

Defence Committee

Oral evidence: The DExEU position paper: Foreign policy, defence and development: a future partnership paper, HC 594

Tuesday 5 December 2017

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Watch the meeting

Members present: Dr Julian Lewis (Chair); Leo Docherty; Martin Docherty-Hughes; Mr Mark Francois; Graham P. Jones; Johnny Mercer; Mrs Madeleine Moon; Gavin Robinson; John Spellar; Phil Wilson.

Questions 1-61

Witnesses

[I](#): Sophia Besch, Centre for European Reform, Professor Gwythian Prins, Academic Board member of Veterans for Britain, and Lord Peter Ricketts GCMG GCVO, former Ambassador to NATO and National Security Adviser.

Written evidence from witnesses:

- [Add names of witnesses and hyperlink to submissions]

Examination of witnesses

Witnesses: Sophia Besch, Professor Gwythian Prins, and Lord Peter Ricketts GCMG GCVO.

Q1 **Chair:** Good morning, and welcome to this special session entitled, “The DExEU Position Paper *Foreign Policy, Defence and Development—A Future Partnership Paper*”. I should say that our primary aim this morning is not to debate the rights and wrongs of Brexit or even of defence relationships with the EU, but to explore what this paper is proposing and try to understand the structures that would result in a continuing relationship between a post-Brexit United Kingdom and a European Union with its own defence identity, as envisaged in this paper and by those countries remaining within the European Union.

Before we start the questioning, I invite Sophia, Peter and Gwythian to say a few words about themselves, their qualifications and interest in the subject.

Sophia Besch: Thank you for having me. My name is Sophia Besch. I am a research fellow at the Centre for European Reform, which is a think-tank here in London. I work mostly on European defence co-operation and defence industrial integration.

Lord Ricketts: I am Peter Ricketts. I am a 40-year diplomat with a lot of history in the whole defence and security field. I was part of the negotiating team that produced the St Malo agreement in 1998, which was really the foundation for this push towards European defence in the last 20 years. I have been ambassador to NATO, head of the Foreign Office, national security adviser and ambassador in France.

I should declare the interest I have set out in the Register of Lords’ Interests: I am a strategic adviser to Lockheed Martin UK, although I am not appearing here in any sense representing them.

Chair: Understood.

Professor Prins: I am Gwythian Prins. I am a 40-year academic. I spent most of my career in Cambridge, then subsequently in London and New York, specialising in geopolitics and defence, latterly. I have also had a public service career, in that I have been involved extensively in education of the British armed forces. I helped to rewrite the higher command course in the ’90s. I served at the end of the cold war in the Office of the Special Adviser to the Secretary-General of NATO, so I had a ring-side seat and some involvement at that time. I also was the senior visiting fellow to the Defence Research Agency, so I had oversight of programmes there, and I served three Chiefs of the Defence Staff on the strategy advisory panel. I am currently a member of the Royal Marines advisory group.

Chair: Thank you. Given that we are trying to come at this from an

academic seminar point of view, rather than an entrenched political battling point of view, I feel we could not have a better spread of opinion and expertise. Thank you all for coming.

- Q2 **Gavin Robinson:** Good morning. To what extent is the UK a key player in European defence and security? In what way does the EU impact upon the UK in that regard?

Lord Ricketts: First of all, the UK is one of the two significant military powers in Europe, the other being France. Given our defence, diplomatic and intelligence contribution, we have always been a major contributor and input maker to defence and security in Europe, whether through NATO or the EU. I mentioned the St Malo accord of 1998 between the UK and France, which was really the foundation stone for this phase of trying to build some capacity in Europe. One of the key principles was that any European defence capability would be compatible with and reinforce NATO. So the UK has always been at the heart of efforts to ensure that any European capability that grows up fits well with NATO.

Over the years we have made a major contribution to the way that the structures have developed and to the operational focus on missions and doing useful work in the world and steering those who are perhaps more keen on institutional fixes and developments away from that towards real, usable capability. I think the UK has been a major player, both in the foreign policy aspects of CFSP and in CSDP.

How important is all that structure to us? In terms of defence capability, it is very limited, because it never really developed in the way that was foreseen at St Malo. It has developed as capable of running these smaller civil military missions around the world, but never into a serious defence player. We will no doubt come back to this, but I would say it makes a modest contribution towards the UK's defence and security interest, but only that.

- Q3 **Gavin Robinson:** Do the two of you agree, or is there anything supplementary you would like to that or something completely different?

Professor Prins: I agree with the first part of what Lord Ricketts has said and politely disagree with the second part. He is absolutely right, but I would put it slightly more bluntly. The United Kingdom is in a league of its own in Europe. That is by virtue not just of the range of our armed forces, lamentable as our management of them is at the moment, which is another question, but because of our engagement with Five Eyes and with the Anglosphere at large, we have an ability to have reach and poise which is unmatched by any other European power. Of course, we collaborate with our European partners through NATO very effectively, where we have filters which make it possible for those countries who are not party to our deep intelligence relationships to benefit on a case-by-case basis.

Where I disagree with Peter Ricketts is that, in my view, the proposals that DExEU has made in its paper and PESCO itself—both of which I am sure we will unwrap in detail when we look at the facts of this—pose quite



significant threats to our national security interest. One of the reasons for that is that the DExEU paper starts from an incorrect premise, which is that it fails to understand that in the balance of power between us and the European Union, in this particular area we are in a much stronger geopolitical position than the EU, and yet at the moment we are not playing our diplomatic hand commensurate to our strength and power. The consequence of that is that we find ourselves at risk of being drawn in to arrangements which—as I will explain, and as I have detailed in the written submission I have lodged with the Committee, where I give chapter and verse—when you look at the interlinkage of the 17 documents that have come out in the five European Councils since Britain voted to leave the European Union, you can see that this is a spider’s web, which we will touch at our peril, because if we touch it we will get stuck to it and that will not be in our interests.

- Q4 **Chair:** Will you comment on one specific suggestion in your written evidence? You say in relation to intelligence there is “an EU ambition for ‘autonomous situational awareness’ and full-scope deep intelligence assets. We simply cannot participate both in this and Five Eyes”. This is a testable proposition. You are saying that if we get drawn into this, we would not be able to continue to have the Five Eyes special intelligence relationship. I would imagine, Lord Ricketts, that you disagree with that.

Professor Prins: The point is a little more nuanced, with respect. It will not be our choice. It would be the choice of our partners in Five Eyes. As we know—it is a matter of fact, and Lord Ricketts will be far more familiar with this than anybody else in the room—Five Eyes partners do not trust several of our European neighbours with the sort of intelligence that we have as a matter of course.

The danger that lies in the PESCO proposals, which you read out from my testimony and which I specify in the documents are matters of fact drawn from the EU’s own papers and ambitions. If you look at those things, you have to ask yourself whether there will not then be an opportunity-cost choice that we are put in front of. It will be not an absolute exclusion, but an erosion of something that I would maintain—I think that here Lord Ricketts and I would be entirely *ad idem*—is absolutely fundamental to giving us that critical edge that makes us without comparison in European defence and security, as I said at the beginning of my remarks.

Lord Ricketts: I do not really recognise the especially adversarial relationship that Professor Prins seems to be painting between Britain and the European Union—talking about a balance of power between us and so on. Yes of course Britain will stay a fundamental part of the Five Eyes intelligence community—there is no question about that. Equally, we cannot be surprised that the European Union will want to develop their own sources of intelligence and information. If they are excluded from the Five Eyes, why wouldn’t they? I do not see any difficulty in the UK continuing to contribute, whether through the EU or through NATO, to common intelligence assessments, drawing on all sorts of different inputs, just as we contribute counter-terrorism threat intelligence to EU and other

networks. Honestly, I think these things are complementary and I do not see the dangers that Professor Prins wants to.

Chair: I think this is a theme that will obviously recur throughout the morning

Lord Ricketts: It may come back.

Chair: Forgive us for that byway, Sophia.

Sophia Besch: No, that was fascinating. To come back to your question about who benefits and in what way from the UK-EU co-operation, I fully subscribe to what Lord Ricketts has said. I would find it useful to add one nuance to understand better how that debate is being led in Brussels and in European capitals. What is often done there is to look at the quantifiable contribution of troops that the UK sends on EU missions and operations, which has been rather limited over the years. That is understandable because the UK has been committed in Afghanistan and other conflict areas, and it has to be said that the few troops that are sent are usually of very high quality. I agree with Lord Ricketts that it is really about the UK's global outlook: strategic thinking, the outstanding diplomatic service and the well-connected embassies are the contributions that the UK makes to European security. In terms of the value to the UK, again I agree that CSDP is certainly not at the heart of UK's strategic thinking and priorities, but I think the UK has an interest in influencing the debate in Europe over European security and defence, influencing strategic and regional priorities as it has done in the past.

Q5 **Gavin Robinson:** Let me delve into some of the European initiatives on defence co-operation. Could you outline for the Committee what some of those entail? Are they EU-driven and supranational, or are they devised by member states independently and collectively?

Sophia Besch: There have been quite a few initiatives over the last 18 months or so. The ones that have received the most attention are PESCO—the permanent structured co-operation—which has come up before, and then on the side of capability development and co-operation, the European Defence Fund. Should I go into detail on those?

Gavin Robinson: Please do.

Sophia Besch: It is useful to look at PESCO in terms of how it was originally conceived, which is as an avant garde of European member states that are willing to work together closely and subscribe to high entry criteria on defence, and what it has ended up being in the way that it has been notified to the European Council now, which is as a group of 23 member states that have committed to fulfilling not certain entry criteria but subscribe, over several years, to fulfilling criteria such as 2% defence spending, 20% of spending on equipment, and to co-operating more closely on military operations. That has been an intergovernmental process. It is member-state-driven. The voting happens within PESCO unanimously, with the exception of the suspension of member states, which happens at qualified majority level.



