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CITY LIVES

George Rowland Stanley Baring, 3<sup>rd</sup> Earl of Cromer

Interviewed by David Phillips

C409/43

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Oral History  
The British Library  
96 Euston Road  
London  
NW1 2DB  
United Kingdom

+44 (0)20 7412 7404  
[oralhistory@bl.uk](mailto:oralhistory@bl.uk)

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INTERVIEW SUMMARY SHEET

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## **Tape 1 Side A (part 1)**

Could you tell me, for a start, then, when you were born?

I was born on 28th July, 1918 and this was at the time when the Zeppelins were considered to be a threat, and my father went into a house at Hitchin, where my mother went when I was due to arrive, and I was born in Hitchin.

Herts?

Hitchin, Herts. And, naturally, I have no recollection of that at all, it was just a rented house. But my father had inherited a house from his father, in Wimpole Street. And my grandfather had bought that when he retired from his Egyptian career, and it was a typical house of that area. Not particularly convenient. I remember the street, when I was very small, being the longest street in London, or, in my recollection, and we were about the middle of it!

Can you remember your grandfather?

No, he died the year before I was born. And thereby hangs the story in that my father's brother, my uncle, had two sons, and when my grandfather died, they were likely to succeed to the title. And then I came on to the scene a year after he died, and that confused the state of affairs.

What happened?

Oh well, nothing happened, except that the provisions my grandfather had made for a lot of possessions, went to my cousins. All perfectly properly, I mean, there's no rancour about it, or ill-feeling about it. But unfortunately, I never, never knew my father's lot. My father's father was the ninth son of Henry Baring, and he, being the ninth son, the novelty of educating the family had rather worn thin, and so he wasn't sent to a public school, but he was sent as a cadet to Woolwich, at the age of 12. And all his scholastic teachings as a child, was acquired at Woolwich.

But he became a financier, didn't he?

No, he never became, no.

Never?

No, never.

So he was not part of the ...

He, he, he got his Commission as a Second Lieutenant, I have his Commission actually - 1858 - in the Royal Artillery. And then he, but, then he had a very distinguished career, as war went on. No, he was never in the Bank, or anything like that. He was in Government Service all his life.

And was he involved in the Egyptian conflict?

Yes, yes.

I thought he was a financial adviser in some form?

Well, he, yes, you're right. He, he went out as a young, when he was Commissioned, he went out as ADC to the Governor of Corfu, who was a man called Sir Henry Storts, and that's where his career started, and I think he got frightfully bored there, and then he, he, he worked around the Middle East in various directions, and then he went to India, where his uncle was a Viceroy, and he was on his staff for a time. And then he did, you're quite right, he did become a financial member of the Viceroy's Council in India, and then that came to an end, when his uncle was finished his term, and the King of Egypt was going bankrupt, and there was a Commission of all the credited countries, which were Britain, France, Russia, Italy, I think, and he was one of the Commissioners of the Debt, and so he was the British Commissioner, one of the five. And so he got into the financial world in that sense. And then, after the, the Araby Revolt, he remained there as Consul-General, which was his first title. And then, over the years, he was, the title was very curious. He became what was known as Agent General, who, in point of fact, was the British Government's Adviser to the, to the King of Egypt. As we then occupied the country, the advice was taken seriously.

More of an instruction, was it?

Guidance, I think we'd call it today!

And that's how the title came into the ...

Oh yes, well then he was there, you see, from 1884, I think it was, until 1907, and then there was, after the fall of the Sudan and Gordon and Khartoum, and all that sort of thing, and he was there during all that period, but he was there for four years. My father was born in Cairo.

And your father, at that time, was what? The Viscount?

Well, he, not when he was born, he was just, his father was Sir Evelyn Baring at that time, at the time of my father's birth, and then, in due course, when my grandfather was given, first of all, a Barony, and then, then an Earldom, which had a courtesy title, he chose Errington, after his mother's family, which was a Northumberland family.

Do you remember grandmother? Was she alive?

No. She died, she died early on. There was a, she died around the turn of the century, and my grandfather married again, in due course, and had another son, who was also Sir Evelyn Baring, and in due course, became Lord Howick.

What of your own father, now. What was he doing at the time of your ...

Well, my own father, when he grew up, he was going to go in the Diplomatic Service, and he did. And he joined the Foreign Office, I think, in 1901, with a total strength of the Foreign Office, including messengers and, they didn't have typists in those days, was 98. And this was the height of the British Raj, rather different to today! And he went into the Foreign Office, and then he was posted, first of all, to Teheran, for a short time. And after that, to St. Petersburg, and he was several years in St. Petersburg, and there was one interesting thing in that connection, that the junior members of our Embassies in those days, were used as King's Messengers, and I still have his badges, and silver greyhound he had as a King's Messenger, because Russia, in those days, was the only country in the world where you needed a passport, if you were British.

What would a King's Messenger do?

Well, they used to take dispatches back and forth. I mean, if they, they still have a Queen's Messenger. It's exactly the same now as it was then, except that, I think, there aren't very many of them today because with all the aircraft and what have you, it's different. But still they use Queen's Messengers today. And then, then he returned to London, and he became Private Secretary to the Permanent Under-Secretary, who was Lord Harding, and he was with him for seven or eight years, during which time he got married, in 1908, to my mother, and they had very little money, because my grandmother didn't have any money, and the daughters never inherited any money, and so the Foreign Office wasn't very rewarding from a financial point of view. And in 1911, he resigned from the, the Diplomatic Service, and went into Barings. But he was never very happy at Barings. And he and Lord Revelstoke obviously had a certain amount of mutual disenchantment, shall we say, and so it wasn't a very happy period. But he was offered a job, by Barings, to go as Baring's representative to St. Petersburg, because of his Russian, and Barings were, of course, the bankers to the, to the Tsar, and the Russian Government, the Imperial Government. But my mother wouldn't go, and so that, that collapsed. And then the War came, oh, three years later, it wasn't very long, and then he, he left Barings and joined up in the Grenadiers, and, by which time, he was in his forties, you see. And so he was too old, obviously too old to be a combatant, and he was sent out as an ADC to India, to the Viceroy of India, and the, the, the Viceroy, I think, at that time, was originally Lord Harding, and then subsequently Lord Chelmsford. And he was there for about three years. But the Indian connection was all fairly strong, because his father had served in India, he'd served in India. My mother's father had been a Viceroy in India, and the younger Baring, Lord Howick as he became, was in the Civil Service subsequently. So, like many families of that kind, the connection with India went back a long way.

Your father, then, was away at the time of your birth?

Oh no. He'd come back by then. He'd, he was back, anyhow.

So he was with your mother in the early stages?

Yes, well, they, I think they both came back about 1916, I wouldn't swear to the date.

So you were in Hitchin for the birth, or rather ...

Yes.

... in which you participated!

That's right!

How long were you, or the family, did they remain in Hitchin?

Oh, a matter of weeks, I mean, or months.

I see.

A very short time.

And then back to London?

Then back to London. And then, you see, the War came to an end, this was in July 1918, and the War finished in November 1918, and so I was just a First World War baby.

Can you give me some early recollections of life in London, as a young boy?

Well, it was very conventional, I think. I remember the nursery on the fourth floor. It was a tall London house, with, it stretched back quite a long way, to a garage, on the Mews. It was rather a dark house, they all were dark. It was very steep.

Can you just remind me of the street?

Wimpole Street.

Wimpole Street.

It was number 36 Wimpole Street, and I think that my grandfather bought it, I don't know this as a fact, but I think he bought it because it was a very long lease, it was 999 years, and I suspect, being a leasehold, it was cheaper than a freehold. And anyhow, my father inherited it when his father died in 1917. And they kept that house until the mid-1930s, and I had the sort of conventional upbringing of any small boy in a nursery, and a nanny, and a nurserymaid, and so on. All the food had to be carried upstairs, there was no lift or anything.

What, for your meals?

Yes, only in the nursery.

And when would you see your parents?

Oh, after tea, half an hour or whatever it was. He had, he had become Lord Chamberlain in 1922, where he remained until 1935. But he still lived in Wimpole Street. Why, I don't know, it was very foolish. It wasn't convenient in any way.

And your mother was active in the house, running the house?

I suppose so, yes.

Did you see her more frequently than Father?

I didn't see a lot of her, no.

Was that the sort of norm, do you think?

I think so, yes.

So Nanny would have quite an ...

Oh yes,

An influence.

Oh, indeed she did, yes, yes.

Can you remember her name?

Oh yes. Her name was Mrs. Spiller, Mabel Spiller, and she was a lady of great character. A wonderful nanny. And she eventually went to look after the children of, of Mrs. Barry Ryan, New York, who actually is the mother of the present Lady Airley, he's the present Lord Chamberlain, funnily enough! And during the War, when she was over there with Mrs. Ryan, she became, I think, the head of the Red Cross in, in Rhode Island. I mean, she was a tremendous person out there.

But she had an assistant, did she?

She was just some young girl that did the, did the, the ordinary jobs.

And you were the only child?

No, I had two elder sisters, but they were much older. I had two sisters, one who was seven years older, and one of 10 years older. The eldest one's still alive. The younger one died.

What was the relationship with your sisters at the time?

Well, it was very remote, because they were, sort of, in their school room, or more grown up, when I was a toddler. The gap was, I mean, 10 years in age is a lot. I mean, we always had a very happy relationship, but it wasn't a particularly close one.

What about holidays, can you remember holidays?

Well, early in the twenties, in 1922, I think it was, they bought a small house down in Somerset, on the moors behind Minehead, and we used to spend all our holidays there. And I had really a rather lonely upbringing, because my parents were not at all social, and we never had any children to stay or anything. I used to go down on my bicycle when I was old enough to do so, and play golf. And then we had a pony up on the hills and so on, and it was a fairly solitary life really. I'm saying that as a matter of fact, not particularly with any regret, it was, it was just the way it was.

Why were your parents not as social as they might have been? They were slightly older, or busy people, or what?

I don't know why, I must say. I think my father, in his working life, met a lot of people. But my mother never entertained very much, and, even in London, and I think they just weren't particularly gregarious.

What about school, when did you start your education?

Well, I started my education, I learned to read before I went to school. I had a governess at home, and then I went to school, and I went to one prep school, where I got 'flu very badly, and my parents thought I wasn't properly looked after, so they removed me. And then I was sent to another school at Broadstairs, called "Port Regis", which, the Headmasters then changed, and we had a very cranky new Headmaster, who had a system of education which was wholly unsuitable for young boys in that you chose what you wanted to do, and when you wanted to do it. So the result was, we never did the things we didn't want to do, which meant that when I came to do the Common Entrance to go to a public school, I was very behind on a lot of things, so one had to do some cramming. It was a very silly school.

But enjoyable?

No, not particularly. Well, it wasn't enjoyable, it wasn't too disagreeable.

Can we just recap. You had a governess at home?

Yes, when I was about five.

And she would teach you ...

Well, to read and write, basically.

For part of the day?

Yes. And then I was sent off to boarding school when I was just eight.

How did you feel about that, can you remember?

I never had much enthusiasm, it would be unusual.

You weren't used to meeting a lot of children.

No. And I never, throughout life, have been a good athlete. I've never enjoyed games.

Was that important, then, the games?

Oh, it is, to small boys, always, I think.

Can you give me any recollections of your early days there?

What, my first prep school?

Your prep school, yes.

No, I think it was very conventional. I can remember how cold it was, in the winter, you'd got the winds blowing straight from Siberia. And we would run about playing football, and trying to keep warm.

But not a lot of work?

Well, it wasn't organised properly. And a lot was very inadequate.

But you could read and write before you went to school?

Oh, I could read and write before I went to school, yes.

Did you have a reputation for being bright, or ... sporty ... or

Oh no, no, I don't think so. The opposite, I should think!

Were you showing any ability in mathematics and things, possibly financial, at this stage?

No, oh no, not, no. No, I was really an ordinary small schoolboy. I think, like most small schoolboys, one probably tried to do the minimum of work and get away with it.

Did you make friends there?

Very few friends. Really very few that have lasted in later life.

Did you start,

Yes, well, then I, I did pass to Eton, very low, Lower Fourth, which wasn't the lowest, but it wasn't far from it, and I went there when I was 12, I suppose.

To Eton?

Yes.

Why Eton?

Because my father had been there. And I'd got to go somewhere.

And you expected to go to Eton?

It was sort of taken for granted that I should, if, well, I think my father thought it was the best of schools, and we were all brought up to think it was the best of schools. And, but the great thing about Eton was that, being a very large school, it was very tolerant, so that there was room for every sort of activity. And I developed a strong interest in, in things mechanical, and I used to work the school mechanics, and I started the Film Society, and built the projectors and so on, and what, today would be called hi-fi, wasn't really hi or fi in those days, but I, and a couple of other boys, we built the whole thing.

Why film? It was early days for film in some ways?

Well, not all that early. What happened was, they wanted a Film Society, and the only projectors they could get, because they didn't have enough money, you see, were two war surplus projectors that were given by an Old Boy. They didn't have sound heads, and they didn't have the motors, so we had to adapt them so we put sound heads on them, built the sound heads and so on, and the motors, and installed the whole thing in the school hall. And, so then we had the, rather sort of avant garde master, called George Snow, and we got films for the Film Society, particularly documentaries and so on, which were very fashionable at that time, and very good. There was a tremendous school of documentary films, written, at that time, and this was encouraged by the powers that be. And then the school, then I went on with the mechanical side of things, and then I built all the lighting sets for the stage, and that sort of thing, which usually worked, but there again, we had to do it ourselves, because we couldn't afford to get anybody to do it, and it was very good experience, of a kind, and I enjoyed doing it, which was equally important.

What did your parents think of your, your film ...

They never said anything about it, they never commented. I think they thought it was rather eccentric. But they, they weren't hostile. But as I, as I said earlier, I was absolutely useless at games and so on, athletics, this was a, quite a good way of using one's energy to a constructive purpose.

What about life generally at Eton, was it an agreeable time for you?

Oh very, yes. It was very relaxed, and you had to conform to sort of the basic rules, which were very basic, and, and generally keep out of trouble. But every now and again you'd, just for the hell of it, you'd go off to a cinema in Slough, which, of course, you weren't allowed to do. And scuttle in at the back, and hope you wouldn't meet a master there. But I mean that was done for devilment, but perfectly harmless.

But you were wearing a uniform then?

No, you, no, you had a school cap, but you stuffed that in your pocket. You wore a tweed jacket and flannels. And, Eton days were perfectly happy, because, as I say, it was a very tolerant school. If you wanted to be a grandee, so to speak, you had to be good at games, and good at this and good at that, and I wasn't good at any of them, so ...!

Tell me, were you, you had your own title in your own right at that stage.

Yes, I had, well, a courtesy title.

Ah!

Viscount Errington.

And how were you referred to at school?

Just Errington.

Just Errington. And did it make any difference that you were a Viscount?

Not the slightest, no. There were a lot of other boys with titles, and nobody paid any attention to it at all.

Is that a feature of Eton, do you think?

Yes, I think it probably is. And then, and then I did the School Certificate and so on, the Matriculation, the same as everybody else. And at the age where everybody else did, I joined the OTC, and that stood me in good stead, in point of fact, because one joined the OTC which was always considered rather a sort of, a joke affair - semi-joke and semi-serious.

By whom? Who saw it as a joke?

Both, well, the boys. And, anyhow, the result was, you, you got qualifications, if you passed the military exams which were fairly simple, and when, a few years later, the War came, I found that the exams I'd passed in the OTC at Eton, qualified me to become a Second Lieutenant in the Army, without going to Sandhurst or anything. And so that proved to be fairly useful.

Even though you'd say it was fairly basic training?

Well, yes, yes, the Junior Officer's training is very basic, let's face it. And that's what it needs to be. We had to march up and down, and orders, and so on.

Were you obliged to join?

No, it was, it was voluntary, but you were expected to. And, and then once a year, there was a camp down at, usually at Salisbury Plain, or somewhere, with a number of other schools, cadets, and what have you. And the military would lay on demonstrations for us of what they had in those days, which was, of course, fairly primitive compared with what came later! But it was all part of the training, and you were in camp for about 10 days, I think it was, in the summer holidays. And, I can't say any of us enjoyed it particularly, but there were lots of laughs. It was quite a light-hearted ...

You were making friends?

Oh yes, yes.

Lasting friendships?

Some of them, oh yes, many. Oh, many, yes.

Tell me a bit about life at Eton. How was your day organised?

Well, the day was organised, you, your first lessons were at 7.30 in the morning.

Well, what about even earlier than that? What got you up in the morning?

Somebody came and knocked on your door at about 7, I think.

You had your own room?

Every boy had his own room, which was just about room for the bed, and a little sort of desk to write at. And the boys maid would come round and knock on the door, I think, at 7. And you had to get to school, which might be half a mile away, or, by 7.30, so there was always a scramble as to how long it would take to get up, and then possibly grab a cup of cocoa or something, before you went off. But it was always dark in the winter, of course.

Did anybody help you?

Oh no.

But you say there was a maid?

Yes, well, she cleared the room, but she didn't do anything else.

Was she an awesome figure, the maid?

Well, really usually a rather friendly figure. And anyway, you'd get up, and then you'd go to, as I say, the first lesson at half past seven. But in the dark, which was depressing in the winter, and then you'd come back and have breakfast. And then there was a sort of gap, I seem to remember, and then, of course, we had Chapel every morning.

Can I just stop you there for a minute.

Of course.

So you had a quick snack, or a cup of something before you went off to the first lesson.

Yes.

Which was extremely early.

If you had time. If you had time.

Yes. What sort of lesson would that be, an academic lesson?

Oh yes, anything, I mean, it might be French, Latin, mathematics, anything.

So you'd be, what, half asleep over your desk?

Well, you weren't, not really, because you, at that age you're not, I mean, greet the new days through various degrees of enthusiasm or lack of enthusiasm. I mean, you didn't have a hangover!

Then you'd come back for breakfast?

Then you'd come back to your House for breakfast, which was usually a very good breakfast, I mean, an ordinary breakfast. And then, no, then there was a gap, which you collected your affairs and what have you, and then, I think, Chapel, I can't remember what time Chapel was, but that was the next thing. You all went to Chapel, the two Chapels, the College Chapel and the Junior Chapel. And then from there, you'd go to school, and you'd, then you would have lessons from ...

End of tape 1 side A

## **Tape 1 Side B (part 2)**

We'd have, we'd have lessons in various forms. Sometimes did it in a class, and sometimes you did it in a sort of group, and sometimes you did it more or less privately, to your tutor, until lunchtime. And then you had what was known as "boys dinner", which was lunch, and I think it was rather late, about quarter past one, half past one. And then in the afternoon, three days a week, we had games, and the other three working days, they, they were more or less free afternoons. And then, but you always, well, I think from the beginning, you always had what people would call homework really, but work to do out of school, preparing, or writing essays, or whatever the thing might be, doing exercises. But you had to produce for the next day. But you had to organise everything yourself, that was really rather one of the good things. Either you did it and, and delivered on time, and correctly, or you didn't, and if you didn't, you got into trouble.

So there was a certain independence of being there?

Yes, that's right. And, and, and the need to organise it, I mean, there wouldn't be someone standing over you saying, "You must do this now", "You must do your mathematics now, and then your Latin", or whatever it was, you would work it out yourself, from the beginning.

Some boys would find that hard, I suppose?

Well, some found it hard, and some found it, well, they were just unenthusiastic about it. And some people did it better than others. And, but if you, if you were just bone idle, and didn't do the thing, you would eventually find yourself in trouble.

Did your parents come and see you while you were there?

Very seldom.

Did you go out at the weekends with other boys?

Sometimes. My parents never came down more than once a term, if that. But you see, Eton, it was very civilised, but you weren't out in the sticks. Anyway, we'd go down to the shops and so on, not if we hadn't any money. And then you had to organise your tea, and you were given so much pocket money per week, by your parents, to organise your tea, because all the school provided was two slices of bread and a cup of tea. So, at that age, you want a bit more than that, so that you'd buy eggs, and you learnt a little bit of catering.

Did you have reasonable pocket money?

I had, between, there were some boys that had a lot, but most of us had more or less the same, which was just about enough to buy one's tea. But you had to work it out over the week, which was very good for you. I mean, "Can I afford eggs today?" or, "Heinz baked beans - tuppence ha'penny, something else is threepence", you know,

and, of course, marmalade's rather expensive, you can't afford Tiptree, or this sort of thing. But I mean, that was very good for one.

Did your father keep you fairly short of money, or about the same as everybody else?

I think about the same as everybody else. I never had any complaints on that score, no, he was virtually, generous within his means. No, I, I was very much the same as anybody else.

Did you get into any trouble when you were at Eton?

Did I get into any trouble? No serious trouble.

Did you get a beating?

Oh yes, by the boys. There were two forms of beating. One was for misdemeanours in the House, which was administered by the boys themselves, that, of course, one had. But if you did something really seriously bad, then you were beaten by the Headmaster, or whatever. That, that I never had. But most people didn't. You had to do something, you know, really rather tiresome, I think.

What would be a small misdemeanour that would get you a beating from your fellows?

