

Simon McDonald



British Ambassador to Germany October 2010 – September 2015

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EU policy during the coalition

UK in a Changing Europe (UKICE): You were in Berlin at the time of the Bloomberg speech. Can you remember how you explained that speech to your German interlocutors, and was any concern on their part about what was about to happen?

Simon McDonald (SM): That's a good place to start, because sitting in Berlin, away from the action, I was puzzled that Prime Minister (David) Cameron felt he needed to go ahead and do that. From where I was sitting, there seemed to be a crescendo in the autumn of the previous year, reaching a peak in November or early December. He seemed to have survived that.

My German colleagues all noted this, and also noted that the tide had gone out, and yet in the January it came rushing back in. Sitting 1,000 miles away, it wasn't clear to me why he felt he had to bring it back then. But, as I said, I was sitting a long way away.

The main preoccupation I had, during that January, was making sure that the speech did not rain on the Élysée Treaty parade. It was the 50th anniversary of the Élysée Treaty, and the Germans and the French were going to town.

In the Reichstag building, they cleared out all the standard seating and put in

all the seating which is usually there only for a presidential election – it more than doubles the capacity – because they had invited the whole of the Assemblée Nationale to Berlin.

So, they knew that something was cooking in London, and they really didn't want their party to be spoiled. There was quite a long negotiation, but in the end a happy outcome, which de-conflicted their big event from our speech, but they sure as hell knew our speech was happening, and they were very interested in its content.

Come the big day, as I recall, it was about half an hour long, and 25 minutes were completely standard British Prime Minister fare. But then, at the end, there was the five minutes that changed our lives, when the Prime Minister committed in unequivocal terms to having a referendum in the next Conservative Party Manifesto.

My clients were sophisticated characters; they followed coalition party politics closely, and worked out pretty quickly that this was just one scene in the drama, because the coalition looked pretty robust. The opinion polls suggested that, after the next general election, there would be a continuation of that coalition, or a different coalition.

In any coalition negotiation, as the Germans know very well, parties have to sacrifice certain policies. They thought that this was in that category. Cameron had a problem with part of his party and this was red meat for that section. But the meal wouldn't necessarily be consumed, because Nick Clegg or someone else in a coalition negotiation in 2015 would jettison it. There we were, for quite a long time.

UKICE: Were you trying to give the message that they may have been underpricing Brexit as a concern?

SM: I admit that sitting in Berlin, talking to Germans – and I'd been there a long time – I was susceptible to their view that Cameron dealt with internal party problems on the issue of Europe in a particular way.

Remember, the first time that Angela Merkel really came across David Cameron was in his leadership competition for the Tory leadership, when his

big policy idea, as far as Germany was concerned, was taking the Conservatives out of the EPP.

She hated that, and she told him so. He explained why he'd done it, but until he became Prime Minister, they didn't really need a relationship. It was only when he became Prime Minister that she felt the lack, and they established a relationship very quickly.

They were able to work, I think, very well. I mean they got on very well, but she never forgot that early history, which was all about the Conservative Party's internal problems on the issue of Europe.

UKICE: Once the Bloomberg speech was made and it was out there, bits of reform began such as the Balance of Competences Review and possible changes to internal procedures. Did you actually do any groundwork, either in Berlin or from Berlin, on preparing for what that might look like? Or was it a case of, 'Let's see if there's a Conservative majority government that actually takes this forward'?

SM: That was my main thought. I confess to thinking that, although this had been announced, it was quite likely not to happen. The next bit of conversation was making sure that the German Government wanted the United Kingdom to stay in the European Union if the referendum were to happen. They thought this was a puzzling conversation to have at all, but I needed to establish that.

I also pointed out that, if there were a referendum, then a pro-European Prime Minister would need something to use in the campaign. That conversation had already started, but it was quite tentative. It still looked quite theoretical before the election of 2015.

UKICE: In those early conversations, was there a hint that, before the EU got its ducks in a row, there was more flexibility from Berlin than was later in evidenced during the formal renegotiation?

SM: I don't think they ever gave anybody that impression. The conversations I had and I witnessed were fairly tart because, even if they took the idea of a referendum seriously, they shared the widespread expectation that a pro-EU Prime Minister would win.

The Germans thought Cameron was sorting out an internal party problem, and this was his chosen method. But the overall picture, as far as they could see in Berlin, was still okay from the EU's point of view. They expected the pro-Europeans to win. So they didn't feel the need to make big concessions.

'You brought this on yourself to deal with a disagreeable part of your party, so that's your business, David. Sorting stuff at the margins that you don't much like about the European project, we're not very interested, because the integrity of the European project really matters to us. Oh, by the way, David, we have always been very consistent about that'. There was no very advanced conversation on what concessions might emerge later.

The renegotiation and the referendum

Simon McDonald (SM): Yes, which took everybody by surprise. Even in the field, we knew that nine scenarios had been developed in the Cabinet Office, not including the scenario of a majority Conservative government. So, yes, everybody was surprised.

