House of Commons

Foreign Affairs Committee

Oral evidence: UK's security relationship with the EU, HC 1156

Tuesday 21 February 2023

Ordered by the House of Commons to be published on 21 February 2023.

Watch the meeting

Members present: Alicia Kearns (Chair); Saqib Bhatti; Liam Byrne; Drew Hendry; Henry Smith; Royston Smith.

Questions 1-51

Witnesses

I: Sir Richard Dearlove KCMG OBE, former Head of the Secret Intelligence Service (MI6); Lord Ricketts GCMG GCVO, former National Security Adviser and UK Ambassador to France.

II: General (Ret.) Sir James Everard KCB CBE, former NATO Deputy Supreme Allied Commander Europe; Sir David Lidington KCB CBE, Chair, Royal United Services Institute.

HOUSE OF COMMONS

Examination of witnesses

Witnesses: Sir Richard Dearlove and Lord Ricketts.

Q1 **Chair:** Welcome to this session of the Foreign Affairs Committee, where we will be looking at the UK's future security relationship with the EU. Gentlemen, thank you both ever so much for giving up your time today. I will ask you both to introduce yourselves—Sir Richard, if you would like to start.

Sir Richard Dearlove: I am Richard Dearlove. I was 38 years in MI6, retiring in 2004. My last three jobs in SIS were in charge of all the money and the administration, then director of operations, and then five years as chief, during quite a stormy period that included 9/11 and other events. Since 2004, I have been mainly in academia; I was master of Pembroke College, Cambridge, for 11 years, and I am now chair of the board of the University of London. I continue to take a strong interest in geopolitics. I have a podcast with more than 100,000 followers, so you might listen to it.

Chair: It might be 100,007 by the end of the day. Lord Ricketts?

Lord Ricketts: I am Peter Ricketts. I am a 40-year diplomat, including stints as National Security Adviser and representative to NATO. I retired in 2016. Since then, I have been in the House of Lords with a range of activities, but also still pretty busy on international affairs; for example, I am chair of the Franco-British Council.

Q2 **Chair:** Starting by looking at the current set-up, it would be helpful if you could both set out what you see as the advantages and disadvantages of the "see as we go" relationship that we seem to have with the EU at the moment. Will you kick us off, Lord Ricketts?

Lord Ricketts: I think it is improving, but it needs to be better organised to ensure that it grows further. What I mean by that is that a large part of the relationship is now on the basis of a treaty—the trade and co-operation agreement—including one part of our security agenda, the justice and home affairs part, which is now treaty-based, and I think the co-operation is working quite well.

The areas of foreign policy, security policy and defence policy are not subject to any arrangements with the EU. As far as I've seen, there has been almost no regular EU-UK co-operation, discussion or co-ordination across that range of issues—only occasional ad hoc work, some of which has been quite effective, such as on sanctions on Russia over Ukraine. However, I don't think ad hoc contacts are enough, given the scale of our shared interests, so, as the anger subsides and we get on with making the best of our position, I would very much like to see some sort of regular dialogue process—particularly involving Foreign Ministers, but it could be Defence Ministers as well—ensuring that British Ministers have a regular calendar of sessions with the EU. It doesn't need to have a treaty or a lot

of bureaucracy; it just needs to have the discipline that comes from a regular dialogue to take on the increasing range of issues that fall under the security and foreign policy umbrella.

I note that very much that sort of co-operation is developing between the EU and the US. I would just draw the Committee's attention to the EU-US Trade and Technology Council, which is now developing in a really interesting way. I will finish by listing a few of the subjects that it is discussing: resilience of digital infrastructure; joint standards on emerging technologies; co-operation to mitigate supply chain disruption in semiconductors; co-ordinating export controls on advanced technologies to Russia; foreign direct investment screening.

Those seem to me to be the issues that we too should be discussing on a collective basis with the EU. We cannot do them through NATO; they are not NATO's business. I would argue as the next stage of our rapprochement with the EU to have a degree of structured relationship to allow us to pursue that kind of agenda.

Q3 **Chair:** Sir Richard, can you see any benefit to the more laissez-faire approach to foreign policy and national security that seems to be the current status quo? Why do you think this has not come to the fore yet as an issue to be resolved between the two?

Sir Richard Dearlove: I am of the view that one should just have a rather pragmatic and unstructured relationship with the EU in these areas. I think one of the unstated facts of British policy when we were a member of the EU was to really make sure that the EU had very little to do with our national security, except on a pragmatic basis. I think there is a very good illustration of that when the Lisbon treaty was in draft. I was chief at the time, and I travelled round the key European Governments, persuading them to excise from the document any references to national security, which we were successful in doing. There were one or two smaller countries that wanted to retain them, but we really—the constitution was never adopted as you know. I think that was symptomatic of the approach that we took.

Similarly, on the larger issues of defence, I am very sceptical indeed about the value of a structured relationship with Brussels. I certainly take the view that European defence policy is not really military in content; it is integrational in content. There are various hooks in there designed to put into relationships, which have little practical value and practical outcome, because NATO is there, and NATO is the principal body. I am happy to expand on that.

The approach that I would favour is probably a new co-operation agreement that the UK would sign that would put aside all previous relationships. I just remind everybody that I think Juncker has referred to European defence policy as a sleeping beauty. I think that is pretty much where it stands today. I mean the performance of the EU in relation to the Ukraine crisis has been absolutely despicable, and I am strongly critical of it at the moment.

Q4 **Chair:** Just to unpack slightly more your scepticism about the value of that, I think obviously all of us would want to caution going back to the discussions and debates around Brexit, but the idea that the EU contributed as a core component of the UK's defence and national security infrastructure was a regular issue that was raised.

Sir Richard Dearlove: I think you can take a pragmatic approach. For example, I was responsible with Javier Solana, who I dealt with very closely, for setting up what was then called the SITCEN and is now the INCEN, which is the only sort of intelligence unit that the EU has. It is designed to support common foreign and security policy, and it does produce assessments. The reason that we went in to help Javier Solana set that up was to make sure that it worked to a UK agenda, let's put it absolutely bluntly. But 75% to 80% of the intelligence that was used inside INCEN came from the UK and did not come from other member states. I am not as it were denying the value of the relationship, I am just saying that one should have a very pragmatic approach. It is the one area in relation to Europe that they need us a lot more than we need them. We are the primary contributor in this area, and we can be quite confident, and I think that we can call the shots and do it in the way that we want to do.

The problem at the moment is—I mean I understand that we are just signing up to the military mobility bit of PESCO again. I just cannot understand why on earth that has been recommended and why we are doing that, because if you look at the small print, if you join one part of PESCO, you are actually into whole network of the largest aggregation of acronyms that exists in any field. If you don't believe me, just look at how many there are. You cannot join one bit and not be part of the whole thing.

Q5 **Chair:** Lord Ricketts, I am very aware that I probably agree with almost everything that Sir Richard said, so to make sure that I am not being biased, would you like to come back before we go to Saqib?

Lord Ricketts: First, I hope this session can be about the future, rather than the past, because that is much more productive. Secondly, I am not arguing and did not argue that the UK should get into a structured relationship with the EU on defence. I agree that we can be ad hoc on defence and decide that, if we want to join an EU military mission, we could do so. By the way, I do not agree that an integration agenda is behind that.

I think, however, that national security has grown far wider than it was when Richard and I were in office. The kind of list of issues that I read out, which the Americans think is worth having a structured relationship with the EU on, are also ones that we should talk about. I am not sure ad hockery works when it comes to thinking about the relationship with China on security and supply chain reliability, or export controls with Russia; we need structure and a capacity to implement. So, I caution against ad hoc as an approach to the entire agenda that we are talking about, because there are some areas where we really do need a more organised process

to discuss with the EU issues that are not NATO issues, but are fundamental now to European security as it has developed after the war in Ukraine.

Q6 **Saqib Bhatti:** Lord Ricketts, I also find Sir Richard's arguments very compelling. I would argue that we have always been very pragmatic and adaptable in our security relationships. To give you a chance to make a counter-argument, what does the more structured approach look like, in your view? How would we develop that without also encumbering our own approaches in future?