Oh, I don't know, if you were late coming in, or your room was untidy, or you spilt something in the passages, or, you know, sort of ordinary small things.

What about fagging? Were you a fag to anybody?

Oh yes.

You had to be a fag, did you?

Oh yes. And I was fag a for two years, because I passed in fairly low.

To what?

I passed in fairly low, it depended on what form you passed in to. But that, that wasn't, that wasn't really arduous. I think it varied a lot from one House to another. My House was really rather, they were rather nice people, most of them.

Did you fag for the same boy the entire time?

No.

No.

I fagged for different people, a different one every term. And some were nicer than others. You had to make their toast for their tea, and that sort of thing. And fold up their sports clothes, and generally tidy their room and things. But it wasn't very arduous, and I mean, it wasn't anything disagreeable about it.

I suppose you could get a disagreeable fag master.

I think you could, yes.

Who could give you a difficult time?

Yes, I think you could.

Did you talk about it amongst yourselves? Did you compare notes?

Well, no, yes, well, of course, but, well, usually the sort of grumbly way that any small boy would, and, but as I say, my particular House, the, the older boys were all very reasonable when I was there. But I suppose it varied.

What about homosexuality, was that a problem?

No, it didn't come up at all, really, again in my House. There were some Houses that had a reputation for allegedly, it went on, but, obviously sometimes it did. But no, it never played a part.

Was that an anxiety though, for the boys there?

No, I don't think so.

Not something that you thought about?

I daresay some, as I say, I think there were 27 Houses or something, and so they did vary a lot. And in some Houses, as I say, had a reputation, but we don't know whether the reputation was justified or not.

What about masters, did any particular masters make an impression on you?

Well, my Housemaster was exceedingly eccentric, was a wonderful man. And the worst offence you could commit, he had a croquet lawn at his house, the worst offence you could commit would be caught cheating at croquet. The problem over that was that as he changed the rules every week, you never knew whether you were cheating or not cheating! But if you were caught cheating, by the new rules, or the current rules, then you were given a punishment to roll the croquet lawn for two hours or whatever, which, instead of doing something more amusing. But it was all pretty light-hearted. And our Housemaster was a very remarkable man, called a Mr. Hedlam, and he was one of the old eccentrics, and he was a bachelor, and he, for some extraordinary reason, he had a friendship, obviously a wholly innocent friendship, with a lady called Anna May Wong, who was, Anna May Wong was a well-known

film star, and she was Chinese, and she used to come down and have dinner with the Housemaster from time to time. And then she'd come around and see the boys, and that was tremendous excitement, because it was tremendously glamorous to have a film star and so on. How she and Mr. Hedlam ever met, I haven't the remotest idea. I suppose she was amused by him, and he obviously was amused by her, but it was a most improbable ...

Did you meet her?

Oh yes.

Was she interested in your film activities?

Oh no, never got on to that, no, never got to speak of that! Well then, then I left Eton when I was seventeen and a half, I think, yes. And I'd done the School Certificate and what have you. But I took an exam to go to Cambridge, which I passed into. And then my father sent me off to Grenoble, to learn some French, which wasn't, it wasn't a great success, because, at that time, the foreign students and the French never mixed at all, and most of the foreign students, they were all, all nationalities. The one common language they all spoke was English, so you didn't really have much French in life. And I was there for about six or seven months, and we used to go off and ski, or whatever. And there was another boy in the house, in the same lodgings as I was, who was, till, I see, I had dinner with him last week, a friend all through life and so on, and a lot of friends from Eton, he was at Eton too, and did remain friends all through life.

Can I just ask you, why Trinity College, Cambridge? Again, was that your father's old College?

No, he hadn't gone to the University. I don't know the answer. I don't know why. It, actually, that wasn't really a success either! Because my father thought that I should try and make a career in the City, to earn some money, because he wasn't going to leave me much, and that I should prepare myself to work in the City, so he thought it would be a good idea to study law at Cambridge, but, unfortunately, he didn't read the small print, and I didn't either, in those days, I do now! And what neither of us realised, that the first two years of law at Cambridge, at that time, was Roman law, and mostly in Latin! And I found this very frustrating, because I never found Classics, I always preferred mathematics, being a mathematical specialist at Eton, not a Classical one, so at the end of my first year at Cambridge, I went to my tutor, I passed the exams for the year, and said, "Do you think I could possibly learn some economics, or something like that, because I'm not very interested in how Justinian freed the slaves in Rome, it doesn't seem to be of very practical value to me." And he said, "No, you can't change. You can't change. You must go on with it." So I said, "Well, in that case, I'm leaving." So he said, "Have you told your father?" So I said "Yes, I have." So he got up, he said, "Well, goodbye. It's been nice knowing you." And so we parted company. And I left Cambridge after a year. And, actually, I went to work in the City as an office boy at the family bank, which was much more useful. But just to round off the story, this is a perfectly true story. Some years later, when I

found myself Governor of the Bank of England, I had a message from my old tutor at Cambridge, was still there, invited me down to dinner one night, and so I accepted, and I went down and had dinner with him. He was a very nice man. And he'd invited all the leading Cambridge economists that he could gather around, to come and dine with him, and the new Governor to the Bank of England. So I couldn't resist saying to him, "Well, you may find that the economic policies of the Bank of England are rather unconventional, because you will remember, you wouldn't let me study any economics." And anyway, he, he crowned that again. I remember very well, and he said, "It's the one thing that gives me some hope that the future may be bright, because had you studied under any of these gentlemen here, I'd be terrified!" It was rather nice.

So you didn't get your degree, or complete your degree?

No, I didn't, no.

You must be one of the few Governors then, that ...

No, I, no, funnily enough, nobody had, no Governor had a degree until, until Richardson.

Really?

None of us had.

Really.

Cobbold didn't, Norman didn't, and no, none of them had. No, I was in the tradition, actually.

What did your father think about you not getting your degree, and leaving?

He was rather relieved, because, I think he, he thought, the sooner I started to earn my living, the better it would be for him.

But was there a concern about money in the family?

Well, there was never enough, and ...

But how did "never enough" manifest itself? What were you short of?

I was never short of anything, to be perfectly honest, but, but it was always fairly tight. And, of course, what I didn't know, and I don't to this day, to what degree my father dipped into the capital he inherited, to spend, I think quite a lot. But no, no, I was never deprived of anything, that's, I wouldn't want to give you that impression.

But do you think money was tight at home?

Oh yes.

Which prevented, what, holidays would it be? Not quite as ...

Well, they had to be careful, I mean, but no, they were, it was perfectly all right, but he didn't want to keep me indefinitely, I mean, naturally. And I had a car of my own, but I, in those days, I think it's, I'm not sure whether it is, I had been a page to George V, and in those days, you used to get some money, which was intended, I mean, going back in history, to pay for the boy's education. But my father was generous enough to keep that for me, and so that when I became 17, he let me have the money, it was just enough to buy a second-hand car, so I had a car as soon as I was old enough to have a car.

What did you buy?

I bought an MG.

That would be a sports car?

Yes. I was very proud of it.

You were still mechanically minded?

Oh yes, I, oh yes, I took it pieces and decarbonated it, and put it together, and there was nothing left over, I mean, it all went back again! Yes I was.

So you were still mechanically minded, and you'd also shown a mathematical side?

Yes, yes. But the mechanical, I learned, of course, later, in the War, the mechanical side was important to ... but ...

Could you just tell me about the, the page of honour role that you ...

Oh, 1937, or 1935, well, they still do it. They just, in those days, used to go, generally to the opening of Parliament, carrying the train.

Oh, I see, not a coronation activity?

No, no. Well, I did do a coronation, but that was separate, but they, there was always four boys who were pages of honour, and they'd do the Opening of Parliament, and in those days, they used to do the, the presentation to the courts, and the Garter Ceremony, it was purely ceremonial. And you did it, well, really you did it until you got too tall, because the sovereigns didn't like their pages to be taller than they were. And I think I did it for three years, or whatever.

Why were you selected in the first place, do you think?

Well, because my father was Lord Chamberlain.

Of course. Of course.

So that was easy.

You met the King?

Oh yes, mmmm.

Can you remember that? Was that a daunting experience or ...

He was a bit gruff, but in a friendly way. No, Queen Mary was a bit more daunting. And I met her on a number of occasions.

And coronation, you were at a coronation?

Well they, then, because I had been a page, when the coronation of George VI took place, Queen Mary asked me as one of the old boys that she'd known, to be a page at that coronation, by which time I was pretty grown up actually. But it was a very nice opportunity to, to attend the Coronation. So I attended that one as a page, and then subsequently, I attended the present Queen's coronation as a peer, because my father had died. So I attended two coronations.

And you had the best view in the first, presumably?

Yes I did, yes, yes, from the back of the Royal Box, yes, it was. And ...

So were you used to Court life at all?

Well, I'd seen quite a bit of it, yes.

You'd gone with your father?

Well, yes, it was fairly ceremonial, the thing was we used to get tickets for, it didn't play an active part in my life. It was only a sort of minor perk, really.

So, Cambridge itself, perhaps,

Well, Cambridge itself,

Short and sharp,

I studied for law unenthusiastically. Because of my theatrical interests, I joined the Amateur Dramatic Club, and had a very nice little theatre, and I did all the electrics there, all the lighting, and so on, for the productions at that time. But actually, yes, my interest continued. Well, it was more professional, obviously, than school.

Do you regret not pursuing that?

Not really. But, you see, my, one of the duties of the Lord Chamberlain, my father's job, in those days, was the censorship of plays. As a result of it, he knew a lot of the producers and people like Cocker and George Black, and some of them, and all the rest of them, and I did used to meet them. And we used to go to the theatre a lot, because he enjoyed the theatre, as my mother did too, and so we used to go a lot. And if he went, he'd always get complimentary seats from the management, because they were delighted to have him, and they, the complimentary seats usually were the Royal Box, not because it was grand, but because they were the last ones to be sold, because they were so bad, and so they were for free.

Why were they bad?

Because you can't really see half the stage, you see. And I found very young in life, that anything of interest on the stage, always takes place on the corner that you can't see from the Royal Box, and that still goes on to this day, and it still goes on today, and I, I always claim, that of my generation, I probably saw half of more plays than of my contemporaries! The least interesting half! But we used to go to the theatre a lot.

So that was a common ground between you and your parents?

Yes. Very much so. And then ...

If you'll excuse me, may I just ask you, how you felt, sitting in the Royal Box? Were you self-conscious about that?

Oh not at all, anybody could buy it, I mean, they can now. It's called the Royal Box because any royalty can go there, but I mean, anybody can buy it. There's no privilege in it whatsoever.

I was wondering if you had yet developed a sense of your position, as it were?

No, not in the least, no, except I thought other people in the stalls had better seats!

Was your father giving you any guidance on how a, the young aristocrat should behave?

No, not really. I mean, if I behaved out of line, he'd make it quite clear.

I don't want to labour the point, but were you beginning to feel that you were treated slightly differently?

No, not in the least, no.

Because you must have been addressed as Viscount Errington.

No, not in the least, no that never really came up in life at all.

You'd think it would though. Was that because the circle you moved in, was very much of a similar class and nature?

Well, I think that, if you go back to the Eton days, you see, there were lots of boys with titles of one sort and another, and a Viscount wasn't very high. It didn't make any difference. I mean, it was in the school list, it was known, but if it was a list of boys in the class or whatever it is, you were just the same as anybody else, I mean, you weren't Viscount then.

Before we start on your career at Barings, tell me a bit about home life, if you will. This would be, this would be in the thirties.

Late thirties, yes.

Yes. Difficult time?

No, I, I had a very enjoyable time. I mean, I was working in the City. I had to be there by, we used to work quite hard as a matter of fact. We used to have to be there by half past eight, and finish about half past five.

But you were living at home.

I was living at home.

What was home like? Was it still in Wimpole Street?

No, they'd moved. They moved in 1935. They sold Wimpole Street, and they moved to Montagu Square, and I was living there with them.

Why had they moved, do you think?

Well, it was too big a house. You see, my sisters had left, and it was an unnecessarily big house, a very, very inconvenient house to live in. And it needed quite a lot of staff, and so they sold it, and as I say, moved to Montagu Square.

What was life at Montagu Square like? How was that organised?

Well it was, there wasn't anything very spectacular. I mean, I had a room, a bedroom and a sitting room up on the top floor, and there was a cook and a, a parlourmaid, or something like that, and I suppose we were only three, and I had a latch key. My father didn't like it if I didn't get home before the milkman, but, as I said, I was working at the time, so I couldn't do that too often anyhow! But, of course, the social season for young people in London, in the summer, there was a party every night.

Did you throw parties?

No, I didn't, no. No, my parents never threw parties for me.

What sort of things would you get up to then? You'd go to dinner parties?

Dinners and dances, yes. I mean, there was, there would be two or three dances every night, you see, in those days. But not that I would go to two or three of them, I mean, but there probably were two or three, and if one was lucky enough to get an invitation, you'd probably go about four nights a week.

Does that happen today still, do you think?

I've no idea.

Your grandchildren, or children?

No, it doesn't happen in the same way at all. But people, I mean, people who owned big houses lived very grandly in those days still. But ...

But you weren't living "grandly"?

Oh not at all, no. Not at all.

Were you conscious of that?

Oh yes.

I mean, did you feel slightly less well off, or sensed that you were less well off than your friends?

Oh yes. Yes.

Was that an embarrassment to you?

No. They were always very nice. But I mean, life is, I mean, I think it was out very early in life, I mean, one of the things one's nanny taught one is that life isn't, isn't fair. I mean, there are going to be inequalities of one sort or another. As soon as you recognise that, stop beefing about it.

But it's, it's interesting to hear a member of the aristocracy and a significant merchant banking family, saying that life isn't fair and that there was, even at that stage, you were noticing, sort of, differences.

Oh yes, but I mean, there was no, I didn't feel any resentment about it. I mean, I didn't want to live at Chatsworth, for instance. It would be nice to go there, but I didn't feel envious that I, or, what a pity it was that I didn't go there.

Did you go to work with your father? Did you travel together?

Oh, very occasionally yes. Yes, we did, we went, we all went to Egypt together, because he was a director of the Suez Canal Company, as I was subsequently. And he was also a director of the P&O, as I was subsequently! Actually, funnily enough, it had nothing to do with the connection. And we all went to Egypt one, one Christmas holiday, my parents, and they used to take me abroad to France, mainly. And I used to play quite a lot of golf in those days, and that was my main sport.

You were good at golf?

No, pretty erratic.

What about croquet? You learnt it.

No, I never, no, no, because we never had a croquet court. Croquet brings out the worst in everybody.

What about a country house, or some other residence? Did your parents keep a second home?

Well, they had this small house down in Somerset, at Minehead.

Ah yes, they kept that. And you went there for holidays still?

Used to go there, yes, right up to the War, actually.

And did you make friends locally?

Very few. It was a fairly sort of cut off part of the world, and, and I mean, it so happened I could drive a car, or if one couldn't find oil one gets on one's bicycle. It is rather hilly, though it wasn't very far.

Well may we, may we talk about your start at Barings, which is going to, actually, not last terribly long, because that was 1938.

No, it was only a year.

'38.

That's right.

And then War came.

That's right.

What did you start as, at Barings?

Well, they had what they called a Postal Department, and every young, everybody, every young man that went into the firm, started in there, and we used to say, "You're

a messenger boy", and things, or an office boy, and the point of it really, was, you had to learn who the people were in the office, and what have you, and you had to learn your way round the City, I mean, geographically, because you were sent out delivering things. And it was very, it wasn't mentally a strain, as I said before. But you'd get there in the morning, at 8.30, as I say, and you'd open the mail, all of you, between you, and it would be sorted by the managers, for people to deal with, and then you, you were a messenger the rest of the day. And then we, as I say, we, we used to work on Saturdays in those days. And then I got a slight promotion. I was put on to, we had no adding machines or any mechanical stuff at all at that time, and they used to keep the ledgers, and we used to have to add up the books, and what have you, the day-to-day books. It was very good discipline.

Where was Barings?

8 Bishopsgate. And it still is, but it's been rebuilt since.

Were you aware of the structure of the firm? Where the partners ....

Oh very much so, yes, the partners ...

How was it organised? Can you recall that for me?

Well the partners, well there were, I think there were seven partners at that time, and they all, except for the one, he was the senior one who had his own room, they all sat in the same room, with desks around it. And we were taking letters to be signed by them, and that sort of thing. And every letter had to be signed by a partner. And, the various departments had their managers and so on. But, the total strength, I think, was, there was less than 100 people. But, in those days, the, the great activity was always today's ...

End of Tape 1 Side B

### **Tape 2 Side A (part 3)**

... because one had to get everything to catch the sailing of the ships, and, of course, the Post Office was organised so that you had to get the letters to the Post Office by whatever time it was.

These ships were to America?

To America, or Latin America, or, mainly, our business was mainly in that direction, but the East, we used to, we always had a shipping list up as to when the ships were leaving, because you had to [TELEPHONE CALL HERE] ...

A lot of activity to get the mail out.

Yes, and so that happened twice a week, usually, and ...

What would you be doing? What would you actually be doing?

Oh, I'd be going round with the envelopes and things. I mean, other people would be writing the letters, we had to see that they got off.

And you'd go down to the ships?

Oh no, no, no. We were, we would mainly go round the Post Office, the head Post Office.

What about your fellow post room workers.

Yes.

They were there permanently, you were ...

No, no, they were all young people.

Oh really.

Mainly Barings?

No, not mainly. There were some other Barings. But no, they were all, all sorts. I mean, they were all young men who had been taken on.

But the head of the Post Room?

Oh yes, he was a senior one. Actually, he's still around.

Really? What was your relationship.

Oh, very happy. It was a very nice atmosphere. And we had a free lunch, which, in those days, was very fast.

Where would you eat then?

They had a dining room upstairs.

For all you lads?

Oh, for everybody, they all used to ... but the ladies and the men were segregated, they didn't eat together.

Really?

They might have gone out to a restaurant. But they were very ahead of their times in those days, people ...

Managers would be there?

They had their own table, or whatever it was. The partners had their own dining room, but the rest of the office, the, everybody had their own, had lunch. And then, then if we, occasionally we worked very late, on new issues, or something like that, then they would provide dinner. But, I mean, the lunch was a very useful perk, because the salaries weren't very high. I was paid two guineas a week, which was the normal ... but don't forget, my fare was only 4d. from Lancaster Gate to the bank.

How did you travel?

On the Central Line.

On the Tube?

On the Tube, yes. And no, the other, the other lads were youngsters who were sort of, hoping to get a job, or starting to get a job.

And occasionally you might see your father there?

Well, he might come and cash a cheque or something, yes.

Why would cashing a cheque bring you into contact?

Well, I might see him come in.

Oh, I see.

He didn't work there, you see.

Oh, I see.

He never worked there.

Oh, I see. yes.

He did before the War, the First World War.

But you had cousins in there?

Oh yes.

You'd know these people sort of socially, as it were, would you?

Well, yes and no. The distance was enormous between a young man and a senior, a sort of partner, I mean, there was an enormous gap.

But did you have a sense of the business of Barings?

No, not really, no.

What they were doing?

No. Could have been anything.

Yes.

And then we had to learn to, in those days, of course, there was no telephone to America, everything was done by cable if it wasn't done by letter. And the cables were all put in code. Not for security or anything, but because it was cheaper, and there were these commercial codes that one word would cover a whole sentence, you know. So you had to learn how to use the code book. But as I say, it wasn't any question of security, because everybody had the same code books, including the cable company!

What sort of dress did you have?

Oh, more or less what I'm wearing now, except I had a stiff collar.

A suit and a stiff collar.

Yes.

A dark suit?

Dark suit, mmm. And it, it, the main snag, actually, I used to think, was working on Saturdays, and you were only allowed to go home when, when the work's finished. And the work's meant to be finished by one o'clock, but quite often, if you didn't get

your arithmetic right, you might be fiddling around till three o'clock to find out where the hell the thing had gone wrong.

What, stamp money?

Well, no, the customers accounts, or whatever. Because we had to add it all up in the books, and the balance is right. And, of course, the professional clerks, some of them were absolutely brilliant. You could see them pushing their pen up, they did it in their head.

That was pounds, shillings and pence?

Pounds, shillings and pence, and the real professional, it was a pleasure to watch, but I mean, one couldn't aspire to that!

But you, it sounds as if you'd moved out of the Post Room?

Well, I, I just did a little bit, yes, yes, but, but very basic stuff.

Did you realise that you were on a sort of training programme?

Oh yes, we all did. We all did, we used to move around.

But in that first year?

Yes. Well, then, you see, that was, I joined, I joined Barings in October 1938, and then, obviously War was coming, and I joined the Supplementary Service of the Grenadiers, and was Commissioned in April, 1939, which was six months away. And so then I was called up to do some basic training with the Army, in May. So during the summer of 1939, I was, I'd do a week in the bank, and then two weeks soldiering, and then another couple of weeks in the bank, and so on. It was all fairly disorganised, because the War was coming. And, of course, the bank realised this, and, and acted accordingly. Well, then, of course, when the War came, we were all called up, obviously.

Before we start looking at your War experiences, I believe that during that year of 1938, you were also concerned with South America.

