

Interview with Philip Hammond re Brexit

Philip Hammond, 13 & 20 November 2020, Brexit Witness Archive, UK in a Changing Europe

Online: <https://ukandeu.ac.uk/brexit-witness-archive/philip-hammond/>

UKICE: You're then watching Brexit unfold in the initial stages, before the triggering of Article 50, through the Prime Minister's party conference speech and then the Lancaster House speech. How were you able to influence those speeches and what was your impression as to the initial direction and shape of 'Brexit means Brexit'?

PH: By the way, you asked me earlier on, at the time of accepting the role as Chancellor, did I have a clear idea of the Prime Minister's view? I didn't say this, but I've just remembered this. When I sat in the Cabinet Room on that evening – and the only other person in the room was Fiona Hill – I did ask her about Brexit, and she said to me, 'Brexit means Brexit.' That was it. That was the only discussion we had about it.

Look, what happened, I was completely stunned by the speech that she made at the Conservative Party Conference in October 2016. I hadn't seen the relevant part of it in advance. I'd had no input to the speech. Nick Timothy kept me completely away from it. I did see some text on the economy the day before, but I had no idea that she was going to describe Brexit in the hardest possible terms.

I was absolutely horrified by what I was hearing. All I remember thinking was, 'There will be a television camera that will be on your face. If you move a muscle, it will be the story on the front page of every newspaper tomorrow.' I remember I wasn't even really listening to her. I was just sitting there. I remember exactly where I was sitting: on the end of a row, to the side of the stage, looking up diagonally at the stage, looking up at her. I just remember focusing my entire energy on maintaining a rictus half-smile, and trying not to show any reaction at all, and then get out of the room without speaking to any journalists. I was completely and utterly horrified by what I felt was almost a coup: a definition of Brexit without any proper Cabinet consultation at all.

My assessment of Theresa May's Prime Ministership, in terms of Brexit, is that she dug a 20-foot-deep hole in October 2016 in making that speech and, from that moment onwards, cupful by cupful of earth at a time, was trying to fill it in a bit so that she wasn't in such a deep mess. Every speech she made on Europe since then was rowing back from the original proposition. Lancaster House rowed back from what she implied in the October speech. Florence rowed back a bit further. Mansion House a bit further still. Every time we moved on this, it was to move backwards from the brink. That was why she never dominated this agenda: because she was always

on the back foot, retreating, fighting rear-guard actions, rather than being on the front foot with her campaign.

I left that room – I remember this very well – and had to go immediately by car to a helicopter landing site just outside Birmingham, to be flown to Heathrow to catch a plane to the US because the IMF annual meetings were coincidental with the party conference. When I arrived in Washington, it was to discover that the pound was in free-fall, on the back of the Prime Minister's speech and the market's reaction to it. I then had to get out on the TV in Washington, to try to reinterpret the Prime Minister's speech for the markets in a way that would try to stop the slide in sterling. We had what looked like a genuine sterling crisis on our hands in the couple of days immediately after the speech. It was a disaster on all fronts, a total unmitigated disaster that scarred her Prime Ministership and should have sealed Nick Timothy's fate, but I think she only realised later how badly that had constrained her ability to deliver any kind of practical Brexit at all.

Remember, the complex narrative about the nuances of Brexit and so on came much later, so I'm not even sure that she understood, as she was delivering that speech, how extreme the words coming out of her mouth really were. I think if she'd understood, if she realised that she was lining up people like me and metaphorically kicking us in the groin, I don't think she would have done it. I don't think that was her intention.

UKICE: Was it not, though, to some extent a function of the fact that she, perhaps because of her experience as Home Secretary, interpreted the referendum result as all about immigration? Therefore, leaving the Single Market was almost the 'sine qua non' of respecting the referendum result.

PH: Part of Theresa May's challenge – she's not going to like me saying this, but if we're doing a historical record – was that her experience was exclusively in the Home Office. She was the world's leading expert on everything to do with security and immigration. You couldn't touch her on it. There was no point even arguing with her on it, but she didn't have a well-rounded view of the economy.

You're absolutely right: she will have seen this through the prism of immigration and security. For her, the economy would have been very much a secondary thing. She didn't really have a deep interest in how the economy worked. Of course, she wanted a successful economy, because she understood that GDP growth underpinned everything else. But, as to the mechanics of it and what the implications were, that wouldn't have been her primary focus at all at that time.