with negotiating mandates and he had stuck with the negotiating mandates. It was a very different approach to Cabinet management.

MM: It's popularly said, I mean among people who probably don't know too much about these things, that Mrs Thatcher developed a presidential style of government which is being repeated by Mr Blair. Is that the case?

MJ: I don't really think so. Each Prime Minister has his own style, and that style reflects his personality. They're very different. I think Mrs Thatcher's was, in many ways, a more presidential style than Blair's and the relations between the Foreign Office and No. 10 were much worse under Mrs Thatcher than they have been with Blair and the Foreign Office for example. She very much led from the front; John Major was very consensual; both of them saw in their different ways the need for Cabinet government. Blair's instincts were in a sense – have been, are – to operate more through a coterie of people whom he trusts – which sometimes would include ministerial meetings - and he hasn't, I think, seen the need for Cabinet and



Cabinet's structure in the way that I think both Thatcher and Major did. I think it's a bit slipshod to talk about 'presidential government'. Blair has a much less conventional approach to government. He's brought other people in; he hasn't seen the need to operate through the Cabinet structure, the Civil Service structure, in the way in which others did. But that partly reflects the way in which society has changed and that there is a need to bring in advice from outside. Gordon Brown does the same; he's bringing in the Americans and others because of the need to have a much wider set of advisers. Now I think that's probably inevitable and certainly when I saw it with Blair over G8 issues and working with Bob Geldof and Bono and others, this is a kind of lateral approach to issues which can be very effective. The question really is how you reconcile that with the needs of our constitutional system for working through Cabinet. I think Blair found that slightly difficult at times.

MM: Do you think that we shall get memoirs from Mr Blair in the near future?

MJ: I'm sure. I don't know how soon but I think we will get memoirs; I hope we'll get memoirs and I hope that they will be full and fair because, given the huge complexity of government these days and of the information age, it's going to be immensely difficult for historians in the future to piece together how decisions were taken. And therefore I think that the views of people at the time or shortly thereafter will become more and more important for historians.

MM: Well, shall we move on to your time as Under-Secretary?

**Appointment as Counsellor (Financial and Commercial) British Embassy, Paris, 1987-90**

MJ: Yes. I went to Paris first of all. I had three years in Paris as Financial and Commercial Counsellor, which was again an interesting time. I was working mainly for the Treasury there and the Bank of England. I was working for the

Foreign Office on European issues but my main interlocutors were the Trésor and the Bank of France and the European Department of the Quai d'Orsay, reporting back mainly to the Treasury, the European bit of the Foreign Office and the Bank of England. A lot of that was quite interesting because it was at the early stages of the Euro debate and Nigel Lawson's belated attempt to get into that debate with his concept of the hard Ecu, if you remember that. I had to go and sell that to the French Trésor and the Finance Ministry without much success.

MM: I hear it said that 'a British official' originated that concept, cooked up with ... what was it?

MJ: Wasn't it Paul Richards and Michael Butler?

MM: It was Michael Butler, yes.

MJ: I think Paul Richards was working for the Bank of England at the time; can't remember.

MM: But I think Michael Butler discussed it with somebody in Brussels and I have a feeling it was the Germans. I might be wrong.

MJ: I don't know. Anyway, it didn't work. It was never going to fly. It was an interesting time also from my point of view because this was just after the Big Bang when the City of London was transforming itself here and, by comparison, the French financial structures were antediluvian. And so it was quite interesting trying to explain to the French what was going on in the City of London. Again there, the economic training I'd had earlier on was useful and important.

MM: Did the Treasury and the Bank of England approve of your appointment?

MJ: Oh yes, they did. I think, because I'd been working on the European affairs before that, I knew all the key people in the Treasury; because I'd worked for the ODM and the World Bank from early on in my career, I had known people in the Treasury, the Bank of England as much as I had, if not more, in the Foreign Office. So I think they didn't see me as somebody coming straight out of the Foreign Office stable; they saw me as somebody who had had a lot of economic experience, who'd been outside the Foreign Office, and maybe for that reason regarded me with a little less suspicion than otherwise. Certainly I had no difficulty working with people in Nigel Lawson's office – Rachel Lomax, Andrew Turnbull and John Gieve and all those senior Treasury officials at that time, with whom I worked very closely and who, I believe, saw me as their person in Paris; they didn't see me as a Foreign Office person. They'd invite me to go to meetings and to take the notes; they'd ring me up and seek advice. I'd always see them when I was back in London; Nigel Wicks was a key figure. And that was of course very helpful later on when I went back to London. In fact they've been very helpful throughout my career. Again, when I look back on it all, the fact that I had experience outside the Foreign Office before coming into it has been immensely helpful throughout. And when I left Paris and came back to London as the Under-Secretary for the EU, again knowing all the key people in Whitehall on European Affairs was immensely helpful and useful.

MM: You cast an interesting light on your career, I think, particularly the fact that you've got all these strands to it.