Yes. Yes, I was. That was before I went to Barings. What had happened was that, my father didn't want me to start too young in Barings because he thought it was fairly deadly, as a junior, which it was. And an opportunity arose, old Lord Willington had been asked to go on a goodwill mission to Argentina, Uruguay and Brazil, and he was looking for a young man to, they used to be called a "Bag Carrier", and I was the young, and so I got my fare paid. I didn't get any salary, naturally, and so I, I went as his sort of secretary/ADC, and I used to type his speeches. I'd learned to type. My father gave me a typewriter when I was a youngster, so I've typed all my life. So I used to type his speeches, and arrange his programmes and so on.

Just the two of you?

No, Lady Willingdon, who was a dragon! A kindly dragon, but a dragon, nonetheless. And, and we went first of all to Argentina.

On a ship?

On a ship. We were on their ship. And Argentina, and Uruguay, which was a rather nice place in those days, and then Brazil. But then when we were there, the Munich Crisis had happened, and we started to sail back on a ship, obviously, and there were, there was an Italian ship and a German ship, liners, but they were armed, we knew they were armed, who set off just ahead of us. And coming back, it was, the ship was fairly empty, because a lot of the South Americans had cancelled their trips to Europe. And then the Munich, the Munich Agreement was signed, and we sailed on. We came back in the middle of that, but by the time we got back to London, people were digging trenches in the park, here in London.

Tell me a bit about South America. What was the purpose of this goodwill visit?

Oh, God knows!

Was it linked to the possibility of conflict with Germany?

No, not in the least. There was a thing called the Anglo-Iberian Society, or something like that. There was a man called Philip Grudunner (??), who was a famous author at that time, and he was very keen to, to improve relations with the Latin American countries, and he organised it. I don't know who paid for it. I know HMG didn't. I think it was paid for by business ... and the old boy went to South America and I accompanied him. And then, that was a success. And as a consequence of that, I went later, as you will see, to Australia and New Zealand with him. But the War had happened by then. But I was only 19, you see, I mean, I was quite young, when I was secretary.

But an exotic time, I should imagine?

Oh yes.

Going around Brazil and ...

Oh yes, yes. Oh yes, it was great fun. And they were, oh, terribly nice to us. And, of course, it was English stock there at that time, it was very high. And they liked us very much.

What about the language? Were you able to speak Portuguese or Spanish?

No, no. But they all spoke such damned good English ...

Really.

And I learned a bit of Spanish, but not much. You see, Barings had been the bankers of the Argentine Government since its beginning, so there was a reason for me going there, and they'd done an issue for the city of Buenos Aires in 1824, so there were many Barings connections there, which was really, I think, why Lord Willingdon took me.

Did you see people that you knew of yourself, or family connections?

Yes, I did, yes, mmm. Barings had an interest in a firm there at that time, and there was a chap called John Fillimore who, who was working out there, who then came back in later years and joined Barings. And, yes, I made a lot of friends there.

So everything was sort of interlocking?

Oh yes. Life does, I think, yes, yes. Some people turn up at the most improbable places.

But do you think that is coincidental, or is that a feature of going to the same schools,

No, I think it's purely coincidental, because other people, I mean, with the mixture of life that I've been lucky enough to have, all sorts of people turn up, who were nothing to do with our schooldays and so on, and they become friends for a time, and then they disappear, and then you suddenly are amidst them. "Oh, how nice to see you again. We were in Buenos Aires together", or whatever. And that applies very much in the Foreign Service, and, as a civil servant, I knew a lot of those, in the later years, a lot of the civil servants which turned up in various jobs. And that's just coincidental, it's nothing to do with, sort of, social background at all.

So your ship brought you back to England.

So the ship brought me back to England, at the end of September, and then I started at Barings in October, in 1938.

And you did about a year there?

And did rather less than a year really.

Before you joined the Grenadiers?

Yes.

Why the Grenadiers?

Because my father was in it.

Mmm. How did that work though? He suggested you saw someone, or ...

Yes, I applied, and they were looking for a young man, obviously, I mean, the more the merrier, and they said to me, and I had the OTC thing I was talking about earlier, and so I was entitled to become a Second Lieutenant. And so I joined, and we soldiered at Chelsea Barracks, and marched up and down the square, and then we went and did exercises on Dartmoor.

Where did you? In the barracks?

In the barracks, yes, when I was soldiering, I lived in the barracks, yes, at Chelsea, actually.

Was that an enjoyable time?

Well, it was, yes, it was perfectly agreeable, it was very good exercise, marching up and down.

You knew people there, did you? School or college friends?

I knew one or two, but there was a tremendous gulf between the sort of more senior people, and the very junior. I mean, you didn't speak to people unless they addressed you, you know, I mean, there were, it wasn't very relaxed in that sense.

What about the, the Grenadier Guards, the pecking order, is that a rather highly rated regiment to be in?

It's the first, yes, the top. First class. And the others were all junior.

In the sense that it was the first to be founded?

Yes.

I see. I see. So an honour to join it, in some ways?

Well, in wartime, I mean, people would go to ...but I mean, it's a bit, naturally, I'm prejudiced, I think it's the [inaud]. But I'll tell you more about the Army later, because there's some quite amusing parts of that, but ...

Tape 2 Side B - Blank

**Tape 3 Side A (part 4)**

... Second Lieutenant in the Grenadiers.

Yes.

Why the Grenadier Guards?

Because my father was in it, and I served with them until the end of the War, in, in England, Staff College, Guards Honour Division, Normandy, through to the Rhine, and hold, irrelevantly, two years ago, literally two years ago, I got a letter from the War Office, saying I was entitled to a Long Service Medal!

And you accepted it?

Oh, of course! But that wasn't very important.

You weren't still on the books, as it were? They had realised you'd left the Army?

I was demobilised in 1946, but I only, I only left the Army as a Lieutenant-Colonel, and was demobilised and went back to the City.

Well, let's just have a look at some of the details of that, if we may, briefly.

Yes.

Now, it would seem Lieutenant, or Second Lieutenant to Lieutenant-Colonel, is quite a, quite a ...

Well, promotion in wartime is quite fast! No, I did, I did various jobs. As I say, I went to Staff College, and then I was a Major of the Guards Honour Division, on the staff of the General, through, as I say, through Northern Europe. And then I was sick, actually, and posted to another Headquarters, I was made Lieutenant-Colonel, but I was then aged, what, 26.

Is that young for a Lieutenant-Colonel?

Well, it's ...

It seems extremely young.

And then, as I said, the end of the War came, and, as soon as I could, I got out. But I should hasten to add, I always found my Army years, which were quite long years, when all said and done, as a most valuable part of my education, as a person, because you dealt with people and things, and so on, and you had much more responsibility as a young Major, or young Lieutenant-Colonel, in the Guards Regiment in the middle of the War, than you did as a clerk at the Bank!

Did you make many lasting friends there?

Yes, I did, actually, all sorts of friends, some of whom turned up in a most surprising way. Do you like any anecdotes or not? Because, I mean, one anecdote, for instance, was, many years later, when I was Ambassador to Washington, a new Number Two was appointed, whose name was Sykes, Richard Sykes, who actually was subsequently assassinated, poor man. A very nice man, and he came into my office, and he said, "Do you remember me?" And so I said, "Well, I remember your face, but where did we meet?" He said, "The last time we met, actually, was on Luneberg Heath, because I was in the same Headquarters as you were at the end of the War." And he'd gone into the Diplomatic Service as a career man, and I'd never seen him in between. And he was appointed Minister in Washington, and then he was promoted from that, and, to the Ambassador in the Hague, and he was assassinated outside his Embassy.

Did you lose friends in the War?

Oh yes, of course, lots. We all, one's bound to. Lots were lost and quite a few were wounded.

Did you have friends there that you'd known for a long time before the Army?

Yes, quite a few.

And you lost some of them?

Oh yes. And, of course, families, I mean, cousins, and what have you. I didn't have any brothers, so that didn't arise, but ...

Did you lose close relatives? You lost a cousin, you said?

Well, cousins, yes, and, and lots of friends, but I mean, that was, everybody was, you were bound to.

You went home for leave, did you, during that period?

Yes, I did, once or twice, yes.

Can you remember ...

I'd scrounge a lift home on a bomber, or something, from Brussels. We were the first troops to arrive in Brussels, we, we liberated Brussels, and had a great welcome. And then we went on from there to the Arnhem Operation, which we didn't get to, of course. We got stuck on the Rhine. And then the Germans broke through the south of the American Front, and we went down there, and it was the middle of the winter, in '45? '44-45, and it was very very cold, and I got sick, as a matter of fact, I was sent back to hospital.

What sort of sickness?

I, ... I couldn't tell you, because the Army Medical Services were never clever. I was put in, this is not for repetition, I was put in the care of a specialist, I was put under the care of an expert in tropical medicines, but I'd never been in the Tropics, so it wasn't really very useful. And then I, I had some sort of internal complaints, and then I recovered, and then I went back to, I mean, back in the Army again. I was in the Army.

Was that a returning thing or ....

No, well, no, not really. After, after the War, as a civilian, I went to Harley Street, and I was told I had had a duodenal ulcer, but whether that was when I was in the Army or not, I never knew.

Anxiety?

Oh well, we all worked rather hard.

How did you feel about the responsibility that you were given, to look after men?

Well, it was all part of one's training, really. I mean, but I have to say, I was not mostly a Regimental Officer, I was mostly a Staff Officer, and, but, of course, in the last War, there wasn't a great deal of difference, because the Staff Officer was just as near the sharp end as anybody else, at least, my sort of staff were. The Division I was with ...

You got a medal, I believe?

Oh yes. I did, yes.

Military MBE?

Oh yes, well, that was for planning, before the Invasion. I was deputed to work out the planning for the landing of the Division in Normandy, which I worked at for eight or nine months, and at the end, I was, well, in due course, rather, I was given this medal. I think only because ... .. well, out of boredom as much as anything else. Nothing ever happened that had the slightest relation to my planning! Happily, because we were planning for much more difficult circumstances than, than we actually had at that time, and so that it didn't have to be done, I mean, the Army would have been very remiss if it hadn't done it.

This was a sort of fall back plan, was it?

No, this was for, for landing on the coast of France, against a great deal of opposition, and with heavy bombing from the Germans, as well. Well, there wasn't any bombing by the Germans at that time, but, of course, we didn't know there wouldn't be, there

could easily have been. And our opposition at the actual landing time, wasn't as heavy as the Americans had, I mean, it just so happened.

So your plan wasn't put into action?

No, but mine was purely the administrative side of it. I mean, it wasn't anything very brilliant.

Were you getting a reputation as an administrator?

I suppose so, because then I eventually got promoted, on that, as an administrator. But, at the end of the War, most of the people on the Headquarters Staff in Europe, I don't know about the rest of them, were sort of people like myself, I mean, they were young accountants, young bankers and so on, they weren't old fuddy duddies. They were quite a bright lot, my colleagues, in fact, a very bright lot. They were young professional people.

Was that a feature of your, your regiment, or

No, no,

or staff job?

No, this was the whole of the 21st Army Group, at the top end, and, well, you see, the point was this really, and by the, the War had been going on, what, six years, and if you hadn't learnt a certain amount in soldiering in six years, you weren't very much use for anything. And so, by the end, by the end of the War, in whatever job one was doing, one was put there because you were thought to be fairly efficient at it. If you weren't, you didn't stay there, you were sacked, of course.

How did the, your title, go down, as it were? Were you afforded any particular privileges?

Oh, not at all. It was just, just probably a label, no, no, it had no material fit whatsoever.

You were treated as everybody else?

Oh, absolutely, with the loss of ... and anyhow, it was, you see, from the age of 21, well, roughly 20 - 27, if one was fortunate enough to survive, which I was, it was a very good education I would say.

Did you have any fearful moments?

Well, of course, everybody did during the War, some fearful moments, but they're not worth describing!

Did you think about staying in the Army?

No. No, I didn't, because, I had a very good reason that I needed to earn some money. And anyhow, I wasn't cut out to be a regular soldier.

You couldn't earn a good enough living in the Army, do you mean?

Well, I wouldn't put it that way. I'd put it the other way round. I, I hoped to do my wife and my family better by working in, in the City, than I would have done in the Army. But anyhow, we'd been separated, I mean, by the War. My wife was living at home, so that ... and, I mean, I was like, really, the majority of my contemporaries at that time, we all wanted to get home, get on with our lives.

But during the War, you, I believe, went to Australia and New Zealand?

Ah, that was right at the beginning. But that wasn't a military exploit at all. I was in the Army, but the origin of that was, I think you probably have, before the War, in 1938,

Yes.

I went to South America. And, by chance, Lord Willingdon, who I'd served in South America, was asked to go out to represent the British Government at the Centenary Celebrations of New Zealand, and it was going to be a two months trip. And he wanted a young man to come as his sort of ADC-cum-secretary, or whatever you like to call it, as he'd known me before, he asked if I could be released temporarily to do that. Well, this was during what was known as the "Phoney War", and nothing was happening at all, and I think the Regiment were only too delighted to find some employment to keep their young men out of mischief. So, that if they shipped them to Australia, or New Zealand or whatever, they, nobody was losing anything. And so I did. And after a, we went in an Empire Flying Boat, a regular service in those days to, to Australia. It took 12 days to Sydney, every night on the ground. And then we flew on to New Zealand. We were the first passengers to fly from Australia to New Zealand, and we did whatever it was, four weeks there, I think it was, and then back to Australia where I had a week's leave, and then back home to the Regiment.

What were your impressions of Australia and New Zealand?

Well, it was, you see, the War was on, it hadn't been going very long, it had been about a month, and so, Australia was very sort of, you felt very far away there. Most of the men, of course, had joined up, and so you didn't really get a very good appreciation of what life was really like, it was, I mean, it was artificial. But it was, it was fairly, fairly primitive in Australia, or, and New Zealand. It was still sort of, well, it was a long way away, and the things were very simple.

What were you doing there? What were you doing there?

Personally? On the job?

Mmmm.

I was doing the logistics, working out this travel, typing his speeches, and doing all the organisation for the trip.

A secretary?

Yes.

Making contacts for yourself as well?

Well, there was barely time, we were never anywhere, we were in New Zealand, which was the object of the trip, we'd do three stands a day - one in the morning, one in the afternoon, and one in the evening - and flying in between the towns. We visited every town in New Zealand. So there wasn't really much time to make contacts.

I'm sorry, but tell me, what was the purpose of that visit? What were you doing in these towns?

He was, he was making a speech, congratulating them on their Centenary, as a, as a settlement.

Even though the young men, they were away,

Yes, yes.

They were in Europe.

Well, yes, but there wasn't any fighting in Europe at that time, I mean, they hadn't started. We didn't know what was going to come.

Was there any sort of stiffening of the resolve of the people in, in the purpose of the visit?

No, I think it was, it was really, you see, he, Lord Willingdon was a grand old man, he'd been Viceroy of India and that sort of thing, and it was really a, the sort of job that, in peace time, would have been done by a junior member of the Royal Family, just to show the flag. It had no, no particular deep motives, it was just Empire, empire building in the right sense!

Now, the other dramatic incident during that wartime period, was getting married.

Yes. I also got married, yes.

So, why did you choose to get married in the middle of the War? 1942?

Well, I met a girl and I wanted to marry her!

How did you meet her?

Oh just, we met at a party, just by chance, and then, then she, she was sent over to America by her family, with her younger brother, sent to look after him, and she wanted to get back as soon as she could. Nothing to do with me, I mean, she just wanted to get back, and when she got back, we saw a lot of each other, and decided to get married.

You met her at a party during wartime?

Yes.

So parties were still being held?

Oh yes, well, I mean, lots of small parties. I mean, there weren't any big dances or anything. And, I mean, you'd go out to dinner, or, it sounds grand, but, I mean, it wasn't grand at all, there may be 10 young people, or whatever it was.

Who was she?

She was, she was the daughter of Lord Rothermere.

The newspaper owner?

Yes.

What was he like?

Well, you see, he, he was charming. It was the grandfather, her grandfather, who was the Lord Rothermere, who'd been the Minister of Air in the First World War, and he and his brother, Northcliffe, had started a newspaper group, way back in the past century, and when my wife was in America, old Rothermere, the grandfather, her grandfather, had been sent over to do some negotiations with the Americans about arms supplies, or something like that, and she persuaded him to bring her back to England when he was coming back. Anyhow, the normal course, and they were going to stop off in Bermuda, which they did, and he died there. I mean, it just, old age, the normal case. And so then she had quite a bit of going back to England, from Bermuda, because it was difficult, for civilians to get any passages. Anyhow, she got a boat back to Lisbon and then she managed, eventually, to fly from Lisbon to London, and there we caught up again.

A courtship in wartime must be rather difficult?

I suppose it is at any time, yeh!

Particularly difficult. I was just thinking, you were away, and ...

Yes, but when you're young, you see, I mean, you took life as it came.

Did you feel pressure to get married because of the dangerous...

No,

Environment you were working in?

No. No, no, no, perfectly, perfectly ... well, I was 23, she was 19. She was young. 23 is perfectly normal, but particularly in wartime, actually, people got married younger.

What about father's reaction to it? Not your father, but her father. Nineteen year old daughter, was that a little young, do you think?

Well, yes, he had an older daughter, who'd got married the year before. No, I don't think, he'd led his own life very much, and I think he just took it as a normal process of life.

But what about your own parents, were they pleased?

They were delighted, yes. No, it was all very happy.

Was, was Rothermere, or the newspaper group itself, a client of Baring Brothers?

No. No, they never had been.

They never were.

Of latter years they've done some business, but not, not, when I was there they never did any business with Barings. There was, there wasn't any reason why they should.

Did you think that, rather than go to the Bank, you might go to the, the newspaper?

No. No, I never had any desire to do that. Well, I didn't have any occasion to do, but I always did better in my own family business, this sort of work, and it didn't arise, it was never suggested, and I mean, either, on either side. Well, anyhow, my father-in-law knew I was in my own family business, and so he certainly never, never suggested it. He had a son of his own, you see, don't forget, who was much younger, I mean, the present Lord Rothermere.

So, how did you set up home in wartime? What did you do?

We, as, as the Army moved around, we followed around, it didn't cost you or anything.

Did you have a London,

No, not then. Well then eventually, I say "eventually", in the middle of the War, we did buy a small house in London, in St. Petersburg Place, you know, just off (PAUSE) and well, of course, you couldn't lay anything down, so it was just very simple, and then the bombing got rather bad, and so I got my wife to move to the country, because there seemed no point in her being there. And we just moved around with the Army, really, as long as the Army was in England. And then she went to stay with her mother or whoever.

You had children?

Well, we had, we had one in 1943, I think. She's died. She did.

A daughter?

When did she die?

Oh, she died, in the fifties, but I don't want to go into that.

And then two sons?

And two sons.

When were they born?

Well, one was born at the end of the War, and one was born in, in about '53 I think.

So you left the Army.

I left the Army.

And you had a wife?

I had a wife and two children, at that time, and a house in St. Petersburg Place, and I commuted to the City. And then after about a year, you see, there were a whole lot of young people coming back from the Services, to, to, to the City.

What was it like going to the City?

Well, I'd been there before the War.

But it must have been, was it gloomy, bombed, or was it a cheery place? What was your impression?

Oh, I see, in that sense. Well, at the end of the War, it was cheery, but there was a tremendous amount of damage around and the City suffered very badly, I mean, buildings suffered a lot. Our office, actually, didn't suffer particularly from that, and so one really sort of picked things up from where one had left it. We were all that much older, and so were the older partners. And ...

Did you have a sense of disappointment, coming back triumphant to rather a ...

Oh no, no. One was so glad to be back with one's family, and, for that matter, to be alive. Oh no, it was, naturally it was the more spirited of us, delighted to be back in civilian clothes again.

Can you remember the first day back, and looking around to see who was there and not there?

Well, I don't remember specifically, no.

Had there been many people in the firm who had been killed and injured?

There'd been a few, but not an awful lot. You see, this, in the last War, fortunately, the casualties were nothing like the First World War, and, I mean, the First World War, I mean, we were [inaud] but the slaughter was awful. And we had a lot of casualties in the Guards Division, and so on, but nothing, not day after day after day, of, of enormous casualties. We'd have a battle, and there'd be some casualties, of course. But I remember one day in Normandy, for instance, one of the battalions, it wasn't the Grenadier Battalion, but they had, out of 22 officers, they had 19 of them wounded a day, but that was exceptional, that's why I remember it! But of course there were casualties but ...

I just wondered if there ...

You just learned, just learned to live with it.

... impact on the structure and sort of management of the firm and ...

No, no, the only one that affected that, the answer to that question was, yes it did, because there was one young Baring, who was ten years older than me, Francis Baring, who was sort of earmarked for becoming a partner in due course, and he was killed in Dunkerque, so that left a gap, of that age group, and, but otherwise, there were quite a lot of us around.

So what did you do when you went back? What was the job?

Oh, a purely clerical job.

The one you left because of the War?