HOUSE OF COMMONS

The European Defence Fund is a Commission-driven initiative. It is the Commission getting involved in capability co-operation and capability development, as well as defence research. The Commission plans on spending EU money to incentivise member states to work together more closely on joint capability projects. We do not yet have the European Defence Fund; a preparatory action has been launched on defence research and the plan is that in the next Multi-annual Financial Framework, from 2020 on, there will be money for the European Defence Fund. Maybe I will stop here and then we can—

Professor Prins: Forgive me; I do not mean to be difficult, but with all due respect I think that what Ms Besch has said is not quite right. I quote from the European Union's own description of PESCO: it is "an ambitious, binding and inclusive European legal framework" with both general and project-specific PESCO governance in areas such as training, capabilities development and operational readiness. It is, in fact, created at the Union level; it is an initiative conceived by those in Brussels. Yes of course it is true that the debate is then presented to the nation states and that, on 13 November, 23 nations agreed that they would proceed to what will no doubt occur on 11 December: the activation of PESCO. What PESCO then becomes is a matter of analysis of the documents. They are complex, and both Ms Besch and I have had to devote time to trying to delve into them.

What I would put to you, very simply, is that this is an interlocking mesh of documents—a sort of spider's web—and that engagement in one aspect will, from our point of view, produce material constraints on Britain's freedom of action on national security. There are two sorts of threats that reside in the PESCO proposal, and I am sorry to say that neither seems to have been recognised by those who drafted the DExEU paper. That is why I raise to the Committee anxiety about the safety of that paper.

The things they have not recognised are, first, that PESCO as drafted will indeed bind in and constrain the national decision making of nation states. I refer you to the most interesting paper that Ms Besch published last week entitled *PESCO: Paper Tiger, Paper Tanks?*, which I am sure you will all have read. I suggest with all due respect that it is a factual error to suggest that this will be, as she says towards the end, a place where parliamentary approval mechanisms—by Germany, for example—will dominate. No. Once you have subscribed to this, it will be determined by the collective decision at the EU level, and it is a binding treaty obligation.

We are not going to be party to this—of course not. The danger, as I pointed out in my submission to you, lies in the area driven by the authority of the PESCO authorities, where we will not have deciding power. We could find ourselves with our autonomy in defence procurement threatened. We would find that the EU would obtain new leverage in the Brexit talks, which are at a delicate moment, as we know. It would hinder our ability to extract our €39 billion from the European Investment Bank and, as we have already begun to discuss, it potentially threatens our Five Eyes and NATO relationships.

Finally—I emphasise this to the Committee—this is completely unnecessary. We do not have to be any part of this. Denmark is no part of this. There is much discussion as to whether we should follow Norway in this matter. We should not follow Norway in this matter. What we should secure are bilateral relationships with friendly nation states such as France, where I have the honour of working myself at the moment. That is what many of our French friends want. They do not wish to see it mediated through this third-party structure. I am warning you that it is pregnant with danger for us, and I think DExEU should be asked to think again.

Gavin Robinson: Chair, I can tell we are going to have some fun with this panel.

Chair: We will give Sophia the right of reply.

Gavin Robinson: Fathered by the European Union or perhaps adopted by the European Union? I think we should apply to Lord Ricketts to provide a level of arbitration between the positions adopted thus far.

Chair: We must give Sophia a response to that; then we will move on.

Lord Ricketts: After Sophia responds, may I make one comment on what Professor Prins said? I will be brief.

Chair: By all means.

Sophia Besch: I will be brief as well. I will start with where I think Professor Prins and I agree, which is that it is absolutely not necessary for the UK to subscribe to any of this. It is up to the UK Government to decide how far it wants to be involved here. We can talk about different models of third state co-operation and whether the UK can come up with a special model for itself a bit later.

I have to insist that PESCO is not legally binding for those that subscribe to it, in the sense that there is no guarantee that members have to provide troops. The final decision over the deployment of troops will remain with national Parliaments. In the paper that Professor Prins referred to, I talk about the German parliamentary approval mechanism. The German Defence Ministry has insisted throughout the process of subscribing to PESCO that that will remain in place. In the end, it is national Parliaments that decide on troops.

When we talk about PESCO it makes sense to acknowledge that there are two aspects to it. On the one hand, there are operational commitments. I am a bit less optimistic about the effectiveness of these operational commitments. I tend to think that it will not change very much in the way that the EU deploys troops and engages in operations. On the other hand, there is commitment to work together on defence procurement and to develop capabilities together. There might be a few more changes there, and I am a bit more optimistic.

Q6 **Chair:** Peter, before you come in can I just make one point to Sophia?



HOUSE OF COMMONS

The House of Commons Library produced a briefing note on PESCO. It talks about the structure of PESCO and then says—I marked this out without knowing what you were going to say—that, “As a treaty-based mechanism any commitments undertaken by participating states will be legally binding. National implementation plans will be subject to regular assessment by the Council of Ministers.” How do you reconcile that with the interpretation you are giving us?

Sophia Besch: Right. What matters are the commitments that have been made in the PESCO notification—this comes back to what I said earlier about what PESCO was intended to be and what it has ended up being. If in the PESCO notification member states had committed to spending 2% on defence, for example, or had committed to contributing troops through the battlegroups, that would be a different affair. They have not done that. They have said in the PESCO notification that, much like the NATO commitment to 2%, they will eventually spend 2% or that they will try to streamline the procedures to commit troops through the battlegroups. These commitments have deliberately been left very open-ended.

Q7 **Chair:** They have done that at this stage, but is this not the way that the system often seems to work? You sign up to something with a fairly loose commitment and then at a later stage the commitment is strengthened. Would there not be the possibility having set the structure in place that tighter conformity would then be able to be imposed at a later stage?

Sophia Besch: Of course, and I would not want to speculate about where this is going. I am talking about the PESCO that has been decided right now.

Chair: I understand.

Lord Ricketts: Can I come up one level away from the technicalities? I profoundly disagree with Professor Prins’ sense of there being a great danger here of a spider’s web that might entrap the UK. First, we will not at all be part of these new structures. We have decided to leave the EU. It would be a sovereign decision, whatever relationship we had. Secondly, it seems to me that it is in the UK national interest to see the European Union states putting themselves under pressure to improve their defence investment, capability development and operational readiness, and any vehicle that helps to improve capabilities and readiness can only be in the collective interest for all of us. I do not see what the risk is here.

Q8 **Chair:** But surely all the main EU states involved in PESCO, bar a tiny handful, are members of NATO? If they wanted to improve their defence capability, they could try to get rather closer to the NATO minimum 2% spending on defence.

Lord Ricketts: They certainly could, and that would be very welcome as well.

Q9 **Chair:** So why do they need a structure like this to do it?

Lord Ricketts: Why is it for us to question the structures that they choose to have after we have left the European Union?

Q10 **Chair:** Because we are proposing to have a relationship with them.

Lord Ricketts: I come back to the point that if this is the vehicle that they think will help them to gain parliamentary authority and public support for spending more on defence and then spending it more usefully in terms of readiness, I do not see that the UK has anything to worry about.

Q11 **Chair:** So they are doing this to persuade their own publics to spend more on defence, rather than to build a separate defence identity for the EU?

Lord Ricketts: No doubt a bit of both, depending on which country you talk to. Having had experience in France, I cannot believe that there is any question of the French putting their own armed forces and the use of them under any sovereign control other than France's.

Q12 **Martin Docherty-Hughes:** I am wondering whether it is a little naive to think that the whole host of EU states are going to sign up to bilateral agreements outside of an EU one, other than France, with whom we have an obvious shared interest in a deterrent. Professor, can you say which other European states you think might be interested in bilateral agreements?

Professor Prins: Which other states would be interested in bilateral—

Martin Docherty-Hughes: Which EU states would be interested in bilateral agreements?

Professor Prins: We know the answer to that already, because we have powerful and established relationships with the Netherlands, for example. We have had for a long time in amphibious warfare. That is exactly the sort of model it would be prudent and wise for us to develop, and to develop warmly, once we have left the European Union.

Similarly, we have relationships with the French. Lord Ricketts and I might, again, find that we have a slightly different view on the political significance of the St Malo agreement, but the principle of it, as I shall discuss tomorrow when I am in France at the Military College of Saint-Cyr, where I have the honour of teaching on occasion, is that the French army is entirely clear-sighted about wanting bilateral—what I might call Palmerstonian—relationships; that is to say, case-by-case relationships with us.

I would like, please, if I may Mr Chairman, to briefly introduce another voice to the question you raised: what is this actually about?

Q13 **Chair:** May I urge you to hold that thought? Our very next question is going to take—

Professor Prins: Of course.

Q14 **Martin Docherty-Hughes:** It feels more like the 19th century than the



HOUSE OF COMMONS

21st sometimes in this place. You mention Palmerston, which makes me even more scared given yesterday's shenanigans in the House. I understand the Netherlands, but maybe they are not going to be so happy given the debate we will be having this afternoon on the Royal Marines and amphibious forces. The royal Netherlands armed forces will be less than impressed by our bilateral agreement. So I am a bit concerned with the function of that one, I have got to admit.

Professor Prins: They are pretty happy with it.

Martin Docherty-Hughes: We will need to wait and see what the Government come out with.

Lord Ricketts: UK-French defence bilateral co-operation is really important.

Q15 **Martin Docherty-Hughes:** But all I am hearing so far is France and the Netherlands. There are 27—

Lord Ricketts: It is also worth the UK building Germany up. I agree entirely that we ought to be enhancing and refreshing our bilateral defence co-operations around Europe, and I would not neglect UK-German co-operation and—why not?—UK-German-French in certain areas.

Professor Prins: But to complete your very important question, Mr Docherty-Hughes, our relationships in this area lie mostly in the magic circle—that is to say, the line that goes from the Netherlands through the Scandinavian countries to the Baltic states. These include the countries in eastern Europe—the Czechs and the Poles—that most wish to engage with us bilaterally, but of course they can do so most powerfully through NATO, the point that we have all agreed is the foundation is our security.