Lord Ricketts: To my mind, leaving everything entirely ad hoc means that an awful lot won't happen. The way the EU works—like it or not—is as an organisation that works around structure. It has 28 members and a busy agenda of third-party dialogue with a whole lot of countries around the world, including America, increasingly. If we just leave that to an occasional initiative, we will drift apart, and we will find that we are not working with the EU.

By the way, I disagree entirely with Sir Richard about the EU's response to Ukraine. The EU is not a military organisation that can support in the way that NATO has, but the economic support and the organisation of some joint arms funding and deliveries to Ukraine have taken the EU into areas that it was completely not ready for, but has risen to. I think it has done better than the assessment suggests. There is a series of areas where we ought to be having regular dialogue.

I am not talking about setting up a new treaty or signing any new constraining arrangements; I am talking about a political understanding that future Governments will have regular consultations. For example, Foreign Ministers, or Foreign and Defence Ministers could get together on a schedule, perhaps four times or twice a year, to have an organised discussion across an agenda of issues where the EU and the UK have interests in common in the area of foreign and security policy.

Q7 **Saqib Bhatti:** To talk about co-operation in specific policy areas such as energy security and critical infrastructure, which policy areas do you see as requiring that kind of relationship?

Lord Ricketts: I think the list I read out about what the EU and the US are doing together is the kind of area where we should also have a structured relationship. We had it for the question of sanctions policy on Russia, because it is necessary, but I think the whole area of China—supply chain resilience with China and ensuring that we in the west have sovereignty over the new technologies of the future—is one where the UK ought to be talking in an organised way with EU counterparts. I think, too, on export controls and the whole structure that we used to have, called CoCom—effectively wound down now—we ought to be talking to the EU and the US. What I would really like is an EU-US-UK trilateral session, covering the sort of agenda that the Trade and Technology Council has.

Q8 **Chair:** May I push back on that? It seems that neither of you is suggesting that we need any formal treaty or, as you said, something

that constricts. I question why, but if we are talking about regular consultations at ministerial level, I struggle to understand why we have not brought them forward, particularly given that there is war again in Europe. It seems odd that that has not been brought forward in any way. Do you think that the pain of the divorce was so extreme that no one was willing to see through it? Was it fear of populist politicians saying, "You can't even have dialogue on foreign policy"? Why haven't we got there as yet? It does not seem in any way insurmountable to have those sorts of conversations.

Lord Ricketts: I think it is on offer from the EU side if we wanted it. To be absolutely honest, I think this Government have a problem with sitting down, around the table, with the EU collectively.

Chair: We have had three Governments. I caution about working out which one it is—come on.

Lord Ricketts: Maybe it is part of the anger of Brexit and so on, but I think the Government have done their very best to avoid any arrangement under which the UK and the EU sit down together around the same table. It was diluted with the European political community meeting in Prague, where there were 44 Europeans. The then-Prime Minister went there. However, anything that seems to involve EU-UK ministerial-level set-piece discussions seems to be taboo at the moment. Like you, I think, pragmatically, to use Sir Richard's word, that could be done to mutual advantage.

Q9 **Liam Byrne:** Lord Ricketts, maybe I can develop this point a little. When I look ahead to some of the things that we have to wrestle with over the next 10 years, the list is going to include: Ukraine's entry into the European Union, potentially the expansion of European influence into the western Balkans, the recontainment of Russia including better organisation of our interests in central Asia, creating a stronger bulwark against China, better co-ordination on sanctions policy and trying to get to grips with the kleptocracy that has infected our economy, decoupling from China, encouraging our allies to friend-shore more sensitive supply chains in ways that include us, better control of migration—south-north in particular—and how we structure our offer to the global south. That feels like quite a big and quite complicated list that could quite easily overwhelm ad hoc organisation of the conversation. There are a number of structures already in place, whether it is the G7, the Council of Europe or NATO. How would we begin to think about structuring a regular dialogue that could help us ensure that UK interests were represented in this very wide domain of issues?

Lord Ricketts: You are right to talk about the very wide domain and the risk is that if we are not in the central conversations, we will be excluded and our voice will not be heard. We will not be in the engine room of co-operation and that is why I draw attention to the gathering EU-US dialogue, which the Americans seem to think is well worth doing. At the moment, the Americans have to come to us and discuss all these issues separately with us because we are not around the same table.

The G7 is fine, but it is an occasional meeting with no structure for follow-up at all. So between G7 meetings, it is down to the country that happens to be holding the chair to take work forward and then hand on to the next country the following year to take it on. It is the same, of course, with the G20. So there is no implementation mechanism in the G7; it has to be handed off to other organisations. NATO is very good at doing what it does, but that is in a relatively bounded perimeter of strictly defence issues. When it comes to economic security, digital security, technology security, energy security and migration, those are not areas where NATO has any competence or would want to take a role. There are various structures, as you say, but at the heart of all of them, the UK, our EU friends and the Americans have very similar interests most of the time and therefore some kind of discussion among us as a core group there seems to me to be valuable.

If I can just take one other specific example: reconstruction in Ukraine. That is going to be a huge issue for the next decade. There is already an EU-US-Ukraine working group on that, organising and co-ordinating the position they will take in international organisations on that. We are not in that. The Americans thought that that was worth doing and we are not part of that. So I think we risk missing out on some of the key shaping of these big issues over the next 10 years unless we can get over our taboo about talking directly to the EU, with them and, if necessary, with others as well around the same table.

Q10 **Liam Byrne:** If you were designing a novel load-bearing structure to process many of these issues, construct the dialogue and ensure there was proper implementation, what is that animal going to look like?

Lord Ricketts: I am not much in favour of trying to invent new international organisations because, as you say, there are plenty of them in the landscape. We have to use the ones that are there. In economic areas, we have the IMF, the World Bank, the EBRD and structures there. We have NATO. There is now this quad that the Americans have with Japan, Australia and India, which can do some of this work in Asia. Perhaps we should be thinking about NATO and the quad linking up to talk about China, in particular. I think that EU-US-UK consultation at the core of a lot of these issues is probably the right model. I am not sure we should be setting up new international organisations.

Q11 **Liam Byrne:** How do we co-ordinate this conversation inside HMG? Ideas like the National Security Council had lots of virtues. You have written quite a lot about the fact that it is good to have these tools, but they are not much good if you keep them in the shed. I was very struck by a conversation with the poor brigadier who represents our interests in the Brussels embassy, who said, “It would be quite useful to have a strategy at some point for Europe, which we currently lack at the moment.” What does the next Government—or this Government, in the months it has got left—do to ensure there is better co-ordination and strategic guidance to those who are trying to do the job on the frontline?

Lord Ricketts: The Government have the tool in the National Security Council. I guess I should declare an interest as I was the first National Security Adviser, and I set it up for David Cameron. Any Prime Minister can use it in the way they want, and of course they can adapt it. It is a structure that brings together the senior Ministers involved with their senior advisers and, importantly, the heads of the intelligence agencies, which is an innovation that I strongly welcome because it gives intelligence agency heads collective access to Ministers and the Chief of the Defence Staff. It can be used to co-ordinate across Government on any of these issues. It still exists. Under Liz Truss it was rebranded, but I think it has been branded back again as the National Security Council. I hope the Prime Minister is using it to look at this range of issues.

As for the strategy, the Government are updating their integrated review, which is not much more than 18 months old, but is in need of review. That is an opportunity to look at the new European security situation that emerges from this war and work out from there where in our strategy that needs to be adapted and where we need to shift our strategy towards a more European security-focused set of priorities.

Q12 **Liam Byrne:** Sir Richard, you would be a bit more sanguine about our ability to construct a kind of cat's cradle of dialogues on this set of issues?

Sir Richard Dearlove: I certainly would. The picture that Peter is painting is that, in a way, we are the demander, but I do not quite see that at all vis-à-vis Europe—maybe I should not say "Europe"; I should say "the EU". The EU's record on geopolitics is pretty disastrous. Peter referred to relations with China, for example. The European nations' relations with China are all over the place; there is no consistency whatever.

