

## **BDOHP Biographical Details and Interview Index**

### **KERR, John (Born 22 February 1942)**

GCMG 2001 (KCMG 1991; CMG 1987).

#### **Career (with, on right, relevant pages in interview)**

Entry to Diplomatic Service, 1966	pp 2-3
3rd Secretary, Moscow, 1967	pp 3-7
2nd Secretary (Economic), Rawalpindi, 1969	pp 7-8
Western Organisations Department, FCO, 1971	pp 9-11
Private Secretary to Permanent Under-Secretary 1974	pp 11-12
Head of Defence Division, Treasury, 1979	pp 13-17
Principal Private Secretary to Chancellor of the Exchequer, 1981	pp 17-23
Head of Chancery, Washington, 1984	pp 23-27
Assistant Under-Secretary of State (European Community), 1987	pp 27-30
Permanent Representative to the European Union, 1990	pp 30-36
Ambassador to the United States, 1995	pp 36-42
Permanent Under-Secretary of State, 1997	pp 43-54 and 56-63
Secretary-General, European Convention, 2002-03	pp 54-56

The interview closes with reflections on the Prime Ministerial role in foreign policy (pp 63-65), Charles Powell as Private Secretary to Margaret Thatcher (pp 65-6) and Anglo-American diplomacy over Iraq in 2002 (pp 66-68).

**Lord Kerr of Kinlochard GCMG**  
**(formerly Sir John (Olav) Kerr)**  
**interviewed by Malcolm McBain on 6 January 2004**

**Education and decision to join the Diplomatic Service**

MM

Sir John could I just start by asking about your schooling? You were educated at Glasgow Academy. What kind of school was that?

J.K:

It was a day school. A fee-paying day school, which my father had been to. In bourgeois West End, Glasgow. As lyrically described in Roy Jenkins' book about cities, though I don't remember it quite as lyrically as he does. My father taught at Glasgow University – he was a doctor: my mother, a school teacher, had been to Glasgow University. I am one of four brothers who all went to the school down the road, on the tram.

M.M:

And from there you got into Pembroke College, Oxford.

J.K:

Yes, which was slightly against my parents' wishes. They accepted that I shouldn't go to Glasgow University. They wanted me to go to St Andrew's, which would have been lovely. But there was an interesting young master at the school who thought that I should try to go to Oxford, which I did, slightly against my parents' wishes.

M.M:

It was quite an interesting school apparently.

J.K:

Yes. It was basically for the sons of West End doctors, stockbrokers, accountants, and lawyers. But it was also the school which in my time produced Neil McGregor of the National Gallery and now the British Museum, Ian Vallance of British Telecom, I was Permanent Secretary at the Foreign Office, David Omand did the same job at the Home Office, Bob MacLennan was in the

House of Commons and now in the House of Lords, and Norman Stone the historian. It seemed at the time a rather stuffy school, but it clearly wasn't.

MM:

Clearly a good school.

JK:

It is a very good school. I am an Honorary Governor now and very proud of it.

MM:

What gave you the idea of joining the Diplomatic Service? Of course you did go straight from Oxford into the Diplomatic Service, didn't you?

JK:

I did a couple of years of research. I spent five and a half years at Oxford, reading history, and joined the Diplomatic Service in 1966. I was hoping to be a don and wasn't doing very well at getting a job, and by a stroke of fate, Kismet, on the day I received a rejection from Edinburgh University, where I had had an interview for a job, the same post brought the news that I'd come top in the Civil Service exams, which seemed to sort of decide my career. I wasn't cut out to be a don. I also wanted to get married. Elizabeth was working in the Foreign Office, in Information Research Department, and I used to come down from Oxford and pick her up outside IRD (which was then in Carlton House Terrace) and I would see these incredibly smart people pouring out and think gosh what a glamorous life they lead - much more fun than slouching around libraries in corduroy kit, and I wanted to be one too. And then when I got in I discovered that the Service was not nearly as glamorous as it had looked from outside.

### **Early years in the Diplomatic Service**

MM:

So you entered the Foreign Office in 1966 and you then did tours in Moscow, Rawalpindi and again the FCO. All presumably as a Third Secretary, Second Secretary...

JK:

Third Secretary in Moscow, Second Secretary in Pakistan and First Secretary back in Western Organisations Department. I was a little older than most when I came in, because of my years in research, so I didn't have to wait very long before I became a Second Secretary at 26. But my first job, before I went to Moscow, was in Arabian Department in the Office. The Head of the Department was Frank Brenchley, the Assistant, Michael Weir, the rising star of the show, Mig Goulding – well Michael Weir was a star too. I was very much the Third Secretary there, and Frank told me that basically I should be seen and not heard. In due course, I should go to MECAS to learn Arabic, and then do a posting somewhere in the Gulf, and then get my first real job when I came back to London. The London posting would be an important one, because then I should get married. I looked crestfallen. Frank asked why. I said because I have made a terrible error, I am married already. He had the grace to say that he thought the handicap survivable. But I disappointed him more by revealing that I didn't want to learn Arabic. I wanted to learn Russian, a language with a literature, and because I thought half the Foreign Office speaks Arabic and most of them are better linguists than me, so I had better do something else.

### **Russian language training and posting to Moscow 1967**

MM:

So you did Russian language training. Was that full time?

JK:

Yes it was. I went to the Army Language School at Beaconsfield, which was rather good. I did the first half of the course with the interpreters who were going to Berlin, passed the exam, and started in Moscow in September 1967, as the Ambassador's Private Secretary, following Brian Fall.

MM:

Who was the ambassador?

JK:

Geoffrey Harrison. Not one of my heroes. He was replaced in 1968 by Duncan Wilson, which was a change for the better, as far as I was concerned. I wasn't Duncan Wilson's Private

Secretary: that was Christopher Meyer. We did a first year as Private Secretary, a second year in Chancery.

MM:

It was a pretty key post, actually.

JK:

Well it was and it wasn't. I mean – we worked very hard, but it was all rather academic. Our sources were not that good, since there was no question of having real contact with anybody who really mattered in Soviet Russia. The Ambassador saw the Foreign Minister occasionally, and we in Chancery assiduously read the press, listened to radio stations and television, read between the lines, studied where people stood in Politburo group photographs, pondered the official statistics: but we didn't really know much of what was going on. Half way through my time there, the Soviet Union sent the Red Army to depose Dubcek in Prague and occupy Czechoslovakia. We in the Embassy knew. We could pick up the BBC World Service most of the time. It was jammed sometimes, but we usually got it. But the Russians weren't told anything in their press, radio, or television for 48 hours after the army had moved. So all our press reading cannot have been terribly effective as a means of finding out what was going on in the Kremlin subsequently. I felt very jealous of Rodric Braithwaite, back as Ambassador after the Wall came down, and able to establish a real relationship with Gorbachev, and get to know what was really going on. We absolutely never did. But it was interesting. We travelled about a bit. A long way away from Moscow, in Georgia or Armenia for example, one could strike up an acquaintance with somebody. Anybody we spoke to in Moscow would have been at risk: we were always followed and watched very closely. But in Georgia, or even Kiev I think, people were prepared to have a word. But we always had to explain very quickly that we were in fact British diplomats, lest we got our interlocutors into trouble; and some people, even in Kiev or Yerevan, would then shy away. It was very interesting and I learnt a lot.

MM:

Difficult country though to assess if you had no official input. Or no official input to speak of.

JK:

I got it wrong. I wrote a Predictions piece when I left in which I pompously predicted that in the end the system was bound to implode, a conclusion I reached on the basis of economic

arguments, since, despite the official statistics, the economy plainly was very badly distorted, but I thought it would manage to keep going throughout my working life. I didn't expect that by the end of the 1980s it would have imploded. I also was quite convinced, so strong was the anti-German propaganda and the heavy stress on the (genuine) heroism of the Russians during the War, that there would be a Soviet garrison in East Germany for as long as anybody who had been alive during the Second World War was still alive. I got that wrong too. I also thought that when the implosion happened, and the garrisons pulled out of East Germany, all non-Soviet East Europe would get away, but I didn't believe that any former free state assimilated within the Soviet Union would get away. The idea that Ukraine and the Baltic States would get away, and in our lifetimes, would have seemed to all of us, in the Embassy in Moscow in the 1960s, completely unbelievable. I certainly got it wrong.

MM:

Very interesting - a bold prediction to make in 1967 that it would collapse.

JK:

Well, I think it was clear that far too big a share of the resources of the State was devoted to the military, which of course was extremely powerful, and frighteningly impressive to the foreigner in Moscow. As these huge rockets rumbled by on a Revolution Day parade – the sheer terrifying military might of the Soviet Union was pretty frightening. And of course the FO at the time deeply believed that there was a contest going on across the world between the Communist system and our system, and it wasn't at all certain that we were going to win. My job in the Chancery was largely following Soviet relations with Africa, and in particular the Moscow-backed "liberation movements" in Africa, like FRELIMO, and their rivalry with the Chinese-backed groups. And we had made the assumption basically that we were on the back foot; the West was on the whole losing the battle for the hearts and minds of Africa. We were backing regimes, many of which were at serious risk.

MM:

We were a declining imperial power. We were handing over power to newly independent states and so on and so forth and that appeared to bear out the Soviet line.

JK:

Absolutely.

MM:

What was the year of Cuba – 62 wasn't it?

### **Transfer to Pakistan as Second Secretary (Economic), 1969**

JK:

After Moscow I wanted to go to Cuba and Beijing. My reason for wanting to go to Cuba was nicely naïve. I thought that the Cuban communist regime was the only communist regime in the world that managed without secret police, which of course wasn't true, but that is what I believed at the time. So I thought I would like to go and compare Moscow and Havana or Moscow and Beijing – and they sent me to Pakistan! They were quite clever. They said we can't send you to Beijing because it would take two years to teach you Chinese, and we can't spare the time, but we will send you to China's closest ally, which at the time was Pakistan.

MM:

So when you got to Pakistan, it would have been Rawalpindi wouldn't it?

JK:

It was Rawalpindi; it became Islamabad. The move took place while we were there.

MM:

How did you find the Pakistanis?

JK:

It was a totally different sort of job, though again mainly economic. I worked for a charming, and rather brilliant, counsellor called Michael Errock, and I had become obsessed with the tragic problems of the economy of Bengal and the skill of the Punjabis – the country had not as yet split – in diverting to the West Wing resources intended to help in the East. We campaigned to persuade the ODA to stop giving aid to the West Wing and to concentrate on the East, or at least, by threatening to do so, to persuade the Government to adjust its policies a bit in favour of the East Wing. Quite a good idea, I think, probably the right thing to do - but too late. The break-up was very close, and when it came it brought my posting to a premature end. A Bengali (Mujibur-Rahman) won a convincing victory in an all-Pakistan election, but was prevented, by the

Punjabis, from taking power. Civil war then broke out. I had spent my first year trying to persuade Whitehall that we should concentrate on the East Wing. I then found in my second that it became less and less possible to do anything in the East Wing. Existing aid projects were shut down and.....

MM:

What was the threat to them?

JK:

Unrest in the countryside and then war. It ended in a war between India and Pakistan. There was bombing of Karachi (while our luggage was there, in the docks, waiting to go home). There was a little bit of bombing of Rawalpindi, nothing serious. But in the East Wing there was a lot of killing. The Biharis who were basically the Pakistan army of occupation versus the Bengalis, egged on by the Indians. So the country broke up and Bangladesh was born. I find Pakistan actually quite a sad country. It began as the Muslim homeland in the sub-continent, but with the break-up it lost that 'raison d'être'. It is now third in terms of size of Muslim population in the sub-continent. And it wasn't really, thank goodness, a theocratic state. It wasn't a Saudi Arabia; and there was a contrast between the very devout peasant and the very anglicised whisky-drinking élite, the generals in charge. When they eventually elected a civilian - Bhutto, the generals got rid of him pretty quickly. I met Bhutto and was very impressed by him. He was a wonderful raconteur, and speaker; very funny, very friendly to me. At a deeper level we were also worried, my wife and I, as we travelled about in Pakistan to see how much more poverty and starvation in a bad winter there was in Pakistan compared with the southerly republics of the Soviet Union. It was quite testing for one's belief that one was engaged in battle between the civilised society of the West and the rigid communist society of the Soviet Union since, plainly, the poor were better educated and better off in the Soviet Union than they were in Pakistan – a Commonwealth country.

MM:

And probably in India too for that matter.

JK:

We didn't get to India then but I am sure it was the case too. The poverty was far greater in the sub-continent than in the heavily populated Soviet southern republics.



**Return to Western Organisations Department of the Foreign and Commonwealth Office,**  
**1971**

MM:

Could we just go over your years in the Foreign Office before you became Private Secretary to the PUS. That would have been when?

JK:

I started working in Western Organisations Department at the beginning of 1971 and finished at the end of 1974. I followed Michael Alexander in working for Tom Bridges and then Crispin Tickell. I was extraordinarily lucky to get that job which I did for all three years. I was the NATO military desk officer, a job which involved a fair amount of work on nuclear issues. I used to attend NATO Defence Planning Committee and Nuclear Planning Group meetings with Lord Carrington, who was Defence Secretary, and later Roy Mason as Defence Secretary. It had a certain, wholly spurious, credibility in the Ministry of Defence because I followed Alexander, a genuine intellectual, as the Foreign Office Adviser in the Defence Secretary's NATO team – and that of course gave one a certain status in the Foreign Office as well. One was always popping across to MOD to see the Defence Secretary or the CDS or the senior civil servants on the Defence Policy side of MOD - Pat Nairne, Arthur Hockaday, Michael Quinlan – all very brilliant people. In the Foreign Office, Rodric Braithwaite was Assistant in the Department, and taught me a huge amount. Michael Alexander was working in the Private Office for Sir Alec and he ...

MM:

Sir Alec Douglas Home?

JK:

Yes. Alexander tended to stick up for me - well I suppose one tends to think that whoever is doing the job one has just been doing oneself can't be too bad really. Charles Wiggin, Clive Rose and John Thomson were my Under Secretaries – all very interesting people to work with. But I think the main reason I enjoyed the job so much was because I did it for so long. When I was Permanent Secretary I tried to advise the young that they should try to do - in their early 30's - a long spell on a desk and become a real expert at something. Very few listened to me. They all thought they should be on a home posting for as short a time as possible and into that

time should cram as many jobs as possible which would look good on their CVs. I thought it better to do a single job for a full three years; the first year you are learning; the second year you think you know what you are doing; the third year Whitehall believes you know what you are doing, and tends to listen to you. I was lucky to get such a good job and have it for a long time.

MM:

And that was Defence and NATO related and that sort of aspect of Western European relations?

JK:

Exactly. Western European Department was the standard geographical department, handling relations with France and Germany. Western Organisations Department regarded itself, rather grandly, as being the superior department, because it was about multilateral relations, about NATO particularly, and about the Transatlantic Relationship. We really didn't allow North America Department much say in how to handle Kissinger: we thought we knew best. WOD did have very good people, Crispin Tickell was tops, Rodric Braithwaite, Robin Maclaren, some real stars. It also allowed, and encouraged, desk officers to specialise on particularly interesting issues - the one I did was tactical use of nuclear weapons – and one was permitted, indeed required, to do a fair amount on one's own. No-one really supervised such work all that closely, once one became the Office's recognised expert. I used to go with MOD people from NATO to Washington and Bonn, and I was one of a team that wrote a NATO paper, jointly with the Pentagon and the German Defence Ministry, on the tactical use of nuclear weapons. That was quite scary: there one was - in one's early thirties, the Foreign Office's man on tactical nuclear weapons. Of course there was a bit of friendly supervision from Clive Rose or Crispin Tickell, but basically they had other things to do, and wanted you to get on with it. But that, I think, is actually the best thing about being a desk officer in the Foreign Office. If you have got, or develop, a reputation for having some expertise, people are prepared to listen to you. I enjoyed it a great deal and didn't really want to leave it to go to a Private Secretary job.

MM:

It gives you so much of a sense of power if you are actually in charge of something like that and drafting all the papers and so on.

JK:

It was very interesting, and travelling about with Peter Carrington was absolutely fascinating. He was very astute in the way he used advice. He would, sometimes for fun, try to find a crack between the advice offered by the Ministry of Defence and the advice from the Foreign Office. Then he would set up his Foreign Office adviser, me, in conflict with the Ministry of Defence bureaucracy, and sit back to enjoy the fight. But I think the debate did, sometimes, tease out a better joint policy than either side alone would have produced. Certainly the role felt very responsible at the time.