Well, yes, it was. And then, after, I'm just trying to think, well, not quite a year, they wanted to send me to South America, because Barings always had connections with South America, oh, at the end of the last century, and I said I wouldn't go unless I could take my family, obviously, because in the War we'd had enough separation. Well, at that time you couldn't get any shipping, so we couldn't do that, and so they sent me to New York instead. And so I went to New York.

With your family?

With my family and the Bank of England gave me an allowance, as a trainee, really, and told to make it last as long as we could. And we managed to make it last, thanks to the kindness of a lot of good, kind American friends, we made it last about a year. And so I worked in New York for a year, and ...

Excuse me, may I just ask you, why did the Bank of England give you an allowance?

Well, I, because of the Exchange Control, you see, they had to apply to, anybody working away, applied to the Bank of England, I mean, there wasn't anything special about it.

You were restricted to what you could take out?

Oh very much so, yes. And so we went out by ship, of course, as I said, to New York, and as I say, spent just about a year there. And that was very useful and interesting. I made a lot of good friends because, you see, by that time, I was what, 26, 27, 27 say, and a lot of the young Americans of my age group had, of course, also been in their Services, and so that their trainees, the American trainees, and myself, we were all rather older than the sort of usual run of the trainees, who were sort of 20, 22, and so we made a lot of friends, who are still friends to this day, I mean, some have met their maker, but are very good friends.

How did you feel working in a relatively humble position, but with several years of war-hardened experience behind you?

Oh, well, it was all part of the, you had to learn your new job. But I mean, you started always at the bottom, I mean, whether you worked for J.P. Morgan, you started as a messenger boy, well, I mean, for three months, or whatever it was, which is not a great mental job, but it, it, you learnt your geography of the City, while being in New York.

Do you think that was, or is, a worthwhile thing to do, to start someone right at the bottom?

Oh yes.

Can you really get any benefit from being a messenger?

Oh yes. Oh, I don't have any doubt. I wouldn't have wanted to start any other way. Well, I mean, I didn't have any choice.

No, I was just thinking, you had a relatively short time available to you in America, and spending several months as a messenger,

Well, you learn, you learnt to, New York's an exciting place. It was a really nice place in those days. It wasn't the kind, it wasn't like, it wasn't sort of awful place like it is now... F1059 - End of Side A

### **Tape 3 Side B (part 5)**

We arrived out there in April, and, of course, New York's frightfully hot in the summer. We managed to find a little house down in Long Island, to rent, during the summer, and so we moved down there for the summer, and I commuted from there. And there were two other young men in the office, who were doing exactly the same thing, and we used to share a car to the station in the morning, and evenings, and then catch a train to New York.

Did it seem, in any way, warstruck, as London must have done?

Oh no, you see, no, because I mean, the first thing that struck one, was, was, the shops were actually full of stuff, which they weren't in London, most of it you couldn't afford, but I mean, you could get food easily enough, there was no rationing. I suppose that was the biggest thing I found, there was no rationing. And, but we had to, I mean, there was rationing, what the Socialist call "rationing by the purse", I mean, you couldn't go and buy caviare, because you had no money to buy caviare, so you didn't buy caviare. You could afford to get three eggs, and get them!

Back home, while you were away, there was the Labour Government of Clement Attlee,

Yes.

Did you have a feeling, and did your American colleagues have a feeling about that?

No, not particularly. We weren't really politically minded at that time. I think what was worrying my American contemporaries at that time, was what was happening in Russia, and, you see, at the end of the War, because of Yalta, we, the West - the Americans and ourselves - allowed the Russians to come to Berlin, and we, in the British Sector, we could've got to Berlin easily before the Russians. We sat on our backsides waiting for the Russians to get there, because that was the deal that Roosevelt, Stalin and Churchill had made at Yalta. So then the, that period, the Russians were very belligerent towards the West, and a lot of the young Americans of my sort of age group, were saying, "Well, maybe we'd better join up again, go and fight the Russians now." Well, of course, it didn't happen that way, the politicians to swill, but that was the sort of talk. But there was no interest about the Socialist Party in England, because the Americans are very interested in that way, but they were much more interested in whether the Republicans would get in there, instead of Truman. Actually, Truman, Truman was the most remarkable man, and I think, as President, did his country very well indeed. And he was very friendly towards us, the British, but not more than that, I don't think, he never knew it, he was from the West. But, in retrospect, reading about the War, he did it in one way or another. I think he was a very fine President, but that was what interested them much more than anything over here, except the Russians.

Were they particularly anxious about the Russians, the group that you circulated with?

Well, our age group were.

Communist threat, sort of anxiety?

Yes. Yes. And, of course, Europe was in an awful mess at that time, and terribly run-down, and a question of whether any of the, whether France would go Communist or not, and so on.

On a more domestic level, how was your family enjoying being in America?

Well, they were very small.

And your wife enjoying it?

Yes, but it, it, fairly homesick. And I think I enjoyed it more than she did.

What would she be doing while you were at the office?

I don't know what she did, tidying (?) the house.

Children at school?

No, they were too small.

Too small.

The eldest one was only three or four.

But there was socialising in the evenings, presumably?

Yes, but not an awful lot. I mean, we were working quite hard, you see, and we were, and you were quite glad, really, to get a bit of rest.

Might you have stayed in America if you'd had the chance?

I did think about it, and decided not.

What, because your wife wanted to go home?

Well, partly, and anyhow, I was English, so really one wanted to go home. I mean, I like America very much, and I've got some American friends, but the more you know America, without being particularly of them, the more you like your own country.

And why do you think that is? Do you think it's true of all countries, not just America?

Oh, I would think so, yes. No, I would think that why I say America particularly, is, you see superficiality, or superficially, rather, English, Americans speak English,

which can, certainly later in life, could cost me an enormous course of misunderstandings, because we think we speak the same language and we don't. But when you're, you're young, you don't really notice the differences. And I would think it would apply, I mean, to most people, unless they've had an unhappy youth, would prefer to be where they, they regard as their home.

So you returned after a year, studying the American system.

So then I returned, and I became a managing director of the bank, which wasn't a partner, but it was sort of fairly senior.

That seems a dramatic rise in status from office boy one year, and then managing director the next.

But I'd had quite a lot of training really.

But it still seems, or, were there no intermediate stages?

No.

Is that a tradition of the bank, or does a Baring move up rather rapidly? I mean, if you hadn't been a Baring, I mean, would you have gone through possibly other stages?

Well, if I hadn't been a Baring, I probably wouldn't have gone there at all. I mean, the only, the only custom they had, it wasn't a rule, it was a custom they had, was if you're, if you were born a Baring, they'd take you in as you were, you may know of, and if you made the grade, well then you'd get promoted in due course. If you didn't, they were completely ruthless. And when I was there before or after the War, I don't remember precisely which, there were about 10 or 12 contemporaries, Barings, and for one reason or another, they were encouraged to go elsewhere, so that they were, the door was open, so to speak, but there were no free rides for anybody.

Was a managing director at Barings different from, perhaps, the general view of a managing director in a company, who is one man running the whole show?

Oh yes, oh yes, yes, quite different. I mean, you didn't run the business, of course, but you had authority to sign the letters, or whatever, and you knew what was going on amongst the partners. And you learnt from being there. But it wasn't, it wasn't, it wasn't like a manager of a company in the sense you're talking about, not remotely.

So, could you just give me a view of how Barings operated in general terms?

Well, there were seven or eight partners, you see, who were the people who ran the business, and then there were, at that particular time, at that particular time, there was only one managing director, it was me, and then there was the manager to the various departments, who were very much managers, and ran the department. But you see, it was, in numbers of people, it was very small. We were less than a hundred, and

You were in a sort of holding position there, were you?

Well, sort of, yes.

And what were you doing?

Oh well, all sorts of things. I mean, new issue of business, banking business, any sort of business there was, we were a representing House for everything.

Were these trying times for most bankers, under a Labour Government, nationalisation?

Yes. They weren't awfully easy in that sense, but there was a tough business to do. I think the biggest pain, of course, was, was taxation, which was impossible to have, for any family-owned business, it was very unrewarding.

You personally felt it unrewarding?

... you see, I was, as we were saying, a banker at 27, and the next chap in front of me, because Philip had been killed, was probably 40, which is quite a big gap.

I was thinking that, as we speak today, the merchant banks are doing very well from the Government as it de-nationalises, let's say, privatises the companies.

Yes.

I wondered if the same sort of thing might have been going on at that time as well?

Oh I see, no, no, I don't think ...

Did the Labour Government bring in the merchant banks to help nationalise?

I don't know the answer to that question, I really don't know. I never got involved in anything of that sort but I wouldn't say it didn't happen. But if they did, they would be more likely to have brought in the rest of the banks who had greater sympathies than we.

Did you get this feeling of lack of sympathy with the Government thinking?

Well, I mean, I, I didn't believe in Socialism, and we didn't. I don't today. I am happy to see the world as we are. But it doesn't mean that I haven't had good friends who are Socialists. And I've worked for Socialists before now, I mean, a Socialist Government. Some of the people were good and some weren't. But you could say that for both Parties, come to that! Politicians, as I'm sure you'll know very well, are sort of, an animal apart from anything else, and although ...

You've been on the fringe of it, if not part of it, for a fair amount of your life.

Yes, but I never wished to be one. You see, if you're going to be a successful politician, you've got to be prepared to compromise on all sorts of things, as you go along. I mean, you see now, Mrs. T. sacks someone, for instance, she's not doing anything that her predecessors haven't done exactly the same. I mean, it's part of the carry on, attitudes, and Harold Wilson did it. But, so, I mean, they all have this characteristic, but some, individually, I found good colleagues, and some I didn't. But as I said, that could, that applied to both Parties.

Could you give me an impression of your office? You moved from the clerical domain, up to the Managing Directors' Room.

Oh yes. Well, we all sat in, we all sat in the same room.

But you were the only managing director?

Yes, I sat at the top in the Partners' Room.

All partners in one room?

Yes. And that went back, whenever it was a Partnership, you see, and that has always been the tradition, that all the partners sat together. And in days gone by, it was probably perfectly satisfactory and if a client, an important client wanted to come and see the firm about something, then we'd all sit around with the client. But what changed all that, and made this impossible, was the advent of the telephone, because, say you've got seven partners sitting in a room, and they're all talking on the telephone to different people, I mean, you just got bedlam, and so that was, that was hopelessly unsatisfactory. And there was a sort of period when, when the system continued, and if you really wanted to have a telephone conversation with somebody, you'd go and take it in another room. But it was an awful bore if a telephone came through for you, and you had to go to another room to take it. But don't forget, in those days, communications were very different to what they are now, because, you see, there were, I think I'm right in saying, those, up to early 1950s, certainly, there were only eight circuits across the Atlantic, so if you wanted to make a telephone call to New York, you'd book it about three weeks ahead, and the moment it came, there was tremendous excitement, everybody gathered around to see what was happening, it was a marvel it was happening at all. And all the communication really was done either by letter, of course, or via cable, and the cable companies gave the banking world a frightful service, I mean, you, there were about five cable companies on the North Atlantic, competing madly with each other, and if you wanted to send a message, say to Chase Bank or something like that, if you had an answer, it would only last about three minutes, and it was on paper, which was sometimes an advantage.

But you could not sign a letter unless you were a director or a partner, is that right?

Not at that time.

Why was that?

Well, because you, you're legally binding the firm, and so, by law, you had to have an approved signature, you see, and the only people that had approved signature, in a partnership, was one of the partners, or a managing director.

Did you bring something of your administrative skills to Barings? Did you feel that you were making a contribution?

I certainly changed it a lot.

Did you?

Well, when I joined Barings, there were two adding machines in the office, and everything else was done by hand, and when I left Barings, well, I mean, the first time round, everything was mechanised, well, computers hadn't been invented, but yes, I completely mechanised the office, and reorganised the whole thing, as managing director.

And your partners were supportive?

They varied.

Or did they indulge you, as it were?

It varied. Some were unhappy to see the change, and some realised that the world was changing.

Was the business changing? The nature of the business?

I suppose gradually it was. We had been, we had a lot of private clients in those days, a lot of foreign private clients, and we, we were the leading bankers for all the Swiss banks, and, the Swiss private banks, and the private banks everywhere, and we were the bankers to most of the European Governments, and to the US, of course, and Latin America.

In the sense that you advised them?

Or raised loans for them, or whatever. Anything financial they wanted internationally, we would do. Well, I'd say we'd do, we'd find, if we, if we agreed with the thing, we'd do it.

But in this period of sort of global reconstruction, did the merchant banks have a particular role to play?

Well, they played quite a part, you see. For instance, in, when the World Bank was created in Bretton Woods, just after the War, Barings and four others became their London bankers, and we did all their issues for them, and that sort of thing, in Europe, and the Belgians, well, all the Governments, actually, except the Russians. Well, we had, of course, been bankers to the Tsar, but, and the Tsar's Government, but that

stopped rather abruptly in 1917! And that business didn't change very much, but there was an increasing amount of industrial business here, of firms growing, and that sort of thing, the British ones. And we were all, we were involved a lot, we were very involved, particularly in Lancashire, because, going back, Barings had been the principal bankers in the United States, up to the Civil War, and there was an enormous cotton business, and, because of the cotton business, Barings opened a, an office, the only branch they had, in Liverpool, because all the North American companies used to come to Liverpool, and so the Lancashire Cotton Corporation [inaud] mills, had a lot of the cotton companies, we advised them all. And before my days, when, in the slump of the twenties and thirties, which, of course, I was a child, there was a lot of [inaud] and in steel, and the big English steel companies, Norman Long and so on, and that was the, the bigger business. So that the link with Liverpool was always a very strong one, and we, we had a chap who ran the Liverpool Office, was called the Agent, who was quite a sort of power then in Liverpool, so that, but that had, so to speak, originated from the American business. The American link has always been very strong, but, going back, the centre of the finances in America, had originally been Philadelphia. And then it became Boston. And New York really didn't come into it's own until after the First World War, I suppose.

Can I ask you about the merchant banks in London at that time. Did they group into Jewish and non-Jewish banks?

No, not particularly.

But there were some sort of, I mean, I'm thinking of Rothschilds.

Yes, of course. There was always a great competition between the Barings and the Rothschilds, because they both fight for being the Number One. And so there was a lot of competition. But we did a lot of business with Rothschilds, and I used to go round, as a young man, to Rothschilds, to discuss business with them, and they'd come and see us. No, there was no particular anti-semitism, but, in point of fact, Rothschilds, at that time, were the only significant Jewish House. You see, the other people like Morgan Grenfell, of course, were American, who are basically American. [inaud] was Scottish, Lazards were just English. Schroeders were English, with a German background, I suppose, originally, as, indeed, were the Barings. No, the Jewish influence really, was very small. And I remember being surprised at, in point of fact, in New York, how, in the banking world, there were extraordinarily few Jewish people, and that surprised me in New York, because I always thought New York was, was predominantly Jewish, of course, it is the biggest Jewish city in the world, for better or worse. I mean, it's neither here nor there. But in Wall Street, there were very few Jews, in those days.

Why would you have been conscious of that, or looking for that, as it were, or, why did you notice that?

Well, in America, you couldn't help but notice it, because, you see, Jews, even the most distinguished Jews, were not admitted to any respectable Club. That certainly doesn't apply here.

And was banking a sort of Club?

No, but I mean, they weren't, the sort of West End Clubs, or the equivalent in New York, or the Golf Club, or Country Club, in America, I mean, we don't have that here. The Jews weren't allowed in at all. It was a very strongly anti-semitic community. And you couldn't help but notice it. And if you were English, you were certainly surprised, if not shocked. It didn't apply here, because, I mean, the Rothschilds, socially, say, were just as acceptable as anybody else. And why not?

You actually were in an interesting period inasmuch as you came into the bank after the War, this Labour Government, and there was a narrow Labour majority, and then in '51, the Conservative Government got in.

Yes.

Did you sense a big change in the environment?

Oh yes. Well, you see, well, of course, because, the Wartime rationing went on till, till the Conservatives came in, you see. It was still going on in 1950, until the Election, I mean, sugar was rationed, and all sorts of things were still rationed, because the Socialists believed that was the right way to do it. And then when the Conservatives did away with rationing, of course, there was plenty of supplies by then, the Socialists were, were shocked, because they said the Conservatives were introducing rationing "by the purse". Well, of course, things were rationed by the purse, I mean, if you go back to what I was saying earlier. Caviare was rationed by the purse. Everybody can't have caviare, so, everybody doesn't need caviare. But there's nothing wicked if you've got some money to spend, and you want to go and buy a pot of caviare, you're extremely lucky to do so. There's nothing morally wrong in that. But the Socialists thought it was.

What was their argument? That there were people with not enough money to buy anything?

Yes, yes, yes.

Let alone caviare.

Yes. To which the answer, the Conservative answer was, "Well, of course, people must have enough money." I mean, you can't run a society in which people can't afford to buy what they need, but what people need, and what they want, aren't necessarily the same thing.

Well, that sounds a sort of Socialist philosophy in some way, doesn't it.

Well, it is, you see. I mean, but they felt that there should be fair shares for everybody, and nobody should have more than their share, which, if you were anti-Socialist, which I am, and make no bones about it, I thought it was nonsense.

What about your standard, your personal standard of living during this period? You'd come back from America.

Yes.

Where were you living?

Well, when we came back from America, we had bought a house, immediately before we went to America, in London. I'd been left a small amount of money by an uncle, and that, and a bank loan, enabled us to buy a house in London. And then we, we had the third child born, and decided we wanted to bring them up in the country, rather than in London, so we wanted to find somewhere to live, and at that time, there were all sorts of problems, because again, under Socialism, you weren't allowed to spend more than a hundred pounds on your house, on decorating it. And as all the properties were in very bad repair, because of the War, it was necessary to find somewhere that wasn't falling down. And eventually we found a house in Kent, near Westerham, where I was talking about. And again, with help from our friendly bankers, we managed to buy it. And so we moved there. And then, so, from 1948 onwards, I commuted from Westerham, and we didn't have a house in London. We did much later, but not for 25 years.

And then you left the bank for a period, is that right? You went to Washington?

Ah well, yes, well then you see, I was in the bank, doing the job, and then I became a partner. I don't remember which year it was, and then, in 1957, I think it was, I was sent for by Heathcote Amery, who was the Chancellor, and asked if I'd go to Washington for two years, as Economic Minister, and the UK Director of the World Bank, and IMF, and all this. And what I didn't know, of course, at the time, was that he'd asked my partners whether they'd release me for two years to go and do this, and I wasn't terribly fully employed, really, I mean, activity. And so they said yes, they would release me to go and do this. Because it was a good experience. And it was quite a feather in their cap to have a young man doing the job. And so we agreed to go to Washington for two years.

How had you come to the Chancellor's attention?

Well, what had happened was that the Head of the Treasury, who was a man called Makins, who became Lord Sherfield, had heard of me as a sort of "young man in the City", and he put my name forward.

How had he heard of you? What sort of name were you making in the City?

I've no idea. I've no idea.

But were you a bit of a revolutionary?

Oh no, not in the least. On the contrary!

A technological revolutionary?

No, no, no, the Treasury were still using good old pens, like Barings! No, no, I think they were just looking for a reasonably intelligent young man who could be spared!

And prior to that, in '53, your father had died.

Yes.

And you inherited the title?

Well, yes, that's right. When my father died, he was 75.

Was that a bad moment for you, do you recall it?

Well, it was ...

End of Tape 3 Side B

#### **Tape 4 Side A (part 6)**

... and I was still at Barings, and I used to go down to the House of Lords a certain amount, it was an economic debate and so on, and I used to make speeches sometimes. I never liked, I never liked making speeches at all, there.

Can you just tell me a bit about the actual investiture?

No, it's nothing if you're a succeeding ... you just, you just go down and take the Oath. There's none of that Ceremony of the Hat and things, no, it's only if you're a new one. And as I said before, all you have to do is to prove that, you have to produce your Birth Certificate, and your parents' Marriage Certificate, or whatever it is, just to prove that you are who you say you are. And then you have to take the Oath of Allegiance, which every peer has to take, every so often.

Is that a private ceremony or ...

No, no, no. I mean, every, after every Election, everybody does it. But if you succeed in the middle as I did, then you just go down and arrange to take the Oath, and it's a very small formality.

Had you been to the House at all, with your father?

Well, very occasionally. He was never active in it, actually.

How did you feel about it? Was it daunting?

Well, I always thinking getting up and making speeches is daunting, yes. But I thought that if one was a hereditary peer that one should take it fairly seriously, in the sense that one should be available, and I mean, if a financial thing came up, I'd go down and listen and maybe speak. If something came up about the salmon fishing in the Tay, or something, I wouldn't go, because I don't know anything about salmon fishing in the Tay. But I mean, one of the virtues of the House of Lords, I think it's got many, but one of the virtues is that the people who speak on a subject, they're fairly expert on it, and you find some peers who are most extraordinary experts on the most extraordinary things. But nobody pretends to be an expert on what they're not, because if you make a speech in the House of Lords, you really have to know your stuff on what you're making a speech, because there's always going to be someone who knows more. So I did that, sort of, but that used to combine with one's office life, because, in those days, the House never sat until, I think, half past three, or whatever it was.

It would have drawn the Government's attention to you, though, I suppose.

Yes, yes.