There will be a huge number of occasions when we need to talk to Brussels because of its significance in certain areas. The obvious one is energy security, but look what has happened to Europe over energy security over the last four or five years. Does it fill you with confidence when we have had the most disastrous mess over energy security created by Germany?

We have to go into these relationships with our eyes wide open. There is a pragmatic basis on which we can conduct dialogue as needed. There is the idea that we are not a major player on these issues, but of course we are. Over time, Europe will get over its significant upset—it is stronger than upset—over our departure. We are being punished left, right and centre by the EU, but the EU needs a dialogue with us on most of these issues because we are a key European player—I emphasise European player. To be a key European player, you do not need to be part of the Brussels establishment.

Q13 **Liam Byrne:** Do you have observations on what would need to go into an EU strategy, if such a thing was proposed by the integrated review? Do you have any observations on the co-ordination task inside Government,

whether it is through the old EDD—I don't know whether that still exists in the Cabinet Office—or the National Security Council?

Sir Richard Dearlove: To be quite honest, I have not thought this through. Peter is more engaged in the plumbing and the day-to-day discussion than I am, standing at a distance. I suppose I am taking a bigger strategic picture, but I do not think it is beyond the wit of Government to have a greater degree. The trouble is, you have so many cross-cutting issues that involve so many Departments. The difficulty in Whitehall is pulling this together and getting a co-ordinated response with all the bits that matter. Peter and I will be conscious of those problems, because we have worked in those fields at different times and know very well how difficult that can be.

Clearly, there needs to be a piece of Whitehall that will steer co-ordination, in a pragmatic sense, with Brussels, because there are clearly a number of issues, particularly energy security and digital security. Reconstruction in Ukraine is a good example as well. There will obviously have to be a European response to rebuilding Ukraine, and the Americans too are obviously going to play an important role in that. That is maybe where the EU, because of its economic weight, will be a significant player, and we will need to be part of that. I really do feel at the moment that we are being almost deliberately excluded by bits of Brussels, and that they have not got over their fury that we dared to leave.

Q14 **Royston Smith:** This is shaping up to be an interesting session, if I may say so. We sometimes do not get two witnesses in the same room who have quite different views.

Lord Ricketts: There's a chair between us—it's all right.

Royston Smith: Sir Richard, you said that the EU's response to Ukraine was "despicable", and Lord Ricketts, you said that you thought that, from a standing start, they have performed really well. That is quite a different view for both of you to take. What impact has the invasion of Ukraine had on the EU's approach to defence integration and on the EU's defence capabilities?

Sir Richard Dearlove: Your starting point has to be that Ukraine has changed everything fundamentally; you cannot turn away and ignore that. It has turned European security on its head, and we are in a position of great danger. We are in a position of great difficulty, and I think Brussels has been unable to mount, from day one, a co-ordinated response. It has been equivocal, it has been hesitant, it has been too little, and it has been too late. Maybe now the situation is beginning to change.

I am very much open-minded about what European security could or might look like in the future. Scholz's statement about raising the percentage of German GDP to be spent on defence is massive and could transform European security. Given the size and weight of the German economy, it would be I don't know how many hundred billion extra on European defence. But it is quite clear, in terms of what has happened since Scholz made that statement, that he is constrained politically.

Achieving that change in Germany, which would be the most fundamental change in European defence—full stop—since world war two, is not straightforward; it is very, very difficult indeed.

I think one has to be open-minded at this point in time. What is European security going to look like when the Ukraine war ends? Which country is going to have the most powerful, the most performant, the most experienced hub in Europe? It will be Ukraine. What impact is that going to have on the whole issue of European defence? We are at a point where it is very difficult to draw conclusions as to what it is going to be like.

The other point that we are at after almost exactly a year of this terrible war is that we absolutely cannot afford to lose it. It is unthinkable, really. We are still a long way—I say "we" because it is a proxy war, and we are very lucky to have the Ukrainians fighting it for us and that we are not having to fight it ourselves, but it is going to completely change how we think about European security.

The one thing I am absolutely convinced of is that to locate significant equities for European defence in Brussels would be a total disaster. Because it is the sovereign nations of Europe that have shown the will to stand up to the bloc, to support Ukraine and, as it were, to go the whole mile. That is not clear; there is no equivalent position yet been taken—maybe the EU will change, as the situation deteriorates and becomes more serious. I mean, the Russians have no quality or very little, but they have massive quantity, and that is what we are up against. An inexhaustible quantity, almost.

Q15 **Royston Smith:** I have a feeling, Lord Ricketts, that you might agree with much of that.

Lord Ricketts: Well, I don't think anybody is talking about locating serious amounts of our defence equity in Brussels and the EU. I think that is a bit of a straw man.

In terms of the EU's response—

Sir Richard Dearlove: Hang on a moment; look at the list of PESCO. The ambition of PESCO covers everything. And what nation do they put in charge of intelligence? Greece.

Lord Ricketts: Can I just finish my answer, Sir Richard? On the EU response to the war, let's look at energy. Yes, many EU countries were wrong to be so dependent on Russia for gas, particularly, and oil. But the fact that the EU has weaned itself off dependence on Russian gas in a year is pretty remarkable. That is a huge structural shift—and, by the way, it breaks a piece of leverage that Putin has held over Europe for decades. That is a strategic gain for us for a start. The EU has now found other sources of gas and oil.

The fact that Finland and Sweden are applying to join NATO strengthens the northern flank of NATO considerably. We now have a pro-western nationalist Ukraine for a generation or more. That is another huge shift, as

Sir Richard says, in the central gravity of European security. And I think countries like Poland take on a greater significance in European security. President Biden's visit shows that.

There are big tectonic shifts going on—I agree. Germany's decision—Scholz's decision—to put behind him 30 or 40 years of German pacifism and greatly increase their defence spending with a €100 billion down payment, then rising to 2%, if and when it is delivered, is a very significant shift, as Richard says. Germany is the biggest economy in Europe. It is potentially therefore going to be the biggest defence spender in Europe over time.

What takes time to change, of course, is culture. It is easy to buy new military equipment; it is much harder to change a culture that has developed over 40 years. This has been a huge wake-up call to Germany.

France is also now spending more on its defence. There is all around Europe a realisation that the Europeans need to take on more of their own responsibility for defence. I think we have been free riders on the American defence budget and defence presence for too long and I think there is some show of that changing. Trump of course did his bit as well to undermine European confidence in the reliability of the American commitment to Europe.

All these things are important. I just wish that the UK was in a position not to be part of the discussion about the future of defence in Europe—that is up to them—but to at least help give input to it and influence it in our interest. The way the EU develops in the next decade or two is going to be very important for us as well; we live on the same continent.

In the area of European defence-industrial co-operation, you can see an entire end-to-end process developing now in the EU, which we are out of. There is something called the CARD process, which is the requirements definition. Then there is a European defence fund to fund collective defence research and development. Then there is the European Defence Agency to actually deliver projects, and then there is PESCO. So there is an end-to-end EU process on defence-industrial co-operation.

By the way, I think we were entirely right to opt into the military mobility PESCO co-operation. The US, Norway and Canada also thought it was in their interests, and I doubt they see themselves as being sucked into EU integration. I think it is right to choose some areas of that kind of work to opt into, but there is a fundamental shift going on in the EU in the way they think about security now. We as a European country ought to be at least discussing that with them whenever we get the opportunity.

Q16 **Royston Smith:** If we look back to the pandemic and vaccinations, the UK pretty much led the way and became something of an example, and the EU was left looking like it wasn't terribly well prepared as a unit—as the European Union, as opposed to the individual countries. Can you draw some similarities between the UK's early action on Ukraine? You talk about the anger of us leaving the rest. Do you think there will be the

reverse of that, and it will be about the UK leading on something that they maybe feel they should have? Do you think that the UK's quick and early action on Ukraine influenced the way the EU then finally—later—reacted, and what they gave in the way of military aid to Ukraine?