The difference between us on this panel on the matter of judgment that is before this Committee is whether you believe, as I do, that a study of the evidence shows that there is considerable material risk to us that is pregnant in these arrangements, or whether you agree with my colleagues that actually there ain't much here to see, guv, and that if we can get the Europeans to spend a bit more money, that would be a jolly good thing.

Lord Ricketts: Why don't you leave each of us to explain our own position?

Chair: In that spirit, Sophia?

Sophia Besch: I very briefly want to add that UK-German defence co-operation is something both countries are interested in, and before the Brexit referendum, indeed, both had raised each other's level in strategic documents to tier 1 partner. Through Brexit negotiations, that has been paused because of the political fall-out of the divorce negotiations, but I assume it is going to be picked up again after that.

Q16 **Chair:** Good. We have certainly got off to a lively start here. Phil, would you like to take things forward, please?

Q17 Phil Wilson: The UK has suggested “a deep and special partnership” with the EU. Does this mean anything?

Lord Ricketts: You go first.

Professor Prins: Very good.

It could mean something, and what it could mean would be extremely unwise. We need deep and special relationships with our friends, the nation states of the European continent, because that has been our geopolitical norm, as I pointed out in the first page of my submission to you. Three times since 1815 we have come to the rescue—

Phil Wilson: That is 200 years ago.

Professor Prins: We need to retain that freedom of action. The danger we are faced with here is that we are offered a relationship that is not one of partnership meaning collaboration. The structures of PESCO have a single political direction, which is that of integration. The source I was going to mention, for he is always very helpful on these matters, is the President of the European Commission. In a speech that Mr Juncker gave in Prague in June, rather arrestingly, he describes PESCO as “The Sleeping Beauty of the Lisbon Treaty, whereby we will expand EU sovereignty across defence”. As I am sure you recognise, that is a common feature of most of these EU projects which seek to draw more sovereignty into the control of the centre. This has been attempted many times since 1950, but is now under a process of considerable acceleration.

Q18 Phil Wilson: If we are not going to be part of the EU after Brexit, obviously that is a matter for them, isn’t it, whether they want to integrate further?

Professor Prins: That is exactly the problem.

Q19 Phil Wilson: It is not our problem, because it is something they want to do, if indeed that is what they want to do. The question was, can we have a deep and special relationship with the EU going forward, and if we can, what does that mean?

Sophia Besch: The paper at hand sets out an ambition for close co-operation. It does not go into very much detail, but the few details that it does provide indicate to me that the UK would not be interested in any of the relationships with the EU that are currently on offer to third states.

There are two points that particularly stand out for me. One is that, according to this paper, the UK would want to be involved in detailed operational planning and mandate development when it contributes troops to a CSDP mission or operation. The second is that the UK wants to participate in the EU’s defence fund—both in the research programme and the capability development programme. In the way that the EU currently structures its relationships with third states, these options would not be available to the UK, so this is how I would understand the deep and special aspects of the relationship that is proposed. There would have to a solution found here.



Lord Ricketts: There are some areas where clearly we have a British national security interest in a deep and special relationship with the EU, for example counter-terrorism. I know it is dealt with in a different Government paper, but it is essential that we maintain close co-operation with all the databases and exchanges.

In foreign policy, we will be a country that shares the same interests and values, and is threatened by the same things, as other EU member states. I would hope that we would stay closely engaged in CFSP. There as well, as Sophia says, we will not be part of decision making, but there will be cases, I am sure—policy towards Iran and Russia and other things—where we will want to work with the European Union.

In the case of defence, my own view is that we should stay closely engaged. Back in the post-St Malo days, I negotiated a document—then published as the Nice implementation text in 2002—which sets out the rights of non-EU NATO member states to participate in EU military operations. It gives states rights to participate if they choose to do so. If the EU decides to go ahead, if they are using NATO assets under the little used Berlin-plus arrangements, there is an automatic right to participate. If they are EU autonomous operations, then non-EU NATO member states have to be invited.

I feel that some of the missions that the EU has been doing—like the counter-piracy mission off Somalia and the activities in the Mediterranean— are useful, and I hope that the UK would continue to participate in those, recognising that we will not be part of the decision making arrangements because we will have left. So yes, I think there is value in this. If the Europeans are going to be active on defence and security, it is in Britain's interests, as a close neighbour, to have an involvement, up to the limit that we choose, not impairing our own sovereign rights to decide in each case.

Q20 **Phil Wilson:** From what I understand, there was a joint declaration at the Warsaw summit in July 2016 between the EU and NATO for greater co-operation, so it seems that both NATO and the EU can actually work together for the benefit of both organisations.

Lord Ricketts: That is certainly an ambition that goes back to the St Malo agreement which, as I said, made it clear—between Britain and France—that whatever grows up under the EU side will be compatible with, and supporting, NATO.

For 15 years, we have tried to breathe life into EU-NATO co-operation, which, as you say, seems absolutely right instinctively. We got very tangled up in the mutual doubtings and wariness between Greece and Turkey—Greece as a member of the EU and Turkey as a member of NATO but not the EU—on Cyprus. That, for many years, complicated useful co-operation between NATO and the EU. I am out of date as to whether it has improved a bit since I left the field a couple of years ago, but I think that it largely remains an ambition rather than a reality. Sophia probably knows better than me.



Sophia Besch: I would agree with that. There is a huge amount of political will at the moment to make this work, which might be linked to the personalities currently at the top of NATO and the EU. NATO has been quite complimentary of the EU's defence initiatives. At the moment, it does not see a risk of them undermining NATO in any way.

Professor Prins: If I could return to the question—

- Q21 **John Spellar:** Given the amount of work you describe that is going into this and the low level of yield, is it not remarkably diversionary from the main focus, especially in the face of a renewed and increasing threat?

Professor Prins: Absolutely, I would agree with that. The point I was about to make—and I am grateful for your question to sharpen it—is that there is an opportunity cost to all of these things. It is quite true that the official top-line documents that have been issued speak about an ambition, I can agree with my colleagues on that. As Lord Ricketts points out, and as was my experience when I was working at NATO, communication within Brussels has always been fraught and difficult. The fundamental point is that if you talk to the really important partner in NATO, which is the United States—some of us in this room do talk to them on a regular basis—then you will find that, to revert to what we were saying earlier, they see us as their primary link, and they worry about the breaking or diminishing of that, and the diversion of our energy and activity.

To return to your question, Mr Wilson, the fact of the matter is that we are already engaged: we are engaged in the command engagements, where we have allowed access to our peerless C2, and there is a series of interlocking mechanisms, as I point out in the paper. This will keep us engaged, particularly in the area of research, development and procurement. I would suggest to the Committee that this is where the attention should be directed. Everyone at this table is in agreement that the area of operations is not actually the area in which the particular problem lies.

From our point of view, the greatest risk that we have is that we will find ourselves compromised, and find our relationships across the Atlantic—which in my judgement are primarily geostrategic and geopolitical relationships—potentially compromised. I am reverting to, but not repeating, the earlier exchange that took place. To take the example referred to by Lord Ricketts of the Atalanta piracy operation, it is indeed the case that piracy has been immensely reduced off the coast. But it has been done in a duplicative manner, because we have had an EU operation and also had a NATO operation. From our point of view, there is no need to participate in both of these.

Chair: Right.

- Q22 **Mrs Moon:** I am a member of the NATO Parliamentary Assembly, and I have to disagree with you on the piracy operations. In the reports that operational commanders brought to the Assembly, they were very clear



HOUSE OF COMMONS

that they actually found that the two different orders under which they operated extremely helpful. This was because there were times when NATO could not carry out certain tasks that the European Union-flagged operations, if we can put it that way, could. They would often deliberately wait until the same platforms were being used and operate under EU regulations rather than NATO. They found it extremely helpful.

At NATO Parliamentary Assembly level, the ongoing fantasy that Britain is seen as their critical ally in NATO is disabused over and over again, particularly following our defence cuts, when we are seen as often no longer viable as a critical ally in terms of being able to provide the personnel and the platforms that are needed. I just wonder, professor, why you persist with the really quite retrospective view of our place in the world and how we are viewed by our allies. We were certainly viewed like that in the past, but I just don't see that happening now.

Professor Prins: We obviously speak to many of the same communities, and many different ones. Respectfully, I do not accept that description of retrospectivity about the geopolitical assessment of the UK. A study that was recently published by the Henry Jackson Society quantifies the exercise of geopolitical influence and finds the United Kingdom to be by a margin, closely followed by France, the most geopolitically competent European power. Of course, you and I are entirely in agreement about—and I am enormously supportive of the line you have taken in Parliament in bringing attention to this—the lamentable mismanagement of our defence budget and the way in which we have suffered from the cuts. As this Committee is famous for having pointed out, the fighting power of the United Kingdom has been reduced almost by half as a consequence of the 2010 defence cuts. We can agree about all that, but with respect, I do not think that that reduces the fundamental strategic strength that we retain, which comes in part from the closeness of our relationships with the rest of the Anglosphere. The chance to rebuild is, of course, always patent.

On your particular example of Atalanta—I have also had the honour of talking to the commanders involved through my involvement with the naval service—yes, of course different rules of engagement can be beneficial in different circumstances, but there are many ways in which that can be produced. If, at a time of pressure on our defence establishment, it becomes a real opportunity cost, surely it is better to stay with our main engagement rather than a diversionary one.

Lord Ricketts: Could I perhaps link the questions from the last two Members? I do not regard the amount of effort that we are putting into European defence as much of a diversion at all, because we have been very sparing in our military contributions and have tried to target them, as Sophia said, to strengthening, directing, influencing and making more effective the larger contributions from other member states. I think that as we leave the EU, it is helpful in our strategic relationship with Washington to show that we are not turning our back on whatever military defence capability may be developing in the EU, and that we are still trying to influence it in useful directions. I come back to my point that when something is going to improve the capability and readiness of European



HOUSE OF COMMONS

countries and their willingness to take their share of the burden internationally, that is in our mutual interest, and I think Washington would want to see Britain continue to be engaged in encouraging that in the right direction from the outside.