You would have been making speeches,

Yes, yes, that is true. But the Civil Service would know of you, if you're making an attempt at a speech.

What was your Maiden Speech?

Oh, my Maiden Speech was, my Maiden Speech, was to do with the pound, I think. The only really difficult situation I found myself in, was the, after the Opening of Parliament every year, two youngish peers are asked to reply to the Queen's Speech, and after some years, was it in '56, '57? I was invited to do this. And it was sort of, always considered sort of, fairly conventional kind of honour, by the way, and so you, if you're asked, you accept. And I was asked by Alec Home, who at that time, was Leader of the House, and my problem was that between the time I was asked, and the time I had to do it, the Suez affair had blown up, and it was in the middle of the Suez affair that the Queen opened Parliament. And nobody knew what was going on, but nobody. And I tried to find out what was going on so that I could make a reasonably intelligent speech about us and Egypt, and what have you. But I couldn't find out anything. And so I made a sort of conventional kind of speech, because my name being Cromer, you see, and Egypt and all that, I naturally had to back out of the Government of the Day, but, which I did, in a very conventional way. But it was very embarrassing. But in those days, if you did this particular thing, and you were entitled to wear a uniform, you were supposed to do so, military uniform. And so I went, and I borrowed a uniform, with a tunic and sword, and everything else, and got up and made my speech, dressed like that, and so I asked my wife afterwards, whether the speech had been a disaster. She said, "Oh, it was perfectly all right, because nobody could understand a word you were saying, because your collar was so tight!" So I mean, thankfully, it's not taken too seriously.

Do you enjoy the debate in the House of Lords?

Not much.

Are you a good debater?

No. No, I never was. I admire those that are, but no, it was never my metier. With someone like Lord Carrington, it's a pleasure to listen to, for instance.

Do you still do it?

Occasionally, but very occasionally. I am currently involved, but not very much in the Chamber, as they say, on the European monetary thing, and I'm doing quite a lot of sort of backroom work for them on that subject. But

Well, I'd like to talk to you a bit about your time,

I haven't made any speeches yet.

... in Washington.

Yes.

But before we go on to that,

... as the economic minister,

Yes, yes, yes. And indeed, the IMF

Yeh,

The UK's man, as it were.

Yes, yes.

But may I just touch on something. You mentioned that there was a tragedy in the fifties, and your daughter died,

Yes.

What sort of impact did that have on the family?

Oh, I'm not, I'm not going to.

Is this a bad moment, is it?

Yes, I don't want, yes, I don't.

So you went to Washington again?

Well, I went to Washington in '57, which is in between, when I was at Barings, all those years, between when I became a managing director in '48 or whatever it was, and the time I went to Washington, I used to go to America and Canada very often, about two or three times a year. Really, for Baring's business, and so I had quite a lot of contacts both in New York, not in Washington at that time, but in New York, and, and in Canada. So that I was always crossing the Atlantic then. And then, as I say, I was asked to go for two years, to do this job in Washington. And that was the first time I'd really ever worked as a civil servant. So before I went to Washington, I was employed by the Treasury, of course, I worked for about three or four months at the Treasury, here in London, learning what it was all about, because it's an entirely different sort of life. I mean, I'd never written a minute in my life. I didn't know what a minute was. And find myself thrown in with the people at the Treasury, who were terribly nice to me, and I must say, I've always had a liking, the Treasury is a particularly nice Department, because it's fairly small, and everybody knows the job pretty well, and they're extremely bright, and they were very kind to me, and were always most helpful. And I think they must have thought I was a very curious chap, because I wasn't anything like as clever as they were. But, but they were very good colleagues.

But what they have thought about that? Why wouldn't one of them have gone, or an academic?

Well, in those days they didn't. What happened before that, before I went, well, I'm going back a little bit. During the War, there was a thing called the UK Treasury and Supply Delegation, which was headed by a gentleman called Lord Brand, who actually was a merchant banker, but he was married to an American, and he was a very leading man, a very distinguished man. And they did all the financial arrangements with the United States, and did all purchasing of arms and everything. So it was a colossal business, and it was a very big operation, of course. Well then, after the War, that all ran down, but the organisation, in framework, remained. And it was then headed by, usually, a senior Treasury man, and then somebody suggested, I don't know who, in about 1952, or '53, well, I suppose it was when the Conservatives got in, yes, it would be a good idea to send a City man there, for a dual person. One was, (a) it was quite a good idea to have a City man, but also it was a good opportunity for the City and Whitehall to get to know each other, and work together. And, because, before that, there was a sort of tremendous divide between the Civil Service and the City. And quite a lot of jealousy I think, both ways. So Bill Hartlett, Lord Hartlett, who was a partner of Morgan Grenfell, was asked to go and do the job as [inaud] and he went out, actually, just about the Suez time, and he was a tremendous success, and he did frightfully well, and so did his wife, and so that everybody was very pleased with the arrangement. So when he came back after his two years, we were, they sent another chap, who wasn't quite, quite as suitable, but it was all right. And so then, in his time, their eye turned towards me, for whatever reason. And so I went, and became head of the UK Treasury Supply delegation, which, of course, then, had run down. I had a staff of about 120, and we had the World Bank, the IMF, and, and the US Treasury, and when I went, we were still borrowing money like mad from the Americans, after Suez, because we had a financial crisis after Suez, and I was in charge of those negotiations. And we also, of course, at that time, we were still buying a lot of armaments, as we still do, for some reason or other, and buying a lot of, a lot of pharmaceuticals for the National Health Service, and the British Government buys an extraordinary amount of stuff from the Americans, or it did, what happens now I don't know, I've no idea. And my people dealt with that, not the Foreign Office, because it was all Treasury. And the, the Economic Minister, as he was called, was a temporary diplomat, and he was number three in the Embassy, but he was only a Treasury man, and that was, that was my job.

So who did you report to?

I reported to the Chancellor of the Exchequer, who, at that time, was Derek Amery. But, and I was, I mean, it was absolutely open that I was a Treasury man, not a Foreign Office man, in that sense, but we worked so closely with the Foreign Office that it really didn't matter. But if there was any difference of opinion between the Foreign Office and the Treasury, I was, I was a Treasury man. I don't remember it happening. But in point fact, the Foreign Office, at that time, were having a frightfully difficult period, because it was just after Suez, and John Foster Dulles, a terrible man, was being very disagreeable to the Ambassador, who was Sir Harold

Caccia at that time, and so most of the negotiations were done either through Bill Hartlett or through me. I mean, Bill Hartlett, and then subsequently by me. And we were asked to all sorts of things with the Americans, which the Ambassador wasn't asked to, because Dulles wouldn't have him.

Can you remember the cause?

Oh yes, he disapproved of us attacking Suez. It wasn't a personal thing in the slightest. Ed Moose who, the American, who, after all, had created the reason why this Suez thing happened, because Dulles made such an ass of himself, and they were just being, was being impossible.

But you were there to borrow money?

Well, Bill Hartlett did most of the borrowing, and I did a lot of sort of sorting out of the borrowings afterwards, and happily, was in the position to repay most of it.

Do you think we, we, we, the British people, sort of suffered in the terms that they got from the Americans, for borrowing money, because they were hostile, the Americans were hostile ...

No, luckily, because, no, fortunately, because the State Department had very little to do with the lending of the money. The lending of the money was done through another organisation, which was called the RFC - the Reconstruction Finance Corporation - who were well-disposed to us, and so was the President, who, at that time, was Eisenhower. And no, I don't think we suffered from that. But Dulles himself, was a pain in the neck.

Did you meet him?

Oh yes. He had a brother who was head of their intelligence, in Switzerland, during the War, who was a lawyer, they were both lawyers. The brother was very nice, but John Foster, I didn't like.

That was Alan Dulles was it?

Alan Dulles, yes, that's right.

Had your family gone with you to America?

Oh yes. Well, well, my wife had. The children came out for a couple of the holidays.

Cos they were away at school?

They were at school by then, and they came out for, I can't remember, two or three holidays.

And did they go to the same school as you?

No, no.

Why not?

Well, the elder boy did, yes, the elder boy did. And the second, the younger boy didn't, because he was dyslexic. A lot of dyslexia these days, and, and in those days, they didn't know very much about it, of course, they know a lot about it now.

How did you become aware of it? Did you just think he was a bit slow reading and writing?

Well, he did mirror writing, he'd write things backwards, a b or a d, for instance, he couldn't tell the difference, and we did originally, here in England, we took him to various specialists, and they didn't know what it was, and they thought it was something to do with his eyes, and, of course, it wasn't. And we didn't discover till several years later, and then we were able to send him to a school who was specialising in this. But they weren't as advanced as the Americans, where we'd heard about it more. And, now, of course, it's recognised as a, as a medical problem, which they're very good at treating. We've lots of schools now that specialise in dyslexia, which they largely overcome.

But your son didn't have the benefit of that?

No, but he, he, he didn't do too badly actually, he's done all right. But it is a handicap. And, of course, it makes, it almost makes, makes arithmetic almost impossible!

However, there you are.

So there, so there we, my wife and I were there, and we had a house, obviously, which we'd inherited from our predecessor, which belonged to the Government, in Washington.

Oh really.

And, and we, we had a very good time. I had to offices, I had an office in the Embassy where I used to go to first thing in the morning, about half past eight, and then I had an office down in the Bank and Fund, which is downtown, which I'd then go to in the middle of the day, and then come back and finish my day at the Embassy. It was pretty hard work, actually, in fact, very hard work.

Did Americans work harder?

No, just slower.

Really.

They're terribly slow. Very verbose. Very verbose. But there was a lot to do, because the Bank, I mean, the Bank would have these meetings, and IMF had its meetings, but I was very fortunate at the time I was there, because the, the President of the Bank was a man called Eugene Black, who was tremendously Anglophile, he was a Southerner, perfectly charming, and a very good friend of ours. And, entirely by chance, his house in Washington was actually, was absolutely next door to ours, and so we used to pop over each other's back fence, as the Americans call it, so that was very good relations with the Bank, and then the IMF, the man who was running it was a Swede called Jakobsen, Per Jakobsen, who also was tremendously Anglophile, and was married to a, a wife from Ulster. She was the daughter, there was, she was the daughter of a Field-Marshal, I think he was a Field-Marshal, he was certainly a General, a man called Archie Nye, Field-Marshal Sir Archibald Nye, I think he was, and his daughter married Per Jakobsen, who was much older than me. He died a long time ago. But he was extremely well-disposed, and so that we, at that time, we and the Americans really ran the whole works, because we were much closer. The Americans had the money and we had the say-so.

You were a young man then, though, 31.

I was 42.

As old as that?

No I wasn't, I was 39, beg your pardon, I was 39. And ...

How did they feel about having a relatively young person in such a responsible position?

Well, didn't care, as long as you deliver, it doesn't matter really.

Is that an American characteristic do you think?

I don't think they cared two hoots what way it was, I mean, as long as one did the job satisfactorily. Age had nothing to do with it.

What about being a Lord, was that, was that attractive to the Americans? Or amusing to them? Or, what was the reaction?

I think, by and large, well, the Washington scene is so cosmopolitan, it doesn't really mean, I mean, they're so used to Lords and what have you, that I don't think it had any impact one way or the other. I don't think there was any harm, or it was considered healthy.

People didn't cultivate you because of the ....

Oh no, no,

... the title?

No, not in that job. As an Ambassador they would, but not in, not in that job. It was much more fun than being an Ambassador. And so there I did that for two years.

Did you enjoy dealing with the politicians?

Well, I didn't have an awful lot to do, I met politicians, you mean American politicians?

Yes.

Yes, I mean, we had some who were good friends, but my, my work wasn't very much with the politicians, it was mostly with the administration, which is quite separate in America. But we had some good friends amongst the politicians, but you see, in the States, the Senate is frightfully important. The House isn't important. I mean, from our point of view, although there were some members of the House who were very agreeable people, to meet and to know. But the Senate was very, was very important, and, of course, the White House.

Can I just ask you about the City, the, the Treasury, or the non-City area, as it were, back here. So you'd been sent, in part, to overcome that problem, they'd brought a man from the City and put him in a bureaucratic position.

Yes.

Did you sense, or have a sense of City and the rest, or City and the Government?

No, what, what one did know, was that there were occasions, and I can't think of any specific ones, but there were occasions, when the Treasury which, of course, was selling the Chancellor and the politicians, and the Bank of England, were not necessarily viewing things in the same way, and so I had a sort of dichotomy in that job, at times, when I knew that what the Treasury wanted done, wasn't necessarily what the Bank of England thought was best, or vice versa. And so one had to use a certain amount of diplomacy to bring the two ends together. And, but that was perfectly normal, and that's, in point of fact, the, I was very fortunate in that the people who I was dealing with, both in the Bank of England, and in the Treasury, were people that I found very agreeable to get on with, and I would tell the Bank of England what I was doing, if it was, if it was of their concern, and I mean, I was obviously perfectly open with the Treasury if I was, if I was disagreeing with them, obviously. But, usually, we came out with an agreed, an agreed approach, or whatever it was.

You returned to England?

Well, well then, I was coming back, to go back to Barings, you see. So then, by that time, Selwyn Lloyd had become Chancellor, and he asked me to come over to see him, about two months before I was due to leave Washington and come back here. And he told me that he'd been instructed by the Prime Minister, to invite me to

become Governor of the Bank of England, which never entered my head. And, so in the end, I hadn't been there before, or had any particular ...

How did you react?

Well, you see, the biggest reaction was, "What a very bad joke!" And then, after more sober thought, if you are a banker, and you're offered a top job in banking, you don't like to say no. So I went and saw my partners. I came over to London to see Selwyn, and then went and saw my partners, and they knew what was going on, and they, they said, "Well, you must do what you want to." And so, I decided, well, I'd better do it.

Because you'd been seconded, prior to this.

Yes.

And this would have meant leaving the Bank?

That's quite right, absolutely right, yes it did. And, to cut a long story short, that's exactly what did happen. And so I, I accepted, and left the Bank, and went to the Bank of England, which was a five year term.

At the time, wasn't Lord Franks, or, I think it was just Oliver Franks,

Yes,

running as well?

Indeed he was. There were two favourite candidates in Ladbroke's book, which I wasn't in, was Lord Franks, you're absolutely right, and Lord Harcourt, and what had happened was that, there was a sort of tug-of-war between the Treasury and the City. The City did not want Franks, but did want Harcourt, and the Treasury wanted Franks and didn't want Harcourt, and so I was the compromise candidate. And I was a compromise candidate really, because the Treasury couldn't think of anybody else!

How did you feel about that?

Well, I didn't discover till later! But, it wouldn't have made much difference really.

How did you discover it?

Oh, one keeps one's ears open!

Where did the Governors traditionally come from?

Oh, the City, always.

Always from the City?

Mmmm.

From merchant banks?

Yes.

Or the Clearers,

No, no, no, never the Clearers, no. Robin Leigh-Pemberton was the first so-called Clearer who was a Governor. But the City have always provided, merchant banks have always provided the Governor, and they didn't want Franks because they thought he was too academic. I knew Franks well, actually, and he is, of course, very academic. But he's a brilliant man, and also a very nice one, and so when, when, when I became Governor, I didn't know the story I've just told you, but I did see Franks, sort of stuff, and throughout, he could never have been more helpful. He, I used to, I mean, he's a very wise man. At that time, he was Head of Lloyds Bank. And there were occasions when I'd ask him to come and talk to me about this, that or the other, to seek his advice, because his was the sort of advice that was very valuable to have. And he was very nice to me, always.

May I just pick you up on a point? Franks was Head of Lloyds Bank.

At that time.

So he might have been, if he had been Governor, he would have come from a Clearing Bank?

Yes, well he, yes, well yes, but that wasn't, I don't think that was the impediment.

Oh no, but traditionally, they didn't come from Clearing Banks, you told me.

No. But he was rather an odd, he was rather an odd animal, anyhow, Franks, because I mean, he'd been Ambassador to Washington, as you know, and he was, he was, by background, an academic. He, he had some extraordinary gifts. To hear Franks, as Chairman of a Conference, say, summing up what had happened at that Conference, was one of the most brilliant things you'd ever listen to. I mean, it's rather like some of the better judges, pulling all the ends together. He had a marvellously clear mind, and, as I say, as far as our personal relationship was concerned, he couldn't have been more agreeable.

End of Tape 4 Side A

### **Tape 4 Side B (part 7)**

And you've reminded me, on several occasions, that you don't consider yourself an academically gifted man, well, this may be modest on your part, but how did you feel about dealing with a lot of gifted, or extremely bright people at the Treasury, and within the Bank itself. What did you feel about that? What did you think you brought to the pot, so to speak?

Common sense, is the short answer, a practical background. I still, I mean, what I'm fiddling about with now, the ECUs, and EMUs and all this business, I think the economists have gone mad. None of them know what they're talking about. I mean, just taking you up on your point, if they're going to do this ECU business which, I think we will want a single currency in Europe, it's got to be, whatever the ECU may be, it's got to be something that the markets, the banks, individuals, and people, can understand and trust. And the theory of the economic management and so on, most people don't understand, and nor do the economies, but that's what they're talking about the whole time, it's the theory of the management of things. But it's a very practical application that's either going work or not work. And, and people at large, will judge whether it's good or not. The way the pound's turnings, before World War One, I mean, long before, was the strongest currency in the world, people trusted it, partly because you changed your piece of paper into a sovereign, and you knew what you had. Well, anyhow, obviously they're not going back to that. But people could understand. And then, after this last War, people thought they understood the dollar, and everybody wanted a dollar. Well now, nobody particularly wants a dollar, and, and it's a practical thing, and then they started a thing called "Special Drawing Rights" in the IMF, which was a fabrication of a mixture of currencies and so on, which they said is going to be the great international currency, and no one used it, because nobody trusted it or understood it. So that if you're going to have an ECU, it's got to be something that people understand, and I keep on saying to these brilliant people that, unless the markets understand it and trust you, it won't be a success, and it won't work. And people will just go back to the old currencies. That's what I mean by being practical. I'm not a theorist in the sense that the academic is, in my opinion.

But during your time, I should think, the Bank of England was a sort of battle-ground for economic warfare between what the monetarists and non-monetarists ...

Well, it wasn't, not in my day, because what I said went. But this is the big difference between then and now. But I remember, I was asked to address a group of economists in Washington, when I was, I don't know what I was, economic minister, I don't know, anyhow, they were a group of economists, and they were all economists except me. And I got up, and I started, I said, "I am a banker. I'm not an economist. If I had published the sort of balance sheets and figures that you people publish, as economists, I would now be serving in prison, for fraud." And they didn't like it very much, because they were all so theoretical. Very occasionally one comes up with a good idea, but awfully rarely.

So when you joined the, the Bank of England, as Governor, did you feel that there was a certain amount of day-to-day common sense lacking, or certainly needed?

No, not particularly, because the Bank of England was very hard-headed. The best thing that happened to me when I joined the Bank of England was the, well, Peter Sissons was very nice, but I mean, he was going, but the Deputy Governor, a man called Humphrey Minors, who was actually an academic, was a much older man than me, absolutely first class. He'd been in the bank for a great many years, and he was the, my greatest guide and mentor during my initiation, so to speak, into the Bank. And I owe Humphrey Minors a very great deal.

You must have been one of the youngest Governors ever appointed.

Yes, I was, yes.

Were you the youngest?

I think so. But anyway, they were wonderful staff, and they were very loyal, and they always backed me up. And it was, I hope I backed them up too, I mean, we were, I, I never had any conflicts within the Bank. We sometimes had conflicts with the Treasury, but at that time, the Head of the Treasury, William Armstrong, it was then, was also a very great friend, and occasionally, we'd get into a hassle, when he was serving his political masters, which was his job, and I didn't agree. And so we'd have a ding dong. But not a, not on a sort of personal basis, because we both respected each other.

How did you know him? How had you become friends?

Well, I'd known him, I'd known him when he was quite a junior chap at the Treasury, when I was Economic Minister, and when ...

Not through school?

No. No, not through school. We were asked, it was a very extraordinary life really, his parents were both full-time officers of the Salvation Army, and in his childhood, he went all round the country with his parents, and they were banging their cymbals, and blowing their trumpets, and what have you, I mean, they do a marvellous job, the Salvation Army, and that was his boyhood. And he found his way to Oxford, got a scholarship to Oxford, and went into the Civil Service, and became head of it. A most remarkable man. And a very nice one. And we got on extremely well together, but there were times, of course, when professionally the Bank and the Treasury, or the politicians were taking different views. And when, when the Bank was nationalised in 1946, in the legislation that nationalised it, the Government took power to issue directions to the Bank of England, if there was a dispute between the Governor and the Chancellor. And on one occasion, William reminded me that they had this power, because we were in dispute, and they had the power to issue us direction. So I remember saying to him, "Well, William, look, if you really want to create a crisis, I invite you to issue your direction. Because if you issue the direction, it'll be known

that you've issued it. I will resign, so will every member of the Court of the Bank of England resign, and you will have an absolutely first class financial crisis. Do you think that's a clever thing to do?" And he said, "Well, I'll have to think about it."

So this was blackmail seen off by blackmail?