Lord Ricketts: First of all, I don't think the EU countries are angry about the UK leaving. I think they have become indifferent to it and they have moved on. Their agenda and priorities are completely different now. They have been angry about the handling of the Northern Ireland protocol, but perhaps we are now in the final stages of that. They are long past regarding Brexit as a high-priority issue.

Q17 **Royston Smith:** When we were there just a few months ago, it was the only thing that they talked about.

Lord Ricketts: The issue is far higher in salience and prominence in the UK political debate than it is in any European capital that I know. France and Germany, for example, were very shocked by the fact that they got it so wrong in the weeks and months leading up to the Ukraine war, and the Americans and the British got it right. They saw that rather as a reversal of the Iraq war, where they felt that they called that right and the UK and US got it wrong. They know they have got to learn some lessons from that. There has been a very different approach to Russia across many European capitals, and much more of a willingness to stay involved with Putin and keep a dialogue open with him. That has been very different in London since the Litvinenko poisoning in 2006, and after the Skripals and other examples we have seen of Russian behaviour in this country.

EU countries have therefore had to move a further distance than we have to understand exactly what Putin has in mind, and how he could possibly develop the ambition to occupy and annexe Ukraine and deny its very existence. They have come a long way in the last year in response to that. So I think they certainly understand that that was a success for US and UK intelligence, and it is a reminder to them that when the chips are really down, transatlantic relations and the US presence in Europe matter, and the UK is a significant player in military crisis management. We have been a very effective player on Ukraine. I don't think that leaves them angry, but it has been a useful reminder to them. They would very much like to find ways of involving us more, to the extent that we want to be, as they think about Europe's role as a security player in the future.

Sir Richard Dearlove: There is one point that I think is important to make about European defence policy, which I think is ignored by those who advocate for joining the military mobility programme of PESCO, for example. I may be making an extreme point, but there is a similarity between something like the Northern Ireland protocol and the mess we are in with the EU on that, and the European defence policy.

In practice, if you look at the texts and mechanism for subordination to EU defence rules and laws, for example, I am quite alarmed that we are suddenly agreeing—although I think it has not been finally agreed—to join part of PESCO, because there isn't a part of PESCO. You cannot get

partially wet, as it were; you have to get soaked in the whole thing. If you read carefully the texts that cover European defence policy, they are all-inclusive. You are signing up to EU laws and EU rules, and at the moment they have no military content. They only have political content.

In this specific area, which is so potent at the moment because of the threat of Ukraine, if we are going to deal with Brussels on defence, we need a set of agreements that make it quite clear we are doing it on bilateral terms, not plugging into existing institutions that have a constraining effect on our sovereignty.

There is a phrase, "Il n'y a que le texte", in Brussels, which you will be familiar with, Peter. The Brussels process is so fixed. It is all very well to sit there and ignore it and say, "Well, hang on, we are going to join this part of PESCO"—by joining this part of PESCO, you are actually signing up to the whole package implicitly. The follow-ons are quite serious, in my view, in terms of what the implications of doing that are.

I am not saying that that might not change in the future, because with European defence, if Germany spends a lot of money and if France revives its views on European armies, there may be—and probably will be—opportunities post-Ukraine war, because it will change fundamentally. I think there is little point at the moment in, as it were, committing ourselves to the institutions in Brussels on defence and security policy as they exist.

Q18 **Royston Smith:** Can I ask a very quick question with a brief answer, then? Do you think that the UK's response to Ukraine has benefited from being outside of the EU, or do you think that has been a hindrance?

Sir Richard Dearlove: Absolutely. Yes, massively. We have been able to move further and faster without consultation and without restraint. We have managed to avoid—I mean, I was going to say look at the extraordinary situation that Macron has got himself into on Ukraine. We have been able to avoid that.

Q19 **Royston Smith:** Lord Ricketts, do you agree with that?

Lord Ricketts: No, not at all. I do not think being in the EU would have made the slightest difference. The position Macron has taken over Russia in the last year has been a national position, not an EU position. We would have been free to do exactly what we have done whether we were a member of the EU or not, so I disagree with that.

I find it odd that if PESCO is such a dangerous process—where you take the first step and you are suddenly up to your neck in the lake—I find it odd that the Americans have decided that they can opt into the one co-operation in PESCO to do with military mobility around Europe. Perhaps it is something to do with the fact that the Americans are moving large numbers of troops across EU countries to get them to the front line in the east of Europe, and similarly the Canadians. Both of them see that as a value, so I take issue with what Sir Richard has said about the risks. I think you can opt into individual parts of PESCO. You have to be invited in,

and you do it if you think it is in your interests. It does not commit you to do anything else.

Sir Richard Dearlove: You cannot do that. The texts are absolutely clear cut. This is part of the problem. You have civil servants advising the Government that they can do this, and they do not read the treaty.

Lord Ricketts: I suspect that our civil servants read the treaty, Sir Richard.

Sir Richard Dearlove: Well, I think they are giving very strange advice. To make it a comparison with the United States is ridiculous given the size of the US defence budget. If you have a gorilla in the sitting room, you do not ask it to sit in another chair.

Chair: I will quickly bring in two more colleagues. As much as I think we could continue to watch this conversation go on for a long time, we have the next session. Drew and then Henry, and then we will wrap up.

Lord Ricketts: There are other gorillas that you need to put in the chair.

Chair: I am not sure there are more gorillas; that might be the problem.

Q20 **Drew Hendry:** Let me ask a specific technology question. Given the importance of semiconductors and other dual-use technology to national security, should the UK be applying to join the Trade and Technology Council or setting up a similar body with the EU?

Lord Ricketts: I think we probably are talking bilaterally to the Americans about this, and we are co-ordinating our sanctions policy with the Americans and the EU. But my point is that this is being done in a kind of jigsaw way, because the Americans are talking to the EU, to us and then, no doubt, to their Asian allies. We need to make sure that all that is joined up. At the moment, it can be joined up only in Washington, because Washington is at the centre of this network. I think it would be better if we found some way of being involved in the wider discussions, but, yes, it is essential that we co-ordinate our policy on avoiding semiconductors reaching the Russians through third parties.

Chair: For our technical expertise, we turn to Henry Smith for a more specific question.

Q21 **Henry Smith:** This seems rather a prosaic question given the exchanges that we have just had, but how important are the GDPR and LED data adequacy decisions for EU and UK security co-operation? Lord Ricketts, perhaps.

Lord Ricketts: The part of the data adequacy issue that I know best is the specific arrangements in part 3 of the trade and co-operation agreement on justice and home affairs policy. In addition to the general requirement to have a data adequacy ruling from the Commission to exchange data between the UK and the EU, there is also a specific chunk in the trade and co-operation agreement. One of its provisions is that all the trade and co-operation agreement ceases if one side or other

"denounces" the European convention on human rights. One of the underpinnings of data co-operation with the EU on justice and home affairs is that all parties are part of the ECHR. Therefore, I am worried about the implications for our co-operation with law enforcement databases, Europol and the European arrest warrant of what I hear about Government discussions on potentially withdrawing from the ECHR. All those areas of co-operation in the trade and co-operation agreement depend on neither side "denouncing" the ECHR. That is the data adequacy area that I worry most about. I think it is the area where we are most at risk of finding co-operation with the EU cut off.

Q22 **Henry Smith:** Sir Richard, in response to that, what opportunities might exist in divergence between the UK and EU on data issues and sharing?

Sir Richard Dearlove: I am not sure. I am being quite blunt with you. This is one area where maybe I am closer to Peter's views. Data exchange is an area of complexity that is significant in terms of our relationship with Brussels, and I think this is the one area that should be treated differently, but I do not have a solution to offer you. It is important, and it is an area where we are set back because of the poor relationship with Brussels. I agree with Peter to that extent.

Chair: Brilliant. On that note, we would love to hear more from you if you would like to write to us. Thank you both ever so much for your time, we really appreciate it. You are both very welcome to stay for the next witnesses.