UK in a Changing Europe (UKICE): We have got a Government that is then embarking on its rather speedy renegotiation. How big a preoccupation was planning for that renegotiation in the Foreign Office, given that the FCO had lost the crown jewel of the UK-EU relationship to a combination of Tom Scholar and Ivan Rogers?

SM: They were the key players. Ivan absolutely was at the top of UKRep, but UKRep was still one of the crown jewel posts in the Foreign Office. Ivan never really struck me as the essence of Treasury. Ivan is Ivan. He was the bloke in charge, who happened to be from the Treasury, but was leading a pretty integrated Whitehall team in Brussels, with a big FCO component.

UKICE: Were you doing lots of bilateral work in Europe to lay the ground for the renegotiation? Or was the focus very much on that Scholar-Rogers route into the EU network?

SM: It was really around Tom Scholar. The key posts were the obvious key

posts, Brussels, and Berlin, and Paris. My memory of that time is that Tom did the necessary, and we supported that, but he was in the lead. The bits of the Europe structure that were involved were quite few.

UKICE: Did the renegotiation get in the way of your day job, in terms of managing foreign policy with the other European states?

SM: Not really. To repeat, through that winter and spring, all the Europeans I was dealing with expected the Government to carry the referendum. The atmosphere in those talks was, 'You're going to win. You've not convinced us you've got a problem, so what do you expect us to give?'.

UKICE: How, in the FCO, did you prepare for the referendum itself? Was there internal preparation for the referendum and for both potential outcomes?

SM: Frankly, no, because the Government's policy was crystal clear. We knew that. As an institution, we were comfortable with that. The alternative seemed highly theoretical, as well as deeply problematic.

I talked to Philip Hammond about this. We knew the rules. We knew that, if the referendum result was to leave the European Union, there would be at least two years, so, from very early on, it seemed to me that the preparation for exit would begin with a result to leave.

I know people are bending themselves out of shape about this but the opinion polls, the policy of the government of the day, and the inherent difficulty of creating this policy all explain why we did not deeply engage with this policy when it was theoretical. So, we waited for the outcome of the referendum.

UKICE: You then get to the morning after the night before, on 24 June-

SM: The single-most dramatic day in my entire career.

UKICE: How was it? Were you up all night?

SM: No. It was clearly going wrong from the Government's point of view in the couple of weeks before referendum day. Lots of people from in the centre were exuding a pheromone of, 'Oh, my God'. There was no paperwork saying this,

but the atmosphere was fraught.

Then Jo Cox was murdered, and all those people who'd been worried thought that this would be a settling moment. Even though it hadn't been going well, this felt big enough and horrible enough to get people to rethink, settle down, and vote in the way the Government had hoped in the first place.

That feeling, I think, really dominated the last week of campaigning so that, without very much active underpinning, there was just a feeling that things had turned around and the result would now play out as the Government wanted.

But I remember on the morning of referendum day, I said to my Private Secretary Robbie Bulloch, 'Robbie, I really fear today our country is going to vote to leave the European Union'. He said, 'You're telling me that for a reason, aren't you, Simon?' It was quite difficult to poll by that stage, but there was no confidence in a 'Yes' result any more.

At the last minute, I felt that the Government's confidence in a 'Yes' result had evaporated.

The evening was very interesting because, when the polls closed, exit polls were relatively comforting for the Government. We heard that champagne was opened in Number 10. They felt calmer on the back of the first reports after polling stations closed. So, during the late evening, it wasn't a particularly dramatic atmosphere.

I went home. I was living in Fulham at the time, and I watched the telly, the BBC coverage, with my wife. Commentators explained what to watch out for; they'd done a model where they showed that, if we're going to vote to stay, then in Newcastle and all the big cities the vote needs to be X.

When the first results came in for Newcastle and Sunderland, they were bad, immediately bad. So I looked to my wife and said, 'Tomorrow is going to be a really big day. It's pretty clear what's going to happen, so I'm going to try to sleep'. I went to bed after three results came in, about two o'clock.

I was already trying to think of the key messages to the Foreign Office, which delayed my falling to sleep, but I did sleep. I got up about five-thirty, and I went

downstairs, and Olivia had watched the results through the night; she was in tears as I walked into our sitting room. I think David Dimbleby had just called it, so we knew we were leaving. My official car was there early; the board assembled very early in the Foreign Office; and we decided together what to do next.

UKICE: What did you have to do? I'm presuming you had to talk to the Foreign Secretary about what messages he wanted give out, and things like that.

SM: My memory of that day is of being around officials and around the Foreign Office. I was absolutely not aware of what was going on anywhere else. Nothing seemed to be going on after Cameron came out onto Downing Street and announced his resignation.

So, I called a meeting at, I think, ten o'clock in the morning. It was supposed to be a Foreign Office meeting, and I looked around the table and there were representatives from all over Whitehall; the Home Office were there, and the MOD was there. I thought, 'This is quite curious'.

I worked out that people came because there was nothing else happening, so they wanted to come and pick over the immediate consequences. I saw Whitehall colleagues. I'd seen my board. I saw European ambassadors that day, and I had the mother and father of office meetings that afternoon, when we had the Locarno Suite absolutely packed and 1,100 lines open around the world, and we told them what we were going to do.