Well, of course, I mean, it was so silly! But this is where the sort of hassle goes on, or says, is said to be, is said to go on, of the independence of the National Bank, it really depends on the personality of the Governor, because, certainly the Governor has the power to do this, it's in the statute, but he's never used it.

What sort of Governor were you, were you an authoritarian Governor, or an academic, no, perhaps not an academic, what, how would you characterise your Governorship?

It was me that characterised it. I would say "pragmatic". But how other people would, I don't know.

Do you think that would be an acceptable view to those who knew you at the time?

[LAUGHS] I don't know, I've no idea. But I had to go round and raise an awful lot of money for Harold Wilson, you see, it was,

That was, that was,

He came through three crises, you see.

Because your political masters, so to speak, changed midstream?

Oh yes, that's right.

'64 the Wilson Government got in.

Yes, that's right.

How, can you remember who the Chancellor was then? Who was the Chancellor?

Who, Wilson's Chancellor?

Yes.

Callaghan.

How did you get on with Mr. Callaghan?

Oh, very well. He's still a very good friend. I remember very well, I hadn't met Callaghan until he took over as Chancellor, and the Election is always on a Thursday, I think, isn't it. And I went down on the Monday to pay my respects to the new Chancellor, Callaghan, and I told him, which was perfectly true, that I wasn't going to

play politics, nor did I. And that I considered my job was to serve the country and the Government of the day, but in that order, which is rather an important difference. He obviously didn't believe me, he thought I would play politics, initially. And then we established a very good relationship with each other, and although we did, on a number of occasions, differ completely on political things, and we didn't make it public, but I mean, he knew that I didn't agree, because I told him, and he didn't agree with me sometimes. We had a very good relationship. And I always found Callaghan a very good man to deal with. I know a lot of his political colleagues wouldn't agree with me. But certainly, as far as I was concerned, he was absolutely square.

How dramatic was the change, though, going from a Conservative to a Labour Government, as far as you at the Bank, were concerned? What happens? What makes it suddenly different?

Well, it's very different, it's very difficult to put your finger on it. You see, Maudling had been Chancellor before, who was one of the worst Chancellors I met.

What would make it bad?

Not completely the worst.

What would make him a bad Chancellor?

Well, he was very idle, very opinionated, and very conceited, and it was he that created that crisis that Wilson inherited, really, and Wilson knew it. But where Wilson made a mistake, was to come out and say that he'd inherited a crisis, because no one knew there was a crisis until he said that, and then it created a crisis, which was foolish. Well, I don't particularly want to go into the Wilson business, because he's so, he's so unreliable.

Did you have any dealings with the, does your position as Governor take you in direct contact with the Prime Minister?

Oh yes. Particularly then.

Independently of the Chancellor, or do you go in as a team?

Depending on the Chancellor, er, the Prime Minister. No, at that time, when Wilson came in, there was a triumvirate of Wilson, Callaghan, and George Brown, and George Brown was put in a Department which didn't exist, called the Department of Economic Affairs, or something, which was used to think up the National Plan, which filled more waste paper baskets than any other convocation of Her Majesty's Stationery Office. It was absolute gibberish. But I was advised by Wilson, not to have anything to do with George Brown, who I hadn't met then. And so I, at that time, I didn't, not really, in one way or another. But, as I say, I got on very well with Callaghan. But Wilson himself was completely unreliable. But the other thing that was tiresome about Wilson, apart from the things we've already said, was that he

always had his meetings very late at night, at half past eleven, or something like that, and, by the end of the day, people are really rather tired, and tempers weren't always at their best, and we had a number of ding dongs, some of which I walked out of. I said, "I'm not going to stay and listen to this any longer."

Did you sense your days were numbered then?

Oh they weren't.

You were allowed to do that, so to speak?

Well, he couldn't sack me.

Who could sack you?

Nobody.

Oh, that's a very good position to be in.

Oh, I suppose, I suppose eventually the Sovereign could, but I don't think so.

Who would appoint you? You were appointed by the Chancellor?

No, by the Queen.

Ah, but the recommendation, on the recommendation of the Chancellor?

The recommendation of the Prime Minister. But it's virtually impossible to sack the Governor. But when the end of my term was coming, Wilson behaved so badly that I knew he wouldn't want to re-employ me anyhow. But nor would I have considered being reappointed, so I made it publicly known before the thing came up, that I wouldn't contemplate being reappointed, which spoke for itself, really.

May I ask you about some of the people that you dealt with? For instance, the Government Broker.

Yes.

What sort of relationship would you have with the Government Broker? Who was, the Government Broker would be the man who was getting away the stocks, so to speak.

That's right. Well, I wouldn't have a great deal to do with him personally. This is a sort of, the proper answer to the question you're asking. Personally, as Governor, I wouldn't have seen him except sort of socially. All day-to-day business with the Government Broker would be carried out by the Chief Cashier, who, at that time, was Leslie O'Brien, who was on a working level.

Yes, I see.

I mean, I could ask him to come and see me, and say, "What do you think about what's going on?" Or, why it is, or whatever. But I wouldn't say, "Well, look, tomorrow, we're going to do this, that, or the other." So that was fairly remote. Where I always personally had an active participation, was in the Exchanges, and I had two absolutely brilliant people in the bank, called Roy Bridge, and George Preston, who were the dealers, who dealt with all the buying and selling of dollars and things like that, and they were most untypical Bank of England types, you would never think they were Bank of England types at all, but absolutely first class. Real hard-headed little dealers.

What's a "type"? What was the type?

Well, the type where I mean by that, someone who's got striped pants, and, or pink coats, or anything of that sort. It was probably unfair in the Bank, but the City's a bit stuffy, by some people, sometimes justifiably, but not always.

What do you think about the tradition of the Bank of England, and the traditional side? Were you taken by that?

Well, yes, well, of course, one appreciated it. I mean, it's, it's one of the oldest Central Banks, formed by William and Mary, based on the Bank of Amsterdam, with a fine tradition, and one couldn't help but be proud of that side of it.

But, having got there, from, from the City, and having some knowledge of it as, perhaps being

Awfully little, awfully little.

Oh really?

Mmmmm.

Really. I just wondered how you found it? Did you find it ....

Well, I found it ...

Did you want to shake it?

No. No. I didn't want to shake it. I didn't always agree with it, in which case I made my views quite clear. The people who were working with me at various levels, were very professional, very good. And I owe a great debt to my predecessor, Cobbold, who, after the War he had to build up the Bank, naturally, after the War, because a lot of people retired, and so on, and he, he, he brought into the Bank, an extraordinarily good group of people. There were all sorts of backgrounds and so on, and, so they were tremendous support to me. And very professional at their job.

What do you think is the most significant thing that you brought to the Bank, or did with the Bank, or at the Bank?

I don't know what the answer to that question is.

Was it a different place when you left?

No, I wouldn't think it was terribly different. We had a lot of experiences together, because we had so many crises. And, you see, the entertaining thing about a Central Bank is this, that if a Government gets into problems, it can't raise money internationally, on short-term, and, only a Central Bank can. And only a Central Bank of standing, will get that money, and I was able to get enormous sums of money, because the standing of the Bank of England was so high.

Now, why couldn't the Treasury do that?

Well, because they have to have a Parliamentary possibility, they can't do it. It's not constitutionally possible. No-one's going to lend it to it. I mean, I wouldn't lend money to another Government, in a short-term money, I'd lend it to the Central Bank, but not to a Government, because, you see, if I, on behalf of the Bank of England, borrowed money, the people that lent the money, had to have sufficient confidence in the borrower, which was the Bank of England, and the Governor, they would get paid, and they had, in us.

So you're saying the Central Banks run the world economies?

No. I'm saying that they're the only people that can, can solve these situations if there is a crisis. Governments can't. But it can only be done by mutual trust, so it's the professionalism and integrity of the Central Banks and their Governors that provide the basis for this.

Do you feel the Bank should always be arms length to the Government then?

Yes, it has to be, otherwise things would be done for political reasons, which probably are not, or lack integrity.

How did you feel about the nationalisation of the, of the Bank?

Well,

Broadly speaking?

I thought it was, well, I mean, when it happened, well, I wasn't particularly conscious of it, I mean, it was part of the Socialist nonsense after the War. I think it would be very much better if it was denationalised, there's no question about that. But as I said earlier, the effectiveness of the independence of the Bank, really depended more on the, the personality of the Governor than on any other single thing, including the law.

So you were having this difficult time with the Prime Minister of the day, and you'd announced that you weren't going to stand, as it were, or renew your contract for a second term, which would be unusual. Usually, I believe, the Governor would stay for a second time.

Yes, usually, yes, yes.

But you'd rather burnt your boats as far as your career and income was concerned, hadn't you? You'd left the Bank.

Ah well,

Did things look bleak?

No, not in the least, because by then, I was entitled to go back as senior partner, because all the old people who were senior to me, had retired. So there was no problem with that. Well, anyhow, I mean, I could earn more at Barings than I could at the Bank of England. I mean, the office boy gets more than I got there!

Was that a problem for you when you went to the Bank? I mean, did you find yourself short of money?

I always find myself short of money, don't you?!

Absolutely!

We were very badly paid at the Bank of England, in those days, I mean, compared with other people, it was, it was ... but you can't have everything, can you.

But seriously, did you find it, did it impact on you? Did you have to cut back in any ways, do you think?

We had to watch the pennies, yes.

Really.

Oh, we didn't feel in the bread queue, but, but if you're in Government service, it's rather interesting, you don't make money.

How did your wife feel about you becoming Governor, was she proud, or pleased?

I think so. I think so.

Did she play a part in your decision to become it? I mean, did you discuss these things?

Oh yes, of course, oh yes. It affected her life enormously, you see, because I mean we were, the amount of travelling I'd do, and that sort of thing, and whether she would be

able to do it too, or whether it wouldn't work, or whether the children were at school or whatever. Oh yes, it had to be a joint ...

Do you think she enjoys that side of, the social side, the travelling?

I think, like everything else, in patches, you know. Some of it was good, and some of it wasn't so good. But that goes for everything doesn't it.

Does the Governor's wife have a great deal to do?

Not officially. But entertaining and that sort of thing, yes. And well, obviously there's a personal relationship that varies with every couple.

But she doesn't have specific responsibilities?

No, no. No, it's very much a male chauvinist, male area.

Did you have any female colleagues in the Court of the ...

No.

No. Did you deal with many women in your role as Governor?

Not specifically, I mean, anything, no.

The man's world.

That was, yes.

Banking and finance.

Yes. I think the point, I saw in the paper just the other day, that some country's appointed a lady Governor, I think it's the first one in the world. I can't remember which country it was. It wasn't this one!

Do you think it could happen here?

Yes. Why not?

End of Tape 4 Side B

Tape 5 Side A (part 8)

When you left the Bank and became senior partner at Barings, you were also, I think, at that time, made a Privy Councillor?

Yes.

Can you tell me what that is, and what happens?

It's an Honorary Award, like anything else, particularly if you're not a politician. If you're someone outside politics, it's a, it's a form of distinction like any other Honorary Award.

What are you obliged to do?

You mean, are there any duties?

Yes.

I never carried out any. But on the other hand, one is entitled to a degree of confidentiality, and I think I'm right in saying that, in the House of Lords, the Privy Councillors tend to be called before the people if they so wish. I've never exercised that right.

What was the ceremony? Was there a ceremony?

No ceremony.

Ah!

Oh yes there is a ceremony, I beg your pardon, there is a ceremony. It took place at the Palace, and it was a very short ceremony, with some other people who were also becoming members of the Privy Council. But the point, really, was this, that the Prime Minister, Wilson, didn't want to do anything more ostentatious, if you like, of approval, because he didn't always approve. On the other hand, I had served as Governor and saved their bacon more than once, and so some sort of recognition was, was normal.

And you already were an Earl?

Well, that also complicated the thing, you're quite right.

Not much choice, I suppose, available.

No. But subsequent Governors became, became Privy Councillors quite early on, not at the end of their time. And most of them, I think they all, got a peerage.

So you put PC after your name, and that's really the end of it?

Well, you don't actually. Well, I don't. If you're a Privy Councillor, you're entitled to be called the Right Honourable, whether you've got a peerage or anything else. So the formal address is, "The Rt. Hon. The Earl of Cromer", which means Privy Councillor. You can put PC after your name.

But you don't get phone calls in the night from the Palace, asking for advice?

Oh no, no, no, no, no!

Right. Well, perhaps we might get back then, to Barings. You took over as senior partner. Did you find the firm much changed after your five or six years away?

Yes, it was, it had moved forward a bit. I mean, with, as I told you before, I introduced some modern practices, and this continued, naturally, and so it had gone forward further. As far as the size of the firm was concerned, in people, the number of people, it was roughly the, roughly the same. And our activities also were much the same. But again, my time as senior partner, apart from the usual businesses as part of the firm, to do various other outside things, and I got involved, at that time, in doing things for the CBI, for the ...

What's CBI?

The Confederation of British Industries.

The CBI, beg your pardon.

Yes. And European things, and capital movements, and you've got a list, actually, of the various things I did, which kept me very busy.

And you were involved with the OECD?

Yes, that's right. Then, from that date I got involved with what has subsequently come to be part of the European Monetary System, and so on. I was looking at my files the other day, and they go back to, on this subject, to, to '66.

Tell me, having been Governor of the Bank of England, did that equip you for these positions, in some way?

Yes, it did. You mean in the technical sense? Yes, it did, because, having worked with all the other Central Banks and so on, and having been in the IMF, and having been in the Bank of England, one had rather wide experience on the International Monetary System.

What about contacts? You met a lot of people?

Yes, lots of them. Both, both in the United States ... I've, I've always concentrated in, it so happens, with, on the United States and Europe. Not by prejudice against anywhere else, but you can't do everything! And that was where most of my activities were. But when I was down there, I did travel quite a lot in various parts of the world, I mean, I was the first Governor to go to Russia, for instance. The first Western Governor to go to Russia. And I went to India and Pakistan, and Hong Kong, and South Africa, and, and did a lot of travelling, as Governor, because the Bank of England was involved everywhere, in those days, you see. We ran all the currency arrangements in Africa, and, and in the Gulf. And it was all really run by the Bank of England. And, if I say it myself, rather well!

Yes, really?

Well, when they all became Independent, these arrangements broke up, and so they all started putting their own national interests first, as would anybody else. I mean, it wasn't peculiar, but we lost, everybody lost by the, in the monetary sense, the system just evaporated.

But, Lord Cromer, traditionally the Governor would stay on for a period of time at the Bank of England, and then would either take an academic post, or, indeed, perhaps retire from public life, or commercial life. And you didn't do this.

Well, I was too young.

Yes. Yes. But did this, the situation of being young, back in the commercial scene, I mean, were you in a very strong position back in the commercial scene because of your connections.

No, I, I was rather junior. I think the answer is, the short answer is, no, it didn't. People tended to treat you with a certain amount of respect for having done whatever one had done, but it didn't, it didn't entitle one to throw one's weight about in any sense, because one had been doing something or other.

I was just thinking that up to the 1990s, the, for instance, the Chancellor retires from the Government, and immediately is offered some extremely lucrative positions in, in commercial enterprises. Well, now, would the same thing have happened ...

Well, politicians are quite different, aren't they. You're thinking of Lawson, aren't you?

Well, I am, yes.

That's part of the political life. But that's gone on forever.

But he was a Governor. The man who travelled the world, and knew every Central Banker there was to know, knew what was going on,

Well, he was this, I think. I didn't go on a number of Boards, but had I not been known to be senior partner of Barings, I probably would have been offered many more things. And so one had to steer a course, that didn't, so to speak, take undue advantage of, of one's power.

What do you think those commercial firms would be looking for, by offering a directorship?

Well, I think knowledge of people and of how the world works. But you see, there was international payments thing and so on, there was a thing called the Attitude d'etude Banquaire, which I was a British member of, high level capital movements for OECD, and a number of other things like that. And then I was asked to go on various Boards, as I say, but I kept the number down to the ones that were of particular interest, and they were both American, well, English, obviously, first. American activities, and European.

But I just wonder if you could give me a flavour of that activity. I mean, would the Chairman of the Company taking you on say, "Well, now, come on Cromer, we're paying you a few bob every month, we need to get into such and such a country, you know the Central Banker there, you could fix it."

Oh no, no. You never use Central Banks for that sort of thing. But I mean, if they were doing something in, say, France, or America, and they wanted some advice which I could give them because of my past experiences, they would, they would say, "Well, what do you think about such and such?" And one would give the best advice one could. It doesn't mean they actually took it! But the things I was involved with were fairly cosmopolitan, because, I mean, take Shell, which is a worldwide thing.

You became a ...?

Eventually I became a director of that, that is, that operates in every country in the world. We had, I think, 740 subsidiaries throughout the world. IBM was worldwide, and, although it was American based, American inspired, but that was also operating worldwide, and I was Chairman of their UK Company. And then, they were all, sort of, really international businesses, which saw some advantage in having someone who had, shall we say, crossed the Channel once or twice.

So, what was it like sitting in these Board Meetings, I mean, when perhaps you weren't the head man, or the senior man, as you had been in the Bank. Did you, did you feel different about it? Did you like the commercialism of it all, or the ...

Well, I don't think that, it wasn't particularly affected by that, because whether it's the Bank of England or whether it's a commercial business, the ultimate test was whether the thing was successful, and if one can contribute to it being successful, that was the function one had. As far as adding up the figures were concerned, they had people who could do that much better than I could.

What do you think you actually brought to a Board Meeting, other than technical knowledge?

I think I was with people, whether you've got any knowledge, and the acquaintance of people too. But, you see, a merchant banker, which I was, by profession, a Central Banker, and a diplomat, really, are all very similar activities, because you, by and large, your function is really negotiating with people to the furtherment of whatever the aim of it may be. It may be commercial, it may be international politics. It may be any of those things. But negotiating with people is fairly similar in any walk of life.

Lord Cromer, I think it's reasonable to say you were a fairly erratic employee of Barings, because ...

Oh yes,

Quite soon, quite soon after,

Well that's why, that's why, you see, when I went back after being in the Bank, in '66, I intended, I read the rest of my life at Barings, and so I had my office there, and set up there, and everything else. Plus some of these outside activities, which were all of, of interest to Barings, indirectly or directly, and so that was the expectation at that time. Well, then when Mr. Heath came in, in 1969, 1970, I think, he asked me to go to Washington, which I wasn't in the least keen to do, because I was much happier where I was. But he pointed out that, having known all the people from the previous administration there, he hadn't got a body in the Foreign Office, at that time, who knew their way round Washington as well as I did. And, without being immodest in any way, it was a fact of life. And as I believed in what Mr. Heath was trying to do, at that time, to be asked by the Prime Minister to do something, you, you, you answer the call to the colours. But that meant giving up a lot, because, you can't compare figures because the money's so utterly different today from what it was then, but it goes without saying that I was better off as senior partner at Barings, than I was Ambassador in Washington, which actually cost one money. It always does, as some people find to their surprise.

How does it cost money?

Because of the expense of running the overseas is greater than what you get.

And you're obliged to make up the shortfall?

Oh yes. I mean, obviously, I suppose you can economise, as some of my predecessors, I believe did, I don't know, but I mean, you cut out the sweets, or, but if you want the thing run the way the British Embassy should be run, it always costs you money, and Washington and Paris, in particular, always did.

Can I just take you back to the call from the Prime Minister? How did he know you?

How did he know me?

Did he know you socially, or some sort of business?

No, when he ... what actually happened ... when Alec Douglas-Home retired, and Ted Heath succeeded, I used to see, I always used to see the Leader of the Opposition, periodically, just to touch pace with them, I mean, obviously one didn't disclose to them what one wasn't meant to disclose, but I mean, you had to get to know them, and so I'd met Heath, oh, maybe half a dozen times, and, he was very much in favour, as you know, of getting us into Europe, at that time - a view I shared, and still do - and as his ambition was to sign the Treaty of Rome, he wanted, amongst other things, to have an Ambassador in Washington who would talk with the Americans, so that we were all talking the same language. And that's more or less what happened, he signed the Treaty of Rome, and that was it.

Did you think that the Americans would see that as a sort of threat in some way?

Well, no. I didn't think so, but there were those that did. Actually, the Americans could not have been more helpful, they were extremely helpful in every way. And they were motivated by the thinking that, if the EEC was successful, that the Europeans, was economically successful, the Europeans could pay for more defence of Western Europe, which they were very conscious that they were paying most of. And so they were in favour of a more prosperous Europe, including Britain. And so we had no conflict of interest in that at all. Of course there were times, over the years, when we weren't always on good terms, for one reason or other, but then they were passing times.

What about the impact of you, an outsider from the Foreign Office, being selected for one of the plum jobs?

Oh well, that's an old one, I mean, it's an old tradition. In the Foreign Office, it's always been long accepted that, at any given time, the Prime Minister of the day, can appoint an outsider to Washington, Paris, or it used to be Moscow, provided he didn't do it continuously. And the Foreign Office was quite relaxed about, about my appointment because I'd been there, well, I'd worked for the Treasury before, and so I, I, on a sort of working level, quite a lot of people knew me, and, but to have a, to have an outsider as Ambassador in Washington, wasn't anything new at all.