Sophia Besch: That covers much of what I was intending to say, apart from a short comment on EU-NATO and PESCO-NATO. Although I do not think PESCO is taking away from NATO in any sense, I want to be complete by saying that there could be duplication on a bureaucratic level when it comes to NATO's defence planning process and what the EU plans, in terms of co-ordinating its members' defence capabilities in an annual review of its own defence capability development—CARD, as it is called.

PESCO, in its notification, aims for a European strategic autonomy. I think the EU is very unclear on what it means with that, because it has not agreed on a level of ambition or on whether this is European strategic autonomy or EU strategic autonomy. The way that this is framed within PESCO is that it aims to strengthen the European pillar within NATO. That means that it has a capability focus; it wants to strengthen the capabilities of the European members in NATO. It is problematic that there is no level of ambition in terms of what kind of capabilities the European members of NATO want to achieve in the next 10 or 15 years, but the way that it is set up now means that there could be duplication of the bureaucratic processes. If member states have to submit their capability priorities and their annual reviews both to NATO and to the EU, that might be problematic. Member states such as Poland have flagged that up as being potentially problematic.

Chair: Thank you. Phil, you wanted to come back in.

Q23 **Phil Wilson:** The other question is about the deep and special partnership. How much benefit will that be to the UK in future?

Lord Ricketts: I would not overestimate it in this area. I think generally, across the whole spectrum of the EU, it is very important that we find a good working relationship with the EU.

In this area, which covers foreign policy as well as defence, it seems to me, as I have said, that if the EU are going to be putting effort into this area, it is right and in our interests that we should work with them, contributing where we can and making common cause where we can, channelling that energy and effort in the right direction—a NATO-compatible direction—as we have done since St Malo in 1998, rather than turning our back on the EU, withdrawing completely from co-operation and involvement in what they are doing and leaving them to go their own way. I don't see that that is in British interests.

Professor Prins: I think that deep and special relationships with Europe are, as they have always been, in our interests, because, as Churchill famously said, we are with Europe, even though we are not of it. Of course, that makes good, obvious sense.



HOUSE OF COMMONS

The difficulty that arises is the one raised by Sophia Besch: what is the level of ambition of the European Union to represent that? There, I think the answer is actually quite clear. You can see that the rapid acceleration over the past 18 months, which has led to the creation of all these acronymic agencies that I tried to analyse for you, led to the European Defence Agency announcing itself just a couple of days ago as the secretariat of PESCO. PESCO on 11 December will open the door to the creation of a European defence union, which, as we know, has been an ambition since before the creation of the European Coal and Steel Community.

So, this is a long-term ambition. It is not do with defence, as I pointed out earlier. It is to do with the federal project and increasing the amount of centralised control. It is not in our interests—I repeated this point several times and underline it again—to be closely associated with that.

There is a danger that we may unwittingly become so associated, particularly through the collaborations that we have currently signed through on the understanding that we will not be part of them, but which the DExEU paper now suggests we might be part of. Were that to happen, I think it would very much not be in our interests.

The answer to your question lies—and I am sorry that it is a traditional answer—in where the power is, which is in bilateral relations. I revert back, therefore, to my answer to Mr Docherty-Hughes about the way that we should make secure and reliable relationships, such as we have with the Netherlands, France, the Scandinavians or the Baltics.

Sophia Besch: On the question of where the UK's interest is in a deep and special relationship, I agree with Lord Ricketts that it is limited in so far as operations and missions are concerned. It is always nice for it to have a good relationship with its neighbours, but where I do think there is an interest in the UK possibly staying closely aligned is when it comes to the defence industry, capability development and joint procurement.

When you speak to UK defence firms, they say that customs, trade standards and free movement of people are irritations after Brexit but are manageable. Where they see a potential risk is in being left out of capability co-operation projects. European partners there have a similar outlook, similar track record and similar history. The UK works with European partners on existing capability programmes such as the Eurofighter.

At the moment, much of European capability development takes place on a bilateral, intergovernmental level, or through OCCAR or the letter of intent framework, but there is an ambition on the EU side, through the European Defence Fund, to centralise that more, to give the EDA a greater role and to incentivise co-operation on an EU level.

The way that the proposal stands now is that the EU Commission has said that third countries will not be able to benefit from the money that the Commission provides to incentivise capability development, and only

Norway is able to benefit from the money that the Commission wants to spend on joint research and development. That is where I would think that the UK has an interest in a deep and special partnership with the EU.

Lord Ricketts: May I just add something? This is an area where Professor Prins and I get closer together. I do see a risk in this European Defence Fund for the UK, given that the UK is one of the major defence industrial nations of Europe, with a lot of active co-operations going on. I experienced it in France between Dassault and BAE on the future combat air system and all that.

As I read the documents about the European Defence Fund, there is what one might call a protectionist tinge to it: it is there to support activity between companies in the EU—of members of the EU—and Norway. I think it bears close scrutiny and observation to make sure it does not develop into something that excludes British defence industrial companies. I don't know what the mechanism would be for us to have some involvement in it—whether it would require us to contribute or what—but I think we need to keep that under careful review, because it could become a risk to defence industrial co-operation.

Professor Prins: Lord Ricketts is completely correct on this point.

Lord Ricketts: As opposed to all the other points.

Professor Prins: There are one or two where we disagree.

Chair: This is all being transcribed, you know, so there is no going back!

Professor Prins: May I just remind us of the scales here? Our engagement with European procurement—I looked up the figures last night—is about \$3.6 billion, as against the \$20-odd billion that we have in our relationship with the United States, so it's about a sixth. The danger that resides in the DExEU paper, which I keep returning to because it is the examination question, as I understand it, of the morning, is that it seems to me that whoever wrote that paper has not sufficiently understood the risks that could come to us, and they are exactly the ones that Lord Ricketts pointed to—that we would find ourselves in something that was deliberately structured to create a single market in defence. It follows an absolutely standard EU score in this regard, and it would not be in our interests, which does not mean to say that BAE, Dassault and others cannot, like any other large and mature companies, make perfectly sensible commercial relationships of the sort that they have done in the past. We do not need the interposition of the European Defence Fund and these other entanglements in order to do that, so I am simply suggesting here that we go for the simpler, more reliable and more transparent relationship, which does not have an underlying political agenda.

Chair: One last question, Phil, and then we must move on.

Q24 **Phil Wilson:** Professor Prins, were Veterans for Britain the main source of information on defence issues for the leave campaign during the referendum?



HOUSE OF COMMONS

Professor Prins: They were one of the sources of information, yes, of course.

- Q25 **Phil Wilson:** Was all that done in a co-ordinated manner? Was your campaign co-ordinated with the other one? That is basically what I'm asking.

Professor Prins: I think that all the campaigns operated entirely separately.

- Q26 **Phil Wilson:** But you are being investigated now by the Electoral Commission, aren't you? Is that right?

Professor Prins: They have investigated once already and found that there is no problem. That isn't today's topic, I believe.

Chair: Okay. Johnny Mercer, please.

- Q27 **Johnny Mercer:** You say it is not today's topic, but I do think it is important to understand where a lot of what you're saying is coming from. Are you a veteran yourself? Have you served?

Professor Prins: No, I have never served because my eyesight didn't permit it. I have had the honour of working with the armed forces for most of my career, as I explained.

- Q28 **Johnny Mercer:** Can you outline to me how UK engagement with European defence integration mechanisms undermines NATO?

Professor Prins: In the way that we have tried to indicate already in several of the answers, but let me pull it together into a succinct statement.

Johnny Mercer: That would be great.

Professor Prins: The problem lies less in operational commitment. Here, I think, in a longer discussion, Ms Moon and I would find that we were not a huge distance apart. As a serving officer yourself, you will know that rules of engagement are always shaped for circumstance. That is not the problem. The problem lies in the structural engagements that we have in the six European Councils that have passed since the British voted to leave the European Union, voted through on the understanding that we will not be party to them. The danger that lies before us is that we now have a paper proposed from the Department for Exiting the European Union that suggests that we might become party to these. The areas where the greatest danger lies—here there is common ground between Lord Ricketts and me—are the areas of research and development and procurement, and, I would add, although I think we are less ad idem on this, the potential dangers to our most fundamental intelligence links. Those are threats to our capability.

- Q29 **Johnny Mercer:** Forgive me, but I was lobbied very hard by the organisation we have just mentioned, and I still don't quite understand what the point is, because all this is about threats—what may happen and so on—but there is no scenario in which this Government are ever



HOUSE OF COMMONS

going to cede control of defence to the European Union. I do not understand the reason for the continued analysis of potential threats, and this persistent degradation of any co-operation with Europe. What is the end state? What is the point?

Professor Prins: Let us be very precise: our concern is not about defence co-operation with Europe. We believe, as I referred to in my earlier answer, that any sensible British Government will find ways for us to have deep and special relationships with our European neighbours. The question is about this current experiment of the European Union, which has interposed itself, and is seeking to interpose itself ever more extensively, into that relationship. That, with respect, will entangle us once we have left.

We then face the threat—this is the new acronym of the week, I have discovered—of BREXINO, which is a British exit in name only. We will have left, but it will be a bit like “Hotel California”—“You can check out, but you can never leave.” That is the danger that lies in this extremely complicated web of 17 documents and many acronymic agencies which is being spun up at this very moment. We need to relate to that with the greatest caution, and return to the simpler and more reliable relationships, such as the ones we have through, say, the Anglo-Netherlands maritime agreement, our agreements with our French colleagues, or indeed the agreements we have with the Nordics. That is how we do that within the overall framework of NATO, and it is threatened in an opportunity cost manner in a constrained defence budget.

Q30 **Johnny Mercer:** I take your point. Lord Ricketts?

Lord Ricketts: Since the professor has repeated his point a number of times this morning, I fundamentally disagree. I really do. I think he spends too much time reading Mr Juncker’s speeches, which, frankly, will not drive European Union policy. Having lived and worked in France with the French armed forces, I know that of course France wants to see a stronger European Union, but it does not have any intention of having some sort of supranational control over its armed forces. It is a fundamental part of French sovereignty to be able to deploy to Mali, do an effective job and come home.