One of the first things I decided to do was to admit to my colleagues that I had also been taken by surprise. The only vote I have ever revealed to anybody, other than my wife, was my referendum vote, and I said I had voted to stay in the European Union. I could feel the shock in the institution, but we now had our clear instructions. We're civil servants.

So, my three messages, which would remain my three messages through the next four years, were, 'This is definitive'. The idea that we're going to rerun this, I don't buy that. Everyone knew the rules of this referendum. The result, though close, is clear. We, the United Kingdom, will leave the European Union.

Second, I said that this would be the overwhelming task for the whole civil service, including the Foreign Office. Our duty, as civil servants, was clear, and it was to protect and promote the national interests as best we could in the forthcoming negotiation, but this would dominate everything else. Other business would be pushed aside. We'd have to reprioritise. A lot of people would find themselves doing Europe work who hadn't been previously doing Europe work, and would be stopping other stuff that had previously seemed centrally important.

Third: we would survive this. It would be horrible, with lots of people personally affected, but, again, we're civil servants and we have more material to work with than just our EU membership. The UK will survive. That's what I dreamt up as I was trying to sleep, and six years later I'm still saying the same things.

The FCO, DExEU and key personnel

UK in a Changing Europe (UKICE): During the hiatus whilst the Conservative leadership contest is going on, a unit was set up under Olly Robbins and Oliver Letwin to try and work out where we might go. Was the Foreign Office feeding into that?

Simon McDonald (SM): Personnel, yes. Instantly, people became very, very important that day, because we knew we had this huge negotiation and we needed the very best to give us our best shot. It was my only real row with Jeremy Heywood in all my long working life with him, because he told me that he'd been thinking about this and decided that the person to take this on was Olly Robbins.

I said, 'Why?' and he said, 'Why does this puzzle you, Simon?' I said, 'Because this is a negotiation with the European Union, which is a very complicated organisation. More than anything else, if we are to do well in this negotiation, we need a team which knows about the European Union. Olly Robbins is one of our finest civil servants, a great bloke. But he knows nothing about the European Union. This will be significant, Jeremy'.

He said, 'So, who do you propose, Simon?'. I said, 'Julian King. He's not the taste of the Brexiteers, but he sure as hell knows the European Union, and he's a Brit, a British civil servant. He knows what his job would be, and he'd

do it better, in my judgment, than anybody else’.

UKICE: Does Julian realise he had such a lucky escape?

SM: Yes, because the story developed quite quickly. Anyway, Jeremy just disagreed and said, ‘Simon, for this task, we need our very best person, no matter their experience, their qualifications. We need the very best person, and Olly is the very best person’.

UKICE: Was there any sense from Jeremy that actually knowing about the EU was almost a disqualification, that you actually needed to have someone with a fresh approach?

SM: Philip Hammond said that to me, because I had the same conversation with Philip. But I said, ‘This is my professional advice. You can’t learn this institution on the hoof. They will take our lead negotiator to the cleaners on the detail if he or she is learning as he or she is going’. Philip said, ‘But the new crowd, whoever the new crowd is, is just not going to be happy with the brotherhood, so you’ve got to concede this one, Simon’.

Jeremy then came up with another idea. He said, ‘I see that we need expertise close to the top. I think Olly has to be the top, so what about asking Julian to be Olly’s deputy?’. I said, ‘I am not even going to put that to Julian. You will know that Julian is the British Ambassador in Paris right now. Are you seriously asking me to suggest to him that he give up the Faubourg Saint-Honoré to be Olly Robbins’ bag carrier?’

So, that finished and that went no further. But Julian’s name had been introduced into the conversation, which quickly became important because, amongst the first personnel changes was the resignation of Jonathan Hill. So, the European Union needed a commissioner from the United Kingdom. There was a lot of thrashing about regarding who it would be, and I resurfaced the name Julian King.

By this point, I had had a conversation with Julian and said, ‘Should I float your name for this key job for us? Clearly it is time limited, but, just as clearly, it’s very important for us to be represented by somebody serious in the College of Commissioners’. So, Julian said yes, and pretty quickly Cameron

and co said, 'Okay'.

UKICE: Having lost that battle on who leads the unit, Theresa May became Prime Minister and set up DExEU and the Department for International Trade-

SM: A complete surprise. I mean, the architecture of government, the machinery of government, is one of the most fraught issues, but in my experience the most consequential decisions are taken with almost no preparation. I thought they were absolute emblematic of how not to do it, but there we were on the 13 July with two brand-new ministries.

UKICE: So you had no input into the planning of any of this?

SM: Not at all. Jeremy told us, the Wednesday morning colleagues, that this was visited upon him, as well. So, as far as I knew, this was a surprise to everybody.

UKICE: In that setup, you had this rather odd reporting line of UKRep being on your pay and conditions through the Foreign Office, with this reporting line into DExEU.

SM: Yes, but that was no sweat. We do that in our other delegation in Brussels, so I absolutely didn't make a fuss of that, because our Perm Rep to NATO has forever taken instruction equally from the Foreign Secretary and the Defence Secretary. That was the model and so I said, 'We just go with it'.