MM:

It was a tribute to Lord Carrington, that he had this ability to use his advisers astutely.

JK:

Yes, I thought he was a brilliant Defence Secretary. In fact, the only ones in my time who rivalled him were Denis Healey and Michael Portillo. These three were the star Defence Secretaries of my Whitehall years.

### **Appointment as Private Secretary to the Permanent Under Secretary, 1974-79**

MM:

So you were taken away from that interesting desk to become the Private Secretary to Sir Michael Palliser.

JK:

No, it was Tom Brimelow to begin with. Michael was then still in Brussels, as the first UK Permanent Representative to the EEC. He had been there, running the Delegation during the entry negotiations, and became the first Permanent Representative when we joined. But while all that was going on, the Permanent Secretary at home was Tom Brimelow, and I was lucky enough to work for him. He was the great Sovietologist; fascinating man who spoke every known language, and used to embarrass me by coming out to the outer office with a cherubic smile and saying rather gnomically something in Russian, because he knew I spoke Russian and he assumed that I would recognise the quotation from Lermontov or Tolstoy. Sometimes I did and sometimes I didn't. He was very forgiving when I didn't. I don't think he enjoyed being Permanent Secretary at all: he was a scholar, and he didn't like having to be a fixer. He filled the

gap between Denis Greenhill and Michael Palliser. I don't know why he chose me as his Private Secretary. The only question he asked, when he interviewed me, was where I lived. Terribly nice man, Tom. He knew that Private Secretaries had to work very late hours, and if I had lived outside London, I think he would have said no. I said I lived in St John's Wood and he said fine, I look forward to having you as my Private Secretary. He was a very charming man, modest, private, rather unworldly.

MM:

Then Michael Palliser arrived?

JK:

Michael came back from Brussels all energy, drive and enthusiasm. I had spotted the coming storm of activity. Doing my homework, I had noted, with some concern, that the Palliser prose style was completely different from Tom Brimelow's. Brimelow's style was very precise and rather academic. And I got quite good at drafting for him. Remember, the art of the Private Secretary is ideally to produce the letter which the boss (Permanent Secretary or Minister) can sign straight away. Not only is it what he thinks, that you have established or deduced, but it is written in a style, which he thinks of as his. In the summer before Michael Palliser arrived, I was reading Monty's memoirs and came across the Order of the Day for El Alamein. I also had a wodge of Palliser despatches to study over the summer: and comparing the two I detected a close resemblance between the Monty style and the Palliser style. So I read the Memoirs again, more carefully, and used that as my model. It worked. I swear Michael didn't know, when he came to sign something after a couple of days away in America, whether he had dictated it before he left or whether I had written it in his absence. Brimelow's had been a very academic office. He was not particularly close to Jim Callaghan. Michael Palliser made the Permanent Secretary's Office much more central to the Office as a whole, and I think in Whitehall as well. I did one year for Brimelow; I then did a little over three years for Palliser. I think the four year tenure was probably a record at the time. Sheer inertia: I was enjoying myself. But by the end I decided I had probably made myself so unpopular with all the senior members of the Service, whose files they would have thought I would have read, that I took myself off to the Treasury after that - to chill out.

## Secondment to HM Treasury as head of DM Division, 1979

MM:

I see, so that's when the Treasury interlude occurred. How did you do that? I mean you can't go from the Foreign Office to the Treasury just like that.

JK:

Gordon Richardson, who was Governor of the Bank of England, asked Michael Palliser to lend me to the Bank. He and Palliser saw each other quite a lot, and for some reason Richardson decided I would be good in the Bank. I did not think I would be good in the Bank, and I did not want to go to the Bank, though I liked him a lot. So I said to Palliser that I would much rather go back to my defence expertise, and ideally do it in the Treasury where there was interesting work going on about what to do about Polaris, improvements and eventual replacements, and how to pay for them, a subject which fascinated me. So Michael cleverly produced a triangle in which Douglas Wass, the Permanent Secretary of the Treasury, agreed to take me because the Defence Division of the Treasury was thought to need beefing up, and Public Spending Under Secretaries were prepared to take me on, and Gordon Richardson was given somebody from the Treasury, who was much better suited for a Bank job than I was, and the Bank sent someone to the FCO, for a job abroad. So I think the triangle, which certainly worked well for me, worked well for everybody. An early example of 'interchange'.

MM:

Indeed, a remarkable one. How did you find the Treasury? Very different from the Foreign Office?

JK:

Very different and quite forbidding on arrival. Hard to get to know. The Foreign Office is a much more clubbable place. The Treasury was rather monastic, partly because people worked in corners of the Treasury, in some cases all their lives, whereas Foreign Office staff would continually be going abroad again, and shifting about, and had to get to know each other better. The Treasury was colder. But, greatly to the Treasury's credit, there was more personal responsibility permitted to middle rank and junior staff than in the Foreign Office. I remember on my first day as Head of the Defence Division, I looked through a float of letters showing what my desk officers had done the previous week. I found a minute by a young principal, which was

a root-and-branch attack on a note written by a Permanent Secretary, the Public Spending Permanent Secretary, Sir Anthony Rawlinson. And the note took the form of an internal minute to Rawlinson, copied to lots of other Treasury Permanent Secretaries, Deputy Secretaries and Under Secretaries, all sorts of top brass, and it said, rather bluntly: No, you are wrong for the following reasons..... This to me was quite shocking. Because, you didn't do that sort of thing in the Foreign Office. You found another way, rather than open assault, of attacking the very great and the very senior, if you were very junior.

MM:

This would lead to a sudden posting in the FO.

JK:

Perhaps! And I thought this chap Chivers is rather good. I'll be sorry to lose him. But I decided to wait and take some advice from some friends over lunch before I summoned Chivers to discuss the crisis. And after lunch, I found in my tray a copy of Rawlinson's reply, in which the great man said to Chivers: "you are right, good minute. On reflection, I agree with you". And I thought this is quite a nice place, careers are open to talent here. I think that the Foreign Office was too hierarchical in these days. Actually, the Treasury was in a way too unhierarchical, which I didn't really spot when I was Head of Division, but I spotted it when I went on to be the Chancellor's Principal Private Secretary. In the middle of the night, when you are doing the box for the Chancellor, and everybody has gone home, it is disconcerting to find a minute from somebody you don't know, but who is clearly very junior, in some distant corner of the Treasury, addressing the Chancellor on something which looks as if it might be quite important, and you don't know if he's right or wrong. The minute is copied to lots of the Great and the Good, but they have all gone home and won't see it until tomorrow, and you have to decide: is the Chancellor to see this now, or should it be set aside? The Foreign Office, where on the whole submissions went up via somebody else, gave the Private Secretaries the reassurance of some recognisable initials, signing the thing off. And what was reassuring to the Private Secretary probably also reassured the Minister. On the other hand, it was very good for the young people in the Treasury to be able to address the Chancellor or his Ministers absolutely directly, with no intervening scrutiny. And I did try to encourage it when I became Permanent Secretary in the Foreign Office, because I thought we were over-hierarchical. I think the Foreign Office has now successfully removed at least one layer - possibly two - of the hierarchy.

MM:

Yes, it certainly seems to have done.

JK:

Yes, I think it needed to. I was lucky in my desk officer job because nobody above me pretended to a great expertise on the nuclear issues I handled. But even so, my stuff didn't go direct to Sir Denis Greenhill or Sir Tom Brimelow, or Sir Alec or Mr Callaghan, it would go through people like Tickell, Rose or Thomson en route.

MM:

It is difficult of course when you have people shooting off to foreign parts, and coming in from foreign parts suddenly having to come to grips with the Whitehall machine out of the blue, so to speak, and then suddenly finding themselves maybe influencing the political head of the department direct. It's a bit daunting.

JK:

A bit daunting, yes. But I think the Head of Department's job, or the Head of the Command's job in today's jargon, is to make sure that newcomers realise very quickly that that's what they are doing. I think that you need to avoid the syndrome of always having bright people drafting for somebody else, knowing that somebody else's signature is going to go on the finished product. I think that the standard of thought and the drafting is less good if you are doing it for somebody else. It is inevitable, if it is going to have your name on it, that you really think about it, you walk round the Park twice before you sign, you make sure that it is absolutely spot on, that this is the best you can do. Because, if you are doing it for someone else, there may be a temptation to think: well, he's quite smart, if it is not right, he will change it. And I think that there is, or there was, a little bit too much of that in the Foreign Office. Supervision is a delicate job, but if the Under Secretary, the Command Head, or the Head of Department thinks the new desk officer has produced a good draft, they should send it back saying that looks jolly good, why don't you sign it? And then he ought for a few more months to keep a pretty close eye on what the fellow is signing, and occasionally jump in and stop him, if he thinks he is getting it wrong. But you need to have sufficient confidence in the desk officer to encourage his or her self-confidence. I think it is a very difficult judgement to know how much supervision is ideal but, perhaps because of my Treasury experience, I think one should err on the side of encouraging juniors to put work up in their own names.

MM:

Did you not find that the Treasury was a comparatively simple department in terms of its responsibility compared with the Foreign Office? With the Foreign Office you are dealing with the world; with the Treasury you are dealing with the UK economy, taxation, income, foreign exchange ...

JK:

Not really, no. Indeed, not at all. Already by Keynes' time the Treasury thought it had the real Whitehall responsibility for policy toward the world economy. The British representative to the IMF came from the Treasury. The Overseas Finance Permanent Secretary in the Treasury, rightly, is a much bigger figure in the land than the Deputy Secretary (Economic) in the Foreign Office. Moreover, in other ways, the Treasury was a much more complicated department than the Foreign Office. Way one: it was also a 'front line' department, in the sense that the Excise men, and the VAT inspectors, the Inland Revenue were all working for the Chancellor of the Exchequer. So you had a much bigger say in the running of the public service, and the Treasury's control became virtually total when Mrs Thatcher abolished the Civil Service Department. The small discrete (ete, I mean discrete) separate FO (I didn't mean we were particularly discreet) Foreign Office was slightly detached from all that. It was the Treasury who made Civil Service Policy. The Treasury, when I was there, interfered in other department's policies quite a lot, and I gather that that still happens from time to time even in the days of the self-effacing Gordon Brown. Denis Healey was Chancellor when I joined the Treasury, and one of the reasons why Sir Douglas Wass felt the need to beef-up the Defence Division was that Denis Healey, although being Chancellor is a fairly full time job, liked in his spare time to go on doing his old job as Defence Secretary. Fred Mulley was the actual Defence Secretary, the one who drew a salary for the job; David Owen, by then Foreign Secretary, had also held ministerial office at the Ministry of Defence, and knew all the answers; but Healey, the old pro, didn't hold with upstarts. So there were three would-be Defence Secretaries in the government, and my little corner of the Treasury threw our weight (or rather Healey's considerable weight) about quite a bit. And then in came the Tories with Geoffrey Howe as Chancellor, and a whole lot of new Whitehall-wide policies were invented in the Treasury or in No 10. Like privatisation. I was lucky enough to be the Treasury person most involved in the privatisation of British Aerospace, the sale of 50% of the shares. I had to spend many long week-end hours in merchant banks in winter 1980-81 over that huge Offer for Sale, which at the time was ground-breaking. The



bigger privatisations came later but, apart from a sale of some of the government's holding of BP shares, this was the first substantial privatisation. The Treasury had no real expertise because it was a new policy. I was helped by people like Robin Butler, Nick Monk and Nigel Wicks, but basically it was my head on the block, working for Financial Secretary Nigel Lawson. In the DTI, the key figure was the Minister for Aviation, Norman Tebbit. And I persuaded Nigel that we were selling the shares too cheaply.

MM:

Nigel Lawson?

JK:

Nigel Lawson. And the eventual pricing decision was then taken between Tebbit and Lawson, in a very exciting meeting where Lawson managed, using my material, to persuade Tebbit to bump up the price a bit. I still think we sold them a little bit cheaply, but it was a successful privatisation, or seen as such. I mention this as an example: the Treasury didn't feel remote. One saw a great deal of Mrs Thatcher for example, certainly in her first government before she started getting really interested in the outside world, and was very much involved in domestic politics, working closely with her Chancellor and close comrade in arms at that time, Geoffrey Howe. So I didn't feel it was smaller world than that of the Foreign Office. If anything, I felt that I had moved onto a stage where I wasn't quite sure I was big enough as an actor, particularly when I became the Chancellor's Principal Private Secretary.

MM:

But you had been Head of Division?

JK:

I had been Head of a Division for 2½ years.

### **Appointment as Principal Private Secretary to the Chancellor of the Exchequer, 1981**

MM:

So how did you find being Principal Private Secretary. Who was your first Chancellor?

JK:

It was Geoffrey Howe. The Treasury is a very nice place. When Geoffrey made clear that despite Douglas Wass's objections, he was going to appoint as his Principal Private Secretary this man Kerr, who was on loan from the Foreign Office, the Treasury union, the First Division Association, wrote a petition against my appointment. Because they were very nice, they sent me a copy in draft and invited me to correct anything I thought unfair. I did make a correction. The draft began: "Since reading PPE at Oxford, Kerr has had no further formal training in Economics". So I corrected that to read: "Since he read History at Oxford, Kerr has never had any formal training in Economics". Factually accurate matters. Actually, once the appointment was made, everybody was very friendly. Robin Butler, who was Head of Establishments, Personnel at the Treasury, was away on holiday at the time the appointment was made, and his number 2, a very nice lady, whose name I shall not mention, said to me, "appointing an outsider to the Private Office is not without precedent, you know, so you mustn't worry. When Roy Jenkins was made Chancellor, he brought his Private Secretary, David Dowla, with him from the Home Office, and it worked quite well. Of course, Dowla died while doing the job." I felt that was incredibly reassuring. I checked the story with Roy Jenkins later: it is perfectly true. He had two joint Principal Private Secretaries, Robert Armstrong from the Treasury and David Dowla. Dowla, who was a very hard-working man, caught his finger in a ministerial box one night as he tried to stuff too many papers into it and got blood poisoning, or pleurisy or something, and never had time to have it treated, and it killed him. Which simply goes to show that Whitehall is a very dangerous place, and that one should not try to give ministers too much work! Working for Geoffrey Howe was a delight. He was a lawyer, not an economist; he had come to monetarism with all the enthusiasm of a convert. I didn't really agree with him about all that, but we had wonderful debates in the middle of the night. I think he enjoyed the fact that I too, sometimes had difficulty in discerning quite what the brilliant Treasury economists were trying to say. He liked to have somebody else who had to work at interpretation. I think he was a very good Chancellor. I think his Budgets, particularly his first, were very bold. The 1981 budget, the one before I joined him, was very bold too. He felt he was going to be fired for it, and when he took me on in the summer of 1981, he said: you do realise that this may not be for very long, because I think I may be fired now? Have you got somewhere else to go? I said Yes, I was going off to Brussels to be Head of Chancery in Michael Butler's UKRep. He said: Well don't burn that boat for the moment for this show may not last long. At the time of the 1981 Party Conference, there certainly was a revolt against him led by people like Ian Gilmour and Christopher Soames, but he survived it, and by 1983 he had confounded his critics. I think in

some ways he was happier in the Treasury than the Foreign Office, because his relationship with Margaret Thatcher at that time was very close and very effective. It got more distant and difficult in Foreign Office days later.

MM:

So you were in the Treasury until ...

JK:

1984. When Geoffrey went to the Foreign Office, I had arranged to leave the Treasury. I had missed the job in Brussels, because of working for Geoffrey, but instead had been appointed Head of Chancery in Washington, and had arranged a secondment to the Rand Corporation in Santa Monica, to bring myself up-to-date on the politico-military stuff I would be doing in Washington. I was elected a Visiting Fellow at Rand. When many years later I was Ambassador in Washington, I visited Rand, to their chagrin, because for 12 years I had been the only Visiting Fellow who had never visited. Because I was not allowed to go to Rand. Nigel Lawson, when he became Chancellor, said: No you mustn't go. I want you to stay and do the first – my first budget with me. He came to the Treasury in the summer of 1983, and I did Budget 1984 and left directly for Washington, without passing through California, at Easter 84.