MJ: Yes, I think it helped right up to the very end. It helped when I was Permanent Under-Secretary; again the fact that Andrew Turnbull and then Richard Wilson then Gus O'Donnell – these are all people I worked with in different capacities and it made a huge difference around the Permanent Secretary's table. I knew them all from having been colleagues with them. It did make a difference.

## **British relations with the French**

MM: You were suddenly translated from Anglophone countries to France; did you have the language?

MJ: I spoke schoolboy-plus French before I went to France the first time and there is nothing like suddenly finding that you have to go and talk to the Trésor about the Economic and Monetary Union to make you get up at 6 in the morning with a tutor and learn the language. By the time I was half way through, I was perfectly competent. But you have to do it. It is hard work. These days you'd probably get by without it but, in those days twenty years ago, there was no way you were going to be functional without speaking French. You make some awful mistakes and there were times when I started when I'd get instructions to ring somebody up and ask them some complicated question, I'd mug up the question and ask it and sit back and think, "God! That was well done." Then I'd realize I hadn't the faintest idea what answer I'd been given. Languages are absolutely fundamental and something I really worry about in Britain now is that we're not learning languages.

MM: They don't even learn English.

MJ: Well I know. I think it's quite serious, that. 94%, is the last figure I heard, of our Heads of Mission abroad at the moment are pretty fluent in the language of the country which they're in, and I'm sure that's more than any other country and one of the reasons why our diplomacy is so effective. If you understand the language of the country, you also understand its culture. You understand what makes it work. You are therefore far more effective.

MM: And you're also much more acceptable to them.

MJ: Completely! This is digressing a little bit. My wife, when we first went to Paris, had been with the Ministry of Overseas Development and she was on secondment. She then got seconded first to the French Ministry of Co-operation, then she was lent as the first outsider to work in the French Treasury. She worked for Jean-Claude Trichet and others in the French Treasury. She then worked for Jacques Attali in the European Bank for Reconstruction and Development. When we went back to Paris, when I went back as Ambassador, she spoke French fluently but also knew all the key people. Now that meant that the two of us were seen in a completely different way. We were invited to all sorts of things which we would not otherwise have been invited to, with people who wouldn't otherwise see diplomats, because we weren't seen so much as diplomats but as people who knew France and knew the people. It made a huge difference. That does also enable you to get underneath the skin of a society in a way which is much much harder if you don't have the language skills. It's another reason for sending people back to countries in which they've worked previously. You could talk to people, knowing where they've come from, knowing their own trajectory, which makes a big difference.

MM: I've just recently read Douglas Jay's book, *Change of Fortune*.

MJ: It's fascinating about the war years, I think.

MM: He's always coming up against difficulties with the French, whom he doesn't seem to sympathise with at all. But that is very typical of the euro-sceptic element in Britain to-day, I think. They constantly imagine that the French are dead set on simply creating difficulties for the Anglo-Saxons. A lot of people seem to think that that is an accurate statement of the situation between our two countries. What was your impression?

MJ: I think that is exactly what the French think about us as well. There is an extraordinary mirror image. We each think that what motivates the other more than

anything else is trying to do the other one down. It's not true in either case, but we do sometimes behave as though it were. We sometimes gloat at the Schadenfreude which we both experience from time to time. I don't think it's true. I think we have mutual interests which are stronger than with any other European country. Well, the French and the Germans have for historical reasons a need for strong mutual interest. Ours is more instinctive, I think. We can afford to have rows and we do have phenomenal rows, but we know that we're going to overcome them. The French and the Germans can't afford to have rows because, when they do, things go wrong. I think therefore that in a sense ours with the French is a more honest relationship. But we also know that, when we do things together, if we and the French really do agree on something, certainly on foreign policy, it's going to happen.

So I don't think we're trying to do each other down. I was talking to the French Ambassador the other day, the night that the Government had announced that it was going to stop the Serious Fraud Office enquiry into the Saudi business. That's a classic example of the French saying, "You know, I never believed you could be quite so Machiavellian as to stop that in order to save the contract in Saudi Arabia and do down the French." They think this is being done to do down the French. So it's a very good example of how the French would see that, and it would confirm all their suspicions that, deep down, it's *perfidie Albion* and we're there to do them down. And we very often feel the same about them. Those of us who have worked over the years with the French know perfectly well that it's not like that and know also that, when we do work together as over European defence earlier on in the Blair administration, we can make a huge difference.

### **The Eurosceptics**

As for the eurosceptics, there are two sorts of eurosceptics: there are those like Douglas Jay and some of the really strong ones I see in the House of Lords now, who really do have a very strong view that the French are there to do us down, not

to be trusted; the other eurosceptics, people like those I was speaking about early on – Neil Marten was one, people who speak fluent French, who know the French extremely well and who just say, “I have a huge respect for them; I want to spend most of my life in France, but I do not think it is right for us to be linked constitutionally with them or any other members of continental Europe.” I disagree quite strongly with that view, but I think that is a perfectly respectable, intellectual ground to stand on – but it is wrong. I think a euroscepticism that is based on the presumption that all foreigners are there to do us down is not a respectable position to take.

### **British relations with Germany**

MM: What about our relations with Germany?