Examination of witnesses

Witnesses: Sir James Everard and Sir David Lidington.

Q23 **Chair:** For the record, it would be great if you could give a 20-second introduction to yourselves, and we will go from there. Sir David, if you want to kick off.

Sir David Lidington: I am David Lidington. I am chair of trustees at the Royal United Services Institute, and in the context of today's inquiry, it is also perhaps relevant that I am UK chair of the Koenigswinter, a bilateral conference with Germany, and the Aurora Forum with the Nordic and Baltic countries. I have also recently become honorary president of the Great Britain-China Centre, which as you know, Madam Chair, is an arm's length FCDO body. Previously, I was a member of this House for just under 28 years, and a Government Minister from 2010 to 2019.

Q24 **Chair:** And, as per the register of interests, I sit on that same board. And Sir James?

Sir James Everard: I am James Everard, 38 years in the Army. My last appointment was Deputy Supreme Allied Commander Europe. In that role, I double-hatted as the last UK commander of Operation Althea under the Berlin plus arrangements. I left in 2020 and started almost straightaway as the lead senior mentor for Allied Command Operations. There are 15 mentors, what do we do? Last week, we were war gaming the coherence

of NATO's new plans for the deterrence defence of Europe. I woke up in the woods north of Stockholm this morning, and I am in Romania tomorrow, so it is good fun.

Q25 **Chair:** You both sat through the previous session. There were lots of discussion about gorillas, but there was also lots of depth about the UK-EU security relationship. Do either of you want to make any opening points, having sat through that debate, before we proceed otherwise?

Sir James Everard: I look at this through a narrow military lens, but what you learn when you work in the EU is that there is a process. In the case of the EU, if you do not have a formal arrangement with them, they do not engage. If you have a formal arrangement, they are required to engage with you and consult with other member states. For me, in the case of Op Althea, having a framework partnership agreement means there are lots of nations that contribute troops that are not in the EU. That agreement gives them a legal safety net, so it keeps our options open. In a world where I like options opened and not options closed, I think one has to have some form of arrangement with the EU.

Q26 **Chair:** Just to push you slightly on that; the reason why we have not been having ministerial discussions, for example, about all things foreign policy and defence is not so much hurt feelings and divorce and everything else like that, but that the EU prefers to have very formal relationships, some could say constricting if you listened to the previous panel.

Sir James Everard: Yes, I was, as I said, the EU commander. I think a lot of our friends thought that as part of the withdrawal agreement there would be some form of security and defence arrangement, but there was not, so we have not been speaking.

Sir David Lidington: I agreed with the prime points that Sir James made. My approach to this is partly based on having served as Europe Minister for six years; I think I must have attended 70 or so Council of Ministers meetings.

Chair: I am not sure if that is a punishment or a joy.

Sir David Lidington: If you have done that, you do not think that the EU is a perfect organisation, so I am not starry-eyed about this. My experience, like Sir James's, is that the EU is much more easy to deal with if you have some sort of formal structured arrangement, and ad hockery just means that you miss out on so much of the conversation and so much knowledge of what other countries are doing and thinking, and discussing together when you are not in the room.

My view is that we should approach this from the point of a rigorous assessment of our national interest. We have left the European Union, and my view is that there is no prospect in the foreseeable future of the UK rejoining. And if my kids' generation want to do that at some point in the future, that is a matter for them. I, and I fear even some members of this Committee, may be too ancient by then to be party to those proceedings.

Chair: Some of us are not!

Sir David Lidington: But that is for future generations, so what do we do now? While I do not in any way want to detract from the primacy of NATO in the deployment of hard power, and in particular countering the threat from Russia, it seems to me that that is one—very significant, but just one—aspect of the security challenges that we face. You can do a certain amount with bilateral relations with other European Governments, and we should do that, but you come up against the reality that there are key competencies held at a European Union level to do with trade, with investment, with technical standards for both the digital economy and the manufactured economy and with sanctions, and also that the EU, like it or not, is, in some parts of the world, a very significant diplomatic actor. I was very struck when I used to go to the Western Balkans and eastern European countries how the EU ambassador was seen there as a really important player in the diplomatic world and in relationships with the Governments of Moldova, Bosnia and Herzegovina or Kosovo.

Secondly, there will always be some things that either fall outside the NATO mission or where the Americans decide they do not want to take leadership. We started to see this under President Obama when he basically said to David Cameron and Nicolas Sarkozy about the Libyan intervention in 2011 that he would provide—and did—significant American military contributions, but that the political lead was for the UK and France and the Washington base inside of this is not one for us. I look at the trend in American politics, and while I am less apprehensive about it than I was six months ago, you still see a shift in US priorities towards the Indo-Pacific, and you see a strand in US public opinion and politics that is more isolationist and nationalist and thinks, "All these Europeans have been freeloading on the American taxpayer for their security for far too long." Donald Trump gave expression to that political reality in the US. There will be some things where the US will want the Europeans to not just spend more but to exercise greater political leadership.

If I look at the Western Balkans and the security challenges that potentially we face there, and if I look at Africa, where a jihadist conflict is taking place right across the continent, from Guinea in the west to Mozambique in the east, and where we have large-scale movement of people exploited by organised crime and aggravated by the impact of climate change and political instability, no European country is big enough to deal with these sorts of problems on its own. If we look at China, where it seems to me the strategic challenge is primarily one of technology, as it is the "Made in China" ambition to dominate every key 21st-century technology supply chain by the mid-century, that is not the NATO responsibility. The EU, whether we like it or not, is a major player when it comes to technical standards and industrial regulation, in the way that Lord Ricketts described. This structured relationship with the EU would make an important positive contribution to our security.

Q27 **Chair:** Let me push you on one of the examples you gave. There is no way that the EU can lead on the Western Balkans. Croatia and Hungary

are unhelpful, quite often, when it comes to Bosnian politics. They are not going to mobilise around a mission that brings stability to Bosnia, because they are so divided on this, and therefore it will almost certainly not be an EU right. It will not necessarily be a US one, but it may be, because of historical facts and the fact that we have NATO on the ground in Bosnia. While there may be a more formal relationship, it does not mean the solution for future foreign policy and national security crises sits with the EU. That does not mean there cannot be formal discussions on it, but we are never going to see an EU-led response to a crisis in Bosnia.

Sir David Lidington: That is part of the network. The UK ought to be involved in the work with other European countries on trying to resolve the conflict, build traditions of political stability and rule of law and strengthen democratic institutions in the Western Balkans, and this is going to take some time. The Americans will remain important players. The Turks will continue to have interest. Other than the exceptional case where NATO did get involved in terms of military action, it is not somewhere that NATO is involved in governance-building, economic development or offering trade or movement incentives for democratisation and economic reform.

My own experience, Madam Chair, is different from yours. I am not saying the EU role is perfect—I have been involved in enough arguments in Council to know it is not perfect, and I remember how the Greeks behaved over the name of Macedonia, for example, and how the Bulgarians are playing up over the same country—but, having said that, I saw how hopes of accession to the EU in due course were one of the prime motivators for reformers and democrats in those countries, enabling them to cling on to public support.

In particular, I saw how when Baroness Ashton was High Representative, she played an important leadership role in getting the leaders of Serbia and Kosovo into the same room, and in trying to calm the tensions and start a process of trust-building. That has gone backwards in recent years. My worry is that the Western Balkans has gone backwards generally, but I think it would be wrong simply to dismiss the role that the European Union and its member states—I put the two together—can play. It would be stronger still if we remained involved as well.

Q28 **Chair:** That would be about wider stability-making and good governance, rather than necessarily acute security and defence.

Sir David Lidington: But I think that part of that has to involve that, if we are going to be involved. Since the Western Balkans comes up routinely at General Affairs and Foreign Affairs Councils, we will be able to exercise greater and more productive influence if, in addition to our bilateral relationships with Germany, France, Austria and others, we also have a relationship with the European Union, where we are talking to those parts of the Commission and the External Action Service that are involved in trying to help the Western Balkans to develop.