MM:

When you say, did the Budget, do you mean that you helped with the presentation but that decisions were taken elsewhere in the Treasury?

JK:

No. I think it has changed a bit now, but in those days there was a very clear annual cycle to Treasury life. The Budget came in early Spring, and the series of decisions, which led up to the Budget, were all taken around the Chancellor's table. And I think Nigel Lawson wanted me to stay was because he, as a junior minister in the Treasury from 1979 to 1981, had been concerned that these decisions had not always been taken in the right order, and he formed the impression, as Secretary of Energy, which is where he went from 1981 to 1983, that things had become rather better organised in the budget cycle in the Treasury. Before I left him and the Treasury, he made me write a guide to writing budgets, a sort of roadmap showing the stages at which decisions have to be taken. That was still being used half a dozen years ago in the Treasury. I don't know if they are using it now. But I did think about that quite a lot, and tried to systemise

things, because I was impressed by the difficulty of the budget decisions. The Treasury is a strange place. Subsequently, not at the time, I discovered a good description of the job of Chancellor in 'War and Peace' where a Russian general gives a description of his job, and how to do it. Basically, what he says is: once the battle starts, stay on your horse, on a high point, and don't get off for any reason until the battle is over, and they come and take you away, either as a prisoner, or as a victorious hero. Stay up there, there is nothing you can do, but you mustn't get off your horse, because if your troops see that you are not up there any more they will assume you have run away, and they will run away. All day long, or as long as the battle lasts, white-faced young men will ride up to you and ask for orders. And they will say: we are under heavy pressure at the little wood by the bridge, do we hold the wood, do we hold the bridge, what do we do? It doesn't matter, says Tolstoy, what you say, it doesn't matter at all; but what does matter is that you must say it immediately and decisively, as if you knew what you were talking about. It doesn't matter because first, he is describing a situation half an hour ago, when he set off from the wood; second, he is probably misdescribing it because he is terrified; thirdly, he is probably going to be killed on the way back; and fourthly, in the further half hour before he gets back, the whole situation will have changed entirely. So you say firmly and clearly: "abandon the wood but hold the bridge" or whatever; it doesn't matter what you say, provided you look decisive. All your staff officers will stand around and nod and say, "yes, absolutely, hold the bridge, don't bother about the wood". And they will all be thinking, "thank God the old man knows what he's doing. I haven't a clue what is going on, but he seems to know." Just like the office of the Chancellor of the Exchequer. All the information on the economy is always out of date. As you write a Budget, you are working on extrapolations from reasonable guesses as to what was happening in the economy six months ago. And you can be sure that embarrassingly, irritatingly, late in the day the forecasters will say they have rerun the forecast and it's completely different and they will have to change x and change y. What have they done? They have rerun their best guess at what the economy is going to be doing in six months time, when the tax decisions you are being asked to take now will actually come into effect, on the basis of a revised best guess at what was going on six months ago. So you might as well just try to preserve an air of order. Be fairly firm and clear about what you want to do, get some options drawn up, prioritise them, and don't worry too much about people who ride up with shocking news at the last minute. That is what being the Chancellor was like, and I bet it is still like it. The Chancellor needs to have a Private Office that tries to impose discipline. The decisions are all take place round his table and what is important is to make sure that they take place in the right order. Before you let people talk about tax rates, you need to have taken your basic

decisions about tax structures. Is there anything you want to do to the structure of the taxes? Do you want to abolish a tax? Do you want to introduce another tax? Nigel was a great one for abolishing taxes. He did very well at simplifying the system: it has, since his time, grown more complex once again. The question of interest rate policy, monetary policy and so on, what do you think is your best bet about inflation in six months time? There is no point in changing that bet much in February/March. Might as well take a shot at it in January. And you can then decide what is the optimum achievable rate of inflation, what is it you want, what is politically possible. These decisions are for early on. Later on comes the fine-tuning of the rates and the allowances and that sort of thing, in that order. I found it absolutely fascinating, working on these systems and trying to improve them. Both Geoffrey and Nigel Lawson were very good fun to work with. I liked them both very much.

MM:

Were there no established systems in place in the Treasury until you started to do this?

JK:

The experts in each area were very good and extremely organised inside their area, but there was a curious lack of an overarching top. Partly, I think, that was because it had existed at Permanent Secretary level, where the old Treasury mandarin establishment were basically Keynesian to a man, but communication between them and the political top brass, Howe, Biffen, Lawson, Brittan, basically monetarists to a man, had become rather poor. In addition, I think most Treasuries around the world tend to have stove-pipe structures, where people who are very brilliant in a particular expertise tend to stick with that, and are not necessarily always as brilliant at the diplomatic arts of persuading each other or persuading the minister, or persuading Number 10, or other ministries, that the decisions that are right for their particular stove-pipe are right for the nation as a whole. Yes, I think there was, curiously, a job to be done. I am not sure I recognised that as clearly at the time as I do now, looking back.

MM:

It sounds suspiciously like the sort of task that is required of our representative in Brussels.

JK:

Yes, there is a lot of that. At UKREP you are working with very brilliant people round Whitehall, but sometimes you have to persuade them that they are more likely to achieve their

goal if they go about it in a different way, or if they leave it to you to decide the detailed tactics. There is a real role for the UK Permanent Representative, and rather an exciting one.

MM:

Going back to your days with Michael Palliser you rather skated over that. How did you find him? He was a very keen Europhile in many ways. What is your opinion?

JK:

Yes, Michael converted me from somebody who was basically a politico-military specialist, most interested in Soviet Russia and the Transatlantic Relationship, into someone equally interested in the European Union. Michael didn't believe in making a choice between a European Britain or a Britain in the wider world. He had very good connections in Washington from his days as Head of Planning Staff and from his Number 10 days as Harold Wilson's Private Secretary. He had a feel for the developing world from his time in Dakar as a youngish man. And he spoke French extremely well, understood France better than most in our Service, and obviously he knew Belgium very well through his wife, Marie, Paul-Henri Spaak's daughter. I was always struck when I was his Private Secretary by the flow of Americans into his office, American politicians, congressmen, journalists. He wasn't just a Europhile: he was (happily he is - he is still going strong up in Hampstead), he still is, very fascinated with the wider world; he took some directorships with American companies after his retirement; he still goes to America quite a lot. It is true that Michael found it uncongenial to be dealing with a British Government that couldn't really make up its mind whether it was right to be in Europe or not. The referendum had been won, but Callaghan was not a committed European, neither was Wilson, neither was Tony Crosland, neither was David Owen. None of them felt, as Michael did, that our natural rôle was to be playing a big, wider world game on the basis of firm foundations embedded in Europe. It must have got worse with Mrs Thatcher's approach to Europe, though by then I'd gone off to the Treasury. She undoubtedly suspected him of being personally rather fonder of the Brussels enterprise than she was, and she was dead right on that score. But she would have done better in Brussels if she had tried harder to win friends and influence people there, as he urged. Working for him was invigorating. He was quite innovative and imaginative, and he liked his Private Secretary to have ideas. I stayed in London when he was off on trips abroad, and he expected me to act in his name in a way that I found at the time quite scary. While he was extremely loyal in defending the decisions I had had to take in his name when he came back again, I hope that I had always consulted him adequately by telephone or telegram. I

think he was a very good Permanent Secretary. In a way I think it was a shame for him that he did not have longer in UKRep, or a spell as Ambassador in Washington. I was very lucky to have UKRep, Washington and Permanent Secretary; but in all three I used to wonder, when faced with a difficult decision, how he would have handled it.

MM:

Well, Sir John, you next had an appointment in Washington as Head of Chancery and that was in 1984. Tell me how that went when you were there from 1984 to 1987. That would be in the days of which Ambassador?

### **Appointment as Head of Chancery, British Embassy, Washington, 1984**

JK:

Oliver Wright. And then in my last year Antony Acland, after his time as Permanent Secretary. I was Head of Chancery and Politico-Military Counsellor. The Head of Chancery function, working to professionals like Oliver and Antony was pretty easy actually, because the Chancery was a sort of All Souls Senior Common Room of brilliant people who needed neither a link to the Ambassador nor guidance on how to inform Whitehall. They were outstandingly good, Nigel Sheinwald, Stephen Band, Stephen Gomersall, Mark Pellew, Roger Bone, Andrew Green, so the Head of Chancery job, strictly defined, was extremely easy. I had more of a role in the wider Embassy as Chief of Staff to the Ambassador; there were 600 people working in the building on Massachusetts Avenue, most of them not working for the Foreign Office, more than half working for the Ministry of Defence. Trying to produce systems which made sure that information was exchanged and pooled was interesting. I went with a piece of advice from Geoffrey Howe, by then Foreign Secretary, ringing in my ears. He said: "No surprises, John," and told me the story of Grenada, when before my time in Washington, he had been blind-sided, and so had Mrs Thatcher, by the rather bizarre US invasion of Grenada, a UK dependency with a Governor appointed by the Queen, invaded by the United States, who brought about a change of regime. The British Government didn't know in advance, and poor Geoffrey had a bad moment in the House of Commons. Basically he thought the embassy in Washington should exist to find out what thinking was going on inside the US Administration, and make sure that London knew about it, and could stop it if it struck them as bad. And that is true, that is largely the role of the embassy in Washington or one of its roles. That was quite an interesting task, which I think we achieved. But the big part of the job was being Politico-Military Counsellor, and the big issue

was the "Star Wars" drama: Reagan's Strategic Defence Initiative for an impermeable shield over the United States to stop all incoming ballistic missiles, and what SDI did to the doctrine of deterrence, and potentially to the British nuclear deterrent, because one of Reagan's strongly held views was not only that America should have a nuclear defence shield, but so should the Russians. Reagan thought the technology should be shared with them. This was quite difficult for Britain obviously; we were still proceeding with the updating of Polaris, to ensure that it remained credible against the existing, small, Soviet point defence around Moscow. Ensuring credibility against the sort of defence of which Reagan was dreaming would be a very much bigger task. Of course many people thought that it was only a dream, and couldn't happen, and in Reagan's time they were correct. But in Whitehall there took place a very interesting dispute between the Foreign Office and No 10. Geoffrey Howe made a fine speech at RUSI, suggesting that a comprehensive SDI was a chimera, or – as he said - a new Maginot Line, which would inevitably be overrun, as the Maginot Line was. Mrs Thatcher thought that Reagan was going to proceed with SDI anyway, and that nothing we said would stop him from doing so. It either wouldn't work as the Foreign Office thought, or it would work: that would be unaffected by what the UK said or did. We might as well not cross swords with the President, but instead see if we could get some of the business for British companies, and obtain access to some of the new technology, which was very exciting. So the argument raged in Whitehall, and the Politico-Military Counsellor in Washington was part of it, because he was in a sense Geoffrey Howe's man on the ground but he was also Number 10's link, or one of their links, to the White House and the National Security Council. So I got to know very well people like Richard Perle, Cap Weinburger, Paul Nitze, and I found it intellectually fascinating; with the high spots being Mrs Thatcher's two famous Camp David meetings with the President, in 1984 about Star Wars, and in 1986 about deterrence and the aftermath of the Reykjavik summit with Gorbachev.

MM:

That was the one where Reagan met the head of the Soviet Union and threatened to dismantle...

JK:

Yes, Reagan effectively suggested complete nuclear disarmament by Washington and Moscow. For deeply held personal reasons, he believed that nuclear weapons were immoral.

MM:



Who?

JK:

Ronald Reagan. It is quite difficult to persuade people now that Reagan, seen as the arch-right winger, and he was very right wing, the arch-anti-communist, and he was violently anti-communist, did not believe in nuclear weapons. He didn't believe in deterrence theory. He didn't believe in nuclear superiority either. He thought both were immoral concepts. Balance of terror struck him as a very fragile basis, and an immoral basis, for the security of the world. So he shocked his own side in 1986 in Reykjavik by proposing - in Richard Perle's words: to give away the store. Fortunately Gorbachev thought he was bluffing, and nothing came of it. But it took a visit by Mrs Thatcher, and some language that they agreed at Camp David, to produce new NATO language, which the North Atlantic Council could agree, and which re-established the doctrine of deterrence.

MM:

Mrs Thatcher presumably did believe in the doctrine of deterrence.

JK:

She did, she did. Her dispute with the Foreign Office and some in the Ministry of Defence was not on moral grounds, it was on 'realpolitik' grounds about whether it was wise to try to stop the American Star Wars programme, and I think she was probably right. I think that probably it was unstoppable in Reagan's time. Of course it achieved very little, and the funding tap was turned down when Reagan left the White House. But it was a good example that Reagan was not a puppet President in the hands of his Administration. Here was a policy which at the outset shocked the Pentagon. It wasn't an Administration policy of which he was the mouthpiece - it was a personal policy initiative from the President. He was a very interesting man.

MM:

Did you meet him?

JK:

I did. He had a wonderful relaxed easy charm. He was a very good actor, with an actor's skill in glad-handing. He was always very polite to unimportant people like junior diplomats from the British Embassy. He had huge respect for Mrs Thatcher, and she had great skill in handling him,

almost manipulating him. At one of their Camp David meetings, the British had got themselves into a great tizz about the probability, the near certainty, that the United States would sell some form of advanced fighter aeroplane to the Argentine. This is not long after the Falkland War, and the Americans had so far held off from re-supply of equipment to the Argentine armed forces. But all the agencies in Washington had decided that equipment was going to have to be supplied. The CIA argued if US planes were not supplied, Russian planes would be supplied, and there was good evidence that that might happen. The NSC argued that if the Air Force in the Argentine was not appeased with new equipment there would be a coup, and the next military regime would be worse than the current one. The State Department, with the Southern cone experts dominant, and still basically pushing the line taken by Jean Kirkpatrick and Alexander Haig, believed that the United States needed to rebuild its relationship with an important American ally, Argentina, and that the British were pushing their luck. As Head of Chancery I managed, in a way which was relatively easy in Washington, to get into the Inter-Agency process and read the President's brief on what he was going to tell Mrs Thatcher about the decision that had been taken. All our efforts had failed to prevent it: we had managed only to get agreement that he would give her advance notice before the decision to re-supply became public. And the night before the Camp David session she held her usual briefing meeting in the Ambassador's study in Washington officially for us to brief her, though of course she did most of the talking, and I told her about this brief and what it said, and she simply didn't believe it. "Just not possible." The thing that really shocked her most was how short it was, as the President's briefs always were: much shorter than hers, because Mrs Thatcher liked to read everything. But she was also shocked by the contents. "He can't do that." And she put it on her shopping list. Like going to Sainsbury's. Mrs Thatcher would digest the briefs, and then make a series of notes to herself on a scrap of paper - just like a grocery list - and she put it in the handbag. Sure enough, the next day at Camp David, when Reagan was trying to bring the meeting to an end, wind it up, she looked worried and got out the handbag and dug around in it and found the shopping list and said: there is something we have forgotten, there is something we haven't discussed. Ah yes, she said, Arms for Argentina. And she looked at him and said, simply but sternly, "You won't, will you?" And Reagan said: "No, of course I won't, Margaret." And that was the end of three months of the US inter agency process. Thus was a firm decision overturned. Possibly she had - all along - meant to save it up to last, so that a disagreement wouldn't spoil their farewells. She was very clever in her management of the relationship with Reagan, including in the first Camp David meeting on the SDI issue, where they reached a 4-point compromise, which would not have been achieved without her vigorous advocacy.

### Appointment as AUSS (European Community) in the FCO, 1987

MM:

So after you finished as Head of Chancery you came back as Assistant Under Secretary in the FCO?

JK:

Yes, I had followed Robin Renwick as Head of Chancery in Washington, and I then followed him as EU Under Secretary. Much later, after he had been in South Africa and I had been in Brussels, I followed him again as Ambassador in Washington. Following Renwick was a difficult thing to do actually, because he was very good. And following him in the EU job in March 1987 was particularly difficult, because I had not got much direct EU experience myself. I had never served in UKRep. I had been due to serve in UKRep in 1981, at the planned end of my Treasury secondment, but instead I had stayed in the Treasury as the Chancellor's Private Secretary. Although I had been to lots of Council meetings in Brussels with Geoffrey Howe and Nigel Lawson, I had never really got my feet under the table over there. The London team I took over from in 1987 had just finished doing the Single European Act negotiations, and the Deputy Secretary in the Cabinet Office, who was the real Whitehall co-ordinator, the great David Williamson, quite soon went off to be Secretary-General of the Commission. And it was quite a lonely job inside the Foreign Office because it was a very technical, very detailed job, and one had to learn a great deal about other Departments' dossiers, and these details were not of enormous interest to one's colleagues in the Foreign Office. Rodric Braithwaite, who was the Deputy Secretary (Economic), was extremely good about giving me lots of rope as EU Under Secretary although, having served in UKRep, he had much more background than I had. He advised me to limit what I said at the Permanent Under Secretary's 10.30 morning meeting. He said: speak up about once a fortnight, John, because they like to feel they know what is going on. But make it about three minutes, no more, because they really don't want to know what is going on...