MJ: Our relations with Germany: objectively speaking, they are hugely important but we never quite seem to be able to realise them. I was present at the first meeting which John Major had with Chancellor Kohl after the ghastly Thatcher-Kohl relationship. John Major then spoke to Kohl about the importance of German unification – this was in 1990 – and congratulating Kohl on that hugely important development, and there was a very strong relationship. We’ve never quite managed to preserve that. It was the same with Blair and Schroeder to start with. It was a very strong relationship but it didn’t hold. I don’t quite know why this is, and it’s partly because the French and the Germans still, and I believe will always, see their relationship with each other as the most important relationship they have, though it’s getting far less exclusive a relationship now. As Europe gets wider and Germany gets stronger, France is less able to play on those old feelings of guilt than it did in the first thirty or forty years after the War. But certainly if you read the French press now, as I did earlier this week, about Chancellor Merkel’s EU Presidency, the French described one of its main aims as Franco/German co-operation. I’m quite struck, reading our press, by the fact that they claim that the most important aspect of the German Presidency is going to be the trans-Atlantic

relationship and how Germany is repairing bridges with the United States. Economically it's hugely important; in terms of the EU it's hugely important; in terms of relations with Russia it's hugely important; certainly, if Merkel does go back to the rather more traditional trans-Atlantic stance that was characteristic of German policy before the later Schroeder years, that would also become very important. But somehow the UK never quite seems to get the same strengthened relationship with the Germans that we have with the French; our relationship with the French is a more intense relationship. It has many more ups and downs but I think we achieve more in a funny way with the French than we do with the Germans.

MM: Is it something to do with the fact that Germany is at least 50% facing east?

MJ: Yes, I think it is. And maybe *we're* a little bit ambivalent.

MM: We're facing west.

MJ: Well, we're facing west and, if Germany is facing east and west – and now that it is reunited, of course, it is much more obviously facing east – that does put Germany in a very strong position because it could re-establish its economic strength and then establish a strong relationship with Russia and remain trans-Atlantic, then Germany would be in a very powerful position. That would then of course push us and France probably closer together.

MM: It does really indicate the importance of the European core, doesn't it.

### **The increased need for diplomatic missions within the EU**

MJ: Yes it does. And the other thing that is important: people often say to me, "When you've got the European Union, why do you have to have Embassies and so on?" Part of the answer to that is because, as the European Union gets wider – now



twenty-seven – so bilateral relations within the European Union become even more important. You can't actually make decisions with twenty-seven. When I first went to the European Council with Douglas Hurd and there were twelve round the table, you had negotiations among twelve. You'd go into a negotiation at the beginning of the day and you'd come out with a result. And it would have been as a result of discussions and negotiations around one table. When it went to fifteen, you couldn't do it any more and it started splintering. When you went up to twenty-five, no way could you do it; with twenty-seven still less. So the real decisions are going to be made in Europe in smaller groups; the question is who forms those smaller groups. This means that discussions, bilateral discussions, discussions within smaller groups are going to become even more important. The rôle of diplomacy in that is going to remain important, understanding what motivates the Matignon, or Sarkozy or, I suspect, Ségolène Royal. That seems to me hugely important because people in London don't have time to all that.

MM: A great future ahead for diplomacy.

MJ: I think there is.

MM: Well thank you very much indeed for that. That was really your time in Paris; your first time in Paris. Do you want to add anything about your time as Ambassador?

**AUSS in the FCO responsible for EC affairs 1990-93 and as Deputy Under Secretary of State (Director for EC and Economic Affairs) 1994-96**

MJ: Let me come back first of all, if I may, to the six years in London, because that was as Under-Secretary first of all with Margaret Thatcher briefly, and then with John Major. It was mostly with John Major and mostly through the period of the Maastricht negotiation, through our Presidency of the EU of 1992. We had that very difficult time when Black Wednesday occurred, when we left the Exchange Rate Mechanism in the middle of our Presidency, when the Danes said 'No' in their

referendum and we therefore had to manage that. We had a hugely difficult financial negotiation. So the 1991-92, when I was the AUS for the European Community as it was then, that was two years of absolutely intense negotiation. John Kerr was in Brussels; I was in London and there was a time, also, when the Cabinet Office European Secretariat, was uncharacteristically weak, so I found myself working very closely with Douglas Hurd and with John Major on those negotiations. It was a very difficult time because, to start with, Mrs Thatcher was very anti-European and later, John Major had extremely difficult times as he became effectively a minority government.

### **The Maastricht negotiations leading to the Single Act**

So there was John Kerr, there was me, there was Stephen Wall in No 10 really at official level, trying through those years to keep a steady approach to European policy, to get the right answers to the big negotiations and at times having to establish a personal relationship with our official European counterparts which would withstand what were at times very very difficult relations; breakdown of relations at ministerial level. So it was a network of senior official contacts which we maintained, sometimes very discreetly, which I think were quite important. That was true through the Maastricht negotiation and through our Presidency in 1992. I've talked a bit already about how John Major managed to handle his Cabinet through the Maastricht negotiations. What's often forgotten now is how, at the time, those negotiations were seen as a huge triumph for John Major. It's worth looking at the Daily Telegraph editorial the day after Maastricht, which was a huge encomium for John Major and the negotiating skills of the Foreign Office. Of course it all turned to dust later on when it became so difficult to get that agreement through the House of Commons after the Danes had said 'No'. But, at the time, it was in fact a very successful negotiation.