We are really worrying ourselves unnecessarily if we think this is going to develop in some sort of spider’s web way. I do think we need to watch the defence procurement side, because if the Commission get their hands on that, it could be tricky, but honestly, I think that if PESCO and all these other mechanisms drive up real, usable capability, that can only be good, and it can be deployable to NATO as well as to the EU. The documents on the European Commission website about PESCO say specifically that capabilities developed through this mechanism would be available to NATO as well as to the EU—back to the old mantra that we have had for the last 20 years.

If I may just add one more thing, I do not believe that the EU will ever be a vehicle for overseeing serious military combat operations. I have lived



HOUSE OF COMMONS

and worked in the EU, and the EU has many benefits. It is designed for regulation and legislation; it moves slowly, by consensus and consultation via the Parliament, and so on. Even though this is in the intergovernmental area, I do not believe that we will ever see the EU intervene in terms of combat operations—that will always be NATO or coalitions—so I don't think we need to worry, frankly, about a development of European military capability.

Q31 Johnny Mercer: Okay. Sophia, I know you wanted to say something.

Sophia Besch: I fully agree. I propose giving a few more details on the European Defence Fund, how Norway interacts with it and how the UK could interact with it.

On what the fund is, the Commission wants to spend money on defence research—€500 million from 2020, €90 million over the next three years in a preparatory action and €1 billion from 2020 on capability development and the co-financing of military prototypes that will include three companies from at least two member states. There are quite a few problems with how that will work out—member states France and Germany have different ideas about how that will be financed and whether defence bonds will play a role—but if that happens, countries like Norway, and potentially the UK, from what I read in the DExEU document, will have a real interest in being involved and having access to that money if they want to be part of these capability programmes.

Norway is lobbying very hard in the EU. Norwegians say that they have perfected the art of being a non-member when it comes to defence capability development, but Norway is saying that they can pay into the fund with their payments through the Horizon 2020, because it is a research budget line.

By paying into that, they have rights to participate in the research programmes; I think that is what the UK would envisage doing as well.

Q32 Phil Wilson: Lord Ricketts, you spoke about defence procurement and the protectionist way forward that is developing. I think it is fair to say that by 2020, 25p of every £1 the UK spends will be in America. We have the F-35s and the P-8s; we spend a lot of money with Lockheed Martin, Boeing, etc. There are two things I draw from that. First, it shows how worried America is, protectionist as it is. Secondly, it is an argument for still being in the single market, don't you think?

Lord Ricketts: Well, that is another argument, isn't it? I campaigned in all my time as ambassador to France to keep real energy in the UK-French defence industrial co-operation. In the Lancaster House agreement of 2010, we had a list of things, including the FCAS programme, missiles and other things. We have not refreshed that since then, but as we are coming up to the 10th anniversary of Lancaster House, I would like to see a new list of UK-French defence industrial co-operation, simply to have a diversity of supply. I do not personally think that it is a good thing for any country to have all its defence equipment supplies oriented in one direction.



HOUSE OF COMMONS

My worry about the EDF is that it could be used to influence companies in, say, France, Germany and Italy to work together to the exclusion of the UK defence industry. It would not be a level playing field; it would be tilted by EU money. I therefore think that ideas such as Sophia's of finding a way of being involved, maybe even by contributing in some way, may be in the UK's interest. That would avoid this becoming a non-level playing field of incentives for defence industrial co-operation.

Q33 **Mr Francois:** So that is an option.

Lord Ricketts: That would be an option. Another option is just to let it happen and take the risk that it would encourage collaborations between European defence companies, by which I mean EU defence companies. I cannot judge how great a risk that is, but I have seen BAE and Dassault working together and I know from MBDA, which is of course a 50:50 UK and French company, and from Thales and other companies that co-operation is very effective between British and French companies. It would be a pity if that were influenced by this fund. That is my view.

Sophia Besch: I agree that there is a dangerous trend towards protectionism. The European Defence Fund was initially conceived to counter national protectionism, and there is a risk that it will turn into European protectionism. Perhaps I should add that on the EU side at the moment there is far from being any certainty that EU member states want the UK to be involved in the fund, or that they would allow it to contribute as Norway does, for a number of reasons. One reason is that it could open up a legal precedent for other non-EU NATO states such as Turkey that may want to participate, which the EU would like to avoid.

Q34 **Mr Francois:** At the moment, because the European Defence Fund is part of the next multinational financial framework, presumably we have no idea how big or small it is. Is there even some indicative budget, or is it just a theoretical construct?

Sophia Besch: We have this preparatory action, which is already running, with €90 million, and then we have the plan for €500 million on defence research and €1 billion on capability development for the next financial framework. But of course we do not know yet whether that money will actually be there, or which budget line it will be in. That is a political decision, in the end.

Q35 **Mr Francois:** So if you add those constituent elements, it is a little over €1.5 billion.

Sophia Besch: Yes.

Q36 **Mr Francois:** Right. The DExEU paper represents something of a change in the Government's policy, doesn't it? Historically, the UK has blocked initiatives for further European defence integration, because we have argued that that could be seen as an alternative to NATO. So why is it now recommended that we should become associated with a number of these sorts of initiatives which, at least for quite a few years, we have sought to block?



HOUSE OF COMMONS

Lord Ricketts: The thing we have particularly sought to block is wasting money on operational headquarters, for example, as we well remember from your ministerial days. I agree that that would still be a waste of money. Having chosen to leave the EU, we will be in no position to block that. We have not sought to block the European Defence Agency; we have cautiously associated ourselves with it. On PESCO, my feeling is that that is something the Europeans will do and that we do not need to take a strong position one way or the other. It is on the EDF that we need to work out whether our interest is best served by trying to get involved or by standing aside from it. The Government paper recommends getting involved in order to be able to shape it and benefit from it. That seems right to me, but I agree that it would be a political decision.

Sophia Besch: I should just add a little note. I said that it was going to be €1.5 billion, and that is the money that the Commission intends to spend. The number that we hear a lot is €5.5 billion, and that is based on the calculation that the Commission has made that the seed money that it will spend will motivate member states to quintuple that money. But the money that the Commission wants to spend is €1.5 billion.

Q37 **Mr Francois:** But that would be over a seven-year period.

Sophia Besch: No, annually. So €1 billion annually on capabilities and €500 million annually on research. Member states do spend €200 billion on defence but only €45 billion on capability development—€35 billion without the UK. So it is a considerable amount of money, I would say.

Professor Prins: Your strategic question, if I may suggest this, is the absolutely nodal one, because if we are going to engage in the way that the DExEU paper proposes, we have to ask, "Why now?", as you say. Clearly, one possible explanation is that the Government are seeking to increase the number of bargaining areas that they have in their wider negotiations, as they try to negotiate our exit from the European Union. The view that I would take, and the one that I think is supported in detail when you look at the web of arrangements that, as we have rehearsed, cover procurement, command, intelligence and operations, is one that we would touch at our peril, and which, as we established at the beginning of this session, it is entirely unnecessary for us to do because we can get the security benefits that we require through bilateral relationships with our European friends and neighbours and through our primary alliance, which is with NATO.

But I do worry that the paper has come forward in this form, and that is one of the reasons why, as I expressed in my paper for you, the Committee ought to take a very shrewd and perhaps rather cold-eyed look at this and ask some questions of DExEU about why it is making proposals that, if you allow yourself into them, will have ongoing effects—BREXINO, Brexit in name only—after we have actually left. It is quite clear that those things will happen because they have already done so. To take the command area, which Lord Ricketts mentioned, this is an area in which we have already—last March—said that we are prepared to give a helping hand, and that is an unnecessary commitment for us to have made. I



would much rather see this whole area kept completely out of the primary negotiation about how we leave, because it is too important. We have the security relations that Lord Ricketts mentioned earlier in the area of terrorism, cyber and so on, which are a separate matter, and which, by and large, are better conducted bilaterally.

Veterans for Britain published a very useful paper by Richard Walton on that subject, which I think is illuminating, but in the area of defence co-operation, let's keep things simple. They say in the military, "Keep it simple, stupid", and I think that is absolutely sensible here. This is an invitation to be engaged in something that is not what it says on the label.

- Q38 Mr Francois:** But working from first principles, we have voted in a democratic referendum to leave the European Union and, in one form or another, that is what we are going to do. Do you accept that, having been part of the European Union for so many years and having blocked a number of, shall we say, centralising initiatives because we have been worried about the potential overlap with NATO, it would then be unfair, as we are leaving the organisation of our own volition, for us to try to impede further centralisation by the other European nations if they so choose?

Professor Prins: We have not blocked any of these things; in all the Councils since we voted to leave, we have voted these things through. I am entirely with Lord Ricketts: it is up to them what they want to do. What I am concerned about is that we now see in the DExEU paper—as you correctly pointed out—a suggested change of direction. That means that, for all of those things our civil servants advised our Ministers to vote through on the presumption that we would be no part of them, it is now suggested that we may well find that we are. That way danger lies, and that is the warning I would like to underline.

- Q39 Mr Francois:** Just to be clear: where we currently sit is that we are not opting in to PESCO, but we may want to become part of the European Defence Fund in the future.

Professor Prins: We are not opting in to PESCO, but we are opted in to things that will be controlled by PESCO decision making; I have put a little Venn diagram in my paper for you, to try to make that point visually clear. That is an area of danger. It is something I wish officials had brought, in a more focused way, to the attention of Ministers. I hope very much that this session will serve to raise awareness of these dangers in ministerial minds before it is too late.

Lord Ricketts: May I propose another way of looking at this? As the UK, we will have to get used to the idea that we will relate to the EU in the future as a third party. We will be leaving the EU, so things that we deal with as a member state up to then, we will then be dealing with as a third party outside.

However, we will be a very interested third party, living 20 miles away from continental Europe, so I think the judgments are a bit different. The judgment is that we will not be part of this, and the EU will do whatever



they decide to do on defence co-operation, but as a third country directly and closely related and affected, we need to think how we will influence that. I read quite a lot of this as wanting to influence, as a third party, developments that will go on anyway.