UKICE: What about the appointment of Boris Johnson as Foreign Secretary?

SM: That was a surprise. I learned before anybody else in the building. I was sworn to secrecy, and I kept the secret because I thought, 'Nothing is going to be improved by sharing this'. I found out about six hours before he was appointed. You will recall that at least eight names were in the frame.

So, he arrived, and my main memories of his arrival were that he was, personally, incredibly charming and nice to everybody. Boris said hello to every single person he saw, shook hands, exchanged a joke, which meant that the atmosphere on a human level was just lighter, with him in the building. The second thing was the phrase 'Global Britain', which he coined in our very first

conversation with him as Foreign Secretary.

UKICE: The Prime Minister started to develop her strategy for Brexit through the party conference, and through Lancaster House. How involved was the Foreign Office in that emerging approach?

SM: The strongest memory from the back end of 2016 was the party conference speech, which set our course, and solidified our course, and limited our course. The whole of officialdom was gobsmacked by the timetable she set out, saying that Article 50 would be invoked by the end of March 2017, because from our point of view, and from a negotiating point of view, this made no sense at all.

In the European Union, you try to maximise your leverage rather than play your trump cards early on, getting nothing in return. It seemed to me, by setting out our stall so unmistakably clearly, we harmed our negotiating position. Again, Jeremy said that this came as a surprise to him, as well. This was the political side, this was Nick (Timothy) and Fi (Fiona Hill), and there had not been advice from the Civil Service before the Prime Minister said what she said.

UKICE: Did you notice that the replacement of Ivan (Rogers) by Tim Barrow had any substantive impact on things?

SM: Relations between Ivan and Olly (Robbins) very quickly deteriorated. I detected history. It wasn't the first time they'd come across each other. I think Olly had succeeded Ivan in Number 10. Ivan was clearly unhappy because things which he thought were crucial were just not cutting through at the centre. The person he expected to make the professional technical points was not making those points.

It was in conversation with Jeremy that this deteriorating relationship was exposed to me. I think, by December, it was a question of which would happen first: would he jump or would he be pushed? As we know, he decided to jump.

For me, getting the right people into key jobs was one of my main preoccupations. Ivan having departed, we needed a new Perm Rep very rapidly. The perception at the time was that the Foreign Office managed to manoeuvre its person into place.

Formally, it was true that, after two Perm Reps with a Treasury background, we got Tim Barrow. That early January, in conversation with Jeremy Heywood, I argued that Tim Barrow was the only person we had who could, at a moment's notice, take the job in a way that was plausible to the Brussels audience and the London audience. So, of all the appointments I have been involved in, that one went through the quickest and easiest.

UKICE: If we come on to Lancaster House, that speech is made in front of mass ranks of EU ambassadors to London. I just wondered how much the FCO was involved in getting the tone and pitch of that speech right. Clearly, the Prime Minister was setting out some substance, but the way you present it matters, as well.

SM: We were involved because we were the venue. Lancaster House is our other bit of real estate in Central London, so I greeted the Prime Minister as she rocked up in her Jag, but the content of the speech was done in a very small group. The only FCO person, I think, who got a look-in was Tim Barrow, but hardly even him. So, I think that the contents were as much a surprise to the Foreign Office as any other part of government.

Theresa May ran things in a very tight circle. This was obvious from the start. It also seemed to me that the people included in the tight circle didn't object to that. You might say that part of the entry price was maintaining the integrity of that circle

UKICE: But did the Foreign Secretary feel that he had been a very big cheese in the Leave campaign, and so he should have a say?-

SM: Yes. This was another of the structural problems that. In becoming Prime Minister, Theresa May appointed a political enemy as Foreign Secretary. This became apparent very quickly. There was never a moment when it felt that Boris was at the right-hand side of the Prime Minister.

UKICE: When the letter triggering Article 50 went out, a lot was made of the fact that it appeared to threaten security cooperation with our European partners. Was that an issue of concern in the Foreign Office?

SM: You're right, but then almost immediately we said, 'No, this is not true.

Europe remains our main security interest'. So, what was our negotiating position at this stage? We had handed all the initiative to them. The one thing which might, theoretically, have caused them to think, was the security relationship, which we took off the table by saying, 'Don't worry. That will never be an issue'.

UKICE: Early in 2017 the UK papers are denouncing the Supreme Court as the enemies of the state. You've had lots of wrangles over whether this should go through Parliament or not. Were you getting any comments back from any of your ambassadors, in countries where there are what we might call 'governance issues', about what was going on and how this was complicating their day job?

SM: A fascinating question, but my main memory is that, despite all this, out there people just thought, 'The Brits know how to do this sort of thing. So, it *looks* pretty chaotic, but there'll be a plan because it's the United Kingdom'. The external high opinion of the British system turned out to be a pretty resilient thing.

I know that there are some very lippy, very articulate people who say, 'The Brits have completely blown it and they'll never be the same'. But I think, actually, that though people were puzzled, they just thought that this would sort itself out because it's the United Kingdom. The United Kingdom, in the end, always manages to sort itself out.