The thing we got wrong, looking back on it, was that we got too consumed, I think, with the negotiating process and getting an outcome, which was a good outcome in

the circumstances. What we didn't do enough of was to recognise that, once we had reached an agreement at Maastricht, we would have to explain to people exactly what it was and why. And that's why I think we ran into difficulties later on in the process. But those were important years.

During the 1992 Presidency – I've said that the British Presidency was a very difficult one and the European Council in Edinburgh, where we had to bring together very complicated financial negotiations, the solution to the Danish problem which I had personally been charged with negotiating, was a very difficult set of issues. In the three weeks before the Edinburgh European Council, Gus O'Donnell, who was then the Prime Minister's Press Secretary, and Stephen Wall, who was then the No 10 Foreign Policy Adviser, and I travelled round, the three of us, with John Major to every European Union country to try to get a sense of where people were coming from so we could then create the conditions for a successful European Council in Edinburgh; which we got.

MM: You went to every ...

MJ: We went to every capital. In those days we flew to every capital. But there were only twelve then; there were eleven others so we could do it. But I remember one day we went to the Netherlands, Luxembourg and Ireland in one day.

MM: Pretty heavy going!

MJ: Yes it was. And John Major was very effective. He knew what he wanted; he did not quite seem to have the confidence. We'd often be briefing him in a small group before the European Council and he really understood the issues, more than anybody else did around that table. But he never quite had the confidence that he did; never quite had the confidence in his own convictions. He was a very effective negotiator and he really understood the details. We had to wind him up sometimes, you know. One of my jobs at the end of every European Council was to get the

draft of the conclusions; we got them at about 5.30 in the morning, and then I'd annotate them. And then, over breakfast, we'd be meeting with the Prime Minister and the other Ministers and I'd chair the meeting, really, and take John Major through this. There were probably about twenty points that we had to get and you knew that, if he got five of them, that was going to be a real success. But he'd get really very irritated. "I'm not going to do that!" and I would say, "Prime Minister, you don't have to do it but, if you could, it would be really important for so-and-so." And he'd go in and he'd do them all! He was very effective. No other head of state or government was briefed to anything like that extent. It was a crazy way of doing business but, given that that was the way in which the European Council worked at that stage, he was very effective at it.

MM: It was a tragedy really, that he was undone by his own supporters.

MJ: Yes. He had in effect a minority government, certainly on these European issues, towards the end.

So those European years were extremely important, and again I was clearly working with other Government departments all the time, and having the trust and confidence of the Treasury and others was a very important part. Towards the end of that period, I then also became Deputy Under-Secretary and then dealt with the G7 as well, as it was then. There was Nigel Wicks and then Alex Allan who were 'sherpas' as they called it. And then there was me on the Foreign Affairs side, and in fact the Secretariat at the G7 was, and still is, in the Foreign Office. So that was again working for John Major.

MM: So you frequently had contact with him.

MJ: So I had very frequent contact with John Major, yes, from 1990 to 1996, the six years of his premiership; on European and G7 matters. I saw him very regularly.

MM: He gave an extremely impressive and highly polished little speech, without notes apparently, to the FCO Association a short time ago.

MJ: Yes, I couldn't go. I heard it was very good. I wish I'd gone; I had a lunch in the Lords and I couldn't get there.

MM: Now that he's out of Government it's easier for him to comment.

### **Appointment as British Ambassador in Paris, 1996-2001**

MJ: So that was that, and then I went back to Paris as Ambassador, again building very much on the earlier three and a half years I'd already had there, which meant that I knew many of the politicians, senior civil servants and businessmen. I built up relationships very quickly with them, which was important because the issues we were dealing with were difficult. When I arrived the issues included the Euro, were we going to join? BSE, foot and mouth disease. One forgets all these now but these were the sort of issues which made the relationship very difficult and fraught. Quite often I was having to mediate and trying to foresee where the next real crisis was going to come from, and then trying to calm things down, dealing very much with No 10, first with Major and subsequently with Blair; dealing very much with No 10 directly which, as an Ambassador these days, you have to do more and more.

### **Permanent Under Secretary at the FCO 2002-2006**

#### **Relations between the Diplomatic Service and the Prime Minister's office**

MM: Is it your impression that that tendency has increased under the Blair regime?