- Q40 **Mr Francois:** Okay. Lastly: do you accept that the DExEU paper represents quite a change of policy by the United Kingdom Government, compared to what has gone on over the last 20 to 30 years?

Lord Ricketts: No, because we have decided to get fully engaged in CSDP. We were one of the founders, intellectually, of the whole exercise. We have participated in missions and we have participated in the EDA. We have tried to block, as you say, centralising and integrating things; now we have to accept that we can't block them.

I think the DExEU paper represents the fact that we are now looking at this as a future third country, and looks at how best we can influence from the outside and benefit from what they are doing. That is how I would interpret it.

Sophia Besch: And actually, the DExEU paper is not 100 miles away from the balance of competences review; the language is quite similar, and that review acknowledges a few of the advantages of EU defence co-operation that the DExEU paper acknowledges.

In response to Professor Prins, I want to say that, while I do not think that the UK is submitting to supranational decision making through the initiatives proposed in the paper, I do think that the way the EU currently deals with third states when it comes to defence is bad. Third states are very unhappy with it, they are quite frustrated, if you talk to the Norwegians, the Canadians, the Turkish or even the Americans. The UK has an interest in trying to negotiate a better deal for itself—possibly a deal that other non-EU third states can then sign on to. That, in my opinion, would make it easier for the UK to negotiate that deal.

Professor Prins: Briefly on that point, Mr Francois, Sophia is right. The Norwegians are already expressing alarm. Just in the last couple of days in Ireland—the Irish are of course neuralgic about the notion of the European Union moving towards an active army—TDs have been expressing considerable anxiety about what they have actually signed up to. There is momentum here.

My answer to the question is very simple: of course we have the relationship with our European nation partners, bilaterally and through our primary defence alliance. We do not need this additional complication, which I see as being fraught with potential dangers.

- Q41 **Mrs Moon:** I get the feeling that there is an antipathy coming from you, professor, about anything to do with Europe, and a sort of desperate desire for anything that is pro-America. Surely one of the things that Britain is going to have to look at is how we manage to enable our industries to co-operate and provide an alternative focus to European defence capability. That could be through something that would allow



HOUSE OF COMMONS

European companies to develop co-operation on research and development, rather than always being held as a hostage to fortune—as we have been with the F-35 programme—with highly expensive developments coming out of the US, such as we see from Lockheed Martin and Boeing. Do we not want, as this new entity, to be able to co-operate in both fields? Is that not what the DExEU paper is aiming at? We are not slipping away from Europe and becoming an offshore state of the United States; we are going back and keeping a foot in both camps, and possibly other camps. Rather than the fear and anxiety that you are expressing, there are opportunities for us here to work and to demonstrate our desire to work in a new collaborative way.

Professor Prins: I would have psychological difficulties, being half-Dutch and having been educated in France, with the notion that I was anti-European. I am very worried, however, about the institution of the federal experiment of the European Union that the British people have just chosen to leave.

If we take the DExEU as a good-hearted albeit naïve document, it wishes us to be engaged, but it is choosing mechanisms that are not efficient and that will not achieve what you and I and Lord Ricketts wish, which is to have a proper and wide commercial engagement with all appropriate partners. I am well aware that we cannot build missiles on our own without Meteor. I am well aware of how Typhoon is constructed. I am well aware of the ways in which we can profitably ensure that our world-leading defence industries can and should relate bilaterally in a normal commercial way with European industrial enterprises, but I am also aware that there is and always has been another text behind initiatives like this.

I have been accused of reading with too much enthusiasm the speeches of Mr Juncker, but he is the President of the Commission. I will quote him one more time, because he is helpful on this. On exactly these matters, he said: “We decide on something, leave it lying around and wait and see what happens. If no one kicks up a fuss, because most people don't understand what has been decided, we continue step by step until there is no turning back.” That is the danger that lies in this proposal.

Q42 **Mrs Moon:** I am sorry, Professor Prins, but you are focusing on one individual. That is like saying everything in America comes out of the tweets of Donald Trump, and God help us if American policy is based on Donald Trump's tweeting. *[Interruption.]* I am not sure if there was a Freudian slip in there.

Professor Prins: With respect, Ms Moon, I do not rely—

Mrs Moon: It's Mrs Moon.

Professor Prins: Mrs Moon, I do not rely solely on Mr Juncker. The paper I gave you is deliberately grounded in the structures and in the many documents and acronymic agencies that have been created to give life to this particular vision. I am simply pointing out that we can obtain the benefits that you and I would wish us to gain, but we will not do it by necessarily engaging through these mediated structures. We can do it



bilaterally in a perfectly normal way, just as we do with other countries, such as the United States. We would not want to become party members of DARPA, so why on earth would we want to do this with a group that we have just voted to leave?

- Q43 **Mrs Moon:** I have to say that I spent a lot of time on the doorstep during the referendum, and not one person suggested that this was their motivation for leaving the European Union—not one person. I do think that we are becoming a bit obsessive about the will of the people, which is an overarching claim to which the people had very little involvement, in the sense that what they voted for was on a multiplicity of levels. The European Defence Fund was never, ever one of the issues that was highlighted as a reason for or against leaving the European Union.

Professor Prins: I am sure people had multiplicities of reasons. Frankly, I can't see why that is relevant to our discussion here.

Chair: We have Sophia wanting to come back, and Peter as well, perhaps.

Sophia Besch: With a quick point: it is necessary to stress that this paper does not actually devise any mechanism for how this will work or how the ambitions set out in the paper will be implemented. Now is a great time to start thinking about how the UK and the EU could work together on a political, legal and institutional level. It is not just that it might be difficult here; it will also be difficult on the European side, because member states are not necessarily in agreement about where they want CSDP to go or what kind of role they want to give the UK. There is much room for conflict, but I don't necessarily see it in the ambitions that are set out.

- Q44 **Mrs Moon:** We are looking at whether it is an opportunity or a threat.

Lord Ricketts: I think it is unequivocally an opportunity. We need to keep our eyes open for areas that could be difficult, like the European Defence Fund. I really don't think we should pay too much attention to a Luxembourg Commission President without a great deal of experience in defence, who is speaking in some of what you have been reading, Professor, well outside the competence of the Commission. In this area of all areas, the member states will want to maintain sovereign control of their assets. Let's remember that the European Defence Community was voted down in the French National Assembly in 1954, and I don't think France has changed its nature since then.

I really don't think we need to alarm ourselves about this. Of course, we need to keep a wary eye for things that could run against our interests, but I think a better policy is to stay as engaged as possible with countries that, after all, very largely share our values and interests in the world, and that we want to see do more. Quite rightly, they are under pressure to do more in their defence spending. If this mechanism can be part of that, I think it is a good thing. We can choose very carefully where we want to engage, and we can avoid the spider's web anxieties that Professor Prins has been articulating.



Professor Prins: If I may, I think I must clarify the difference between us. It is a matter of judgment, which you will all make. I don't think it is unequivocally a threat, but I think it is largely a threat and far less of an opportunity. The evidence for that does not reside in the words of the loquacious Mr Juncker; those are merely illustrative of his thoughts. It lies in an analysis, which I have offered you, of the 17 institutional papers and the many agencies, and the momentum that is now developing towards a clear purpose, which is, if we become engaged in it, potentially not in our national security interest.

Q45 Graham P. Jones: This is interesting, Professor Prins. It seems almost a paranoid picture that you are painting. You say that we have to be so concerned about PESCO and integration into Europe, but what is being proposed by PESCO, as I understand it—tell me if I am wrong; I would like further contributions in response—is moving troops easily across Europe. One of the problems we have heard in the Committee is that it is difficult to move troops to the eastern front at the moment because of different EU nation state legislation. Working together on cyber-warfare is a challenge across nation states in Europe, and integration would seem perfectly logical, so you can move troops to the front as well.

It seems to me that this leaks into other EU policies. For example, our defence policy is not necessarily military—it might involve sanctions, for example. We would want to have some common agreement on sanctions if it was part of a defence posture. Counter-terrorism, which has been mentioned, is exactly the same. On the European Defence Fund, at the moment the mood music is that the UK is not part of the discussions about the sixth-generation fighter; it will be a German-French project, if the reports are to be believed.

It seems to me that PESCO is bringing forward a number of initiatives that seem quite reasonable and seek to solve challenges that European Union nation states face as a whole. Would you not agree, therefore, that it would be advantageous to see PESCO make progress on the issues I raised, with the United Kingdom as part of it—not part of PESCO, but connected to these decision-making processes?

Professor Prins: I think you know my answer, which is no, I do not agree.

Q46 Graham P. Jones: Are you a hard Brexiteer?

Professor Prins: What does that mean? I voted to leave the European Union, yes, of course—if that is what you mean, but that is hardly material.

Chair: I don't think we need to get into the personalities of it. I think we should stick to the issue.

Professor Prins: I am grateful, Mr Chairman, for that comment. I repeat what I said at the very beginning: "an ambitious, binding and inclusive European legal framework"—that is what PESCO is. It is not a benign and innocuous way of trying to make a few things more efficient. If we wish to find ways to move tanks on transporters across borders, we can do that

through NATO with the collaboration of the States. The issue here is whether—

Q47 **Graham P. Jones:** Can we?

Professor Prins: The issue here is whether you wish the United Kingdom to find its potential freedom of action in important areas of our national security constrained unnecessarily. We do not need to have that constraint. I would therefore advise that we stay clear.

Q48 **Graham P. Jones:** All I can say to you is that I am not persuaded by the arguments that you bring forward. I would like to listen to what Lord Ricketts and Sofia have to say.

Sophia Besch: Thank you. I think that PESCO's focus is on inclusion. Twenty-three member states are a part of this avant garde group—though what does avant garde really mean in this context?—and that number might rise. The focus is on process, that member states no longer have to subscribe to any entry criteria, but something that they can fulfil whenever. That means that it will be a lot less effective than laid out here by Professor Prins. Also, there is very little accountability for member states regarding adherence to the criteria laid out in PESCO, because de facto they will not be kicked out if they don't adhere, as it is qualified majority voting.