Chair: Sir James, did you want to add anything briefly before I go to

Drew?

Sir James Everard: No.

Q29 **Drew Hendry:** You both feel that a lack of formal agreement has probably hampered the UK's priorities across the EU. How has the EU's approach to common foreign policy and defence policy changed since the UK's departure?

Sir James Everard: It is very interesting. People felt the departure of the UK for a number of reasons. The UK was very good at finding the words that enabled consensus. I don't think anyone has filled that gap yet. The UK was seen as a good counterpoint to others in the EU who were slightly strident, and I am not sure that gap has been filled yet. My personal view is that the EU has not yet settled itself post our withdrawal.

I don't think it has made any difference to security, because we have been so focused through NATO on collective defence, but in the future—I come back to this point—if you want to keep your options open, you need to have some form of agreement.

Sir David Lidington: In answer to Mr Hendry, we are seeing not so much a response to the UK leaving as a response to the Ukraine war. Two strands: there have been demands for that to lead to greater European integration; but there have also been divisions within the European Union, characterised as between doves and hawks. Had we still been members, we would definitely have been on the side—as I remember being—of the Baltics, the Nordics, the Romanians, the Poles and the Czechs, pushing for a very robust response.

I don't know, but my feeling from looking at the EU at the moment is that I just do not believe that this talk we get from some people in the European Parliament about European armies and so on is ever going to fly, and I do not even see majority voting on foreign and defence matters becoming the norm, even though the Lisbon treaty includes clauses to make that possible. I just don't see how Germany and France would ever consent to being outvoted in such circumstances. I remember the German Foreign Minister being in a minority of two, I think, at the time of the Libya intervention, and it hit me then that no way would Germany ever permit EU action to be taken, let alone involving German troops, on a majority vote.

I think what may happen—this is where the jury is out—is that there will be pressure within the Commission and from the Élysée to try to consolidate defence industries and supply chains within not just Europe but the European Union. Personally, I think that would be unwise, and there will be voices in central Europe that are worried about dependence on Germany after the to-ing and fro-ing over tanks, but I think there will be a push from powerful voices in the EU in that direction.

Sir James Everard: We have mentioned European armies a number of times. The great thing about the Strategic Compass was that it buried that once and for all. France, Germany and everybody else agreed that NATO

leads on collective defence—territorial defence—full stop, and all EU nations contribute to that through the single pool of forces. The NATO planning following Ukraine shows that that is the only way that is going to work. For me, that is a slight red herring. The McKinsey report predicts a 65% increase in European defence spending by 2026. These are big sums of money. I think America hopes it will improve European strategic autonomy, but with weapon systems that are used by and available to NATO.

Q30 **Drew Hendry:** Let us push this a bit further. Taking any version of further integration on security and defence—perhaps the one that you mentioned, Sir David, on that more practical approach—how would that affect what can be achieved through bilateral conversations with European capitals alone?

Sir David Lidington: Bilateral diplomacy and common work is part of this. We do more of that than is sometimes recognised. The joint amphibious unit with the Dutch, for example, has existed for many years. The two treaties that we have with France—St. Malo and Lancaster House—are primarily about military co-operation. The joint taskforce, which we lead, involves—

Sir James Everard: The JEF.

Sir David Lidington: The JEF and all the central European countries. There is good practical work that we can point to there. We continue with that.

My experience of working in the system as a Minister was that you discover very soon that there is a continuous conversation going on that takes place in multiple fora. It takes place at Council meetings, with the Commission, in the European Parliament and in the bilateral conversations that national Ministers have with each other. In those conversations, the institutions of the European Union are themselves players. It is different in that respect from how we tend to think about the civil service in this country.

I see engagement with the European Union collectively as being something that is complementary to, not an alternative to, good bilateral relations. I thought that the integrated review was quite right when it said that the primary focus of UK security concerns, commitment and resources will continue to be the Euro-Atlantic area. I thought it was strong on pointing to the strong bilateral relations that we need to continue to develop with key European allies. I thought that it missed a trick in not saying the same thing about the European Union collectively. As I say, it is complementary, not an alternative.

Q31 **Drew Hendry:** Just to clarify, would having closer co-operation with the European Union limit the UK's ability to act independently?

Sir David Lidington: No.

Sir James Everard: No.

Sir David Lidington: For one thing, let's say that, at the most ambitious level, you have an association agreement with the European Union, which is what I would personally like us to get to one day, that is a treaty and you can put into it what you agree mutually. Basically, you would write an agreement that described how you were going to consult with each other—how you would do contingency planning together. Perhaps it would have provision for joint units where action outside the NATO mission is needed—another attempted genocide in Rwanda, let us say for the sake of argument. None of that obliges you to do anything. We would not be subject to any legal duties—

Sir James Everard: There is a grey area, isn't there? There is opportunity without obligation, until you commit your forces to some form of operation, and then you have to sit within some form of chain of command. I think people understand that. Of course, you still retain national ownership of your forces—you are doing the job.

Sir David Lidington: Look at how the Foreign Affairs Council operates; it will meet the US Secretary of State once a year and meet the Turkish Foreign Minister usually more than once a year. I thought it would be common sense, given how many common interests there are and the fact that we share common threats and challenges, that you start off by trying to have frequent meetings with the British Foreign Secretary and the Foreign Affairs Council. Then, if trust builds up, over time, you might—personally, I would—seek to take that into a structured relationship. After all, this was mentioned in the political declaration when we left the EU as one of the things that the two sides would work on in the future.

Q32 **Drew Hendry:** Talking about working together, Sir David, what opportunities does the increased co-operation since the invasion of Ukraine offer to reset the UK's political relationship with the EU?

Sir David Lidington: I don't know what Sir James has found, but I think it has been a wake-up call on both sides. Here, it has put some of the squabbles we have had with Brussels and among ourselves into perspective—you see where the real existential threat comes from. As for Europe, I was talking to a senior German politician about a year ago, who said, about Ukraine, "The UK is back. Isn't it wonderful?" I would argue, as I did then, that I don't think we have ever been away.

Chair: Exactly.

Sir David Lidington: But there had been a perception that, in leaving the EU and in having what was, in our parlance, a hard version of Brexit, we were just turning our backs on European matters. So people, like this friend of mine, were reminded that we are actually important and a serious presence. Poland, the Baltics and the Nordics have always wished we had stayed in; they, I think, are much more willing to take the position that, "We've got to get the UK back round the table." I think there is more willingness to get us back round the table to try to rebuild trust and find new ways to work together.

Sir James Everard: It is interesting, because having said that this arrangement has to be structured, in the case of Ukraine, the conversations are free flowing, which shows that where there is a will, there is a way. At the moment, if you want to compete for European defence contracts, the terms and conditions are very difficult for those third parties. I hope that coming out of Ukraine will be a recognition that we are probably a year later than we should be in pressing the button on moving to a demi-war economy.

Q33 **Royston Smith:** Sir David, may I push you on what you were saying about consulting and agreeing on any arrangements with the EU, and about Sir Richard Dearlove's comments about PESCO—all in, all out? We see how difficult it can be from time to time to negotiate with the EU. As I understand it, we can scarcely send a steak and kidney pie from the north to the south in Ireland, although we have free movement of people. How confident are you that we can have a little bit in, but mostly out, without that instinct of the EU to pull you all the way in, or ask you to stay all the way out?

Sir David Lidington: One of the things that we have found in the last three years is that it is a much tougher proposition to negotiate with the EU as a third country than it is as a member state. That was my experience as a Minister when we were in the EU, because we often wanted a very hard line to be taken in negotiations with third countries.

On PESCO, I disagree with what Sir Richard said. My understanding of this—I don't claim to have subjected the PESCO arrangements to a detailed legal analysis—is that you can choose to participate if invited. The EU has to accept you in[1], one project at a time. PESCO is made up of a large number of individual projects. Military mobility is one, and others are to do with developments of particular technologies or particular weapons systems and capabilities. Committing yourself to one doesn't mean committing yourself to all.