MJ: Yes, I think it has. What is needed -- and I was pushing this very much in the Foreign Office -- is for our Embassies to see themselves, and to be seen, as representatives not of the Foreign Office but of the Government. So it's absolutely

crucial that they should be in direct contact with, and directly contacted by, No 10 but not as it were bypassing the Foreign Office. When the Prime Minister wants, as he does, direct first-hand reports from our Ambassador in Saudi Arabia or our Ambassador in Afghanistan as to what's going on, that goes direct to the Prime Minister, but it also comes to the Foreign Office. If you started an exclusive relationship, then the job of the ambassador becomes impossible. If you have, as you're increasingly having now, a much greater realisation than would have been the case in the past of just how important the rôle of an ambassador is in understanding what's going on, and in feeding advice into London, then that validates the rôle of an ambassador. I was very keen that our ambassadors should be an absolutely integral part of the policy making process in London, and we've moved long way in that direction in the last four or five years or so. Even when I moved into the job as Permanent Under-Secretary, I had the sense that ambassadors were still sending reports or advice to somebody in London and then the person in London was stitching it up to the Minister. This is nonsense. We have direct communication now; we have real-time communications; and we have staff constraints. We cannot afford this channel of communication anymore. So it's the ambassador's job to report direct to ministers. People say to me, "But hang on! We can't trust the ambassador with that; he couldn't possibly do that." And I say, "Well, if you've got the wrong ambassador there, get the right one."

And this takes me back to the question you asked me earlier on about the bidding for jobs because, what the bidding for jobs has done rather than just fingering somebody because it's their turn, people have bid for the jobs that they thought they could do well. So you've tended to have a shortlist of people who are really very well qualified. Towards the end of my time, when I was chairing the Appointment Boards, we were finding it was more and more difficult to choose because we had better and better candidates for the job.

(Tape change)

MJ: Two things really: first, one of the changes which I think have very been beneficial in the last few years has been the way in which we've exploited real-time technology to ensure ambassadors feed direct into the policy-making process in London, either through to the Foreign Office or to No 10. Secondly, the quality of people applying for jobs as ambassadors has in my view increased as people have been bidding for jobs and therefore you've had people applying for jobs they think they're going to be really good at. That has been combined with a very clear programme of encouraging the early retirement of some seventy-five senior staff. About one quarter of our senior staff have gone on good terms, which has also enabled younger talent, which is very considerable, to move up and enabled us also, therefore, to have some very able younger ambassadors around the place.

MM: I suppose it's inevitable that some tricky characters get through under the self-promotion that that system undoubtedly encourages ...

MJ: Tricky characters?

MM: Well, I can only think of one!

MJ: Well, that wouldn't happen now. There's no way that the tricky characters can get through now because you go through a Board, but the Board's going to be looking pretty ruthlessly at the whole range of qualities one has to have as an ambassador; that's knowing the country and the language, and having a good record in management and personnel management. I would be pretty confident that, as long as that system exists, then some of the pretty curious appointments that there have been in the last few years won't happen any more. Of course you can never be quite certain, but I think there's much greater security now.

MM: And security is important, isn't it. I mean, in spite of the general acceptance these days of what would have been seen as lax moral behaviour in earlier years ...

MJ: There are two things: first of all, we are a much more diverse service than we were in every way, not just women and ethnic minorities and, in my view, nothing like enough ethnic minorities; but also we're much more relaxed about sexual orientation. You've same-sex partners among ambassadors and that's accepted. You still have to have a standard of behaviour which is going to be seen as appropriate for an ambassador. Certain sorts of behaviour which were rightly seen as unacceptable twenty years ago would still be seen as unacceptable now. But certain things that were unacceptable, like same-sex relationships and behaviour which was unacceptable twenty years ago is perfectly acceptable now because society's moved on.

MM: But it must make it a bit difficult to send people to somewhere like Nigeria.

MJ: What sort of people?

MM: Well, homosexuals.

MJ: There are some countries where homosexuality is still illegal; clearly you've got to be quite careful about that. You have to use a degree of commonsense. But, where that isn't the case, then ...

MM: I don't know whether that is the case or not in Nigeria.

MJ: Nor do I. There are certain Middle Eastern countries where it is the case, where clearly you've got to be careful.

MM: I'm just thinking really of the Episcopalian churches in the United States which are thinking of affiliating themselves to a Nigerian bishop.

MJ: Well, as far as we are concerned now, your sexual orientation is not in itself relevant. Clearly, if you were unable to operate in a country with a same-sex



partner, then that is something which would need to be taken into account. That would be as a result of the country in which you were operating, not a view taken at home about the appropriateness of a particular sexual orientation.

### **Comparing the bigger aid budget for DfID with financial stringency for the FCO**

MM: One further question about development: during your time as PUS, there has been a pretty considerable increase in the budget for the ODM.

MJ: DfID! Huge.

MM: Possibly at the expense of the Foreign Office?

MJ: I don't think you can say it was at the expense of the Foreign Office. What it has meant is that, certainly under Clare Short .... Two things: this is a consequence of Government policy of having to fulfill the 0.7% GDP target set by the Pearson Commission in 1969 or whenever it was. That means that the DfID budget has grown very considerably. That has meant that, in some parts of the world, the DfID operation has become more important relatively speaking and its importance vis à vis the Embassy or the High Commission has grown. In some places that has caused difficulties; it caused difficulties in Katmandu where you had a very large DfID programme dealing with issues such as human rights. This was not always easily compatible with what the High Commission or, in Katmandu, the Embassy was trying to do. There was an issue there for a time. There was an issue at one stage in Ethiopia when DfID had a large programme which they wanted to continue and said the important thing there was constancy here. At a time when the Ethiopians were behaving pretty badly, the Foreign Policy consideration was that we should not reward a government which looked as though it was going to move away from the path of good government. There were tensions there.