That said, some of the initiatives that you have laid out will be incredibly beneficial, because PESCO can serve as a framework under which countries can engage in projects on the military operational side and on the capability development side in smaller groupings. The PESCO notification does actually provide for third-member states to co-operate on certain projects if they choose to, if PESCO members agree, and if that third country contributes significant value to the project. That door is open to the UK in the future if it wishes to engage with PESCO.

Lord Ricketts: It sounds to me like it is a framework for those nations that want to move ahead in certain areas to do so, without having to wait for all 27. It is not the first time that has been tried; I hope it is more successful this time than it has been in the past. If it spawns the sort of co-operation between individual nations like the European Air Transport Command and so on, which is probably greater than the sum of its parts, then I think it is useful and we should encourage it. The Europeans have been too slow to develop their capabilities and it is in British interests that they should. If that is what PESCO is designed to do, it is broadly in our interests.

Q49 **Graham P. Jones:** Lord Ricketts, I put it to you that it is in NATO's interests to be able, if needs be, to move troops to the eastern front for rapid deployment as quickly as possible. That is a common interest between NATO and the EU.

Lord Ricketts: There is a common interest there. I think it has always been in NATO's interest to see the Europeans working well together, as long as it is compatible with NATO and supporting a more effective NATO.

That has always been the objective, and I have not heard anything today that makes me think that we are diverging from that objective.

- Q50 **Martin Docherty-Hughes:** Lord Ricketts, I am sure that you will not want to make the same mistake that the Prime Minister made yesterday in forgetting that we will have a land border with the European Union once we leave. They are not 20 miles away across the English Channel.

Lord Ricketts: You are quite right.

Martin Docherty-Hughes: If you live in Strabane you can walk down into Convoy village, where my grandfather was born. There are other ramifications that we really do need to be mindful of in both this discussion and in debate.

The *Future Partnership Paper* indicates that the UK Government would be willing to engage in defence industry co-operation along the lines of the relationship that currently exists between the European Union and Norway. How does the Norwegian model work and what are its limitations?

Sophia Besch: Norway is the third state that works most closely with the EU on defence, both in the operational area and in the capability area. After St Malo, I think Norway quite desperately wanted an EEA for defence, but was not given one. That did not stop Norway using the system to its advantage for the preparatory action, which is the one area where Norway stands out as the only third country with access to the Commission's money for the preparatory action. Norway uses the Horizon 2020 key for its payment into that research fund—so Norway is part of the Horizon 2020 research framework of the European Union and through that it pays into the European Defence Fund. That allows it to be part of the research projects that might run under that fund.

When it comes to operations Norway is a troop contributing country, much like other third countries. Third states sign framework participation agreements with the EU if they want to contribute troops to missions or operations. That means that they can participate, but they cannot take part in the decision making or the decision shaping. They are not part of the operational planning or the mandate development and they do not participate in the force generation conferences. They do participate in the committee of contributors, which does not happen at a very high level—it is often Second or Third Secretaries who come together there.

Third countries are invited to participate as members in the battlegroups of the EU; they have done that in the past. They assume their own costs in accordance with the cost distribution key that the EU envisages. That said, with the DExEU ambition that the UK would want to be part of detailed operational planning and of mandate development, if it wants to contribute troops—and also, I think, would want to have a guarantee that if the EU has access to the UK's force catalogue, the UK has a guarantee that it will be invited to contribute to missions and operations, which it would not normally have—then a special arrangement will be necessary; a special kind of FPA that goes further than the one that Norway has.

Lord Ricketts: For Members who may have difficulty sleeping at night, I had an article in the RUSI Journal in the summer that traced the legacy of St Malo, including the paper that I negotiated in 2002, called the Nice implementation text, which creates rights for non-EU NATO member states. I did not realise at the time that I was drafting something that might apply to the UK after the UK leaves the EU, but it does, and it sets out rights to participate before decisions are taken and afterwards in the committee of contributors, and so on. I think that the UK should be looking to fully exercise those rights when it chooses to participate in future CSDP missions, which I hope and believe that it will from time to time, though not necessarily every one.

Professor Prins: The first, and rather obvious, thing to say is that Britain is not Norway. We are a vastly more important and capable military power and we have much wider geopolitical interests. Norway has chosen, for its own reasons, to make this association. On the rapid acceleration over the last 18 months, it is a matter of record that there is now increasing anxiety about areas that we have touched on in the discussions before this Committee today. Norway is finding that it is unable to influence in areas to do with the EDA and particularly the EDF. However, as we have established with this Committee—and I think that it is not a matter of dispute at this table—the worries for us lie not in the frontline operational areas, where it is of course perfectly possible for us to collaborate with anybody if we wish on a case-by-case basis in bilateral or collective operations, but in the commitments that are not implied but specified in the interrelationship between the different agencies of which we have expressed in the DExEU paper an ambition of association, notably continuing with the MPCC and the relationships between that, between intelligence co-operation and permission in some form or another to continue with the EDF.

That matter is of course in some dispute, because we have just had a speech from Mr Barnier in Berlin in which he told us in no uncertain terms, at the front of the speech, that we would not be party to any of these things. When you look into the rest of the speech, as I am sure you have done Mr Docherty-Hughes, you see that he actually says we want to find ways in which to keep the British involved in these things. So my interpretation of a speech like that is that it is a very familiar sort of diplomatic technique in which you try to shock the party that you think might not be engaging into making sure that they do engage.

So the answer, at the end of the day, is that if there is a choice about models of how to associate with our European allies, then the one to choose is not the Norwegian one, but the Danish one. The Danish one is to have no association with these structures, but to conduct our relationships through our established relationships bilaterally and through NATO.

- Q51 **Martin Docherty-Hughes:** Let's take this a little bit forward, although we will probably disagree slightly. Norway obviously has its own fairly substantial defence industry, with companies such as Kongsberg. They have bought frigates from Spain and are buying the F-35s and P-8s from



HOUSE OF COMMONS

the United States, just like the United Kingdom. Could we say that these arrangements give Norway the best of both worlds? You may agree or disagree.

Professor Prins: Well, that is a sovereign decision for the Norwegians, isn't it?

Q52 **Martin Docherty-Hughes:** Is that a yes or a no? From any of you? Does it give them the best of both worlds?

Professor Prins: I think it gives them a constraint, and they have indicated that over the last week and a half.

Sophia Besch: I think that Norway benefits from co-operating with the EU on capability development. I agree that the UK is not Norway, and I do think that in the operational domain, the Norway model should be less a model and more a warning to the UK, because actually what Norway does is trade troops for influence; it has to align with pretty much all the political decisions that the EU makes on defence.

Q53 **Martin Docherty-Hughes:** It trades its capability and its ability.

Sophia Besch: On capabilities, I think Norway has the most access of all of the other third countries, and it is a model that the UK might want to aspire to.

Lord Ricketts: I don't have a view really on whether they are getting the best of both worlds. I have always found the Norwegians to be absolutely exemplary allies whenever I have worked with them in the tough places, in Afghanistan and Iraq and so on—very capable armed forces. They have taken a sovereign decision to be effectively part of the single market of the EU, under special arrangements. It doesn't look like we will be going down that route, but that does give them a particular position. It is the only non-member state of the EU that has that position. I don't blame them and I suspect they are leveraging that for all they can.

Professor Prins: That is of course the material difference.

Q54 **Martin Docherty-Hughes:** Yes. Let's go on to the next question. Should the United Kingdom be looking to allies such as Norway, Canada or even Turkey to negotiate jointly on finding a new way to co-operate with the European Union on defence and security, rather than trying to negotiate a bespoke arrangement?

Sophia Besch: I think it would be useful for the UK to talk to those countries, because the EU will be worried to set a legal precedent in any kind of special bespoke deal that no other third country can enter. That goes contrary of the interests of the EU. Norway is quite worried about this. Norway has been worried about this in the past when the issue of Turkey being part of the CSDP or aligned to the CSDP was at hand. So that is something that the UK might want to look out for.

I think it might be possible to devise a new framework that has an emphasis on values, as well as an emphasis on quantifiable contributions.



If there is a third country that broadly aligns with the EU's values and commits to contributing x number of troops to operations that have a certain level of commitment, then that country will also have rights in the capability development co-operation.

- Q55 **Martin Docherty-Hughes:** Let me say that for our security commitment, it strikes me that there are now three large states—or are about to be, with the United Kingdom leaving the European Union—on the periphery of the European continent that now have distance from the EU. That will be the United Kingdom, Turkey and the Russian Federation. How do we ensure that political divergence from the European Union is not translated over time into a divergence in security interests, as we see with the Russian Federation and arguably with Turkey—a member of NATO?

Lord Ricketts: Well, gosh, I think you are mixing countries of very different states and conditions there. Just to go back to your earlier point: no, I don't think it would serve Britain's interest to align for example with Turkey in some sort of campaign for particular access to CSDP, given the state of EU-Turkey relations. No doubt we should certainly be talking to Canada and Norway, but we are a country that has been for 40 years deeply embedded in all these structures; indeed, we were formative and were intellectually at the heart of the development of those structures. I think that does put us in a rather different position.

In a separate paper, the Government have proposed a treaty with the EU to cover the security co-operation, counter-terrorism co-operation and so on. I see that and this area as somewhere where we will get a degree of understanding because there is a shared interest between the two countries.

To answer your second question, I do not think it is yet clear how much political divergence there will be between the UK and the EU in the future. Events of the last few days suggest that that is very much up in the air. My view is that we should work for as close a continuing political relationship as we possibly can, and that puts us in a very different league from a country like Canada, and even more so from Russia.

Professor Prins: My answer to the first question is exactly aligned with Lord Ricketts'—you are talking about very different things, apples and pears, in our relationships with the Canadians and with the Turks.