The FCO during the withdrawal negotiations

UK in a Changing Europe (UKICE): How involved, as the withdrawal negotiations started, was the FCO?

Simon McDonald (SM): It was individuals. As I've already said, the team was pretty small. Bits of work, gobbets, were hived off for teams to do, but the only FCO person that I felt was properly plugged in was Tim (Barrow).

Another personnel point to raise is that way back at the beginning, after Jeremy had given up on the idea of Julian King being Olly Robbins' deputy, he'd accepted that there needed to be proper expertise in the vicinity of Olly Robbins. So, I was given the task of persuading Alex Ellis to come back early

from Brazil.

Alex Ellis was the expert, we felt, at the heart of the operation. But, I would say that he was the expert at the heart who was excluded. He was there, it was clear why he was there, but, as far as I could see, he was not used.

UKICE: What are things that the UK seemed to misread through this period in the backdrop? I'm particularly intrigued by David Davis' speech to the *Süddeutsche Zeitung* in Berlin in October 2017, and some of the things he said there, but also on Ireland. The UK seemingly was misreading the unity of the EU and the interests of other member states, particularly Germany. Did that reflect a lack of input from the Foreign Office, or a misreading by our posts of what was going on?

SM: A couple of points. The Foreign Office experts were there, and they were doing their stuff throughout. I remember very early on, I think it was my very first conversation in my office in the FCO with Commissioner King. He said, 'There are three points, Simon, at this very early stage, which you all need to understand and which I'm telling everybody. One, the EU will be united behind the Commission. There's no nickel-and-diming. There's no divide and rule, just not going to happen'.

'Second, Ireland will be, come the day, the critically important issue, and there is nothing being thought about that's going to solve that key problem. And fish will be the earliest big problem'. Julian said that in 2016, and so the Foreign Office's best were doing what you'd expect the Foreign Office best to do, but the audience was deaf.

UKICE: With Ireland, people seem to assume that the EU wouldn't unite behind them. Were you at all involved in contacts with Dublin? Or was the Commission's view that you couldn't talk bilaterally observed?

SM: No, you see, because the Irish system is quite similar to ours, in that the Secretary-General sits atop the professional Foreign Service in Dublin, but there's a whole bunch of Europe experts also sitting in Iveagh House. So, Niall Burgess and I had as close a working relationship as I had with any colleague in Europe, but it really wasn't about the negotiation. We were trying to keep the relationship going in other areas, just to show that it's not all about the

European Union.

UKICE: We then have the developments of Florence and Mansion House. Ultimately, all this leads to Chequers and the resignation of the Foreign Secretary. I don't know how much you'd been involved in developing things like the security strand and UK citizens in EU countries as part of the Withdrawal Agreement, given the consular interests of the FCO there, but did you feel very involved in the evolution of policy through to Chequers?

SM: With all of that, my main memory is of the chasm between Prime Minister and Foreign Secretary. On all these big issues, Boris Johnson, as Foreign Secretary, just felt he wasn't being listened to. This is why he'd go over the minutes of Cabinet Committee meetings, line by line.

It's very rare, I think, in British governance, that there are rows about minutes. But I think he got to the point where he felt that was the only way he could try and insert himself at all. The lack of sympathy between Prime Minister and Foreign Secretary, I felt, had institutional consequences.

UKICE: Did you just think that actually it was only a question of when he resigned, rather than whether he would resign?

SM: Yes.

JR: When he did resign, did you realise that Chequers was going to be that sort of make or break?

SM: Not going into that weekend, but a couple of things were very clear, very early on from Boris Johnson. One, that he wanted the break to be as clean and complete as possible. All his interventions, I think, had that in mind, so he didn't mind speed. Even though the Foreign Office was not involved in the Prime Minister May's conference speech, and was not encouraging an early triggering of Article 50, Boris Johnson was absolutely relaxed about that.

I made the point that, as they had big elections coming up in France and Germany, they wouldn't make any sense until they had their new governments. Why would we trigger and waste months and months of our short negotiating time when we know the other side is not in a position to

respond? But he said, 'No, we've got to get on with this. If we don't get on with it, the rats will get at it'. He was a 'clean a break as possible' advocate very early on, and he was a 'let's move as quickly as possible' advocate from very early on, but on the detail, I think he felt excluded.

UKICE: You've said that Boris Johnson clearly wasn't a prime ministerial confidant and wasn't really involved. Did that change with Jeremy Hunt? He seemed to be doing more bilateral diplomacy shortly after his appointment-

SM: Yes, the job was a big job and so there was plenty else. Jeremy Hunt didn't seem to me a particularly close ally of Theresa May. I think Jeremy Hunt got the job because he was an experienced Cabinet minister in whose competence Theresa May was persuaded.

I don't think there was a big plan for what to do if Boris went at short notice, but with Boris having gone at short notice, the Cabinet Secretary advised the Prime Minister to do the traditional thing, which is to appoint the person who's going to fill the screen, who's going to settle people, who's going to assure folk out there that the United Kingdom knows what it's doing. I don't think Jeremy was a particularly big player in Theresa May's world.