These tensions exist. And they have to be managed. And I think they can be managed, and much more easily, to be honest, under Valerie Amos and Hilary Benn than under Clare Short. I've known Clare Short for a long time and we used to talk about these sorts of things, just the two of us. She took the view that development should not really be linked to Government because she didn't want the DfID office to be seen as a government office. She wanted to be outside the embassy or the high commission, operating separately. I thought that was wrong. I think DfID should be seen as part of the British Government but it's not, it seems to me, impossible to have a DfID policy that's working as part of, and closely connected with, the ambassador or the high commissioner. You must have a sense of the British Government's policy towards Ethiopia or towards Nigeria or towards Nepal; you can't have two offices each representing different bits of the British Government trying to deal with the same people in the administration. It doesn't make any sense at all; it is a recipe for incoherence. There was a risk of that earlier on; I think it's much less the case now. I still think there's a need for greater coherence, greater coordination probably, between Foreign Office, MoD and DfID in some parts of the world. Afghanistan is somewhere where it is both closer than it's ever been but still not quite close enough to ensure a properly coherent policy.

### **Increasing role of the Foreign Office as a coordinator of Government policy**

I think there is a degree of frustration in the Foreign Office that the DfID budget is getting bigger and bigger and bigger, and more and more different people can be around at a time when we're having to cut back. Now I don't think there's anything wrong in trying to become more and more efficient all the time – I think we have done that – but there has been a degree of frustration about that. My guess is that I shall not see the DfID budget shrinking, indeed, it seems to me that it is going to continue to increase. The issue is what the relationship there is with the Foreign Office. Now I'm quite struck by what Gordon Brown is saying at the moment – I've worked very closely with him on the G8, about two years or so – about the issue of climate change, for example, being an integral and essential part of foreign

policy; I think that's right. The issue for the Foreign Office and our embassies abroad is that they must be seen as absolutely crucial in implementing that aspect of our foreign policy, just as they traditionally have done with the more obviously political things in foreign policy. I think that's happening more and more, and that's something again that I've been trying to push, myself, in the last two or three years or so. In my last year as PUS, I chaired a group of Permanent Secretaries who were looking at how Britain should respond to global challenges. I presented that paper to Cabinet almost the last week I was there. That seems to me to be how the Foreign Office needs to present itself and be seen as pulling together and coordinating aspects of external policy even though they're outside the traditional politics and conflict prevention. And, then, our embassies need to be seen as being the delivery mechanism, if you like, overseas for these global policies. And they're working for the Treasury or the DTI or whomever in a more coordinated way; including DfID.

MM: How on earth could they do it?

MJ: Well, that's a job for the ambassador.

MM: Yes, but how? What does he do? Supposing your objective is to reduce CO<sup>2</sup> emissions, or something of that sort, how does an ambassador do it?

MJ: Well, what the ambassador is doing there is, first of all, there needs to be a very clear British policy about what are the international instruments we need in order to achieve that. At the moment, for example, what mechanism do we need beyond 2012 to replace the Kyoto mechanism? You make a very clear policy and then your job as ambassador overseas is to negotiate and pursue that policy, lobbying, and persuading the governments of to-day overseas to follow that line; a rather classic form of diplomacy. But what the ambassador has to see – and I think increasingly is seeing – that the work he or she is doing on climate change or development, or energy policy, is as important as on defence or on some other European policy, or

something which is more traditionally seen as key by the Foreign Office. This is a real task for foreign ministries the world over, I think. As the distinction between domestic policy and foreign policy disappears, and as our external policy becomes as much climate change or development or energy policy as it does conflict resolution, then what is the rôle of foreign ministries? The answer to that has got to be that embassies abroad are the delivery mechanism for all that policy, and the Foreign Office in London has to be seen as the coordinating mechanism in a sense for all those different aspects of our external policy. Now that's hard, and you can't push it too hard. But I think that has to be what you have to try to do.

I was quite struck that the French, have a system – well, we do now too; I started it - in which there is a meeting of ambassadors every year in France. They come back to France. They all meet, Chirac addresses them, the Prime Minister addresses them. This last September there was a cry from a number of French ambassadors, “Why can't we be more like the British? Why can't we be given responsibility? Why can't we have input into policy? Why can't we be given responsibility for these global issues?” So it's beginning to be seen that we are actually now operating in rather a different way.

MM: Maybe we'll convert the rest.

MJ: I think that it's a question of survival really. If you're going to sit overseas as an ambassador saying that you report to the Foreign Ministry, and you're really only interested in the traditional foreign policy issues, and writing long analyses of what's going on in Burundi, you haven't got much relevance. If you're going to stay relevant, you've got to change and you've got to see what the issues are for the future, and make certain that you are able to cope with them.