I would add a different spin to your second question, which is that we need to ask ourselves why we would want to have the sort of discussion that you suggest we might want to have over defence collaboration as part of our general discussion with the institution that we are leaving. My judgment, and the one that I think is sustained in the evidence, of what the European Union have been ambitiously driving towards—they are not disingenuous; they are telling us quite clearly the direction of travel—is that they have not yet reached their full level of ambition. The SDIP of Mrs Mogherini is clear about that. The ambition is to move in the direction of a federal defence union identity, which is clearly not something that we would support or wish to be part of. It would be against the geopolitical



position this country has had vis-à-vis the continent for centuries and would therefore be unwise.

What I think is not grasped in the DExEU paper, but perhaps should be, is the danger of playing this issue of our undoubted prowess in the defence world as a chip in our poker game over the general negotiation. I think it should be kept out altogether. I fear that the reason that the DExEU paper has come forward at this time may be that there is a thought to try to play it as a way of winning advantage in other parts of the very fraught negotiations going on at the moment. I would much rather keep defence out because its nature is *sui generis*—it is entirely to itself. Furthermore, as I have said several times but it bears underlining, as far as we are concerned, our sovereign interests are best pursued bilaterally and through NATO as our primary alliance.

- Q56 **Martin Docherty-Hughes:** It is interesting that you mention history. Reflecting on the history of the European continent, at times in the last few days I have felt that we are back in the 1800s. It would seem that the argument that you have been proposing, Professor Prins, is that our strategic interest in the UK is to ensure that Europe is in some way divided. You talked about the past, but from where I sit as the MP for a constituency that was obliterated during the second world war, the past has not always been good to the vast majority of European nations when we are divergent. It is not a good place to be for Europe.

Professor Prins: It is a question of how you manage the alliance, isn't it? My father escaped on the last boat to get out of the Netherlands after the Germans invaded his homeland, so I am not, personally or professionally, unaware of the past. What this part of our discussion touches on is how we best secure the common interest that Europeans have through the institutions that most effectively and legitimately represent their defence and security interests. The concern that I have expressed for you in this oral evidence session and in the written material is that if you actually look at what is being done—not a matter of opinion, but what is being agreed and proposed—there is a clear direction of travel. Unwise as he may have been in the speeches that I mentioned to you, Mr Juncker has let the cat out of the bag in that regard.

We need to be very careful about the nature of our association. There is agreement at this table—strong agreement, I think—about the dangers that could lie in an association that would compromise us if there were to be protectionist development in a European defence single market. As we all said in answer to your previous question, we are not Norway, and we have therefore quite different geostrategic interests, which, with respect, are pursued by having not a Norway relationship, but much more a Danish one.

- Q57 **Martin Docherty-Hughes:** I could go on about the High North and lack of strategic relevance for the UK and the gap between Scotland and Iceland, but I won't. You mentioned Mr Juncker yet again. I wish you had not, Professor, because you are asking us to judge the European Union on Mr Juncker. I am not going to sit here and question Veterans for



HOUSE OF COMMONS

Britain, given the fact that they're up for a charge from the Electoral Commission and took fifty grand from Arron Banks. I wonder if we can move to a position where we have substantial evidence that substantiates some of the facts you are saying, because it does not seem like we do. It is a retrograde step that is taking us back to the 19th century.

Professor Prins: With respect, I put on paper the material that supports the case before this meeting.

Sophia Besch: The professor said that there was agreement on the panel about the danger of association with the defence fund. I do not agree that there is a danger of associating with the defence fund. I think there is a danger within the defence fund that it might turn into European protectionism, but I think the UK will still benefit from association with it.

Q58 **Chair:** Is the problem with all these institutions and with the theory of integration, in the abstract, not that it is contingent on getting countries to sign up to arrangements that, in their initial stages, appear to be innocuous but step by step draw you further into a process of unification from which you find it very difficult to extract yourself? We are trying to establish whether PESCO and these other entities that are being set up or have been set up are organisations of that sort—in other words, if you start to get involved with them, they will be not an end state but a conveyor belt to a destination, and if you knew you were going there, you would not climb on to the belt in the first place. The question is, if we enter into these organisations that are being set up, will or could they start taking us somewhere we do not wish to go? You seem to be saying that this is one such organisation and that it could go there, although obviously one would hope that it would not. Is that a fair summary of what you are saying?

Sophia Besch: What is relevant for the UK is how these initiatives envisage engagement with third countries. The way they do that right now is that if the UK wanted to engage with PESCO, it would be on a project-based level. The UK could decide to sign up to certain projects and be part of them but not be part of PESCO as a whole. It is the same with the defence fund. The UK could sign up to certain capability or research projects but not be part of it as a whole. While I would not want to predict the future, at this point in time, both these initiatives leave a great deal of sovereignty up to member states to make these decisions.

Q59 **Chair:** We are right at the end now and just have one more question on parliamentary scrutiny. Peter, before you come back on that question, can I ask you an additional question? As a matter of interest, and as an expert from the inside, can you tell us how the DExEU document we are examining today would have been drawn up within the system? It has come out of the Department for Exiting the European Union, but presumably both the Foreign Office and the Ministry of Defence were involved. I am curious to know, because that will lead on nicely to Phil's point, which is to do with how we best keep track of these sorts of development in Parliament. If you cannot throw any light on it, that is fine. I'm sorry that it is an unpredicted question.



HOUSE OF COMMONS

Lord Ricketts: That is absolutely fine. I am quite sure that this document will have been put together in co-ordination. I do not think that DExEU, as a Department, has much skill and competence in this area, so it will have had input from the Foreign Office, the MoD and probably DFID as well.

Q60 **Chair:** Who would have had to sign it off—the Secretaries of State in all those Departments?

Lord Ricketts: Yes. Whether personally or in their name, I would be surprised if a document like this did not go to the Secretaries of State. It says HM Government on the top and it is committing of the whole of HM Government. I do not think it is just a DExEU paper. It think it reflects a consensus across the organisation.

Picking up on the final range of questions, I do not see the European Union as on a ratchet towards a federal future. Having lived and worked quite a lot of years in my career in Europe, there are many different views on that. You get the most federalising view from the Commission itself, of course. But in all the member states there are very different views, and if you look to the east of the European Union there are countries with very different ambitions and views about the future. So, no, I do not personally believe that PESCO is a secret plan to ratchet members of the EU unwillingly towards a federal defence future. I think it will remain member state prerogative territory given the sensitivity of the sovereign assets that are involved. I think we can safely choose how and where to engage without feeling that we are somehow getting stuck to a tar baby whose destination is a federal Europe, to mix my metaphors terribly, Mr Chairman.

Sophia Besch: I agree.

Chair: Phil, the end is nigh.

Q61 **Phil Wilson:** I will just make one brief point about defence. A strategic part of it has to be brought into the whole of the Brexit arena. I also think the industrial side of it does it as well, because of the tens of thousands, if not hundreds of thousands, of workers in the defence industry in this country that rely on their jobs in that industry. Billions of pounds come to the Exchequer. Bob Keen from BAE said to us last week that the whole situation will affect them on the custom changes, the tax changes and so on—not as bad as some other sectors, but will still affect them. What they want more than anything else is continuing co-operation with the EU on defence issues to keep those people in jobs in this country. That is a very important aspect of all of this.

The final question is: how can we ensure there will be effective scrutiny of Government decisions on EU defence initiatives going forward?

Chair: Before this hearing this morning, I doubt if one MP in 100 had heard of PESCO. I hope that after our efforts today that percentage will rise considerably, but how in the future would you recommend that Parliament avoids getting into a situation where decisions with far-reaching consequences for defence are conducted in some outfield that



HOUSE OF COMMONS

almost bypasses our ability to keep track of them? This has often been one of the complaints about EU operations. Bear in mind this is the final hurrah, so this is the last chance for a comment on all that we have heard. Let us go ladies first.

Sophia Besch: UK parliamentary scrutiny is not my area of expertise. The UK is still at the table in the EU when these initiatives are being discussed at the moment. It is still being invited to the Councils when they are decided and it still takes part in the mechanisms in Brussels, so I would think that the Parliament should be informed by the Government when it is part of these discussions in which direction these discussions are going.

Professor Prins: Well, sparing your blushes, you are doing what Walter Bagehot would have wanted Parliament to do through the Select Committee system, which is scrutinising and holding the Executive to account. So, yes, having a session such as today's is clearly one of the ways in which scrutiny is maintained. Given the breadth of this particular issue, it is also a matter of concern to other Select Committees. Lord Ricketts has already appeared before the Foreign Affairs Committee in a similar vein and, although I am no expert on parliamentary procedure, I would imagine that either formally through the Liaison Committee or informally through interchange between the relevant chairmen, there can be a manner in which the Select Committee side of the parliamentary process can hold the Executive to account in this sort of area. It is particularly important to do so given—if I may say so, if it is my last word—the correctness of the conveyor belt analogy which I am sorry to say is well supported in the long history of the European project so far. "Caveat emptor" has to be the advice—"buyer beware". That I think is something that this session has usefully ventilated. I hope that other MPs will pay attention to it.

Lord Ricketts: I think you raise a subset of the more general question about scrutiny arrangements after we leave the EU, where this will become a relationship between the UK and another entity. I imagine that a number of Select Committees will have an interest in the UK's relationship as a third party with the EU, in among which I would have thought that this Committee rightly had an interest in the development of these issues, just as the Foreign Affairs Committee and other Committees will as well. There will need to be some sort of co-ordination but I would have thought multiple scrutiny by responsible Committees makes sense to me.

Professor Prins: And the Liaison Committee presumably.

Lord Ricketts: Yes.

Chair: You may not have seen but my colleague Tom Tugendhat, who chairs the Foreign Affairs Committee, was actually here and taking an interest in the earlier part of our proceedings.

It only remains for me to say that we have generated a certain amount of heat but a far greater amount of light. It is really fascinating to see three very clever and knowledgeable people get to grips with the subject from



HOUSE OF COMMONS

different perspectives. We have heard about spiders' webs, tar babies and conveyor belts, and we almost had a rendition of "Hotel California"—but not quite, thank goodness. It only remains for me to thank all the witnesses for a truly excellent session. Thank you. The proceedings are concluded.