UKICE: Can you just talk us through what was the diplomatic debacle of the Salzburg Summit? What happened, and why, from your perspective?

SM: This was one of my few appearances in the public presses through this drama. We reported, from all over the European Union, what was going on, what their expectations were. That went into the machine, and Theresa May has never denied that. She knew that she had a very difficult hand to play. The fact that she got a lemon was not a surprise, but sometimes, as she said, 'You have to do what you have to do', even though you know it's not going to go down well.

UKICE: You're doing all this with Donald Trump in the White House. How did that impact on the process or your ability to do the job? Did it change calculations profoundly?

SM: A different, fascinating bit of contemporary history. It seemed to me – I would say, 'Seemed to us' – that the Trump administration was all about one

man, so we spent a lot of time trying to get close to, and to influence, one man. We did lots of things early in the presidency which are not usually done in the presidency, because, having voted to leave the European Union, the importance of that transatlantic relationship was even more obvious.

So, having a conspicuously good relationship with the President was important to the United Kingdom. Theresa May was first into the Oval Office during the first week. We had the big Blenheim Palace summit and we had a state visit. This was unusual, but because of the unusual features of the time and the unusual features of this particular President.

UKICE: More generally, was it harder to pursue the foreign policy agenda with the negotiations going on? You had the Skripal poisoning and so on. Was collaboration with European allies materially affected by the context?

SM: The atmospherics are always affected, but I would say the Skripal reaction was one of the most successful things we've done in years. To get 30 countries and organisations to expel, in a coordinated way, 150 Russian diplomats was unprecedented, and that happened in the middle of this drama.

UKICE: Were you worried that the UK might exit without a Withdrawal Agreement? Potentially, what did you think you might have to do in the Foreign Office as part of your no-deal preparation?

SM: Of course there was work, but I always believed that there would be a deal, so we never went all-in on preparing for a no deal scenario, because that was always the less likely scenario. Clearly not impossible, and clearly we got bloody close, but in the end Frost and co did what was necessary.

The Johnson Government

UK in a Changing Europe (UKICE): What did you make of the appointment of David Frost as Chief Negotiator?

Simon McDonald (SM): The least surprising appointment ever made by Boris Johnson, because David had been his Special Advisor in the Foreign Office. Everything, as far as I could see, that Boris Johnson wrote as Foreign Secretary about Europe was written by David Frost.

I don't know if they had much history, but Boris identified in David Frost someone who could reflect the best of his thinking most quickly. So, Frost was his key advisor, I believe, when he was Foreign Secretary.

I remember conversations in the Cabinet Office when we were discussing: 'We've got a new Prime Minister coming in. It's going to be Johnson. Who are we going to suggest as the key person on this dossier?'. I said, 'This is decided. The Prime Minister wants David Frost'.

UKICE: If you wheel back, though, you say that Frost's time as Special Advisor made him a shoo-in for the Chief Negotiator job, but you knew David Frost from his time as a Foreign Office diplomat. How surprised were you at his reappearance as a Johnson Special Advisor?

SM: Quite surprised, but the thing that explained David Frost to me most clearly was the speech he gave about a year ago in Brussels. I think that's absolutely a key text. It's all there; that this was his professional life, that he got frustrated and eventually turned off from Europe, and what he was doing about it. I think that is as compelling a Brexit case as I have seen.

UKICE: The other thing you had to handle during the Conservative leadership campaign was the furore over Kim Darroch, and Boris Johnson appearing not to give him unequivocal support, unlike Jeremy Hunt, the Foreign Secretary, during that. How destabilising was that for the Foreign Office?

SM: I mentioned that we had a huge meeting on 24 June 2016. The only one to rival it was 10 July 2019. That was a horrible moment for the diplomatic service. It was the only time when Boris was out of office that he was in touch with me. He was really puzzled that anybody could think he was not supporting our ambassador in Washington.

I tried to explain to him why Kim felt undermined, but I think, if you look at the facts, if you read the transcript of the single leadership debate, it is clear why an ambassador reading that would think, 'I don't have the necessary support. I can't continue in this job'.

UKICE: If we go on to Boris Johnson's renegotiation, in terms of the diplomatic activity with Ireland, were you any more involved in that than you

had been at the earlier stages of the Brexit negotiations?

SM: No. Many other people were.

UKICE: As we had new moves by the UK to say it would ignore a parliamentary act, leading to the prorogation and the Supreme Court row, were people still thinking, 'The UK knows what it's doing, it's okay'? Did any of that affect the UK's reputation?

SM: For most countries, the whole prorogation story was unbelievable. Each part of it was unbelievable. But, at the end, our courts told our Government unanimously that they'd broken the law, that they were wrong, and the next day Parliament was sitting again. Okay, the idea of being in control at all points is not easy to argue, but the underlying strength of the system is easy to argue with those facts.

UKICE: More generally, there has been a lot made about our international reputation being eroded by either what's going on here or what we've said to partners, or what we've said about agreements we've signed. How does that work? Do other people look at us differently, do you think?