Once again, you're working very closely with other Government departments in London. Certainly in my last two years as Permanent Under-Secretary, I started working more closely with the Home Office than with any other Government

department, because immigration, asylum, migration, visas, security, terrorism, those were becoming keys to foreign policy. So I went into a negotiation in Algiers trying to get an agreement on behalf of both the Home Secretary and the Foreign Secretary.

MM: There was a time, of course, when things like migration and visas would all have been with the Foreign Office and the Commonwealth Relations Office.

MJ: Well, there was something called the Migration and Visa Department that was dealing with the issuing of visas. Now migration policy is how do you cope with huge migratory pressures? How do you cope with terrorists coming into this country? With the links between that and the strong sense here that there are too many people, this becomes a mixture of foreign and domestic policy which the Home Office and the Foreign Office have to deal with together.

MM: You mentioned human rights a short time ago. Have you got any observations about the plight of those people taken from the Chagos Peninsular?

MJ: Well, I think the way in which it was done in the 1960s or 70s or whenever it was done was pretty scandalous. As far as I can tell, they were just taken off the Chagos islands and shoved into Mauritius.

MM: They were given money, which seemed all right at the time.

MJ: Well, I wasn't involved in it then. Since then, I not sure that we handled it brilliantly but it's not something I was very closely involved in myself. I think we made some mistakes along the route and I'm not sure it was the right decision. You're probably right that it was the way it was done at the time which, even in retrospect, looks a little bit high handed. I'm not sure there's more we can do now. As I understand it, it would be very difficult indeed, and exceptionally expensive, to re-establish communities on the Chagos Islands themselves. So, given where we

are now, I'm not sure that that's the right thing to do. To be honest, it's not an issue with which I've been particularly heavily engaged.

MM: It seems to me to be one those things a bit like the ex-Japanese prisoners of war coming back demanding more compensation. And that'll go on until they die. There can't be many of them left by now. Strange situation.

MJ: Yes, it is a strange situation.

MM: Potentially disagreeable really, whichever way you look at it. Are there any other things? I think you've probably already dealt with this, but I was going to ask about coordination among departments in Whitehall. It's always struck me as curious the way, in my day at any rate, the Foreign Office used to insist on dealing with UK aspects of Treasury matters overseas. I mean by that the way financial policy was presented to foreign governments. It all came through the Foreign Office and so we used to have a Guidance Department and a Financial Relations Department. Most of the chaps who were really responsible for saying what was going to be said by embassies abroad about UK domestic policy were Foreign Office staff. I imagine that that has been superceded to quite a considerable degree by the way in which more responsibility is being taken by the Prime Minister's office itself to determine these things. Do you think that's right?

MJ: .....

MM: Let me go back a bit. I was in the Guidance and Information Policy Department in 1976 at the time when we had to go to the IMF for a loan. Denis Healey was the Chancellor and James Callaghan who had been Chancellor was Foreign Secretary. They were both desperately keen that the word should be put about overseas that Britain was behaving in a sensible fashion and was coping with its problems. The Treasury found it difficult to get that message across because they did not know how to press the right levers in the Foreign Office.

MJ: Well, you touch on a point which I know concerns an awful lot of ambassadors at the moment; there isn't any guidance really, or not as much as there was, because information is so readily available. In a sense we're moving to a system where you have an intranet with all kinds of stuff on it and you just have to go into it on your computer and get the stuff you need. So you see what the Prime Minister's saying, you see what the Chancellor is saying and, in a sense, it's much more up to you.

MM: Once again that means that the ambassador has an even more important job now than he did in the past.

MJ: It does mean that. In a curious sort of way, I think ambassadors are much better able now than ever before to act both as really up-to-date interlocutors overseas and make an absolutely crucial input into policy in London. A good ambassador who understands the technology, who knows the people and is on the telephone fairly regularly to people at both ends, can have a key input. And you see that in a lot of cases; people like Sherard Cowper-Coles in Saudi Arabia and Dominic Asquith in Iraq, Stephen Evans in Afghanistan and people in Egypt and Israel, Mark Lyall-Grant who's just left Pakistan for example. It would be inconceivable that you could have an approach to Pakistan without a direct input from Mark Lyall-Grant; it couldn't happen.

MM: He will be free to go back to the Prime Minister?

MJ: Oh yes, absolutely. He'd be in touch with No 10 but it would all be people talking together. It's not all that long ago – I remember probably ten years ago complaining in Paris that I wasn't being sent copies of submissions going up about something to do with France. That whole approach is now completely outdated as we come to terms with how modern technology works and operates. It's a very different operation now.

MM: That's quite encouraging.