MM:

So we were talking about the briefing for the ....

JK:

Yes. Patrick Wright was Permanent Secretary by then and took a friendly interest. But the EU Command was fairly sui generis, with an absolutely brilliant bunch of people working for me. Stephen Wall, Nigel Sheinwald, Emyr Jones-Parry, Rosemary Spencer, all the people who became the top brass on the EU side of the Office in the second half of the 90s were learning their stuff in the second half of the 80s in the EU departments. Our jobs became steadily more difficult as Mrs Thatcher, and the government generally, became steadily more disillusioned with the European enterprise. There had been a magic period with Lord Cockfield and the Single Market programme, and what was seen at the time as a great achievement by Mrs Thatcher with the Single European Act negotiation, which secured qualified majority voting on Single Market dossiers, but in 1988 she made her Bruges speech which signalled a degree of disillusion. By 1989, the atmosphere in Whitehall was poisoned by the clash between the conviction of the Chancellor and Foreign Secretary, Nigel Lawson and Geoffrey Howe, that we must stop knocking the ERM, the Exchange Rate Mechanism, and at least appear, and perhaps actually be, ready to move towards joining it, and Mrs Thatcher's adamant conviction that it could not work, and should not be joined. This all culminated in the drama of 1989 when Lawson and Howe got together and presented her with a long memorandum, which I suppose, in retrospect, was the longest suicide note in history. Because she never forgave either of them. But the memorandum did affect what she did at the Madrid European Council in the summer of 1989, because we did change our position on the ERM, though we didn't join it then. Geoffrey Howe lost his job a month later, and John Major became Foreign Secretary, and Nigel Lawson's relationship with Margaret Thatcher, already pretty bad, was irremediably wrecked, and he resigned fairly soon after that too. Both the signatories of the memorandum had gone within a year. And the drafters of the memorandum were Tim Lankester of the Treasury and me, and I was always puzzled why I too wasn't a casualty of the episode, particularly as my authorship of the memorandum was clear on every page of it. Not, I hope, because of the eccentric prose style but because the final version had been agreed at a meeting between Nigel and Geoffrey at 9am on a Cabinet morning. I sprinted back to my office to write in the final changes they had made and let them have the text before 10am so that Geoffrey could take it over to Cabinet, and Nigel and he could sign it there, and give it to Margaret at the end of Cabinet. My secretary wasn't in, some substitute made the amendments for me, but forgot to do the last thing you do when you are completing a document, which is to remove the coding at the bottom of each page. So at the bottom of each page of the fateful paper were the initials JOK and a reference number, and as Margaret Thatcher read through these 20 odd pages - with no doubt mounting rage - at the bottom of each page she would see clearly in front of her who the author was. JOK are rather

unusual initials. So I didn't think the episode would greatly assist my career. I remember going to see Patrick to tell him that they'd sent the missive.

MM:

Patrick who?

JK:

Patrick Wright, the Permanent Secretary. I went to see him to report that they had sent the missive and that I expected that he would have to find a posting for me quite soon. I remember that he was surprisingly relaxed about that: more relaxed than I felt. But in fact it was the two signatories, not the two drafters, who paid the price.

MM: What happened to Tim Lankester?

JK:

He went on to be Permanent Secretary of the ODM and at the Department of Education and he is now in charge of Corpus Christi College, Oxford. I don't think it did him any harm either, but then he was wise enough not to have his initials at the bottom of every page. Seriously, the atmosphere of Whitehall on European policy became very fraught. European Councils became very difficult. The Prime Minister's relationship with President Mitterrand was one of wary respect, but she didn't even manage that in relation to Gonzales in Spain, or Kohl in Germany, and her own views about German reunification, which were no more hostile than Mitterrand's, were less well disguised than Mitterrand's. It was clear to Kohl that she did not wish Germany to reunite. I doubt if it was as clear to him that Mitterrand didn't either. So the European Council became pretty uncomfortable. And in the end, of course, it was her reporting on the European Council in Rome in October 1990, when the decision to proceed with Economic and Monetary Union was taken, her reporting on that to the House of Commons, which finally tipped Geoffrey Howe into resigning as Leader of the House, and making the resignation speech which was the proximate cause of Margaret Thatcher's own fall a couple of weeks later. I was there, I played the part of an Osric – a witness to history - as the Thatcher government went into delinquency, with the European issue the principal 'causis belli'. The underlying cause was the growing remoteness of a Prime Minister surrounded by courtiers and protected from bad news for too long. But it was on the rock of Europe that the ship finally foundered.

MM:

Why do you think she took this particular line?

JK:

She disliked the European Council; she disliked it intensely, partly because she was the only woman in it, partly because she was, to her credit, a great believer in plain speaking. I think she would have liked it better if there had been more head-on disagreements, and fewer pious recitals of European verities. She preferred the clash of swords to the dagger behind the arras. She liked a good row, I think. Joking apart, the reason why she was always nice to me as Under Secretary, and forgave me for the ERM memorandum, and sent me to Brussels knowing that I was a strong believer in the European enterprise, was perhaps that we had had some very good arguments. I had developed the technique of having a few killer facts ready in the front of my mind. When the Prime Minister went into a rant about something, you could stop her by saying: "Do you know, Prime Minister, that the per capita GDP of Rumania is now \$247 at purchasing power parity?" Giving her a fact, even if it had nothing to do with what you were talking about, would stop her for an instant as she reached for a pencil. She had the scientist's instinctive respect for facts, numbers. "Give me that number again, John." By now her train of thought was broken, and you had a chance to come in and say something sensible. I did not always succeed at this. I remember briefing her before her last European Council in October 1990. I was by then in UKRep and worried by what I had detected that the Italians were planning to do at that European Council. Their aim was to secure agreement on the advance to Economic and Monetary Union, and in terms which she would not accept. So I thought I had to warn her. I spoke to Charles Powell on the phone and Charles said: No you needn't come back, she is tired and busy, and we understand the risk, it is all right. But I said: look, Charles, I really do think I must insist on seeing her. And he gave me a slot in the diary. I remember I worked late the night before with my people in UKRep, and they all briefed me extremely well. I thought I had it all in my head, and I had worked out how best to set it out for her. But I made one significant mistake: as I went in to Number 10, I forgot to find out whether I had 20 minutes, 30 minutes, 40 minutes or an hour. I realised this was a significant error when after 20 minutes I still hadn't said anything, because Mrs Thatcher had given me a very vivid account of the past and present misdeeds of her European colleagues and what was likely to happen at the European Council. In many respects, her account was accurate, but I felt I had to say something, because I couldn't go back to UKRep, where all these clever people had briefed me, and have to say I am terribly sorry, it didn't go terribly well because I never said anything. So when she drew breath, I said this is a

very interesting meeting, Prime Minister, but do you think I should say something? And she stopped, and she laughed, and said "oh well, John, all right; you tell me what you think is going to happen." And that was very like her. She had very fixed ideas by that stage, but she didn't mind somebody pulling her leg a little bit. In private. When I first knew her, I was doing Defence work at the Treasury and the first three briefings I did for her I did as the junior man in a star-studded Treasury team. She was always very good at using the junior man in the team when she didn't like what the team leaders were saying. She would spin round, spot the most junior person present, and say: "But that can't be right, can it, Mr Kerr?" Which then confronts the luckless target with a choice. Either he is sycophantic and says: "No, Prime Minister, of course it is not right," in which case he can't go back to his home Department as he has just denounced his boss, or he has to stick up for what his boss has said, and supply another argument why his boss is right (or, in my case, not an argument but a fact, or a run of numbers). She enjoyed playing that game. I think she always associated me in later years with the Treasury, and thus thought that although I now appeared to be in the Foreign Office I couldn't be as bad as I seemed, because I had had a Treasury past. In her book the Treasury was pretty good, and the Foreign Office pretty bad.

MM:

Are there other things you would like to say about your time in Brussels?

JK:

It was the most intellectually difficult, demanding job I did at any stage in my career. Because - you raised the point before - it gives one a very interesting vantage point from which one can see all Whitehall's European policies and one can detect potential policy trade offs. I would come to London every Friday, as all my predecessors, successors have always done, to attend meetings at the Cabinet Office. And I would try to go and see Departments on Friday afternoons, and sometimes ring up ministers. You could see where a strategy wasn't going to work; it's easier to see that from Brussels than close up in Whitehall. You then had to practise a bit of diplomacy, avoiding the twin traps of seeming feeble, lacking nerve as a negotiator, or seeming short on resolve, not understanding the importance of the issue, of not knowing the dossier. They knew the dossier, you were their negotiator, but, of course, you had to know the detail too. You had to know the file backwards. The job becomes easier the longer one does it; it is right that we leave people there for a long posting. The art was to persuade the Whitehall experts that you understood their policy, agreed with their policy, and that you had found a way of securing their

policy, which might work, whereas the way they had previously envisaged would not work. And just occasionally you would feel you had to persuade them that their policy was one that could not be achieved at all, and would have to be changed; and you would suggest a different policy: but that's a much rarer occurrence. Sometimes you were able to deliver what was wanted because you were also reading the files of other Whitehall Departments, and monitoring all the Brussels working groups, and you could spot that the Department of Widgets in Whitehall desperately needed a change to the draft Widgets Directive being negotiated in the Widgets Council Working Group in Brussels and that an apparently insuperable obstacle to their getting their way was, say the Dutch, who took a different view on some fine point of widgets theology. And you might also spot that in a completely different Council, the Dutch were desperate to secure some policy aim, and the British were opposing them. And you would set out to analyse the relative weight of Whitehall's concerns, and might discover that, whereas our widgets concern is a huge concern, the Department that was blocking the Dutch on the other issue didn't really care one way or the other, were unsympathetic to the Dutch, didn't feel as strongly about it as they sounded in Brussels. So you might go and see your Dutch colleagues, and hint at a deal: the art of negotiation is to find out what the other side, or all the other sides really want, and how much they really want it. Everyone asks for much more than they really want: everyone sounds more firm on all the issues than they really are on some. And you might discover, if you have correctly assessed it that the Dutch didn't really care about our point on Widgets, just as we didn't really care about their point in the other Council. If so, and your Dutch colleague had enough nerve – and the Dutch usually did - then lo and behold! within two or three weeks both dossiers would have been settled and the British would have got what they wanted, on the one that mattered to them, and the Dutch would have got what they wanted, on the one that mattered to them. And nobody back in capitals would have known how it was achieved. The Widgets Department would not know why suddenly the Dutch resistance had collapsed. And there would be some junior officer in another Department in London who might wonder why UKRep had stopped negotiating on his point, but if you got your analysis right he wouldn't be greatly bothered. I enjoyed all that a lot, but it was intellectually very demanding, you really had to sit up late every night and learn the dossiers, and much more diplomacy was exercised on Whitehall than on one's colleague in Brussels. Getting the instructions right was two thirds of the battle. So it is very important that the Brussels-based team comes back to London regularly and persuades the Londoners that they are all on the same side, that they do know the dossier very well. It got easier with experience; on the other hand, it got more difficult as the Major Government went into its period of delinquency on the European issue. I found working with



Douglas Hurd congenial, but I think probably the principal reason why he in the end stood down as Foreign Secretary was the Conservative Party's problems on Europe. I used to think that if he and Kenneth Clarke had formed up to John Major, they could have frogmarched him into, in my view, better European policies, because they were both rather important to him. The Major story on Europe is a bit of a tragedy because he started out with all the right instincts, and his negotiation on the Maastricht Treaty was very clever. And then he had a Presidency of the European Union in 1992 under the worst possible circumstances, with Britain falling out of the ERM into which he, as Chancellor, had taken us; with the Danes having a referendum No to the Maastricht Treaty; with the British being suspected of not really wanting the Maastricht Treaty and so secretly being in cahoots with the Danes; and with a requirement to agree the financial arrangements for the European Union throughout the 90s. It was particularly difficult for the British to chair the financial negotiation because we were at one pole of the debate about Union finances. I thought John Major handled that negotiation, which came to its climax in Edinburgh in 1992, quite brilliantly, to the rage of his Chancellor, Norman Lamont, who didn't think we should do a deal at all, because he thought we would be in a better position to defend our minimalist position when someone else was in the chair. Lamont thought the game should be played into the long grass; but Major did not agree, and working with him on that was very interesting. But that was 1992. By 1994 and 95, John Major too had gone through a process of disillusionment about Europe similar to the one Mrs Thatcher underwent; and the government with its very small majority was being crucified by the 'bastards' in the House of Commons, among the leaders of whom was of course, Ian Duncan Smith.

MM:

The Maastricht Negotiations were Heads of Government negotiations about which a recent edition of 'The Economist' says you were hiding under the table because you were not supposed to be present, passing notes to John Major. Is that true?

JK:

There's an element of truth in it, yes. European Councils are almost unbelievably boring, particularly long ones. The 1991 Maastricht one was a 48 hour European Council, and most people were exhausted by the end, many asleep (including the President of France). And the last few hours of the negotiations were basically a dialogue between the chairman, who was the Dutch Prime Minister, Ruud Lubbers, a very skilled negotiator, and John Major. With Lubbers searching for compromises between the majority view and the UK view. "Well, John, would

you agree to x? Well, John, would you agree to y?" And the rules of the game in the European Council are that there are only two seats for each delegation, for the Prime Ministers and the Foreign Ministers. Officials may go in and out bearing messages, or can be summoned by Prime Ministers by pressing a button, summoned in order to collect a message, but they cannot stay. John Major really wanted help and advice in these last hours and he kept on pressing the button, and I would pop in, and he would ask something, and I would go out again. And he would say: Don't go - stay. So I would go out and come in again with a blank sheet of paper, or an invented message for him, and it all became rather silly, so I went under the table. The difficulty with being under the table during the European Council is you don't have earphones to hear the interpretation. The Foreign Secretary, Douglas Hurd, was sitting alongside the Prime Minister and he had earphones, but the final hours were devoted to Research, huge sums of money, but not the area of Douglas's greatest expertise. Yet it would have been a terrible act of lèse majesté for the Permanent Representative to pop up and take his earphones off. So John Major would ask me, under the table, between him and Douglas, whether he should accept this or that proposition, and what did I think about it? And if Mr Lubbers had put his proposition in English, that was fine, if he had put it in French, that was fine, if in German that was fine, but Mr Lubbers is a Dutchman unfortunately, and every now and then, although he is a very good linguist, he would put his proposition in Dutch. It was all the same to John Major who would hear it in English whatever language Lubbers used, because he would hear the translation, but he would ask me whether I thought he could agree to a completely incomprehensible proposition in Dutch and I would say: Frankly, Prime Minister, I haven't a clue because he said it in Dutch. Major must have wondered what the hell was going on with Kerr. Dutch.

MM:

So does that dispose of Brussels for the time being? Was Roy Jenkins the President?

JK:

No, it was Jacques Delors, a very great man whom I hugely admired.

MM:

A good speaker, solid common sense really.

JK:

An amazingly hard working man. A very serious man. He was extremely good to me because I was the Representative of the awkward squad, the British. He was extremely accessible to me so I saw a lot of him. I used to know that if I wanted to affect a decision that would be taken by the Commission on Wednesday of the coming week I had to first establish very clearly what the British wanted, which was my Friday task in London, and then on Saturday or at the latest on Sunday morning ring up Delors and tell him what I thought the British would not agree to, or what they might agree to. I had to do it by Sunday lunchtime, because he took all the papers home at the weekend, would work all Saturday, on Sunday morning would go to Mass, and then on Sunday afternoon he summoned his cabinet and told them what the Commission was going to decide the following working day; and they identified the enemies inside the Commission who were going to have to be cajoled or persuaded to agree, and the shock-troops were in action from first thing on Monday morning. So in order to affect the decision you had to get hold of Delors at the latest by Sunday lunchtime. He was always there, and he always knew the dossier, and wasted no time on the background. What's more he was a very honourable man. Often he would tell me: I can't do what you are asking me to do, John. But when he said; "all right, I will do that" you knew that, unless you heard from him again, it was going to happen. If he ran up against some huge obstacle, or something unexpected came up and he changed his mind, he would absolutely certainly ring you up and tell you that he was going to have to let you down, and explain why. Only very great men will do that. Most great men will hear you out if you appear to be talking sense, or represent the awkward squad, but to have the courtesy to ring you back and tell you when it's not going to work, that is the mark of the really great, I think.