SM: I think it's different in different places. One of the most upsetting things for me personally, immediately after I left the Foreign Office, was the Internal Market Bill, and saying on the face of the bill that the United Kingdom would break international agreements. I was amazed.

The defence is around negotiating capital, but this didn't seem to me a way to acquire negotiating capital. I think, with our neighbours, that was a really shocking thing to do. Maybe the defenders would say, 'Yes, that's the point. We got the agreement in the end, and that pressure, that possibility, served the intended effect', but that was a sad moment for me.

But I think it was quite local. I think it was quite European. I think most of the rest of the world has never really seen the United Kingdom through a European lens. The fact that we were part of the EU was incidental to the bilateral relationship. Talking to colleagues who've served in New York, they say that's absolutely the case at the United Nations: that the United Kingdom, for most of the world, is and was a separate, self-contained entity.

UKICE: So, you think there's nothing in this line that, actually, some people would say that in the UN, you can't talk to the UK, because the UK needs to coordinate with other EU members?

SM: That was never our shtick, and it was never and is not the French shtick. There is EU coordination, but there has never been a suggestion that the United Kingdom was a mouthpiece for the European Union at the UN.

UKICE: Straight after the election, when Boris Johnson has returned with a big majority, we hear that DExEU is going to be abolished. I just wondered, managerially, what difference that made.

SM: We got a lot of the personnel. As I've already said, I thought the creation of DExEU and DIT was odd, so DExEU disappearing seemed to me a good thing. I think we got back more than we sent in the first place. As Permanent Secretary in the Foreign Office, that was fine by me.

UKICE: Did that make things any easier, given that we'd had this odd Secretary of State for Exiting the EU-cum-Number 10 dual pole negotiation?

SM: You say that, but in real life it didn't feel like dual pole. It felt as though David Davis and his successors weren't reconciled to real life. There was never any doubt about who was calling the shots.

UKICE: I just wondered whether having David Frost very clearly in charge as Chief Negotiator actually made life any easier for people, particularly the people in UKRep.

SM: I think it did, because David clearly was the Prime Minister's person. David knows about the civil service. He used the civil service, I felt, much more than Olly Robbins had done, so it felt more purposeful. It felt as though we were going to get somewhere. It felt as though we started quite late but that David was a convincing figure to have at the top.

UKICE: Turning to someone else in that Downing Street, what was the impact of the threat of this hard rain on the Foreign Office and its morale?

SM: I was one of those that were soaked. It was weird, because it all started in

the February – February last year – when I think the *Sunday Telegraph* ran a front-page story about the shit list: Philip Rutnam, who was already in the headlines, myself, and Tom Scholar. Apparently, we were all for the high jump. Immediately after that, Dom Raab said, ‘This is rubbish. Don’t worry about it’, so I didn’t worry.

I think that the new system of contracted permanent secretaries is not a great one, but the system that was then in place of five years, plus two years by mutual agreement, meant that my first period in office expired at the end of August 2020.

At the same time, we’re discussing the merger with DFID. So, Boris Johnson’s point to me, separate from ‘hard rain’, was, ‘This is a new department of state. It has to look and feel new to everybody. Simon, you are the essence of Foreign Office. I’m sure that you could lead DFID but you will always look to them like Foreign Office. I need a new person from the start’. So that is why I went at the beginning of September

UKICE: Was that merger well trailed to you?

SM: It was something I had advocated to Boris Johnson as Foreign Secretary because I never felt that being a middle-sized power, and having five different ministries playing in the overseas policy space, was an efficient or effective thing to do. So, I absolutely was involved, but, as an idea, it came and went.

The moment that it happened was, in the end, a bit of a surprise because we had the Integrated Review on the horizon. The decision felt like a logical conclusion of such a review, but it happened in anticipation. But I thought, and still think, ‘This is the right thing to do’. The personal consequences: not fantastic. The fact people are so sympathetic is sometimes difficult to take, but I had a great five years, and now I’m in the House of Lords, so life is okay.

UKICE: Some governments not only have development in their Foreign Office, but they also have international trade.

SM: Yes, that’s something I support, too. Trade is a tiny department. For me, it makes no organisational or intellectual sense. It was, indeed, part of my conversation with Boris Johnson that the Department for International Trade

should be reincorporated, but not like before. The problem before was that UKTI (UK Trade and Investment) and predecessors had this, sort of, hybrid loyalty. They reported jointly to the Business Department and to the Foreign Office. This time, do it properly, and take it wholly into the Foreign Office and give it proper standing.

UKICE: Had there been any debate about whether you take DFID or DIT over first?

SM: Not much, because DIT clearly had a specific set of tasks to do in the short term, so if it was reabsorbed too quickly, it would look complete nonsense to have created it in the first place.

UKICE: You've got the DFID-FCO merger, but you've also got the Foreign Secretary as First Secretary of State, having to stand in for the Prime Minister while he was ill. Ministers are managing the pandemic whilst Brexit is going on, with no extension being requested. The Integrated Review also seemed to keep on getting postponed.