MJ: Well I think it is. And it makes life infinitely more interesting for people. It gives you a chance to use your nous, your imagination, your knowledge of the country at both ends to make a real input. And it means you don't have to have a geographical department in London mirroring the embassy; the embassy does all that. They know what's going on. Some first secretary in London, or second secretary, who's never been to Romania doesn't know what's happening in Bucharest. Our Ambassador in Bucharest is speaking Romanian to the Foreign Minister; when I was in Bucharest a while ago – and in fact the Foreign Minister wasn't there – but in the middle of a dinner Quintin Quayle, our Ambassador, said, “The Foreign Minister's in Brussels; I've got him on the mobile and he'd like to have a word with you.” That's how you operate now; you've the mobile, you ring the Foreign Minister in Brussels and say, “I've got the Permanent Under-Secretary here, could you have a chat?” It's a very different kind of world. But it does mean the ambassador with imagination and get-up-and-go is going to make a big difference.

### **Need for ambassadors to be able to communicate in public at home and overseas**

The other thing which is hugely important which I haven't mentioned but ought to is the whole public diplomacy area now; and again this is why the language is so important. An ambassador has got to be on the radio, on the television making speeches, in the press the whole time, talking about what's going on in Britain. That's partly the answer to the question you've just been asking about how you get a message across; you don't get a message across about how well Britain is doing just by going to see the Foreign Minister and telling him. You've on the television screen speaking the language, and then being asked back and being on chat shows. I found being on the equivalent of the Today Programme chat shows about BSE or whatever it is quite challenging. But it makes a big difference.



MM: I wonder how one copes with the situation in, say, Northern Ireland when we were having these terribly intense, long drawn out discussions with people who would nitpick about a particular word and would fly off the handle if you said 'Ulster' instead of 'Northern Ireland', or things that apparently are trivial to the person who is not intimately associated with the actual negotiations.

MJ: We all make mistakes at times and luckily the British press is pretty parochial and doesn't always pick up what an ambassador is saying abroad; though I did find myself a couple of times getting quoted in the Guardian and elsewhere on something I'd said in a French newspaper article, but you just have to explain it – just put your hand up and say 'sorry'. I got in trouble with the Scots because the French refer to 'les Anglais'; when they say 'les Anglais', they don't mean just the English, they mean the British. For example, when you're talking on the telephone or on the radio, you use the language they're using so you talk about 'les Anglais' and every now and then the Scots complain. I say, "Look! I know perfectly well ... It's how the French language is used." But there are times when you make a mistake, and you just try to explain it.

But you've got to have the courage to do it. And it is risky because you are expected to do it; you're expected to be on the radio and television but, if you do make a mistake, then people say, "Why the hell are you doing it?"

MM: Curtains!

MJ: People do make mistakes. I don't know if you heard last night John Sawers, Political Director at the FCO, on a long interview on The World Tonight on Somalia. Now that's quite interesting because to have a senior Civil Servant diplomat talking in the British media rather than a foreign one – maybe there wasn't a Minister available and John was extremely good, as you'd expect – I thought that was quite interesting. He of course is about to go off to be our UN Ambassador in New York.

## **Foreign Office PUS as Sherpa for Heads of government meetings of the G8**

MM: Are there any other things that you want to discuss?

MJ: I'd just like to mention a little bit the rôle which I had as PUS, the first time a PUS has done this, which is Sherpa for the G8 process working for Blair in the lead up to the Gleneagles Summit, and then also at St Petersburg, and therefore chairing all the Sherpa meetings during our presidency. They were very tough negotiations on Africa and on climate change. I mention that because I think it made a difference but also, and it's partly *ad hominem* because of my work with the Prime Minister before – and again I was seen, I think, around Whitehall as being a reasonably consensual figure. But also it's the sort of thing which it would be good if the Foreign Office could do more often; it's being seen as the co-ordinator for foreign policy in the widest sense, and I think that's what one has to try to develop. It was also a very interesting couple of years or so; quite difficult to combine with the Permanent Under-Secretary rôle but well worth while.

MM: How on earth did you find the time?

MJ: There were certain things I had to cut back on. It also meant that you go at it ruthlessly. It was quite useful in the sense that I did the things I absolutely had to do and delegated the others, which I try to do ruthlessly anyway. It wasn't ideal. It meant I travelled a bit less round the world, which I used to do a lot, but nonetheless I think that there was advantage for the Foreign Office in having a Permanent Under-Secretary with that very close relationship with the Prime Minister and being seen to have it. And in Whitehall terms, too, it gave the Foreign Office a sense of pre-eminence on those issues which it wouldn't have had otherwise.

So I think those are the main things. A point to leave, in a way, is the point when we were talking at the very end about just how the nature of diplomacy has changed so much in the last few years as a result of communications, and how the

communications revolution, in my view, has actually made the rôle of embassies and ambassadors abroad more important rather than less. That's in a sort of way counter-intuitive. People say, "Why do you need ambassadors when you have instant communications?" I put it the other way round; any company wants to have a representative abroad and a country needs representatives abroad to engage with the foreign governments, businesses and others but is much better able to do so now because you can be in contact in real time with both ends, and therefore have a chance to make more of an impact now, using all the expertise and knowledge that he or she has got, than ever before. Which is why, as a career, it's still so fascinating.

MM: Thank you very much indeed for that.

Transcribed by Joanna Buckley