MM:

Very impressive.

JK:

Very impressive. The French public servant, which is what he really was, he wasn't a real politician - he had been Minister of Finance but not as an elected politician - the French public servant is extremely impressive. Larosière, former Head of the French Treasury, was Head of the IMF when I was on my first posting in Washington in the mid 1980s and was known by my children, my twin girls, who were 8 or 9 at the time, as "the man with two briefcases", because we used to see him on Saturday evenings, he lived near us, walking home. He had a car of course, but he let the driver off on Saturday afternoons. He would have been in the office all Saturday morning, and all Saturday afternoon, and he would be going home on Saturday evening

with two briefcases with papers to do on Saturday night and Sunday. So my children knew him as "the man with two briefcases". Thoroughness is the mark of the really good French public servant.

MM:

So after Brussels, you went back to Washington as Ambassador? For two years – it would have been in the Clinton years?

### **Appointment as British Ambassador, Washington 1995**

JK:

I had the privilege of watching the Clinton mid-term election, with Clinton winning his second four-year term, just as I had, the previous time around, the privilege of watching Reagan get his second four-year term. So I saw probably the two most boring Presidential elections in 20<sup>th</sup> century American history, because nobody could have beaten Ronald Reagan in the mid 80s, except possibly Margaret Thatcher, and nobody could have beaten Bill Clinton in the mid 1990s. Although I thought Bob Dole was a very nice guy, he hadn't a chance, and nobody on the Republican side would have had a chance.

MM:

Did you get to meet President Clinton?

JK:

The British Ambassador does. The British Ambassador is lucky enough, whoever he is, to get to know the President pretty well.

MM:

That's fantastic.

JK:

It is

MM:

What did you think of him?

JK:

He is a very clever man. He is an intellectually enquiring man. He surrounded himself with very bright people. He was the polar opposite of Ronald Reagan. Although Ronald Reagan's views were further away from my personal views than Bill Clinton's, I found Ronald Reagan a very much easier President to understand and predict. Ronald Reagan had a few very firmly held views: markets are good, Communism is bad. He was very black and white, perhaps over-simplistic, though I think I shocked you with my description of his deep personal opposition to nuclear weapons. He was easy to predict. Bill Clinton was extremely difficult to predict. His was a very brilliant White House team; and they sat up all night, arguing the toss. "He threw an all-nighter" one used to hear, which meant the President kept his staff up literally all night tossing ideas about, approaching the issue from all angles. Clinton read every paper. He is very, very quick, and of course, like Reagan, he is a fantastic communicator, brilliant platform speaker, again like Reagan, very, very good in a crowd. But I didn't think Clinton had very many fixed points in his compass. I thought he was the polar opposite of Reagan. He was always capable of being sidetracked or seduced by an attractive argument, by a new thought. He had no clear ways of calibrating his own judgement. So he was very hard to predict. As Ambassador one wanted to leave one's approach to the President (something one had to do very rarely, but now and again there is a policy issue where one has to make the case to the President himself, face to face, which I only had to do two or three times), I used to leave that moment as late as possible because I always had in mind how the President let down Robin Renwick, my predecessor as Ambassador.

MM:

President Reagan?

JK:

No, Robin Renwick, was let down by Clinton on the issue of Gerry Adams, and whether he should be given a visa and allowed to visit the United States. Robin had a cast iron promise that Adams would not be given a visa, and then Adams was given a visa. When Robin complained he was told that the President had indeed agreed with him, but then a new factor had come up. There had been no Jacques Delors-like phone call. So I left it late. I would see Clinton as late as possible and I would shock my brilliant Chancery when they rushed in to tell me that the papers on the issue in question were now going to the President, and that I must get down there now, book yourself in today or at the latest tomorrow, come on, come on. I would say, No go away,

tell me what is the last day on which the President can take the decision. I don't want to know when is the first moment he can take it, because he won't. I want to know the last one, because I want to see him just before he is required to announce a decision, because he will procrastinate as long as he can, and I want to be the last person he sees before he makes up his mind. That was my practice. We got to know him and Hillary quite well straight-away, because they came on a visit to Belfast in autumn 1995 and we came over with them and went around Belfast with them. Elizabeth got to know Hillary very well, probably better than I got to know Bill. I think he is a fascinating man, and she is a fascinating woman, but he was genuinely difficult to predict. So the job of being Ambassador and ensuring no surprises – Geoffrey Howe's advice of 11 years earlier - was actually quite difficult.

MM:

Tell me about the surprises. Tell me about Grenada. That was well before your time as Ambassador obviously but .... Did that occur when you were in the Chancery?

JK:

No. Winter 1983-84.

MM:

What were the main things? Was Northern Ireland and the terrorists there still a hot issue in 1996?

JK:

Very much so. Remember all this preceded Blair's great achievement, the Good Friday agreement. At the time, we the British Government, the Tory government, had a policy of being ready to negotiate, ready to do business with the IRA, provided they have left the guns at the door: they must disarm first, then we will discuss. And the IRA, Sinn Fein, had a policy of saying: we want to negotiate now; we are ready to do a deal; but we refuse to disarm in advance. And Bill Clinton veered about a bit on this, was not absolutely rock solid on the need to leave the guns by the door. Michael Ancram, who was the usual ministerial visitor from London, and made our case eloquently on the Hill. I spent much more time on the Hill than in the Administration; and in the end, by the time I left Washington, even Teddy Kennedy was seeing the British Ambassador, which is something he hadn't done for many decades because of his hostility to us over Northern Ireland. But the improved understanding of UK policy wasn't due

to my skilful diplomacy, but to John Major's very skilful diplomacy on Northern Ireland, and Blair's diplomacy. I remember that when Mr Blair came out and stayed with us before he became Prime Minister he shocked a dinner party round my Washington table with his answer when he was asked by a Senator what on Northern Ireland he would do differently from John Major. Blair's reply, quick as a flash, was: "I will try to do exactly what John Major has done, and I will be lucky if I do half as well." An extremely impressive statement in America, where politics is very partisan. For the Leader of the Opposition who was clearly shortly going to become the Prime Minister to speak so approvingly of the Prime Minister in office on such a delicate subject was shocking to American politicians. But then Blair, when he took office, brought tremendous enthusiasm and energy to the task. And probably the Tories could not have done the Good Friday deal, because the IRA would have hung on, hoping for something better from Labour. Probably having the Labour Party telling Gerry Adams this is the best you are going to get, you have got to do a deal now, was necessary. It may be that he wasn't prepared to do a deal with John Major's government because he could see that they were going lose to Labour, and thought his chances would be better with Labour. Anyway, I think both Major and Blair deserve great credit, and for the most part they got it in America. Which made the task of being Ambassador relatively easy because the Northern Ireland dossier is a very big dossier in America. One of the nice things about being Ambassador in America is making speeches round the country. The main line of attack in the question period after my speeches would be about Northern Ireland, and there would be demonstrations in the street outside. We adopted a very forward policy on all that. I replied personally to all letters about Northern Ireland that turned up in the Embassy, and lots did – some from individuals, but many from various Hibernian organisations, which sent round-robins and postcards for people to fill in and send to me about the wickedness of the British. I used to reply personally, and if someone was still writing to me after he received my fourth reply, the fifth was an invitation to lunch. And that did cause some surprise in green parts of Boston or Chicago or San Francisco. We also started a St Patrick's Day lunch - slightly to the irritation of my excellent Irish colleague in Washington - to which all shades of opinion on Northern Ireland were invited and all shades of opinion on the Hill and in the press, in Washington and from across the States. The lunch has become a tradition which I have lumbered my successors with. They can't stop it. It worked extremely well. I laid down only three ground rules. No more than one person convicted of murder at any one table. There must have been quite a lot of people who came around for St Patrick's Day who had been in jail. So no more than one murderer per table. No speeches, other than from me, because if you let any of these guys get started – anything could happen, you would never get out for tea. So I

would make a jokey speech in which I tried to insult all parties equally. Third, I had a Highland piper, whose instructions were to play only Scottish tunes, no Irish tunes, also to insult all equally. So he would stamp up and down doing Scotland the Brave. I don't know which Irish tune insults which brand of Irishmen, so we insulted them all equally. My wife wore green. It went very well.

MM:

That's the kind of publicity you just have to pursue.

JK:

Yes, in America a lot of the job is chat shows and gossip columns and ...

MM:

All kinds of publicity.

JK:

Absolutely. Yes, it has to be the Ambassador. It is a good thing that he has a brilliant Embassy, so that he himself is completely dispensable. All too often I would find myself saying on a Friday to the Chancery: I think this issue is going to go critical over the weekend, so somebody has got to be in the National Security Council by 8, someone else at 10, someone else at 11, somebody else at 12. You, please, must see the Joint Chiefs in the morning, and find an excuse to get back in the afternoon. Everybody would be fanned out all over Washington on Saturday and Sunday. We worked out the plan on Friday afternoon, and I would end the discussion by saying: I am afraid I myself will be playing no part, because I have to make a speech in San Francisco. And you have to. If the speech has been set up in advance, 500 people are going to turn up. It has to be the Ambassador. The Minister or the Counsellor would probably make a better speech, but nobody would come. They come for the Ambassador. So it is part of the job.

The other thing, which I also greatly enjoyed, was the Hill where one had a lot to do for the direct pursuit of British interests, including British commercial interests. I had on my wall a map of each congressional district with a list of British companies who had subsidiaries in that district, and American companies in that district who had subsidiaries in Britain. So that I could ring up every Member of the House or the Senate and say: I am calling you because x many jobs in your district depend on us, the British, so I think I have a right to bother you. And of course in



'pork-barrel' America, there is no embarrassment about that at all. You know that from your Houston days. The big issue on foreign policy when I was there, we have only spoken about Northern Ireland up till now, was the Balkans. I arrived in the summer of 1995 and in the autumn of 1995 came the Dayton negotiation and Agreement on Bosnia. I was fascinated to find in October 95 that there were not on the Hill the votes to support an American deployment of US forces to police the Dayton Agreement, even though Dick Holbrooke had negotiated it. He was helped by the British and the French, Pauline Neville-Jones for us, but it was Holbrooke's own very considerable achievement, and he had negotiated it on the probably implicit, possibly explicit, understanding that if a deal was struck all parties could rely on the United States to be part of the force that policed it to ensure that no one party let the other parties down. This was a very important moment, because throughout the 1990s the Americans, while extremely critical of the Europeans for not being able to sort out the post-Yugoslav crisis, were not prepared to get stuck in and do anything about it themselves. Jim Baker memorably said: we don't have a dog in this fight. And that was the position even into Clinton's time. However, Holbrooke had struck his deal and it was necessary for the Senate to vote for American deployment, but the votes were not there and Bill Clinton, sensing the public unease about sending GIs into danger, was not really out campaigning for them. So one or two people in the Administration came to me and asked me to do some work on the Hill, which I was doing anyway. I called on every Senator in my first few months and on every Member of the House by the time I left. Early on my main theme up there on the Hill was the Balkan theme and fascinatingly it was the Republicans who delivered the votes for the Administration on Dayton. The Democrats were not at all convinced and half of them voted against it in the end. But the episode is illuminating about how the Administration regarded the British Ambassador. I was pretty new, they didn't know me terribly well, but I was asked: would you please go and lobby, and here is the list of guys who we are not sure about, would you mind going and seeing them? So you are part of the System. Of course one has to be careful that one is used in the right cause, and now and again one is going to say no, because UK policy will be different from the Administration's policy. But one is seen, at least in part, as an Insider. Which makes it easy to get to know the real Insiders, and develop a knowledge of what's really going on Inside.

MM:

Well, indeed. I had no idea that's how it worked. That is a very revealing comment.

JK:

There are many governments in Washington. It is not just the Administration. The Hill is at least another government, possibly two. The Supreme Court is fascinating in itself. I am still studying the Supreme Court. I think it is the most interesting of all the institutions.

MM:

Do you think that any other Ambassadors play a part in this game?

JK:

On particular issues, the Irish are just as effective as the British on the Hill, but it is a very limited number of issues. On particular issues, the Israelis, from time to time, it depends on who the ambassador is, are more effective than the British, but only on a limited number of issues, concerning Israel. I don't think there is any other embassy that has the same across-the-board access and influence as the British. And this is one of the arguments for maintaining a cadre in the Foreign Office which knows all about Cambodia – we were talking about Cambodia at lunch – one day Cambodia will be the issue on the Hill, one day Cambodia will be the issue in the Administration. Who can influence the United States to make sure that they get it right? Who can influence all these United States governments existing at the same time in Washington? You need to have somebody as your mouthpiece who has some real expertise on Cambodia. On the day Cambodia is on the front page, the Embassy in Washington needs to be delivering down the Hill in Foggy Bottom a stream of analysis of the situation in Cambodia as good as, or I would hope better than, the stuff that is coming up from the State Department and the CIA, and someone delivering it who understands it, and has personal credibility. It's important, because they do listen to us.

### **Permanent Under Secretary of State and Head of the Diplomatic Service, 1997-2002**

MM

I am absolutely sure that's right. So that led into your period as Permanent Under Secretary of State and Head of the Diplomatic Service, 1997 until 2002.

JK:

Yes, it was quite difficult to come home. I was enjoying Washington a lot. The Americans assumed that I was leaving early because there had been a change of government. Americans

think in terms of the 'spoils system'. Bad luck, John, I suppose you have got to go. What are you going to do next? Well, actually I am going to be Head of the Diplomatic Service, Permanent Secretary at the Foreign Office. What? They find it very hard to understand. It was Malcolm Rifkind who rang me up and said would I please agree to come home and be Permanent Secretary? And my reply was, well, you have obviously talked to John Major, but have you talked to Tony Blair and Robin Cook? I don't want to predict anything, Malcolm, but the polls say that you are going to lose the election. And Malcolm's answer was: Come on John, of course we have, and they agree that you are the person they would want. Under these circumstances it's difficult to turn it down. If you have been brought up in the Service you quite want to be Head of the Service. In a childish way, it's like being senior prefect at school. Moreover, you have been accustomed to going where the politicians tell you to go. So if they tell you to come back to do a job at home, you do. But it was not as much fun being Permanent Secretary as being Ambassador in Washington, nor always as intellectually demanding as being Permanent Representative in Brussels. Quite a lot of the Permanent Under Secretary's job is ritual and representation; some of that is enjoyable, some is unavoidable, but I did less ritual than some of my predecessors had done. You are working for the ministers, you are quite close to the ministers, but you are not quite your own boss. You also have to take a long view and think of the interests of the Service. Two jobs: I think it is right that they are combined, Permanent Under Secretary and Head of the Service, the combination is correct. But now and again there is a tension between them. Doing what the minister wants is not necessarily always in the long-term interest of the Service. And sometimes one is required to go upstairs and throw out his Private Secretaries and speak to him in a way he is not going to like. So being Permanent Under Secretary and Head of the Service is intrinsically quite difficult.

MM:

I can imagine. And during your time there you had a number of very difficult problems to deal with, all these appearances in front of Select Committees and things of that sort must have been – well – not very pleasant.

JK:

It was perfectly ghastly. You are very polite. I don't think I was very good at it, though I think I may have got better at it later. All that was as the result of events that happened or didn't happen in the autumn of 1997 before I became Permanent Secretary, in Sierra Leone and in the West African Department of the Office. That produced a series of hearings, lasting about 24 or 25

hours in all, under television lights, followed by a surprisingly wide audience in this country, in the summer of 1998, when I, as Permanent Secretary, took direct responsibility for deeds or misdeeds committed before my time. I had to make a personal decision about that early on. It was all blown wildly out of scale. The allegation, which I think was false, was made by a British mercenary, an arms dealer, ex-Scots Guards officer, who, when charged by HM Customs with illegal gun running, said he had been encouraged by the Office, or at least not discouraged from supplying arms to the opponents of the then government in Sierra Leone. The then government was a very bad government, overthrown by a coup in winter 1997/98. It had come in by a coup and ...