How did your wife ...

Oliver Franks, you see, I mean, if you like to go back, and James Ormsley-Gore and Freeman and later, Peter Jay, so I mean, there's nothing ... what the, what the Foreign Office did not like, is what happened to Freeman, which wasn't particularly his fault, was that Freeman was appointed as High Commissioner in India, from the outside, he wasn't in the Service, and then was sent from there, from that to Washington. That they didn't like, as a matter of principle, I mean, it wasn't anything to do personally with him, because it looked as if it sort of, they were using outsiders as part of the Service. I mean, if I'd been asked to do something else in the Foreign Office, say,

after Washington, they wouldn't like that, I wouldn't think. They wouldn't have liked that, that's academic. But they're always perfectly agreeable about that, and, but you see, having worked for the Treasury before, and having also worked in the Embassy in Washington, I mean, when I went back to Washington as Ambassador, not only did I know all the messengers, and all the drivers, and everybody else from the time before, but 60 or 70 of our American friends had a Welcome Back Party, so I mean, it wasn't very strange, and then, as far as the Office was concerned. I knew how they worked, I mean, I could send a telegram as well as any Foreign Office chap could.

On the domestic level, how did your wife and family feel about going?

Well, they had mixed feelings. I mean it didn't suit us at all, and our children were at prep school, well, one was at prep school, and one was, had just left school, but it didn't suit us at all well. But they had to take second place. And anyway, depending on their age, I mean, they either came out for some of their holidays, or whatever. But that, again, cost money.

You'd be flying them backwards and forwards.

Yes. And although the Foreign Office was much more generous in latter years than they used to be in years gone by, one was always out of pocket on the thing.

What did you do about the half terms, or the weekends out the children?

Well, they went to the aunts, or whatever, cousins, or ...

Have they complained to you about that in later years?

Only when they want to get something out of me!

Are you receptive?

Not in the least.

Anyhow, you went

Not on that sort of topic!

You went to Washington. What's the Ambassador's Residence like in Washington?  
Is it an agreeable place?

It's a terrible place. It was built by Lutyens, in 1928, and hadn't had much done to it subsequently, and the day after I accepted Heath to go, the Ministry of Works, I think it was still called that, asked me to go and see them. And they said, "Do you mind not living in the Embassy for the first two years of your, your appointment?" So I said, "Yes, I certainly do mind, because I'm not going to live in a tent or what!" And they said, "Well, you'll regret it, because everything's coming to pieces. The plumbing doesn't work, the electricity doesn't work, there's no air conditioning, and this, that and

the other", and all of that was true. But we did move in, and it was in a very bad state. And anyhow, I made an arrangement with them, I knew exactly how long I was going to go for, because I wasn't going to stay very long, unless I was staying, before that. That I would move out six months or so before my time, and my successor could have the other six months, it would only take them a year to do the work. And that was how it was done. But the Embassy itself, was very pretentious, and Lutyens, at that, at the time it was being built, I believe he never visited the site, because he was so busy building the Palace in Delhi, for the Viceroy, and he never really bothered with it very much. It was very badly laid out, as an Embassy, from a residential point of view, and, but it was in a nice position. When they bought it, they bought the plot of land they put the house on, but they didn't own the plot of land either side, and so the bit which was closer than those houses over there, next door, could have been built on by anybody else. And eventually, Lord Lothian, when he was Ambassador, in the thirties, I think it was, couldn't stand it any longer, and bought the next door lot, and gave it to the Government, and there's a plaque there saying, "Donated to HMG by Lord Lothian". And then they, they built a new Chancery ...

[INTERRUPTION HERE]

So, contribution by other Ambassadors. Were you expected to make a contribution?

No.

Perhaps you could have paid for the plumbing to be renewed?

No, no. No, but by God, it did need it! And eventually they did it, they did it very thoroughly. Because, you see, the building didn't have air conditioning, and they put in complete air conditioning and so on.

What was it like without air conditioning?

Well, there were a few units in some of the rooms. Well, it was very hot, very humid. But, you see, earlier, if you go back earlier, there was a summer Embassy up in New England, I mean, in the last century, and everything closed down from May till October. But the, the British Embassy in Washington was the sort of, unquestionably the most, the best Embassy in Washington, people liked going there, and so on. And, of course, the entertainment was enormous.

What made it the best Embassy?

Well, it's a lovely site, and so on. We were the first people to move so far out. They, do you know Washington? Well, you know Rockery Park runs through there, well, that bridge on Massachusetts Avenue had just been built, and when the British bought the site of their present Embassy, and it was the first one there, and they were thought to be moving into Indian country! I mean, it's way, way out. Of course, it's pretty central now.

Let me ask you about being an Ambassador. What, what happens?

I'm not an expert on this!

From your own experiences. Were you, were you sent instructions, or requests, or what is, what is the job?

Both. I mean, one knew, generally speaking, what the policy of the British Government was on, in general terms, and if something specific came up, then either you asked London, or London might initiate something, and tell or ask one to do it, or whatever. It's a, it's a much less, it's a much less demanding job from the point of view of personal responsibility than being Governor of the Bank of England, because, I mean, you are carrying out your Government's instructions, whereas as Governor of the Bank of England, you had to serve the system.

But you're used to disagreeing with instructions or requests.

Only when necessary.

How did you find that?

Well,

You had nothing to disagree with during ...

Oh no, oh no, no. I was very fortunate in that the senior civil service, at this end, all the top ones knew me fairly well, and knew I can be awkward, in the sense you're talking about, and we'd always compromise on whatever it was, if it was necessary. But I mean, we didn't look for, didn't look for reasons to disagree unless it was necessary! But the relations with, my relations with the Foreign Office, were extremely good, and Dennis Greenhill, who was the Permanent Secretary at the Foreign Office, he and I had served together in Washington before, and so we'd known each other for a number of years, and Burke Trend, Lord Trend at the Cabinet Office was first class, and all, all my relations with the Whitehall world were very good. Well, then, the other side, the Americans, Nixon was very pro-British, and he did a very kind thing. There's a photograph over there. After I'd been there less than a month, I had a message from the President, inviting me to come down to his Private Office, where he had all his economic advisers and people, the Secretary of the Treasury, the Federal Reserve, and everybody else, to meet me and talk. And he said, "We can take two hours any time you like." And we did. We had a long talk. Well, of course, that was enormously helpful, because the grapevine then knew that the British Ambassador was persona grata, and doors opened rather easily then.

What sort of door?

Well, I mean, if you wanted to go and see anybody, they were available. They didn't make up excuses.

Within the American Government?

Yes. Some of my, the other Ambassadors, would ring around, oh, for weeks, to get a word with anybody. But, then, also, what worked very well, was, Nixon had, at that time, the famous Kissinger as his Security Adviser, and we got on extremely well together, personally, I had met him before, but I mean, we soon discovered we had similar senses of humour, and he, I could go and see any time I wanted to, and our position was really quite unique. And he was a great admirer of, of ...

End of Tape 5 Side A

**Tape 5 Side B (part 9)**

... and very friendly, and he, he would frequently ask our opinion about what was going in various parts of the world. He had, of course, the first part of my time there, been heavily involved in the negotiations to bring the Vietnam War to an end, and that preoccupied him and his time, very extensively, though, to begin with. And, of course, they achieved it. But they got no credit from the media, because the media were so anti-Nixon, and completely overlooked that it was Kennedy and Johnson that escalated the Vietnam War. So that when Nixon went to, to greet the released prisoners-of-war from Vietnam, that hardly got any coverage at all.

Was there much horse trading? Would you have to, would you be asked to support their attitude towards ending the Vietnam War, for instance?

Oh no.

And in return they would expect you,

No, no.

Or you would ask for support on something else?

No, I never had any experience of that sort. There were some things occasionally that would come up, I don't mean really big things, where we didn't necessarily agree, but across the board we agreed on so much, that there was very little conflict, if any.

The fact that you were the, the Prime Minister's appointee, rather than the Foreign Office, did that mean that you had access to the Prime Minister?

Oh yes, oh yes.

So were there times when you would decide, "Shall I call the Foreign Office, or shall I call the Prime Minister?"

Not really, I regarded it all as one and the same. The Foreign Office was always wholly loyal to the Prime Minister, and anyhow they had antique communications, and our communications were brilliant, I mean, they were so much faster than anybody else's, they were certainly much faster than the American.

In the sense of what? Giving information to ...

Yes, I mean, if, if, if London told me that they were wanting to do this, that, or the other, about something or other, and sent me a telegram, I'd know several hours before that, a similar telegram had got to the American Embassy in Washington, and our communications were very good indeed.

Why? What was the key to that?

I don't know. I think, I think, we have a long tradition of it, and the Americans system was so fast, so big, and they had various, they had a number of parallel communications, did the Americans, in other words, there was a great deal of competition between the British and the Americans, this was nothing to do with us. And it wasn't as good as ours.

May I ask you, if you could give a day in the life of an Ambassador there, by taking me through a typical, if there was such a thing, a typical day in the life of the British Ambassador? Right from the very beginning. Who would wake you up in the morning?

Well, one of the staff would wake me up, and I would have breakfast about quarter past eight.

With your wife, or with your advisers?

Oh no, no, preferably with the *Washington Post*! Occasionally you had someone to breakfast, but that was, that was a ploy, a ridiculous American habit, it, it, it's not in the least effective.

It just makes the day a little longer.

It makes the day a little longer. And then I'd go to my office, which was next door, I mean, the next door building, about 9 o'clock, and see what had come in overnight, and what have you.

Was there usually much?

Well, it varied enormously. But, you see, I mean, the telegrams are usually about that thick every day, but, of course, in the day, they would be continuous.

They were seen by other members of your staff before coming to you?

Well, I mean, I'd have a copy, they'd have a copy. I'd have a copy of anything that was relevant to me, and other people would get their copy. But the, the Ambassador controls the communications, so to speak, so he can see anything he wants to. I mean, he doesn't want to see everything, a lot of it's purely routine stuff.

So, there you were with your what, your private secretary?

Yes.

Male? Female?

I had a male. One private secretary, and I had, in the course of the four years, I had two actually, one was posted, in the normal course of things, and the second one, was the famous Charles Powell, who's at Number 10 now. You know Charles Powell, do

you? He was my private secretary for three years. Very nice young man. Very able, and very agreeable. And, then,

You'd go through the telegrams?

You'd go through the telegrams. And there'd probably be some meeting somewhere I had to go to. I'd have a staff meeting once a week, of the top people in the various departments, including the defence, and, and it's a big outfit. And economic and, and defence, and they'd all be Foreign Office people. Actually, the Foreign Office people were the least numerous. By far the biggest was, of course, was defence, which probably was right in that time. But there were always cries that the Embassy in Washington was much too big, to which I always used to say, "Yes, I entirely agree with you, much too big. What are we sending you that you don't need? And then we can reduce accordingly." But I never got an answer to that. And it was a very efficient organisation, of it's kind. It was very, very ... but you see, what has happened, was, that during the War, it was enormous, for obvious reasons, because it did all the purchasing of the defence, and God knows what. And then it, it ran down, it was reduced over the years, but it was still big. But, you see, it, there was a certain chap who was there, based in Washington, who'd been a journalist by profession, and, as a journalist, his job was to write and write and write, and he wrote and wrote and wrote, and under his Ambassadorship, the telegrams went up by, I don't know, 20%, 25%, because they couldn't get it through to him to write shorter. And really, I always took the attitude, and I think the Foreign Office people generally would take the same attitude, that if you've got something to report, or to advise on, do it as concisely as you can, because people the other end are going to be busy too, and rather than write a sort of thesis, or whatever it is, your job is not that, it doesn't, it doesn't prevent you from giving your opinion, but conciseness, I think was ...

Was that a hallmark of your stay there?

Well, I would like to think it was, but whether the Foreign Office would endorse that, I really don't know.

Lord Cromer, I'm sorry, but can I take you back to that typical day.

Yes.

You've, you've had a meeting in the morning, possibly.

Yes.

And then you'd go to lunch?

Ah, well, then I'd either go out to lunch, because there was a luncheon party I had to go to, or we would have people to lunch, and

But lunch was very much part of the working day?

Oh yes.

Who might, for instance, you see at a lunch meeting?

Oh, people from the Ministries, or other Embassy, people from other Embassies and so on. What I had to do, you see, when there was a fair, it was a rather difficult transitional period in that, before my time, the Commonwealth was the sort of nucleus of our activities, and I made Europe the nucleus of our activities, and so I made it my business to get to know the other European Embassies and Ambassadors, just as with the Commonwealth, they're rather better. And this was obviously the right thing at that time. And the Commonwealth exists, but, I mean, the old Commonwealth is one thing, but the rest of the Commonwealth is, is there, but it's not particularly operative.

So there would have been a noticeable change of emphasis when you arrived?

Oh yes.

Which would have been picked up by the sensitive politicians?

I

I don't mean politicians, I mean sensitive diplomatic community.

Oh I think so, yes, oh yes.

And they would have felt that that was official thinking?

I never asked them!

Yes, you didn't have to. No.

Well, I think it was fairly self-evident really.

Back, back to when lunch was finished.

Well, then the evenings.

But what happened to the afternoon?

Well, the afternoon, there'd be other meetings, or, of course, there was quite a lot of writing and reporting to be done during the course of the day, or, most days, or dealing with telegrams, we had to deal with an incredible amount. The social side was most demanding, in that every evening there would be two or three cocktail parties that you, perhaps, had to put in an attendance at, either private people, or officials of other Embassies, or National Days, or God knows what!

Was anything achieved at these meetings in the evenings, the cocktail parties?

I never discovered anything, except it was noticed if you didn't go!

Yes.

It was part of the way of life. And then, of course, in America, you saw the second Princess Diana, the social side is very active, and there's a tremendous amount of entertaining, amongst the Americans, of the diplomats and so on. And they all take themselves very seriously.

Did you have to perform, did you feel, when you went to a dinner party? Were they expecting much from an English Lord, that they might not have expected from ...

Well, no, because I would usually, unless they were very big people, I mean, they were mostly people one knew.

Did you have time to look after your Barings contacts whilst you were there?

No, not at all, no. No, there wasn't anything in Washington really, that was involved. I used to keep in touch with the World Bank and the IMF, but that was really for old time's sake. But that was nothing to do with Barings.

What of your wife? She would accompany you, would she, to the cocktail parties?

Oh yes, she'd have a sort of busy social life of her own as well. And they're great ones for women's lunches, and that sort of thing, and women for clubs, for groups of people, mostly Congressional. And a lot of things were done. They were very good people, they're great on getting together, they love getting together. And some of that's very agreeable, and some of it's rather boring.

Did your wife enjoy the social side, or was it a strain?

Well, it would vary enormously. I mean, she enjoyed meeting her friends, of whom she had many, and some of the sort of charity things we had to do, was a pain in the neck. And then they'd ask you to open the Embassy for some sort of charity, or whatever it was, which one had to be very selective about. That always caused great ill-feeling if we didn't do it, but we couldn't do it all because otherwise you wouldn't have time to do anything! They're very demanding and very pushing.

Did the, did your wife have to think about such sensitive details, such as who would sit next to who at, at dinner parties?

Oh yes.

And that was presumably crucial decision-making, was it?

Well, not terribly, because, in Washington, there's a thing called "The Green Book", and anybody that has an official job is in the Green Book, and the Green Book, more or less, tells you where people sit. And so, as long as you stuck to the protocol that

was the custom, you were all right, but, I mean, occasionally, somebody would think they were misplaced, and were very unhappy about it.

Did you have a sort of chef de protocol

No,

who would look after that?

No. No, but then the other thing is, you see, the Ambassador and his wife have to, to do all the domestic staff. They have to engage them, they're paid for by the Foreign Office, but you have to find them, so you have to find a cook, and, and the, all the domestic staff.

And are they vetted for security clearance?

I assume so. It wasn't really a big item. Yes, they are, they are. But when we arrived, the chef really was not very good. I asked him, after one or two very inedible meals, I said, "Where were you working before?" And he said, he said, "I was working for Spillers dog food." So I said, "Well, that's what I suspected!" And he said, "Well, cooking for the Directors' Dining Room." So I said, "Well, I'm not sure I can swallow that!"

I don't believe you, Lord Cromer, is it true?

It's absolutely true. And, anyhow, we parted company, and I had to get somebody else.

But you'd have an English cook, would you, or a chef?

No, no.

No?

Well, he, actually, the Spillers dog food man, I think he was, I think he was Gibraltar, not that that's one, but then I had a chef, then I had a French one. And then the thing I used to always teach my French opposite number mercilessly, because they always had an Italian chef!

Why? I can't imagine that happening.

I can't imagine. It just did happen, I mean, it wasn't by intent, of course.

And was there poaching of chefs from one Embassy by another?

No, not much. No, because, you see, the point of fact, the problem with people like that was that they would, they'd have a job as a chef in an Embassy, and then they'd, they'd go moonlighting, and earn a great deal more in some restaurant, friendly

restaurant, of their own nationals, on their nights off, or whatever it was. But no, I don't think there was, poaching between one Embassy and another, I don't recall being a problem.

But your day would finish with a cocktail party, and ....

Then you'd have a dinner party, oh, six nights out of seven.

Possibly a speech?

In or out. In or out.

Might you have to speak at ...

Not always, no, usually not. And then, one thing that was a very good point, I always used to think, in Washington, it was the custom, and still is, that the senior guest, that's the person who's, the husband of the lady who sits on the host's right, would get up at 11, and make a move. And if the party was a particularly good party, they might just drive round the block and come back again. But no one was going till the senior guest had left, but then everybody was expected to go. So it wasn't a late night time at all, because people really, I used to get to ours about 9, but a lot of Americans used to get there about 7, and so it wasn't a late night at all, and, and there wasn't any sort of night life. Well, when I first was there, there wasn't any! But there certainly wasn't in my age group later.

What about your children when they came out, would they have much to do?

Oh, there's lots to see and do in Washington, yes.

They enjoyed coming out, probably?

Oh I think so. It's a lovely city. The worst thing about Washington as a city is it's climate, which is absolutely awful.

What about your relationship with your wife during that time, I mean, did you ever have a chance to be alone in a domestic situation?

Well, you could contrive it, yes.

But it was hard going, was it?

Yes. Well, there, you see, this is in Washington, we did a lot of travelling around the country, and, of course, it's a vast country, and you can't see all of it by any manner of means, but I mean, we did what we could, and we'd visit the various States, and call on the State Governor, and so on, and if there were British interests there, go and see them, or, and one of the things we were involved in, I very soon found myself involved in, when I arrived in Washington, after I arrived, was the Lockheed business, with the, the old IO11, which Rolls Royce were providing the engines for, and that was

very difficult, because, literally within two or three weeks of my getting there, Rolls Royce announced they were going bust, and Lockheed who were building aeroplanes, depended on them, I discovered were also pretty tenuous. So then the question was, if the British Government supported Rolls and stopped them going bust, would Lockheed go bust? So I had to do all the negotiations on that, which was frightfully difficult, and in the end, it, it worked out all right. It was rather a successful aeroplane. What we call the Tristar.

Fortunate to have you there at that time.

Oh yes. And then, you see, I went down, for instance, on another occasion, to meet the first Concorde that came into the United States, it flew out from Caracas to Texas, I went down to the French Ambassador, down to Texas, where we met it, and it was very interesting. It came in, actually, on a Sunday afternoon, and they reckon there were about 100,000 people come to see it, and there isn't an awful lot to do on a Texas Sunday afternoon! But it was a wonderful sight, they were all thrilled with it. Then we flew in it, we flew up to, to Washington, but it was subsonic, of course, and it happened to be a French-built Concorde, at that time. I mean, it was only half completed, I mean, the front cabin was all black boxes, and about a dozen seats at the back, and I'd arranged for my French colleague to come down as my guest, in an RAF plane, and, from Washington to Texas, and then we flew back in the Concorde. And, being a French one, of course, the Air France sign was over the passenger door, and the other side, the kitchen entrance, had British Airways over it. So I said to the Ambassador, "It's a most extraordinary thing, I always understood the French were very proud of their cooking, haven't you got the signs the wrong way round?!"

This Ambassador was having a difficult time, with his Italian cook, and his misplaced names.

Yes!

But was the commercial side an important aspect of the Ambassadorship?

Oh yes. Oh yes. And, particularly with travelling around, and trade fairs and things like that. I mean, I would fly out to San Francisco, to several trade fairs, and Chicago, and Texas, and other places. Chicago's rather a, I like Chicago, it's a nice city really.

Did you get British companies either coming over, or that were already there, calling your office and saying,

Yes,

Could the Ambassador come and open this?

Yes, yes, yes. One did, obviously. And there was a big trade promotion staff based in New York. How useful it was I never really discovered.

Was that part of your empire, so to speak?

It was part of my empire, but it was very sort of an independent part of it, and then, and then, of course, the information side of the Embassy was, giving British news and so on. That also had been in New York, and that was very well run indeed, yes, very good people there. Run by the Foreign Office, but, they had some very professional people who had excellent relations with the television world and so on.

What did you find was the opinion of Britain going into the EEC, which was a concern of Heath's at the time?