It is an irony that when we were in the EU, we used to veto the triggering of PESCO—I remember doing it—but after we came out, the others have decided to go ahead. That is something that we have to live with; we cannot disinvent. I don't believe that there is a slippery slope there.

Q34 **Royston Smith:** They have decided to carry on since we have come out, but is it because we have come out that they have done that?

Sir David Lidington: Yes, previously we blocked it. When we were members, we blocked PESCO being triggered.

Q35 **Royston Smith:** So that is a direct result of our leaving.

Sir David Lidington: It is a result of our leaving, yes.

Sir James Everard: Wearing my NATO hat, forces are not like the cold war; they are not in place. Large numbers of forces have to get to where

[1] The witness wished to clarify that what he meant to say was: 'The EU has to decide to let you in.'

they are going to fight, and therefore military mobility is really important. I haven't read the PESCO treaty, but I have read the measures, which say: "This project supports member states' commitment to simplify and standardise cross-border military transport procedures." It seems to me extraordinarily sensible that we go in there and fix that, because at the moment there are no metrics attached to that, so measuring progress is pretty poor. I don't think we would get from where we are to where we need to be unless we improve those measures.

Q36 **Saqib Bhatti:** Sir David, I want to pick up the last round of questioning. I don't want to rehash the arguments of 2016; we have done that.

Sir David Lidington: We have reached common ground on that!

Q37 **Saqib Bhatti:** There is obviously tension within the EU nation states around what the individual nations want and what Brussels wants. As far as we can see, they have not yet overcome that tension. Obviously, they are trying to formulate foreign and defence policy, and all those things. If they can't do that, why is it in our interest to have a set, stipulated formal relationship with Brussels, rather than pursuing bilateral relationships, which we can do on a pragmatic basis, as Sir Richard was setting out?

Sir David Lidington: Bilateral relationships among EU member states will be developed and will find expression, sometimes by states acting on their own, but more often through action they agree within the Foreign Affairs Council, using EU institutions and capabilities where they can. For example, with the various common security and defence policy missions that have been sent—some military, some on police training, some on peacekeeping missions—usually a particular member state has been active and said, "Right, we want to do this. Let's use the EU framework to make it possible."

There has to be unanimous agreement for that to happen. Those processes are going to be a reality, and particularly for the small member states, there will be a reluctance, because they simply have limited capability in government to act other than through the international institutions. If it doesn't fall within the NATO mission, they are going to look to act through the EU.

In addition, as I said at the start, there are competences that the European Union collectively holds that are not hard power; they are elements of soft power that are particularly important when it comes to things like the security of supply chains, energy security and climate security in the future.

I would go a certain distance in agreeing with what Sir Richard said: the EU is not some sort of military superpower—I can't ever see it being that in my lifetime—but it is a superpower when it comes to its regulatory power and its power in trade negotiations. It sets the terms of trade.

I also agree with what Peter said in the earlier session. We want to make sure that we try to get into the room when Washington and Brussels are

sitting down discussing global supply chains or global digital standards. I really want something better for the UK than standing outside the door with our ear pressed to the keyhole.

Q38 **Saqib Bhatti:** Obviously, the Northern Ireland protocol is very much in the press at the moment, and we may well see some light at the end of the tunnel. Do you anticipate a better relationship with the European Union once the Northern Irish question is resolved?

Sir David Lidington: Yes, and I think without some sort of agreement on the Northern Ireland protocol, it is hard to see there being an improvement in trust. If I put myself in the shoes of the people in Brussels, whether I agree or disagree with whatever particular point they take, they see the UK as having signed a treaty and then trying to back out of it. That is their position. The member states are either content to leave it to the Commission to act on their behalf—they have moved on—or, in the case of some, such as France, which has a particularly hard line on this, and Belgium too, they have wanted a hawkish line. They are also affected by their worries about how Hungary or Poland potentially might behave in breaking EU law or EU treaties—"we can't set a precedent for somebody else who is not even a member."

But if there is a deal, I think we will get the memorandum of understanding on financial services. I think we will get UK participation in Horizon. We will probably get a roll-over of the special arrangements on electric vehicle components that is due to expire at the end of 2023. I think there will be incremental improvements, and the rest will probably depend on what happens in 2025-26, which is when the whole Trade and Co-operation Agreement and the fisheries agreement and the data adequacy decision and the current derivatives trading arrangements all come up for review.

Q39 **Liam Byrne:** You gave us a brilliant clarifying framework at the beginning of your remarks, which is that there are going to be a number of policy areas that are going to be outside NATO's bailiwick and where the United States is going to expect Europe to lead. It feels like Europe is going to be a big mover in a number of areas where our national interest is at stake—whether that is more friend-shoring with the United States or our offer to the global south or, crucially, the integration of Ukraine into Europe. When it comes to our national interest, are we more likely to be able to influence the direction of what Europe does with an agreement or without an agreement?

Sir David Lidington: I think with an agreement. You have to start by knowing people in other countries and international institutions, understanding their interests, their thinking, their priorities, and then seek to influence them, and work out what it is that you can offer to them for them to support you on the thing that you most want to achieve.

Q40 **Liam Byrne:** There are many parameters though to our national interests, which are going to change to some degree over the next 10 years. You are saying that to influence those parameters better, some

kind of agreement would—

Sir David Lidington: Yes. It seems to me that not to have a formal and constructive relationship with a very important supranational institution or set of institutions that is a significant player on a large number of soft power and commercial issues—and, to a lesser extent, on harder power matters—is denying ourselves the opportunity to advance our national interests, particularly when these institutions are sitting on our doorstep and also involve our biggest trading partner and our fellow democracies as well. In any sort of a sense of trying to work out how the democratic work responds to Russia or to China, not to have a structured relationship with the European Union in those circumstances seems to me to be cutting off our nose to spite our face.

Q41 **Liam Byrne:** You said that an association agreement might be where you would like to see us get to eventually. Are there intermediate steps towards that and what is the content of those steps?

Sir David Lidington: The first step is simply to try to rebuild trust. So things like the meeting in Prague that Liz Truss attended as Prime Minister are good steps forward. The UK-France summit is a good step forward. Since we do not any longer meet the Ministers or civil servants of other European countries week by week in Brussels on Council business, we are having fewer conversations with them, so we need to invent new ways just to keep the bilateral relationships—joint Cabinet meetings, or sectoral meetings of officials and Ministers. It would mean quite a bit of face time having to be committed.

Then I would go to the institutional level. I would try to work on a similar basis, talking to people in the Commission and the Parliament, and I would then perhaps look at a political co-operation agreement of some kind. If there is the political will here to do that, and the willingness of the EU to do it too, I would perhaps negotiate a formal association agreement. But it would be a new form of association agreement. It is a familiar legal concept to the EU, which is why I think they would be comfortable with it, but it would not involve a commitment to EU membership, which is how most association agreements have been seen in the past.

Q42 **Liam Byrne:** Do you think that policy co-ordination could complement NATO action?

Sir David Lidington: Yes, very definitely so.

Liam Byrne: How?

Sir David Lidington: Because they would primarily be dealing with things that were outside the NATO mission or where the United States in particular did not want to take a lead. While this is taking us a bit further than most of the discussion this afternoon, the really terrifying prospect that I think no European capital has seriously thought about—including London, but Paris and Berlin too—is what would happen were the United States to elect a President who was genuinely isolationist. We had a President recently who came very close to pulling the United States out of

NATO. So while I think it now looks less likely than I feared a few months ago that that is an imminent prospect in the future, we cannot rule out entirely a dramatic shift in United States policy. I hope I am wrong in those fears, and Ukraine has reinforced the need for European powers to do everything they can to maintain the United States' commitment to European security, but we do need to have at the back of our minds that there is that risk.

Liam Byrne: James, have you anything to add to that?

Sir James Everard: Just to say that when President Trump was President, despite his words, all you saw was a steady increase in American combat power in Europe. It's about what he says and what he does.

Q43 **Liam Byrne:** Has Ukraine actually illustrated any downsides to continuing with our current approach, despite the virtues of a stronger agreement that Sir David has sketched out?