MM:

Kabbah. Kabbah was the one who came in and ...

JK:

Yes, and was overthrown. The coup had nothing to do with the British, it was indigenous, nor had it anything to do with the arms which the British mercenary outfit, Sandline, were seeking to supply, because their arms didn't move until long after the coup, and then they didn't arrive. But the allegation was one of encouragement, or absence of discouragement, to the shipment of arms contrary to a Security Council Resolution, which had banned the supply of arms to anybody in Sierra Leone, goodies or baddies. So the supply of arms to dissidents seeking to overthrow the bad government was under the terms of the Security Council Resolution just as wrong as the supply of arms to the government would have been. And, therefore, if the Foreign Office had winked at the supply of arms it would have been conniving at a breach of the Security Council Resolution. I don't think it did. I think that the mercenary told some fibs. But in any case the arms didn't move – by the time the story broke the counter-coup had happened, the right guys were back in office, we were fully supportive of them, and were trying to get on with bringing order back to that poor benighted country, as has since been rather successfully done. The story was a manufactured crisis, a Fleet Street/Westminster crisis, with no resonance abroad. The Opposition wanted to get Robin Cook, for all sorts of reasons, particularly the Ethical Foreign Policy Statement of June 1997, before my return to London. Cook's claim that we would from then on have an ethical foreign policy implied that past Conservative policy had been unethical, so the opposition were out to get him. There were a number in the Labour party who also seemed out to get him. He was absolutely in no way involved in the Sierra Leone thing; the conversation with the mercenary, which had happened or hadn't happened in the Foreign Office,

had been at very low level (in my view, there had been a conversation but not in the terms that the mercenary suggested) and no word of it had been brought to Robin Cook's attention, nor to his Permanent Secretary's attention. The potential embarrassment for Robin Cook was that, at the time his private life was in an appalling state, and was a considerable distraction; and the range of subjects, which was being drawn to his attention, was really quite limited. He had other things on his mind, and he had given very explicit instructions about which issues he wished to be consulted about, and which he was on no account to be bothered with. Issues and areas. Had these instructions got out, Cook's critics would have seized on them, seeking to damage him further. I felt that, so early in the life of the Labour Government, if the mandarins at the Foreign Office were in Labour Party eyes to have "got" Robin, that would be very bad for relations between the Diplomatic Service and the Labour Party. I think Robin Cook is now probably a smaller figure in the Labour Party than he was in autumn 1997 when the Sierra Leone events occurred or spring 1998, when they came to light. But at that time he was a big figure. He was the leader of the Left and if he had got into very severe trouble and had had to go, I think that that could have had very damaging long term effects. I also thought that the young people down in the West Africa Department and out in the post, who might or might not have said the wrong thing, needed to be protected while we had an investigation to find out whether they had or had not. First, I wanted to discover if there was a bad apple in the barrel, and then whether people had been foolish, assuming they hadn't been knavish, or whether the Colonel was telling lies. And, I think, he was. So I called in an investigation by another figure from Whitehall, a former Permanent Secretary...

MM:

Sir Thomas Legg?

JK:

Yes, Tom Legg, who is a QC and had been in charge of the Law Officer's Department. He came in at my request and did an investigation, which of course cleared Robin Cook of any involvement in the supply of arms to Sierra Leone. But, while all that was going on, somebody had to go down to the House of Commons every ten days or so and deal with the Select Committee, who kept wanting to see Robin, who didn't want to see them. And they kept wanting to see all the dramatis personae who were named in the relevant Sunday Times article, the source for which was Sandline, and I didn't want them to see the young people because I thought it would be rather scary for them, and also because I wanted first to find out whether any

of them had got things badly wrong. So whoever they asked for, they got me, and they didn't like that at all. I also defended the turf by making clear there were areas I wasn't going to talk about until Tom Legg's investigation was complete, because I didn't know the answers. I played a straight bat, I hope, but it came across very badly. My children were very upset about it, and felt I was making a mess of it and that I should have looked after my personal reputation, but I think it was the right thing to do. It was very unpleasant and it will stick around. It will be there in my obituary that I made a terrible mess of Sierra Leone - an episode that happened, or didn't happen, before I became Permanent Secretary, and in which I was in no way involved.

MM:

Did Robin Cook emerge unscathed?

JK:

I think so, yes, I think he was at risk over Sierra Leone but not through any errors of commission.

MM:

Not being fully aware?

JK:

I think if a spotlight had been turned on what Robin did, it would have brought back memories of the rash remark he made about how he thought that the Foreign Secretary should not spend his time reading box-loads of papers, that he was employed for his thoughts rather for his reading ability and so on. Robin learnt from the episode. There is to Robin Cook an absolutely coruscating intelligence - but also a feeling that prior homework is not of the essence. Robin impressed everybody with that famous speech he made on the Scott Inquiry Report when he was Opposition spokesman, locked in a dungeon in the DTI and given 3 or 4 hours to read the Scott Report and then, that same afternoon, in the debate in the House, tearing strips off poor Malcolm with a brilliant speech. What people didn't know at the time, is that Robin, a brilliant performer, always likes to approach the dossier at the last minute, and never has more than 3 or 4 hours reading. He was a difficult Foreign Secretary to be Permanent Secretary to because he never really let himself feel, or wanted to feel, that he was the conductor of the orchestra. He was a soloist. He was a performer. He made very clever speeches, he prepared intensively, not extensively, but intensively for speeches. He would perform very well in the Council in Brussels. He was very good on television in the Kosovo War. When he turned the spotlight of

his intelligence on to a particular subject he could filter advice, suck up the relevant facts, memorise them incredibly fast, and polish his witty oratorical style. He would do some of that in the Foreign Office, he would use his office, but he didn't want to feel that the office he had to work in, in the Foreign Office, was the bridge, and that he was the captain in charge of the Foreign Office ship. He felt someone else should be running the ship, leaving him unencumbered to pick and choose the issues he would handle. He would handle them brilliantly – he almost always did - but he didn't want to know about other dossiers, particularly if they were potentially a "bad story". So long as he didn't know, then he couldn't be held responsible, somebody else had blundered. The fast turnover of the junior ministers in the Foreign Office was partly because of this problem; there was no corporate ministerial leadership. They didn't have meetings from one week to another, from one month to another; they never saw the Foreign Secretary, because he didn't want to see them. When I once explained to Robin why a junior minister, whom I had better not name, was very anxious to see him, I advised him that he must see this minister. The problem was about arms supply to a particular country – not Sierra Leone - to a particular agency in that country, a country riddled with drug barons and battles among them, a primary source of the drugs that come to this country. The agency to which British firms wanted to supply arms was undoubtedly a very rough bunch who treated any prisoners very badly indeed. On the other hand, they were undoubtedly effective in dealing with the drug-runners. Question: Should we approve export certificates for small arms to be supplied to this particular agency in this unsettled country, an agency without an impressive track record in respect of human rights but undoubtedly a good track record for effective pursuit of drug-runners? So no good answer really, the choice, when I explained it like that to Robin, was between two evils, and this was why, with the files piling up on his desk, the minister really wanted to see the Foreign Secretary. And Robin, quickly, before he realised what he was saying said "and that's why I am never going to see him". And then we both realised that we had better forget what had just happened, and backed off. But he didn't see him. That was the downside of a very brilliant performer. He was a soloist not a conductor. I think the Foreign Office had quite a difficult period with Robin because it didn't feel that he liked it. I don't think he did particularly like it. I don't think he likes many people. There are very few people of his level of brilliance. The sigh of relief when Jack Straw arrived, clubbable and polite, a man who held meetings and allowed into his room the people who had drafted the papers, and wanted to know who they were, and shook their hands, and then, if he disagreed with them, explained why. There was quite a sigh of relief. Robin was brilliant; but craggy, difficult, remote.

MM:

Very different style?

JK:

Straw is a dog, the leader of the pack. Cook was a cat, a loner, who walked by himself.

MM:

Going back to Sierra Leone for a moment, we have had an interview with Peter Penfold. I don't know how it will turn out but in the original draft transcript he made it clear that he was given a very rough time by the Foreign Office when he was summoned back from Sierra Leone, Freetown, and told he wasn't to come into the Office. He was going to have to be investigated by the Customs and Excise under caution for a possible breach of the Sanctions Order and he was hung out to dry. He did eventually get a legal adviser to assist him, but his account really casts the Office in a pretty poor light.

JK:

I'm sorry he thinks that. I don't think it is quite right. Customs and Excise came and collected the papers from the West Africa Department and then had to decide whether there was sufficient evidence of a prime facie breach of the Security Council Resolution and the British implementing legislation. In that connection, they interviewed everybody who was alleged by Sandline to have played a part, and they had to interview Peter and that meant of course bringing Peter back from Freetown, and, yes, that must have been very unpleasant. He had to be warned in advance, read his rights, as it were, and warned that this could end up in court. And that is a horrible experience, and, yes, I had to authorise that, not just in relation to him, but in relation to Ann Grant, Head of Department, Craig Murray, the desk officer, and several others. I didn't like doing that at all. But we had to do it. In the end the Customs and Excise decided there was not sufficient evidence, so the thing didn't go to court. He had another nasty experience in the autumn, when he had to give evidence to the Select Committee. I was able to protect him, and all the others, from the Select Committee through the summer. Only when the threat of prosecution was over and the independent investigation had produced its stuff and we had published our White Paper with our conclusions on the episode, did we let the dogs of war in the House get it and question Peter and Ann and Craig and of course back to me again, quite rightly back to me – for I was responsible for the system. Peter had a very difficult job in Freetown: there was not much infrastructure to the High Commission. When the Kabbah coup took place,



he had to leave, and he was operating from a hotel room in a neighbouring capital. Not ideal, and probably shouldn't have been allowed. He was desperately keen to get back out there but probably it was a mistake to let him go: it was probably a cause of confusion. But it was there that he had, or didn't have, the conversations with the Sandline man. He didn't have any proper communications equipment – another reason why we probably shouldn't have sent him there, or rather, agreed to his going. He also had only just arrived at Freetown when it happened. He was brave; he arranged the evacuation well and was determined to stick to the job, which is why he fetched up in Conakry. He may have said something to the Colonel, which was unwise. He certainly appears not to have understood that the Security Council Resolution banned the supply of arms to all parties, he seems to have thought that it banned it only to the rebels, not to the rightful government. Later, when the Customs and Excise investigation started, with huge publicity here, Peter was really in a very difficult and unpleasant situation. He then said a number of things which were probably a bit ill-judged, blaming the Office for not telling him what the Security Council Resolution said. He had had a lunch with the Colonel just before Christmas, which he claimed he had reported in a letter to the Department, a letter that the Department never received. There were a number of small things, suggesting the behaviour of somebody of whom too much is being asked. My conclusion after the event was that there were no rogues in the story at all – except the Sandline man; that some people in the Service had been overworked and under-supervised; and, in the case of Peter, put in a situation, which we shouldn't have put him in on his own, with no real way of communicating. I am sorry if he still is feeling bitter about it. Although all these events took place before I became PUS, I think that I probably am at fault in that in the spring of 1998 I didn't devise sufficient support systems for those who first had to be taken off work on Sierra Leone while the investigations took place. Before I thought of the QC, I found a bright young First Secretary and told him to get into the Department and take all the files on the episode. My worry was that if one of the members of the Department had been a bad apple, then the obvious thing for that person to do would have been to destroy the evidence. Now that is a horrible thing to have to do – to send a man from another Department, telling him to work for the Chief Clerk and me and the Chief Legal Adviser and nobody else, and to go in there, find the papers, and remove them. Remove the lot down to your office, lock them in your office, go through them, and tell me what they say. It was a horrible thing to do to Ann Grant and Craig Murray and all these people. And I think I probably was slow to realise that although they probably accepted that I had to do that, it made their lives really pretty uncomfortable, because people further down the corridor must have thought: My

God, the allegations are being taken seriously, so they may be true. I don't think I handled it very well and I certainly did not handle the Select Committees very tactfully.

MM:

Well that must have taken up a lot of time?

JK:

It did take up a lot of time, and I think in a way it poisoned my relationship with Robin ...

MM:

Robin Cook?

JK:

Yes. Because so many people, including Alastair Campbell and Jonathan Powell, the whole No 10 apparatus, had told him that he should go down to the House and give the Select Committee the political defence that I couldn't give. It is not possible for Permanent Secretaries to take these guys on, to say: I understand your motives, what you are trying to do, the way our political colleagues can. I had to try to stick to the facts. And, as I mentioned, I was not prepared to present as facts things I wasn't sure of, which is what really irritated them. I kept a very dead bat for a very long time. But so many people had advised Robin that I think Robin knew that what he should have done was to go down there and take them on himself. So although in a way you might think he ought to have been grateful to me for taking the flak, I don't think he was at all. I think it is probably quite human actually that you particularly dislike the people who have done you a favour. I think it was something like that.

MM:

And of course this followed not long after the Scott Report – the Scott Report was when - 1994?

JK:

Yes, I was safely in Brussels and not involved. But Robin had made his name tearing into the government on that, so in 1998 the Opposition wanted to tear into him.

MM:

But isn't that the occasion when one of the Select Committees had all that fun at the expense of Sir David Gore-Booth?

JK:

Yes, I think so, though as I say I wasn't in London at the time.

MM:

Was that Pergau?

JK:

No. Pergau was a dam in Malaysia.

MM:

Oh anyway, so you had the Sierra Leone thing. But that wasn't by any means the only difficult thing that came up when ...

JK:

Oh, the rest of it was just par for the course. With Select Committees I think by the end I had got rather better at it. The Public Accounts Committee has a completely different style of procedure and one which I think I mastered. The trouble with the Foreign Affairs Committee is you have no idea what is on the charge-sheet. It's a random, totally political, process, with a line-up of former ministers, 'wish they were ministers', or "bitter because they are not ministers" who go on fishing expeditions, asking a series of leading questions. The Public Accounts Committee by contrast is a place where you know the charge-sheet, and the Comptroller and Auditor-General has done his investigation and said what he thinks. And if somebody has had his fingers in the petty cash in the Embassy in Amman, which was my first PAC case, the facts have all been established and you know that you are rightly going to be grilled on the systems which have proved inadequate and failed to protect the taxpayer from the loss of £100,000, which was the scale of the loss in the administration section in Amman. That was my first case; and particularly embarrassing, because John Coles's last case had also been about the failure of financial controls in the administration section in Amman. And John had given moving evidence about how changes had been made such as to ensure this could never happen again. And then I turned up and lo and behold we had done it again, for goodness sake. That of course happened before I became Permanent Secretary, but that is neither here nor there. You answer for your

predecessor's sins. In the Public Accounts Committee, the rules of the game are clear, the purpose of the exercise is clear, it is constitutionally very important, and I strongly support the system. It gives the Permanent Secretaries, as Accounting Officers, real power vis à vis ministers on financial issues. Pergau came about because Tim Lankester, I think, as Permanent Secretary of ODA, wrote a Treasury Minute, a minute which was copied to the Comptroller and Auditor General, saying: I am being required by my Minister to use money which I do not think should be used for this purpose. The purpose is not within the ambit of the vote. In the case of Pergau, Aid money for the dam was being linked to the sale of military equipment of some kind, and Tim protested. And usually the threat to do that would dissuade ministers from making the link, ordering the Permanent Secretary, though in this case clearly it didn't. It is quite a powerful weapon and when you are dealing with the Diplomatic Estate, say, across the world, it is quite important to be able to say to ministers: You may think that, but I think it would be a waste of taxpayers' money. I think it is much more important to help post x, rather than spend money refurbishing post y, and if you are going to instruct me, I am going to write a Treasury Minute. Then they back off. I remember, when I was in the Treasury, working for Nigel Lawson on the privatisation of British Aerospace. Nigel was my main boss as Financial Secretary and I wrote a Treasury Minute saying we are not getting enough money from this sale, the price of the shares is not high enough and I do not agree. And Nigel, who was a serious minister, took the trouble to write me a three-page reply saying: No, you are wrong, we are getting the right amount for this because you have left out of your calculations the reviving effect on the company which placing the company in the private sector will have. Your calculations are all right so far as they go, but they don't tell the whole story. So we are in fact doing the right thing. When he came in as Chancellor and I was sitting there in his outer office, the first thing he said to me was: No more Treasury Minutes. That was two years later – three years – later, – and he still remembered. I am a strong supporter of the Public Accounts Committee. I think it is a very good thing.