During the last period you were there, did you find that top-level bandwidth for normal conduct of foreign affairs was very limited?

SM: Yes, but you get on with life. The pandemic made a huge difference. What I was glad about was that we were able to do it, that we were able to remote work. If the pandemic had happened three years earlier, we would not have functioned at all as a department, because we did not have the necessary technology.

Having the hardware was necessary, but developing the culture about its use was the hugest task in the second quarter of last year, so just keeping going was a big objective. And it's absolutely true that Dom Raab having to go off and stand in for the Prime Minister was an immense and necessary distraction, but we picked our way through it.

UKICE: Michel Barnier was obviously upset by the absence of a foreign and security policy element to the TCA. Is that something that bothered you?

SM: Yes, but I think the Government decided: 'If they really want it, then

we're going to be sceptical about it. If it's really important, we'll come back to it later'.

UKICE: Why did it bother you?

SM: Because, having served five years in Berlin, I learned that sometimes structures have their own importance. Absent structures, obvious stuff – stuff that you might think is obvious – doesn't happen, because it doesn't have a forum in which to happen. Germany likes these structures. Germany was particularly fussed by this and so it is a particular gap.

But we've got a few things still going for us. The G7 is important this year. COP26, I think, is big and important, and the continuing prominence of the Quad with the United States, UK, Germany, France. We saw that this week in NATO meetings in Brussels, where Iran policy was handled in a small group of which we're a part. There are ways we can keep it going, but I think it would still be stronger, better, and more reliable if we did have a structure or two. Perhaps a new structure or two.

UKICE: If we look at the Integrated Review, there's a lot of emphasis in there on the Indo-Pacific tilt. Looking at it, were you concerned at the lack of emphasis on the EU?

Was there any thinking in the Foreign Office about how to equip itself for the UK's role post-Brexit role as a third country, whilst still within the EU sphere of influence?

SM: The headlines have stressed the tilt, but 'tilt' is quite a weak noun. The heart of the Integrated Review is still the Euro-Atlantic area. That, I think, is a good thing. There's a lot about France, quite a lot about Germany, and so I think it's less radical than some of the surrounding publicity. The problems, as always, are resources and prioritisation, both of which will hit this review hard before the end of the year.

UKICE: One of the things I think you achieved was some upgrading of our embassy network across Europe as part of the preparations for Brexit.

SM: We did that straightaway. In the summer of 2016, seven of our

ambassadors to EU countries were D7, or in our speak, First Secretary equivalents, so really quite junior. So, we upgraded all ambassadors to the senior management structure, mostly promoting people in place but saying, 'This promotion means something. We expect you to do a bigger job. Are you prepared to take that on?'. Of course, they said yes.

We also upgraded some of the SMS1 jobs. Romania had been SMS1, and is now SMS2. Copenhagen had been SMS1, and is now SMS2. At the top end, Poland had been SMS2 and is now, for the first time, SMS3. Dublin used to be SMS3, went down to SMS2, and is back to SMS3. People care about the seniority of the attention paid to them. People care about their own seniority, so this seemed to me a good thing to do and, of all the things we did, one of the cheapest things to do.

UKICE: One of the notable downgrades, if you like, though, is at the head of the UK representation, now the UK Mission to the EU.

SM: After my time, so others will have to explain and defend, but I thought there was a strong case for, at least for the next period, maintaining the seniority of that person, but clearly those who decided disagreed.

UKICE: One of the more general criticisms that have emerged from some of these interviews is about the loss of EU capacity, and the downgrading of European knowledge within the Foreign Office over time – as reflected, for example, in the appointments of Perm Reps without Foreign Office pedigrees. Do you think it's fair to say that the FCO has slightly lost interest in the EU in recent years?

SM: If that criticism has any weight, I think it goes back quite a long way, I think to the first decade of this century. But a lot of it, I think, was associated with the rest of Whitehall quite belatedly, in the British way, understanding that the European Union was really important, not only to the UK in general but to their departments in particular.

We've had more and more people, and more and more senior people from elsewhere in Whitehall, in UKRep. So, yes, that means that you look at the senior management and few of the high-ups that were from the Foreign Office. But that has been happening for at least 20 years.

UKICE: One of the concerns expressed by some Brexit supporters was that the Foreign Office was a dyed-in, redoubt of Remain that couldn't really get to grips with a new world, and which didn't see Brexit as an opportunity, but saw it as a loss.

You've also had to cope with the fact that a lot of your predecessors also have public platforms where they've made it quite clear that they believe the Government to be very misguided. Has that made it harder for the Foreign Office to convince ministers that they were fully on board with their new agenda?

SM: A couple of points. First, I disagree flatly. One reason I told everybody that I had voted Remain was because I knew that would be the assumption, but the critical point for me is that I am a civil servant; in the end, my personal views are not relevant. The job was clear, and I think that the Foreign Office was doing that job from 24 June 2016.

Look at the results. Such as they are, I think FCO people worked hard, showed imagination, and used their expertise to get bits of the TCA. We have done the job, despite personal feelings. I defend that very traditional British approach.