Sir James Everard: Everything that nations are doing with Ukraine is bilateral, so I don't think we would have moved any faster within the EU. The contact group helps co-ordinate, and you just get on with it. I think the difference is probably that the Europeans have a just over €3 billion fund—the European peace facility fund—which is reimbursing EU members for the military donations they give to Ukraine, so, at the end of the day, they are not any poorer and they are reinvesting that money in the systems they have given away.

Q44 **Chair:** I have one quick challenge on being in the room or not. Look, we have sat around discussion tables. There is a reality that when we are in the room, there are constraints on our ability to be outwardly publicly challenging of our colleagues and allies. I guess in the same way as the Cabinet talks about collective responsibility, when you are a member of an organisation, you have a responsibility not to bring those arguments outside the room.

If we look at tanks and Ukraine, that is the perfect example of where, because we were outside the room, we were able to be incredibly vocal about the fact that our allies were not moving fast enough. When Germany was not letting us fly stuff across Europe, we bloody well just did it anyway, which I don't think we would have done within the EU, because we would have got in far more trouble. There is a reality that, within what has happened in Ukraine over the last two years—because of the fact that we are outside the room, giving us far more room for public manoeuvre—we have been able to act as a counterpoint against some of the resisting forces within the EU.

I am not necessarily saying that we would have seen the EU move significantly faster if we were inside—I am not sure we would have—but I think that having us as that public counterpoint has been fundamental in terms of the ability to move at a speed that has still been sclerotic in some ways to support Ukraine.

Sir James Everard: I don't see us going back to an arrangement where we are constrained; I see us going to an arrangement that gives us options.

Chair: I agree entirely; that's my point.

Sir James Everard: And actually I think we can be as vocal as we like under those arrangements.

Q45 **Chair:** Well, now we can. If you look at the Syria peace talks as an example, we were often frustrated with the approach that other Governments within our unified group of friends were taking, but we would never criticise the fact that those countries were taking that position as holding us back from doing something that we would actually have preferred to do—taking routes that we would have preferred to take in negotiations—because we could not undermine the collective responsibility of the group of friends of Syria who were working together. But we have had the freedom, now, to do that. At the Munich Security Conference, there wasn't a single country, particularly when you talked to the Nordics and Baltics, that didn't say, "Thank goodness you were that counter-voice publicly, because you have forced us to move faster as an EU."

Sir David Lidington: It is probably slightly frivolous to try to play counterfactuals, but I think that had we still been at the EU table, our voice would have shifted the EU much earlier and more dramatically.

Q46 **Chair:** Really? I just—

Sir David Lidington: Yes, and that is what I hear from the Nordics and Baltics as well. The other thing I would just say, Chair, is that I haven't noticed the Poles, the Estonians or the Swedes being fearful of speaking publicly about their discontent with Berlin in the last few months, so I—

Q47 **Chair:** You haven't heard those countries expressing frustrations with Germany?

Sir David Lidington: Yes, I have heard them—that's my point, sorry. I don't think they have been held back from criticism, even though they are full members of the European Union, with all the obligations that go with that. So I don't think that membership of the European Union makes a difference, one way or the other, to a country's willingness to speak its mind. I think it depends much more on the political culture in the country and, I suppose, also whether a Government feel that there is something else that is important to them that they want out of the EU. That does happen—

Q48 **Chair:** You think that if the UK were in the EU, we wouldn't have seen this constant pattern of the UK going first in order to force other countries to give kit, for example Challenger 2s, which we all know, realistically—you're the tank man, Sir James; I recognise that. Correct me in a moment. Challenger 2s are not the kit that they really need in Ukraine, but why did we have to give our tanks? To force EU countries to give theirs. Do we really think that if we were in the room, we would have

played this constant game of giving in order to, essentially, embarrass others into action? I don't think we would have done that; I think we would have had to apply completely different diplomacy.

Sir James Everard: I don't know, but I'd take that argument and apply it to NATO. I think many of the allies don't believe NATO will get to where they need to get to if they don't have the strongest UK leadership. People are saying, "Just lead us. We know you can lead. And then we might be all right."

Q49 **Chair:** Then also, because of NATO, we can actually share our intelligence, because unlike EU partners, who can't be trusted on sharing intelligence, which is why we don't share with many of them—

Sir James Everard: I think there has been an intelligence revolution—it has totally changed.

Chair: Apologies, Henry; over to you.

Q50 **Henry Smith:** We have already touched on the issue that over the last decade or so, we have seen shifts in US foreign policy and attitudes in US domestic politics. How do you think this has affected the UK-EU relationship since we have left the European Union, and where do you see that potentially developing?

Sir James Everard: The American military are impeccably polite and have never mentioned it to me. I mean, body language perhaps, but they wouldn't—we took a decision and they're happy with that.

Sir David Lidington: The real strength of the UK-US relationship is in its depth. Even in the most difficult days of President Trump, the co-operation between the militaries, the intelligence agencies and the diplomatic services continued as before. No one can predict whether, if you had a sustained period of political divergence between the two countries, you could keep that going. But certainly it was tested and it worked. It survived—well, it didn't just survive; it continued to flourish.

What we are seeing in the United States is, I think, an impatience with European powers, who collectively are richer—you can look at GDP—than the US and who contribute, the US quite reasonably says, too little to security. So far, 80% of the help that has gone to Ukraine has come from the United States.

I think that the pull of Indo-Pacific priorities means that Europe will have to show that it is in the USA's national interest to continue contributing to the security of Europe, and Putin's actions—ironically—have helped to make that case, and also we, as in the European powers, have to show that we are willing not just to spend more but that we are prepared to exercise political leadership.

In my judgment, for any European security foreign policy framework to work, it has to involve both France and the UK. We are the only two European powers that both have the significant capabilities, and the global

vision, and the willingness to deploy significant assets in pursuit of a global strategy.

Sir James Everard: I will just say that of course deployment is important, but at the moment the focus is so central-front that I think probably Poland are the golden child. You look at what they have spent and what they have procured, and it is quite staggering.

Sir David Lidington: I don't question that for a second; I think the Poles have behaved outstandingly. But the one caveat that I would put in is that, thinking back to Foreign and General Affairs Councils, Poland, like the Baltics, focuses very much on the east; Italy and Greece are focused on the south; and the UK and France would encompass both and think about both, and we would be prepared to be involved in both.

Q51 **Henry Smith:** If I can expand things a little more on China, obviously the European Union relationship with China is different to the UK relationship, and indeed the US relationship. On that, talking about the Pacific tilt, we have had the AUKUS Pact, which was agreed a short while ago. Where do you see those relations going in terms of the UK with the EU when it comes to countering the threat of China? Sir David, you were talking about democracies working together. Isn't there even more of an argument for democracies to come together—whether it's the US, the EU, the UK, Australia or others—to make sure that the threat from China is countered in a much more pragmatic and realistic way?

Chair: We have to be done by quarter to, so please—precise answers.

Sir David Lidington: Very quickly, I think there's a limit to what the UK or other European countries can do militarily in the Indo-Pacific, because our priority has to be the Euro-Atlantic theatre. We may need to show some willingness to show the Americans that we are with them, in return for their commitment to Europe.

Where it would be even better if the EU and the UK are working together, and with Japan and Australia and the Republic of Korea and the United States, is in global regulatory matters. I would argue that the threat from China is primarily technological, over standards. They work really hard to influence the so-called global south, to get their candidates on to the global regulatory bodies, to head international institutions.

The democratic world is not organised in the same way and my worry at the moment is, whether it's America first, European strategic sovereignty, the UK as a sovereign independent trading nation—actually, I want to see all of us trying to get into the same room and working out a democratic world response on digital and on manufacturing standards.

Sir James Everard: I think I saw your report on the integrated operating concept—China should be a threat, not a systemic challenge. Of course, the language of "systemic challenge" just comes straight out of the NATO strategic concept.

Chair: We have to wrap up there, I'm afraid, but thank you all ever so

much. I will suspend the session there.