MM:

So that was Nigel Lawson and the Treasury. We were talking about Select Committees and so on. Were there other subjects of that sort that would be worth mentioning?

JK:

The Permanent Under Secretary in the Foreign Office has a surprisingly small parliamentary role, because the Foreign Office does so very little legislation compared to most Departments. So I spent very little time in the House of Commons, whereas when I was the Chancellor's Private Secretary I spent a huge amount of time in the House of Commons. I do think that the Select Committee system is in need of considerable improvement. I gave evidence to Select Committees on the Hill in Washington. It is a completely different, much more professional, operation in Washington. They have lots of staffers; the questioning has been decided in advance and it is very precisely decided who will ask what. They have met, they have a plan, I suppose they would naturally be reasonably polite to a foreign diplomat, but the amateurishness and the sensation-seeking of the system in Westminster is – or was to me - pretty shocking by contrast to what I had seen in Washington. I think that the job of being Chairman of the Foreign Affairs Committee in the House of Commons is a very difficult job but I don't think it's terribly well done and I don't think that the Committee is permanently staffed and often I don't think the Committee is really seeking the truth. I think, the Committee is seeking a headline.

MM:

Made worse by the fact that it's televised?

JK:

Exactly, that is all quite carefully choreographed; the timing of the hearing is designed to suit television schedules. The scenario is one where you have the witness there for four hours. The camera never looks at the Committee. So Committee members wander in and out, go off to have a coffee and cool off from being under the arc lights. The witness is there throughout. Somebody is asking questions, but it is a different person every ten minutes, fifteen minutes, and the rest of them aren't around, the rest are doing their correspondence or whatever. But the audience doesn't know that. The audience sees a shot at the start, which shows the full horseshoe and members all looking very serious. But that is not my real criticism. My real criticism is they need to be properly staffed, and the charge-sheet should be clear. It would be more productive if the object was to establish the truth and learn lessons from it. It would be more instructive if the charge-sheet were at least seen, ideally agreed, and discussed in advance. In the Public Accounts Committee it is. A memorandum that goes to the Committee is presented in draft by the Comptroller and Auditor General to the Permanent Secretary of the Department he is criticising. Of course you can't cross out his criticisms and send it back, but if you want to correct a factual inaccuracy or put something on the record, you put it in and he will leave it in.

And I think that's the grown up way to do business. I think that if you want sensation it is much more fun to spring surprises. When the Foreign Affairs Committee sprang Sierra Leone on me, nobody had mentioned Sierra Leone in advance. I was there to answer their questions on the Foreign Office's Annual Report, which concerns which posts have closed, which posts have opened, the dispositions of the Service and so on, an administrative document. I wasn't asked a single question about it. All the questions were about Sierra Leone, because of a piece that had appeared in the Sunday Times the day before. There was no agreed statement of the facts, nor was there ever at any time, during the many sessions of questioning which followed. And when - in their view - I tried to divert them - in my view - tried to establish the basis of fact, I was told very firmly that my job was to answer their questions not to tell them which questions to ask. I think that's a mistake. But that is not to say that I think I did my bit well. I think I didn't do it very well.

MM:

I would have thought it a fairly valid angle to take. Surely the points you make are going to be emphasised in the forthcoming Hutton report?

JK:

Well some of the same cast of characters, yes...

MM: Like the unfortunate Dr David Kelly?

JK:

His treatment by the Select Committee was rather brutal, and some of those who were being rather rude to him were the same people who were trying to be rude to me and would certainly have been rude to the junior people whom I was protecting, and keeping away. It is not right to expose junior people to this treatment - well, I should be careful what I say about the Hutton case.

### **Appointment as Secretary-General of the European Convention, 2002-3**

MM:

Anyway when you came to an end and you retired as Permanent Under Secretary, you went off to Brussels again and got to work on the EU Constitution. Would you like to say something about that? I know it is not strictly speaking part of your Foreign Office career, or is it? Was it a Foreign Office appointment?

JK:

No, absolutely not, no. No I was sitting peacefully in the Foreign Office in January 2002, penning a farewell despatch, a valedictory message to the Service, when I was rung up by my counterpart in Madrid, who said that he wanted to warn me that the Spanish had just suggested to the French that I should be asked to be Secretary-General of the Convention which had been set up by the European Council a month earlier to start working in February 2002 under President Giscard d'Estaing. The European Council had convened it and had appointed Giscard d'Estaing as its President, and the former Italian Prime Minister, Amato, and the former Belgian Prime Minister, Dehaene, as its Vice Presidents. It had settled the composition of its Central Committee, or Presidium, and had said that it should have a Secretariat but hadn't said anything about who should be in the Secretariat. And it never occurred to me that it would fall to me. I was very cagey in my reply to my Spanish friend because I actually had different plans for my retirement. I had planned to get into an old motorcar, which I had bought, and drive to Santiago de Compostela, where I had been but never overland. We wanted to drive through snowy, wintry north Spain, which I don't know at all. I think that probably the reason why the Spanish suggested me was that they had heard of this plan, and wanted to keep death off the roads in Spain, by diverting me to Brussels! So it wasn't a Foreign Office appointment. No 10 got to hear about it and were keen on the idea that I should take it, so I did, rather reluctantly. When your Prime Minister says: "Well I think you should do this," and for 35 years you have been doing basically what they tell you to do, it is quite difficult to realise that this time round you can tell them to get stuffed. And, seriously, I felt it wasn't right to say that. The draft constitution, which has not been widely read but has been widely criticised in this country, is seen on the Continent as rather a British text. I was criticised in the Belgian press as being 'une taupe Britannique', a British mole, hiding wickedly behind the scenes! I defend our text. Though it wasn't dictated from London, it is more Mill than Montesquieu. It's a rather pragmatic text. It is not a Constitution at all, but rather a mixture of the intergovernmental and the federal – but with rather less of the federal than most on the Continent would like. It is a paradox that it is so unpopular with the British press, but I don't think many of the people on The Telegraph and The Times who criticise it have actually read it.

MM:

They would criticise it whatever it was.

JK:

I think so. That's reassuring of you to say that. It was an interesting exercise putting together a Secretariat composed of people from capitals and people from the Brussels institutions and getting them to bed down and work together. And then a Convention of 208 politicians coming from 28 countries – left, right, green, nationalists, inter-governmentalists, federalists! To get 208 politicians to agree on anything was extremely difficult. I enjoyed working with that brilliant Presidium, with the very brilliant but quirky Giscard d'Estaing, who is a phenomenon, a man of his own opinions, and not easy to mould. I think the outcome is not too bad. I believe that – said he rashly - predictions are always dangerous, particularly about the future - I believe that one day a Treaty based on, and not looking very different from the Treaty we produced, will be agreed by the European Council and possibly even ratified by all countries in the European Union. So I think it wasn't a waste of time.

### **Further conversation about the work of the Foreign Office Permanent Under Secretary.**

Now, we seem to have missed out my time as Permanent Secretary, except for the parliamentary dimension of the job, which was pretty small actually.

MM: We should go back to that.

JK:

Permanent Secretaries each have their own approach to the combination of running the Service, management and policy. What should the foreign policy role be? My predecessor, John Coles, seemed to spend much more time on management, and therefore less on policy, than I did. I think my combination was more like Michael Palliser's combination than like Antony Acland's or John Coles's. I think David Gilmour did a bit more policy, but in a way he had it easy because he was working with Douglas Hurd, who knew the Service extremely well, and there weren't big problems on the management side. I found it a very taxing job - not as intellectually stimulating as UKRep and not nearly as much fun as Washington, but very taxing because on the management side I wanted to do a bit of modernisation. Before I discuss that I want to say there



is a certain bedrock of casework which the Permanent Secretary jolly well has to do and that is a large part of his weekend reading. Personnel cases, disciplinary cases, complaints about the handling of consular cases and so on. It's your job as Head of the Service to make sure that the decision you take or ratify which may affect a chap's career, or even end a chap's career, is a carefully considered decision. So even if you weren't deeply involved in policy you would still be spending most of the weekend with a big pile of boxes. I used to sit at the dining table all weekend, though I tried to take off one period out of four, either Saturday morning, Saturday afternoon, Sunday morning or Sunday afternoon. We would then go for a walk, or go to a football match or something. But the other three one would spend on paperwork, absolutely always, every weekend. I am quite sure Michael Jay does the same. I am quite sure John Coles did the same. That is quite gruelling, and I did it for four and a bit years. That takes it out of you. That's the bedrock of it. Organisation of the Service. I wanted us to have a positive approach to the globalisation issues. It seems to me that they increase the need for an effective Diplomatic Service rather than reduce it. The fact is that Whitehall is now, in a way which was completely unimaginable when I joined the Service, interested in abroad. Departments like the Home Office, archetypically domestic, where you can't imagine anybody even going on a holiday across the Channel, when you and I were young, now are deeply embedded in abroad. The Home Office has contacts with America on the terrorism dossiers, the Home Office plays a role in Brussels on justice, interior affairs, Councils on extradition, on asylum policy, on all these issues we as a nation now take European policy into account. When we joined the Service, nobody in the Home Office had a foreign dimension to their job. They were not interested in abroad. The Treasury was a bit involved abroad, but now is even more so. There isn't a Department in Whitehall which isn't being obliged, in most cases by the European dimension, to engage with abroad. Does that undercut the role of the Foreign Office? No. Does more rapid communications and the desirability of getting people in No 10 or in ministries to ring up their opposite numbers, does that reduce the need for an Embassy on the spot? Absolutely not, it increases it. You need to advise Whitehall on the tactics. You need to tell Whitehall which of the guys in each tree has a responsibility for a particular issue in the ministries of a foreign capital. What is the right level, where is the guy who really makes things happen? Where is the guy who instinctively would like to hear from the Brits? Where are the English speakers? (Because Whitehall on the whole still doesn't speak foreign languages.) So the Foreign Office needs to advise on who can deliver, and in what order should you approach them, and who is in, and who is out? Who is going to be in the job next year? Particularly in places like Washington, where you have got to do the Hill as well as the Administration, or in Paris where you have got

the Matignon as well as the Elysée, or in Germany where you have a Coalition, and the Greens really matter in particular parts of it, or in Japan. So you need strong expertise on abroad, even more than when we joined. But that's quite a hard sell to public opinion. People find it harder to envisage the role of the Foreign Office when the Ministers fly backwards and forwards, pick up the telephone and so on; though actually it is a bigger role. I think the only really good ideas I had which have been implemented were very cheap. One was the idea of getting away from a Foreign Office hub and spoke system, where expertise is accumulated in posts and conveyed upwards to the Foreign Office centre. We remember what we did when we were young, writing erudite letters to the geographical department on the political situation in Ruritania. But we should also remember what the geographical department did with them. They wrote 'How interesting' and put them away on file. Now we have real time communication. Now the young people create the document at the post, send it to the Department, and other Departments in the Office, and copy to other posts where some other chap who used to know all about this issue has been posted but still has the expertise in his head. They do it on line, instantaneously. Of course somebody has to take responsibility in the end, for the policy advice. You still need to have somebody who presses the purple button, and his name appears on the document. But it is no longer possible, as minister or Permanent Secretary, to detect where the expertise originated. When issue X suddenly arises, because there is an index that remembers who handled it last time, or who knows about the opposition party who have just surprisingly won the election in country Y, all are activated electronically, and see the text which is being constructed, and can add to it, subtract from it, and so on. So the material that goes up to the Foreign Secretary that afternoon for his use in the House of Commons is the product not of questions from the hub to the spoke but of a network; and it shows: the quality is far higher. The posts are not required to report in the way that we reported in our youth - there aren't any letters any more from the Chancery to the FCO, except once a year, the Annual Review and those sorts of exercises - but posts are still required to have the expertise there on tap - and their files had better be bloody good. A touring PUS and a touring Chief Clerk will go and ask questions, to make sure that the oriental secretary function is being reinforced. But the oriental secretary is now accessible from the Office, instantly. We can get into his files; we can also consult him from the Office by the miracle of modern communication. That is one half. The other half is to make sure that we are still encouraging young people to become oriental secretaries, to acquire the expertise. They are all wonderfully enthusiastic when they join. I was incredibly lucky in that during my days as Permanent Secretary the Foreign Office was the No 1 employer of choice for young graduates emerging from British universities. It used to be the BBC. For a time it was the merchant banks

– but that was over by the late 90s. In the late 90s it was the Foreign Office, miles above the Civil Service. The standard of people coming in was quite brilliant, astonishingly good. People, and not just people coming in into Branch A at the rate of about 22-24 a year, but people coming in to old Branch B, also very largely graduates, usually with very good degrees, too many of them in International Relations which I personally don't think is a real university subject, were very brilliant. The difficulty is to retain these people by giving them enough interesting work. I used to see them all on arrival and my pompous Permanent Secretary message to them was: develop an expertise, don't be an all-rounder, don't succumb to the Personnel Department doctrine that everybody must do everything, be a good bowler, a good batsman, a good wicket-keeper, a good scorer and good at making the tea. What we need are people who are very good indeed at something or somewhere. Get two expertises, I said, get a second string in case the first runs dry for some reason, or there's somebody else who's brilliant and who will obstruct your path, but become a recognised expert. This is why I urged them all when they had desk jobs in London to get themselves on a desk and stay on that desk for three years, which very few of them want to do. What Whitehall respects is not the linguistic skills of the Foreign Office, not the beautiful drafting of the Foreign Office, though it is still miles above the standard of the rest of Whitehall, what Whitehall really respects is the Foreign Office that can produce on tap a stream of really good advice on what makes people tick in country X on issue Y, and which people there we should be trying to influence, who you should speak to today, and we happen to know that he is in his office now. You can do that now with this real-time communication, provided the field officers, your oriental secretaries, are really up to it. So I was advising young people: don't be jack of all trades: be the very best at one, or two, trades. Professionalism was always there of course, one of the nice things about our Service. Professionalism plus better communications were the two things I was trying to encourage. We introduced some consultative machinery that I think still survives, called Foresight. I invented it with the help of Rob Young to look ahead to 2010 and decide what our customers would want from us and how we could best do it in 2010. The Administration asked the Service, particularly the young and the lively, to run working-groups and advise us. They produced a rather brilliant report in 1999, which we implemented. They bought our doctrine about communications: indeed they were even more enthusiastic about IT than I am. They bought professionalism. They supported the idea of Assessment and Development Centres, and their support was much needed, because the old stuffies in the Service were against it. ADCs now bring you back to London to compete against absolute standards and against your contemporaries before you can be promoted. We have got away from promotion based on an Ambassador's report saying: "Young So and so is a

first class chap and will go far" – it was much too generous a system, and not taken sufficiently seriously by reporting officers. So we reinforced that by introducing the requirement that before one could move from First Secretary to Counsellor one had to pass your ADC. That gives you a ticket to a counsellor job, but not necessarily a counsellor job. You had to present such a ticket when bidding for a counsellor job. I think that was a good invention and the young think so too. I also tried to introduce a bit of 'up or out' at the end. I didn't do so well with that. It wasn't very popular.

MM:

A bit like the army?