Well, I think they were all in favour of it, for the reason that I say, that they felt that if we went into the European Community, that we'd all get, have more money in Europe, I mean, be more prosperous, and so that we could contribute more to the cost of NATO. But, of course, none of us ever dream that anything would happen like what has happened. I mean, Eastern Europe and Russia, you'd have been thought barmy if you'd suggested anything like that might happen. It never crossed our minds.

What about the subject of a common currency in the EEC, was that something that was felt at the time?

No, they never thought about it. To them there is only one common currency, and that's the dollar.

Did you find that the American perception of Europe was rather different from the reality?

Well, it varied enormously. You see, the sort of Washington type of people are fairly sophisticated, and travelled around the world a good deal, who gave due for what it was, and used to like me. And we went and called on Reagan when he was Governor in California, and the capital of California is Sacramento, and he was very friendly, and I called on a number of Governors of the States, and they were all invariably friendly, and one of the things that was fascinating really, was in Chicago, a gentleman called "Mad Daley", who was a fairly wild Irish type, and I went and called on him, found he was a tremendous Royalist. He thought our Royal Family was marvellous, and it was the one thing that he really thought was absolutely splendid.

Did he have a view on Northern Ireland?

Not particularly, well, he didn't believe in all this IRA business.

Was that important to you at the time?

Oh yes, because we always had a problem with Ireland, because there are more Irishmen in America than there are in Ireland, or ever have been, and so there are always scares about that, and the police took that very seriously. And, in a place like Boston, where there's a lot of Irish, the Boston Police wouldn't, they wouldn't move without an armed guard, and in lots of other places too.

You, you returned in 1974.

Yes.

Was that a period of three or four years, was that the contract, as it were?

That's what I said I'd do.

That's what you did.

Well, actually, it's what I said I'd do, it's absolutely true. What I didn't know was, that, three weeks after I had left, at the end of my three years, which is what I'd agreed to do, Mr. Wilson turned out Mr. Heath, and so Mr. Wilson didn't have the opportunity of sacking me, which I'm sure he would have loved to have done, because I'd already left, and we, in retrospect, I mean, it was a fascinating experience. I wouldn't want to do it again, I must admit.

Why not?

Oh, it was far too demanding, mmmm. Frightfully strenuous, frightfully strenuous. Very hard work.

So you came back, back to Barings?

Well then, then that was a good question, you see. I was perfectly entitled to go back to Barings, as you yourself said earlier, I was rather an erratic employee at Barings, so I thought that it really wasn't very fair on the, the John Baring, who had taken the number one job, if I came back and said, "Move over", so wholly amicably with them, I mean, I suggested it would really be better if I retired, although I was only 57, so I did. And went on with a few Boards, and then for one reason or other, my younger son got married, and we wanted to give him a house in the country, and we had a small house in London, which was very nice, but it wasn't sort of, a permanent kind of home, and so we gave thought to what we should do, and looked for houses in various places, including the Channel Islands, where we'd never been to before, and it so happened that a house that appealed to us very much came on the market, at that time, in Jersey, so we moved to Jersey, and I still kept on with my boards. I used to go to New York once a month from Jersey, very easy on the Concorde, and then with the passage of the years, sort of, doing less. And at the age of 70, you find you're retiring from things whether you want to or not.

Was there a tax consideration in going to Jersey?

No, no.

You just thought it would be a nice place,

Well, there were very big advantages. And as far as tax was concerned, not as far as income tax was concerned, there was really no tax consideration there, because by that time, the UK tax had come down so much. But it wasn't that that sent us there.

Tell me more about the decision-making of going, going to Jersey, because it seems rather an uncharacteristic thing to do. You'd led a very busy life, was that because you'd led a busy life, you thought it would be good to go to the relative tranquility of a little island?

Well, I suppose so. But I mean, it, it's very accessible, you see, only 30 minutes by air, and so we could come over for the day if we wanted to. I mean, I commuted to London sometimes.

But nevertheless, though, it is still a little island off the coast of France, and is slightly inconvenient.

But I mean, it's just as nice as living in Somerset, say, or what have you. And it's a very pretty island, and as I say, we had found a house and a garden, and so on, that we liked, and we were lucky to find staff there, and that sort of thing.

Did you know people there?

Well, we knew a few. And it, it, it's not all that remote, you see, I mean, before flying, it would have been impossible. But I would go to an IBM meeting in New York, I'd leave at 7.30 in the morning from Jersey ...

End of Tape 5 Side B

**Tape 6 Side A (part 10)**

May I talk to you now about some of those directorships that you took up?

Yes.

Or maintained?

Yes.

Can you give me some sort of feel for the scope of the work that you were doing?

Well, they all varied enormously.

You were Chairman of one company, and non-executive of another, it was that sort of thing?

Yes. I wasn't an executive director of anything except Barings. I was a non-executive director of the various other ones.

Did they give you tasks? To go away and think about something between board meetings? What happened?

Did they give you tasks? They gave you a wadge of paper before every board meeting, about that thick. So one of the things you have to learn if you're going to do this sort of thing is how to read quickly. And the agenda for all the board meetings took a lot of preparing, and clearly, as an outside director, you didn't tell the professional how to professionally run their business, but you, you quite often contributed an aspect to the thing which they hadn't thought of, because they were too near the, the, the actual job to have a point of view.

For instance, what did IBM gain from having you as a, as the best Chairman?

Well, IBM, IBM's a bit of a tricky one, because, in the sixties, we had a company called ICL, we still have the company, but it now belongs to the Japanese, and IBM was American, and there was a tremendous amount of chauvinism against any foreigners, though ICL were given a lot of contacts by the Government here, but IBM actually was a much bigger company, and had much more research, and so, in point of fact, was in a position to offer a much better service, and the Government wouldn't use it, because of politics. So we had to work on that side of things. But when I started with IBM, we had about 700 employees. By the time I left, in the UK, we had about 14,000, and the research laboratory of IBM in England, is now in Winchester, a place called Hursleigh, and it was run by an extremely able Yorkshireman, who invented something called, well, I don't say he did, but his people invented something called the Winchester Disc, which was the hard disc thing, which was a brilliant invention, and, in point of fact, made a number of inventions which were Brits, and then they, they built a factory up at Greenock, in, what do you call it, the

run-down area, you know, where the industries all collapsed, the ship-building, and the Tyne, and all that. And initially to make mechanical equipment. Today that factory which employs about 4,000 people in Greenock, provides all the personal computers for the whole of Europe for IBM. Every one in Europe is made in Greenock. And they produce about a million and a half a year, computers. And their scope has been enormous. Well then, eventually, I mean, fairly recently, within the last five years, Telecom have been allowed to buy IBM stuff and various nationalised industries have been allowed to buy it, and, of course, defence, they've always done it, so that there was quite a lot of contact in that way. But they did use someone with a bit of outside experience of people and things, to give them some guidance. And then I was also, I went on the Board of IBM Europe, which ran all the plants all over Europe, I was on that, and I was on the Board in America, which ran all Europe and all Asia, for IBM. And it's surprising the number of Brits actually in IBM worldwide. There's more, you'll see the manager anywhere, practically, in the English-speaking world, and they're all Brits.

Can you give me some sort of flavour of what you would be bringing to a board meeting?

Well, your opinion of what they produced as their agenda. So they may be missing out on something, or this is a silly idea, or this is a brilliant idea, or whatever, and what can we do to further it?

Did you notice the difference in style of the overseas companies when you were a board member, American companies, for instance, as opposed to the British?

Well, oh, I'd be on a par, because IBM is a really international company, and international in every country. I mean, in the UK, they don't have a single foreigner, I mean, when I say a "foreigner", they don't have a single American working in IBM here. In France, you don't have a single American there, etc.. But the other, the real American companies, of course, are very American. And very ritualistic, and it's very legal, being on the board of an American company, in America, and I was the first, I and a very nice Canadian, were the first non-American directors of a company called Union Carbide, which is a very big chemical company, and that was very, I was going to say insular, but I'm not sure that it's, they didn't know the world outside at all, and if you remember, eventually, happily long after I left, that they had this kerfuffle in India, and I think an experienced non-American could contribute to quite a lot to a board like that. The Americans are brilliant at running their own businesses, but they, when they get abroad, they sometimes get a bit lost, and I think they tend to, on occasions, well it varies a lot, I was going to say, probably think people are more reliable than they turn out to be.

Were you tempted by any small company offers? Did you receive any small entrepreneurial services that it would be useful to have you?

No. I should have followed through really.

These companies you're talking about are enormous groups in their own right.

Yes, well, you see, it's really a question of, there's only so many hours in a day, and people that you can really do something useful for. If there'd been something of particular interest, that offered itself, I would have willingly done it, but it just didn't turn up.

Perhaps we might spend a little time looking, generally, at the business environment that you've experienced over the years. I was thinking about regulation in the City, for instance. You were one of the most influential City regulators, so to speak, as Governor of the Bank of England.

Yes.

Perhaps that was an unofficial position, I'm not quite sure.

Well, a tradition.

A tradition, was it? Whereas now, people would say there's too much regulation in the City, perhaps. Do you have a view about the development of regulation?

Well, I think they'd be quite crazy, because what they've done is, they've added all the administration, in that sense that you're talking about, which are the lawyers, who will make a packet out of it, and they'll make your business much more expensive, much slower, and certainly won't make it more honest. In my day the integrity of the City was very high, we had very few scandals, and since what they call "the Big Bang", the whole thing has changed. But the invasion by the American brokerage houses and so on, has introduced an entirely alien attitude of mind, and so on, which I don't think, on the whole, has been beneficial. And it suits them, I mean, it, I'm not saying that they, they, that their system's not good for the Americans, in America, but I don't think it's very good here.

Why should that be?

Well, their, their, their approach to morality is entirely different to ours. But I, I, I daresay that, I mean, we had to modernise somewhat from where we were, but the Big Bang, I think, has been very much mistaken.

Do you think that people were more honest, I suppose, in the sixties, or in the seventies, when you were in the City? Is that the right way to put it, or were there ways of doing things that perhaps we wouldn't find acceptable today, that were the norm then?

I think there was, there was a higher degree of integrity, generally, in the City in those days. I don't think you'd have had the sort of thing like, like the Guinness business we've just had. But, of course, there were scandals over the years, and if they were found out, as I think they usually were, somebody was up in charge, I mean, it's as simple as that. But it's very much better to stop it before it happens, if you can. But having worked in the City most of my life, really, one was much better informed of

what was going on in days gone by, because it was a smaller circle, I think, and people had, weren't quite so much after what the Americans call "the quick buck", I mean, they were looking at the longer term approach, and there's a sort of "quick in - quick out" attitude that pervades everything today, well, not everything, but too much. I don't think it's very healthy.

What do you think of the impact of technology on the City and the business community? The speed with which things can be done?

Well, I really, it's very difficult to say. I remember when I was doing an Enquiry into Lloyds, one young man came in, and, to give evidence of his own, he wanted to give evidence, and he came in, and he had an enormous portfolio of graphs, under his arm, and I looked at him, and I couldn't help but vaguely see his cuffs, actually, they were really more scruffy than the ones I wear, and his suit was a bit tatty too, and I asked him about this business, he said, "If you follow my graphs, you can't fail to make a lot of money." He perfectly honestly wasn't making a lot of money, but he convinced himself that the graphs and so on, were so clever, that everything was right. Well, in point of fact, Lloyds didn't work that way at all, it was done much more with the figures, but it's just the same as saying, "The computer says".

The what?

Because I'd got a computer then, so I'm bound to make money with it. Well, it doesn't happen. And when you see these, the trading rooms and their photographs, and so on, loads and loads of those things, where you think, what they all cost, all hooked up, thousands and thousands of overheads, before you've made a single penny's profit. So I think the answer is, that the technology is very two-sided in it's contributions. But, on the other hand, clearly, if you, if you don't have those, and you try to do something with a quill pen, you won't get many customers, because they like to see that.

But, of course, it's led us to the global market, because we can tap into anywhere so quickly.

Well, you can, but in the old days, before any of this stuff, in New York, Paris or Zurich, or anything, you could send a, get a telegram and answer in two minutes, and it was quite quickly, most people never think that quickly anyhow. But, I mean, taking that machine, the bottom half is being replaced by that thing over there. Well, now, that thing arrived the day before yesterday, and it's defective, so they had to put the other one back. So a mechanic's got to come round to mend the new thing, to get it to work. Well, that's not very effective is it.

What will you do about? You're Chairman of the Company!

Well, they're sending a man round to fix it!

Yes, shouldn't have happened, should it, especially to the Chairman!

Well, he realises that. He realises that. But it does happen, doesn't it.

Has business been the overriding interest in your life to the exclusion of much else?

No, my hobbies and things, actually, I, I mean, things like, I was always very keen on cinematography, I've taken miles and miles of film over the years, and the technological side of that. And in the days before you had the modern stuff, I used to put magnetic recordings on my films, and so on, which was, in it's day, fairly advanced, but of course, today, it's old hat completely. But it was long before the magnetic thing was invented.

When did that interest start?

It started at school really, and I started the Film Society whilst at school, and it started with two World War One surplus projectors that some old boy gave to the school, and we had to fix it up, and it started then really.

I remember you saying. I remember you saying. But have you actually taken an interest in many film companies, or projection companies?

No, I haven't. I very nearly went into, into the industry, before the War, and I went to see somebody who was in it, and he was a Glaswegian, a wily old bird, very successful, and very nice. And he said, "Well, young man, I suggest that if you've got a family business to go into, go into the business and learn how to do some business. And when you've learnt that and you want to come back and come into the movie industry with me, I'd be delighted to have you." Very good advice.

Why didn't you go into the movie industry, having learnt some business?

Well, because the War came, and then by then, I had a family.

Is that a bit of a regret not going into ....

No, not in the least.

Yourself as a movie mogul?

No it wasn't that at all, I wasn't interested in that. I was always interested in the technical side, but, and I've always done a lot of electronics and things, which I've always enjoyed doing.

May I ask you something else? Has religion played a part in your everyday life?

Not as much as it should, I suppose. I mean, I was brought up like any other, any other boy of my age, you went to Chapel once a day, and twice on Sundays and ...

Protestant?

Protestant.

Do you think in the City, there are religious groupings, perhaps the Jewish community, one might say, would you think there's a Catholic community in business, or a sort of a WASPish element?

I've never identified it in England, and I think we're very tolerant in England. You're much more likely to find that in New York, say, either the Catholic or Protestant, or Jewish. But I think, in the City of London, we're pretty broad-minded, whether someone is Jewish, Catholic or whatever, I don't think it, it matters. In fact, it never really crosses one's mind, particularly, as to, "Is that chap a what ..."

I was thinking also, perhaps, of, say, the societies, the Masons, for instance.

No, I'm not a great joiner. They've never had any particular appeal to me. I, my father wasn't a Mason, I don't think my grandfather was, I mean, you never know. I mean, there was no sort of family tradition of it or anything.

Whilst not a joiner, you are a member of a few London Clubs?

Very few. I mean, I'm only a member of Whites, Brooks and the Beefsteak.

What sort of function do they fulfil for you?

Well, a very good place to have lunch, or dinner, or, or whatever. And I meet a lot of friends from various walks of life. But ...

You say "various walks of life", but one might think that that would be, they'd be more or less the same people all the time?

Well, I mean, say I go to lunch at Beefsteak, for instance, the Beefsteak, quite a lot of legal people, a certain number of theatrical people, a certain number of Parliamentary people, a few judges, authors, and what have you. But if I go to lunch at White's, they're quite a different circle, and the same at Brook's. But I used to go to many more Clubs, but they're so expensive today.

But are these centres of influence, do you think, when you have lunch together, do you sort of have views which

No, not as a ...

... influence, politicians ...

No, I don't think, no. No, I don't think so. But then, you see, there's two sorts. I mean, take the Beefsteak, for instance. There's one table, and you all sit round in order of getting there, so you may find yourself sitting next to a judge or a journalist or whatever. And that's why, I rather like that. If you go to the other Clubs, well, you either sit by yourself, or you sit with ... I mean, they aren't sort of very social in that

sense. I remember a Club in New York where the same applies. There's one big table, and you may sit next to a General, or a Wall Street broker, or God knows what. Or Lord King!

A separate category, you put Lord King in!

Well, he is! I don't say that in any way critically, but he is, he is the most extraordinary fellow. I can't imagine why!

What do you admire in him?

Well, the results. I mean, what he's done for British Airways in the last, since he's been Chairman of it, is out of all recognition. It was an awful mess, and now it's one of the finest airlines in the world. I used to travel a lot on them, I mean, as an ordinary passenger, I've always found them better than most airlines. They're all crazy, of course!

But, this idea of results and success, is that an attractive aspect to you? Is that how you would judge a person, rather?

Well, yes, but, but success isn't necessarily monetary success. I mean, I mean, take, take an author whose successful, or a painter whose successful, or, or anything you like. I admire, yes, I admire success in that sense, but I think anybody that organises their ability for whatever the product may be, it may bring in money, or it may not. That's incidental. I know, I tell you how particular, people who make an enormous fortune by speculation on gambling. I don't criticise it, but I don't think I particularly admire it.

What have been the driving forces in your own life, do you feel? Have there been great motivations?

Uh! Keeping my head above water!

Financially, do you mean?

Yes, well, any way you like! I've never been very conspicuously good at anything!

And yet, would you say you've had a successful career?

I've had, I've been very lucky to have made a varied career, and so there's never been time to get bored. But, I mean, at school I was not academically successful. Certainly wasn't at games. I wasn't unhappy at school, but, I always think those that say, "my schooldays are the happiest days of my life" must have awfully dreary lives. Or very exceptional schools, I don't know which! No, I think variety is the thing that I feel I've been particularly fortunate. I mean, I've had a lot of variety.

Have you seen people make a mistake by channelling themselves,

No, I don't say the other people are mistaken to do that, but I think I've been forced to have variety. I'd rather have had variety than not.

Do you think that's been accidental to a large extent?

Oh, entirely, yes. Entirely accidental. No, you can never under-rate the effect of happening to be in a certain place at a certain time, which is entirely fortuitous. I mean, some people have vague abilities or skills, or whatever it is, who stand out and all that, but I mean, it hasn't been my case! It's just been luck.

Well, what qualities do you look for in people that become friends or associates of yours?

I think I'd put sense of humour high on the list.

Well your own is quite well developed, I must say.

Well, I think life without it is awful. But that doesn't mean you can't be serious when you've got to be serious. But if you can't see the funny side of life, then I think you, life's very drab. So, some people are rather portentous, aren't they.

But, in spite of your sense of humour, you're quite a tough negotiator, and a tough businessman, a tough, a tough manager. Would you say that?

I think if I, I think I know my own mind, put it that way, on a given issue.

That could be interpreted as stubborn!

It could! Some people have said it!

But you don't agree?

I don't disagree. But there can be times when it's, it's the best approach.

Are you irritated by people that disagree with you?

No, I'm not irritated by people that disagree with me, but I don't necessarily, I'm not easily swung round to their opinion.

But it's happened, has it?

It happens the whole time. I went to a meeting yesterday at the House of Lords, and I didn't happen to share the views of one or two people who were talking. It doesn't irritate me, but I don't agree with them. But they're just as entitled to their views as I am to mine.

On the domestic front, now, Lord Cromer, what are you doing with your free time, if you have more free time? Do you see more of your family?

Well, no, not very much, because they're, they're scattered. Most of my free time, really, at the present time, is working on this, the European thing, and we go to picture galleries or whatever. We don't go to the theatre very much these days, largely, partly out of idleness, but also, particularly, it's a bit difficult isn't it. Say you go to a theatre in Shaftesbury Avenue, how do you get home?

This is the man that settles in Jersey, and pops off to New York?

It's easy. That's easy. But, I mean, in the old days, you either took a taxi, and you still do if you can find one, or you'd go on the Underground. Well, nobody goes on the Underground after dark today, unless they're mad. And the other day I walked up to the top of the road, to go down to St. James's Street, and a number 9 bus, in principle. I waited 25 minutes, and no number 9 bus. So then what do you do? You, you, you walk down to South Kensington, or whatever it is, and get on the Piccadilly Line, or whatever.

Tell me about your children, have they gone into the City, or a financial, or banking career?

No. Well, my elder son has been working for Inchcape's, the training people in Hong Kong, for the last twenty years, and is still there. My younger son lives in the country, in Gloucestershire.

What does he do, farming?

No, he does sort of County activity, I mean, the sort of social services and what have you. And that's all. And then I have a grandson who, he's 26, he, he's very keen on politics, and he happens, at the present time, to be working in the Conservative Central Office, but after he left school, I sent him over to America to work in a Senator's office, just for general experience for six months. And he got bitten with the political bug, and loves it. He goes around with, ... and he's a great enthusiast. He's a born, what I call a born PR man, he's very good with people. And then he's, I mean, he's only 26, I don't know what he'll do subsequently.

How do you think your wife finds having you around so much now? Does she enjoy the extra time, do you think?

Well, we both have our activities of one sort or another, keep us going. One of our problems, really, is that insofar as, other than City life, as such, is I have to sort out my own secretarial work, which is timely, I don't mind doing it, I've always done that ...

End of Tape 6 Side A