JK:

Yes, one of the good things about the Armed Forces is the six monthly promotion list. You see five of your contemporaries at Dartmouth, Cranwell, Sandhurst getting promoted and you are not promoted; you know what that means. You know they are the admirals and the generals in waiting, and that you are going to make it, if you are lucky, to colonel. The outside world doesn't know that, because it hasn't kept the prepared class lists, promotion lists, so you can present yourself in the City saying that you are undoubtedly going to be general if you stay, but actually you are fed up with the army and would now like to come and do something else. The City doesn't know that you are not going to be a general. We had no such system, and we had too many of our people convinced that they were going to be generals because their Ambassador or Head of Department had told them so. We now have an ADC system, which is unknown to the outside world: if you fail to get your ticket, you know you're not going to be a Counsellor. But the outside world doesn't know that. You are a First Secretary and seem to be doing well, doing a good job. I have to admit it hasn't had this effect yet, not many people have gone – the Service still has no retention problem. If anything it has got the opposite problem: people in their fifties who deserve another job because they are good people, who have spent a lifetime doing everything you have asked them to do; and yet actually they should go because they have lost the spark and they are not quite as good as someone five years younger who would do the job better. You have to be fair. But I do think that side of modernisation was well worth doing and I did enjoy that. Which isn't to say that I spent more time on management than on policy. I didn't. Robin said to me at the start, and I think he meant it, although he probably afterwards regretted it, that he wanted me to be his principal adviser on policy. The Prime Minister saw me from time to time. That meant that one had to be up to speed, not just having read the telegrams

but having talked to the experts, and having been a bit proactive to make sure that one would stay up to speed. I think I probably spent more time on things I don't know much about, like China or Japan, where I had never served. I went to China and Japan every year, and had my opposite numbers in London every year and so on. I ...

MM:

What, simply to see what the situation was?

JK:

I think we have been very good at handling our relationship with Japan, and that the credit is due to David Gilmour and Rodric Braithwaite who, when they were Under Secretaries, decided that the Foreign Office should every six months have in depth, two/three day, consultations with our Japanese counterparts.

MM:

Terribly important with the Japanese.

JK:

Tremendously important. It brings huge dividends not just when the Japanese are in the Security Council. The people at the top of the Japanese Diplomatic Service now find it normal to consult their British counterparts. I was pretty impressed when I was Head of Chancery in Washington by Stephen Gomersall, the Japanese speaker in Chancery, who had a weekly meeting, conducted in Japanese, with the Japanese Embassy. I suspect they liked the arrangement, because Stephen was probably better plugged in to the State Department than their First Secretaries were. That's exactly the sort of thing we should be doing. It is much appreciated in Tokyo.

MM:

I got the impression when I was out there recently that they are falling over themselves to get more input from us as a counterweight to the huge amount they get from the Americans.

JK:

I think that is true. I think also they like the way we staff the Embassy in Tokyo with - for outward facing jobs - only Japanese speakers. It is a huge contrast to the United States where they send very impressive Ambassadors, but they are not usually members of the career Foreign

Service, let alone Japanese speakers. They send people like Speaker Foley from the House of Representatives who must have been very good, a very nice man, a very clever man. But in my book we do much better sending David Wright or Stephen Gomersall or Graham Fry, all of whom have been man and boy in Tokyo and speak the language like a native. We send as ambassador someone on his third or fourth posting in Japan, who can get into their machinery, and whom they will naturally ring up and talk to. I think the same is true of Beijing, where we must go on sending only good Mandarin speakers. And we need more posts in China: we opened another two while I was Permanent Secretary and I hope they're going to open more. China will be the workshop of the world in 20 years time.

There is a side of the Permanent Secretary job which I haven't mentioned at all, which is doing the deniable jobs. I went to Havana, I went to Tripoli, I went to Tehran, and I went to North Korea. These are the trips where the visiting Permanent Secretary can be presented as the Deputy Foreign Minister. That is, if all goes well. If it turns out that the press here thinks it was a disaster, and ask what on earth were we doing in North Korea, then the Foreign Secretary can say: we didn't send a minister, simply an official, it wasn't serious, it was Kerr. So you can sell it big or you can sell it small; and it is probably right that the Permanent Secretary should be the trailblazer. I tried to persuade Robin to go to Tehran. He wouldn't go: he thought it would be a bad story. But to be fair to him he did not stop my going, and I thought we made some progress, getting relations back to ambassadorial level. We got an ambassador back in Libya. We got, Robin deserves huge credit for this, we got the Libyans to send the Lockerbie bombers to trial in the Netherlands. I will admit that when I advised Robin, before he became Foreign Secretary, when he was in opposition and staying with us in Washington, to think about proposing an extra-territorial, Scottish trial. I told him that, while we couldn't lose either way, the chances were that the Libyans would refuse to send them. Well, they didn't refuse, so I was wrong about that. Robin kept his nerve and that worked very well. What has just been announced, with Libya owning up on its weapons of mass destruction programmes, is not an American achievement, but a British achievement. Bits of that were going on while I was Permanent Under Secretary, and I played a small part in that, that is the sort of thing the Permanent Secretary should do. North Korea is the most awful place I have ever been in, but I think it was important to establish a mission there. I think for the relationship with the United States, for example, it is very good to have a stream of information which they don't have. I think the embassy in Havana has been very important over the years, and not just for supplying the best Cuban cigars for the embassy in Washington so that Senators can take away two in their top pockets! I think it has been

important in giving us something to feed into the debate in Washington. I agree we haven't won the debate on Cuba yet, but one day the Americans will change their minds and drop a very silly policy. The policy area on which I did least was Europe, because, having been Permanent Representative, I thought I should keep off the grass. Stephen Wall was Permanent Representative, and very good at it. I thought I should keep out of his way. I used to go to European Councils, and occasionally was allocated a subject to handle. I did the renegotiation of the EU Budget rebate in 1999 at the Berlin European Council, because I had done it in 1988 and 1992. And I was at the Laeken European Council at the end of 2001 which set up the European Convention; and I solemnly swear that I had not the faintest idea that this Convention would appoint me its Secretary-General.

MM:

Interesting. Do you have anything to say about the machinery of government in Whitehall? Do you think that there is a risk of the Prime Minister taking decisions that perhaps ought really to be considered more carefully by the Foreign Office? I mean decisions in relation to foreign affairs on the basis of his private office perhaps or ..?

JK:

I understand the question. I think all Prime Ministers are always going to interfere in foreign affairs, and globalisation increases the temptation. So what really matters for the Foreign Office is who whispers in his ear, who is there encouraging good ideas, and discouraging bad ideas. There is no point in saying that any ideas should first be tried on the Foreign Secretary. It does not work like that, not just in the George Brown/Harold Wilson period, or in the Geoffrey Howe/Margaret Thatcher period. It never works like that. When the Prime Minister is rung up by the President or whoever, you can't expect him to say, well hold on for a minute, I have to talk to Jack Straw about that before I tell you what I think. He is going to say what he thinks. What matters is the chap who is sitting alongside him, listening to the call, scribbling on bits of paper, and sticking them in front of him, telling him what he might like to say. Which is a way of way of saying yes, I played some part in increasing the threat to the Foreign Office. The Prime Minister has a stronger staff round about him than he used to have. In the Iraq crisis his principal adviser was David Manning, now Ambassador in Washington, then doing a job in No 10/Cabinet Office at Permanent Secretary level, which didn't exist before. Who is the Prime Minister's Adviser on European matters? Sir Stephen Wall, who has an office at No 10 and an office in the Cabinet Office and is a Permanent Secretary, a job that didn't exist before. When I

was the European Under Secretary, there was a Deputy Secretary in the Cabinet Office, who was always a Home civil servant, David Williamson, Roger Lavelle, David Hadley - a long line of very good people from the Home Departments - the job they did has been upgraded and has become a Diplomatic Service job. Nigel Sheinwald has replaced David Manning. Nigel Sheinwald is a Permanent Secretary. They have staff working for them so, yes, there is an embryo National Security Council in No 10. OK. Is that a threat to the Foreign Office? It certainly is. But it is not like the threat Alan Walters posed to the Treasury when he was in No 10. I was working for Geoffrey Howe and Nigel Lawson at that time. Alan Walters had an academic background, didn't know the Treasury, and wasn't going to go back and work in the Treasury. David Manning, I'm sure, gave the Prime Minister extremely good advice. He is a very serious, conscientious man; but I am sure he also was at pains to keep the Foreign Office involved, consulted or at least informed. And one of the reasons at the back of his mind would have been that he wanted to go back to the Foreign Office. So if you send your guys into No 10 to be the Prime Minister's advisers and you send them in their late forties or early fifties, and you send brilliant people like Sheinwald, Manning, and Wall, you haven't really lost them, and they are going to want to maintain reasonably good links with base camp because they would quite like another job when this one ends. So, yes, it is an embryo National Security Council, yes, that is a potential threat to the Foreign Office, but what is the alternative? The Prime Minister is going to have some advisers there. He is entitled to the best. And the present situation is far more satisfactory than that in which Tony Parsons and Rodric Braithwaite found themselves after retirement when they were re-engaged to work in No 10 as advisers. Neither of them found that satisfactory. Now the key No 10 people are ten/fifteen years younger, and are the coming generation in the Foreign Office. I think that is better.

Would I be saying all this if I were Jack Straw? If I was the Foreign Secretary I would probably prefer the Prime Minister to be bereft of all advice expect mine. But that is not an option. Any Prime Minister is going to have his own view on quite a large number of dossiers. It is not going to be possible for him to wait in all cases for the Foreign Office's advice, so he will have somebody there. It seems to me that the important thing is to make sure that the people he has are the best people, who in my view, perhaps because I am a former member of the Service, will come from the Diplomatic Service and will be going back to the Diplomatic Service.

MM:



Well that is certainly slightly different from the situation towards the end of Mrs Thatcher's period.

JK:

Yes.

MM:

That's unexpectedly re-assuring.

JK:

Charles was very, very brilliant. Have you done an interview with Charles Powell?

MM:

Yes.

JK:

Charles was extremely brilliant and I always counted him a friend, but I do think he spent too long there. And I do think the then Office managed his withdrawal from there extremely badly. Had they offered him at the right time the post that they ended up offering him, he would have taken it; but as he stayed longer the sort of posts they offered him were beneath his stature. And I think that was true. I think they were genuinely beneath his stature, not just that he thought so.

MM:

I suppose so with all that had gone before.

JK:

I think he also made the terrible mistake of making himself indispensable to Mrs Thatcher; she really did not want him to go. So it wasn't that Charles was clinging to power, I think that she was extremely dependent, she was worried, she did need him. One effect of the symbiotic relationship between the two of them one, an unfortunate effect, was that quite a lot of other advisers and other advice got frozen out. So did the Foreign Secretary at the time think Charles a good thing? No. I think they were both great men in their own ways. I think that Charles is absolutely not the villain of Geoffrey Howe's demonology, but I think it was a pity that Antony Acland and Patrick Wright did not devise a satisfactory exit strategy for Charles from No 10, and

that Mrs Thatcher didn't agree that he should go. Because somebody else would have done the job, maybe not quite as well as Charles, who was brilliant, but somebody else would have done it. After all, Michael Alexander and Brian Cartledge had done it very well before. The job had grown with Charles, but he wasn't actually indispensable. It was just that she thought he was. I think he was probably the most brilliant of my generation; he, or Christopher Makins, Lord Sheffield's son...

MM:

He is an earlier generation surely?

JK:

Same generation as me. The three of us are much the same age. He retired incredibly early, as a First Secretary in the Chancery in Washington. You are thinking of Roger Makins, his father. Christopher was a prize Fellow of All Souls in the same year that I got my undistinguished degree, and an extremely brilliant member of the Planning Staff, the Paris embassy, and the Washington embassy, but he chose to stay on in America, and married an American. He or Charles Powell probably would have been Permanent Under Secretary had they stayed the course. I was lucky, I came plodding along behind, when they both veered off the course.

MM:

I wouldn't say that. Do you think that Tony Blair was right to follow President Bush into Iraq? That is a loaded question if ever there was one.

JK:

I don't know enough about it. I was in Brussels. I had left the Service. I was running the Convention. But I observed that something had happened in the summer of 2002. I still don't know what it was. I went to a Trilateral Commission conference in Washington at Easter 2002, and got myself briefed about Iraq in No. 10 and the Foreign Office. The Prime Minister was going to the ranch in Texas at the same time as I was going to be in Washington, and I wanted to make sure that what I planned to say was approximately in line with the official view because the President's selection of his team for the meeting with Mr Blair had been a very limited one, and people like Paul Wolfowitz, Donald Rumsfeld and Dick Cheney were left in Washington to attend the Trilateral Commission meeting, at which, since the British Government had no serving representative, it fell to me to do my bit in a retired, and therefore amateur, way. But I had my

lines and was able to explain that the British position was broadly as follows as I understood it.

1) Yes, there was considerable and very alarming evidence of Weapons of Mass Destruction. (You are doing well not to look quizzical, but that was the British Government's line and one I deeply believed in, because as Permanent Secretary I had seen what seemed to me pretty conclusive intelligence, not on missiles, where the Iraqis were committing an offence, but only a technical one, trying to extend the range of their missiles, but not enormously. Not on nuclear, where I didn't see anything very convincing, unlike on Libya and unlike on Iran. But on chemical and biological, the evidence was 100% convincing. I was convinced that Saddam Hussein was running a chemical and a biological weapons programme. And so was Mr Blair, with whom I had discussed this intelligence, more than once. I know he genuinely believed the programmes existed. I know I genuinely believed.) So the British line was: yes, you are probably right, one day we will have to do something about this. Mr Blair's line at the time was if not now, when? We can't just leave this to our successors; somebody has got to do something, because otherwise, one day, he will use this stuff as he has done before against the Kurds. Point 2). Two conditions will determine when we can do it. Condition 1 is the multilateralisation of the dispute. We need to have the cover of a Security Council Resolution, as we did in 1990-91. Condition 2 is that the Middle East Peace Process, the Oslo Process, must again be seen to be on the road. You, Americans, have to correct the impression, held by all in the Middle East, that you are not interested in the Peace Process, that you are in Mr Sharon's pocket, that since he is not interested in the Peace Process, therefore you aren't either, and that nothing is going to happen except that the luckless Palestinians will suffer more and more. Unless that impression is corrected, we will have no bases or public allies, many will privately support us, but we will have no Middle East regimes, even the Saudis or Mubarak, supporting action against Saddam unless the Peace Process is visibly on the road again, or at least that you, the United States, are visibly making an effort to get it on the road. These were, I believe, the bones of the Prime Minister's position in April 2002, and the first signs were that Bush accepted them. There was a serious effort to get a Security Council Resolution, and Colin Powell was sent off to the Middle East, and a bit of activity on the Peace Process started. Alas, it didn't last long, as I recall a matter of a very few weeks, before the Wolfowitzes, and the Perles, and the Rumsfelds, and the Cheneys, who had been excluded from the ranch at Austin, Texas, and APEC, the American Jewish lobby and Florida and New Jersey and New York, had all swung the President back again, and Powell was put back in his box and nothing much happened.

When I argued, at the Washington Conference, along the lines being taken in Texas by the Prime Minister, all the Wolfowitzes and the Perles jumped on me arguing that I had got the sequence the wrong way round, that there would never be a Peace Process while Saddam Hussein was in power in Baghdad. They maintained that it was he who was training, arming, rewarding the terrorists and the suicide bombers. And they genuinely believed that. I told them I thought you were absolutely wrong, that what was motivating these young people to strap on the bombs and get in the bus, was not the fact that Saddam might send a cheque to their father - if he remembered - once they had blown themselves up, but the huge and understandable sense of grievance at the way they were being treated, the building of the wall, and the knocking down of their towns. So the Neo-Cons genuinely believed that you had to take out Iraq in order to get the Peace Process on the road; and that's probably why Powell's mission was undercut so quickly.

Now, something happened over the summer of 2002, because it seems to me that when the Prime Minister went to Camp David in September, our Middle East Peace Process condition had been dropped, and we were maintaining only the UN condition - which produced the October Resolution and then the attempt to pass the second Resolution, an attempt which probably shouldn't have been made, because it failed. I do not know what it was that happened over the summer. It may have been, by analogy with SDI, a feeling in No 10 that nothing was going to persuade the United States to take the Peace Process seriously. Mr Blair had had his best shot at it, and it hadn't worked; and maybe the Americans would make less of a mess of Iraq if we were holding their hands than if we had washed our hands of the enterprise. It may have been that. I have no idea. I had no conversation with the Prime Minister or Mr Straw about it in the summer of 2002. But I think something happened in August 2002, about the time of Mr Blair's holiday. It may have been that he just spent the summer thinking about the problem, and decided that the Americans were going to act, and that our second condition wasn't going to be met, and that we had better drop it. I do not know. I am not myself convinced that the revised policy was right.

MM:

Thank you very much indeed, that was an extremely interesting contribution. I am most grateful.

JK:

It is an amateur's contribution. I was not representing anybody except myself by that time.

MM:

I think we have come to the end of this.

JK:

Well it was very enjoyable, thank you very much.