



Select Committee on International Relations

Corrected oral evidence: UK foreign policy in changed world conditions

Wednesday 7 February 2018

10.40 am

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Members present: Lord Howell of Guildford (The Chairman); Lord Grocott; Lord Hannay of Chiswick; Baroness Helic; Lord Jopling; Lord Reid of Cardowan; Lord Wood of Anfield.

Evidence Session No. 3

Heard in Public

Questions 15 – 26

Witnesses

I: Lord Ricketts GCMG GCVO, former UK National Security Adviser.

II: Ms Xenia Wickett, Head, US and the Americas Programme, Chatham House; Dr Kori Schake, Deputy Director General, International Institute for Strategic Studies (IISS)

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Examination of witness

Lord Ricketts.

Q15 **The Chairman:** Good morning, Lord Ricketts. A transcript of the hearing will be given to you and it can be altered if there is anything in it that you do not like. There is a requirement to declare interests, but as this is a very broad subject I think it is difficult to relate precise interests, unless anyone wishes to do so.

The Committee is working on a fairly broad canvas, although we want to try to narrow aspects of it. We are looking at UK foreign policy in changed world conditions. Many rather telling phrases are flying around on both sides of the Atlantic, including claims that we have reached an inflection point in foreign policy, that a fundamental reappraisal of our international requirements is now required, that we are facing unprecedented challenges, and that all sorts of new problems and opportunities are arising.

If I may, I will begin with what is, I hope, not too general a question. To what extent do you think we really are at a changed point, and to what extent is that enabled by rapid technological change and digital technologies? To what extent is it or is it not connected to Brexit, an issue that I think on the whole we would like to move on from? It is worth nothing perhaps that America is facing the same fundamental problems, and it is not involved in Brexit. Perhaps this is a whole pattern of development somewhat separate from Brexit.

Lord Ricketts: Thank you, Lord Chairman. I am delighted to appear before you on what is, as you say, a broad canvas. I want to highlight three or four underlying shifts that I think are going on, which amount to a major strategic change in the landscape for countries like the UK, into which we will emerge after Brexit, whatever Brexit means.

The shift of global economic power towards the rising economies of Asia is a central issue for us and for all western countries, in particular China. With economic power, as always, comes political and military power. Let me illustrate the scale and the speed of the military build-up in Asia. I saw the other day that the head of the French navy said that, in the past four years, China had built the equivalent of the entire French navy. That is quite a striking statistic. So there are emerging economic, political and military powers in Asia.

There is the phenomenon, which is now fairly clear, that some of these major powers are impatient with the rules that they inherited from the post-war settlement. Some, like Russia, are prepared to ignore them where it suits their interests, as Russia did in Crimea and Ukraine. Some would prefer to reinvent them, as China has done with the Asia Infrastructure Investment Bank, and if necessary ignore them as well.

Coupled with that is the rise in spheres of influence. These major powers want a sphere of influence of their own where there will not be interference from other powers. China's policy in east Asia and in the

South China Sea in particular is an illustration of that, as is Russia's policy in the Caucasus and central Europe.

As General Mattis said in his much noted speech a couple of weeks ago, the great power competition, not terrorism, is now the primary focus of US national security. That is a very significant phrase, including for Britain. I think he is right. Since 9/11 we have given prominence to terrorism, but it is now time to focus back on the great-power competition.

The last theme I will lay out—I am sure we can discuss them all—is that under President Trump we see the US pulling back from multilateral engagement. One can overstate how far that will go, but the signs are there in the trans-Pacific trade agreement and the climate change agreement, and the hesitations about endorsing NATO article 5. There is a more transactional feeling to US foreign policy. It is more absorbed with its bilateral relationships, particularly China, and that has implications for the UK.

All that amounts to a major strategic shift that the UK has to take account of.

The Chairman: Those are very powerful drivers of the changing scene. Would you add more to the technology inspired one? The whole of foreign policy has now involved itself with a much larger audience. Everyone is in on this act. The whole world is in an intense state of connectivity. There is a view that foreign policy can no longer be conducted by experts and elites but is very much the property of the crowd. What about that?

Lord Ricketts: I would still say that foreign policy, defence and national security policy come down to the policies of Governments, but they are now much more influenced by and open to contest from a whole range of different sources. Everyone can add their voice to foreign policy, and Governments have to take account of that. Yes, they are more accountable in a broader sense than they have ever been, but, at the end of the day, with all these influences working on them, it is the Government who have to decide their policies in this changing world. Until they do, public opinion can affect them, but it does not crystallise them. It is crystallised in government policy.

The Chairman: Do you think that even that might be challenged by great cities or regions—in our case Birmingham, Manchester or somewhere—saying that they want their views to be connected with foreign policy and the posture of the nation? Does central government have to get more into the sharing business through the promotion of its international interests?

Lord Ricketts: Yes. As ambassador, I saw a proliferation of different channels for contact with other countries. Regions and the nations of the UK—Scotland, Wales and Northern Ireland—have their separate representations in many cities. Major American cities are very entrepreneurial in the way they promote themselves. Universities and

many other institutions are now running, as it were, their own foreign policy. So, yes, it has become a very congested landscape.

Lord Hannay of Chiswick: So would you discount the idea that cyber developments have enabled countries such as Russia, North Korea and China to intervene in the formation of other countries' foreign policy across their borders? You rather give the impression that you do not think this is a very new dimension. We did, after all, live for nearly 100 years with the Soviet Union trying to interfere with the formulation of our foreign policy. We had to face various challenges of that sort when it manipulated the British Communist Party. Do you discount that as a major new game-changer?

Lord Ricketts: No, I do not. I think you are right that we have faced propaganda and efforts to influence public opinion for ever. But it has intensified and become sharper and more aggressive with the advent of our connected world, and with it the opportunity for states and other groups to try to hijack democratic processes and turn them to their advantage and to manipulate the free media. It is definitely a factor.

In terms of global shifts in the strategic landscape, it adds to the sense that there are countries out there that are not playing by the rules that we have traditionally accepted over the past 70 years and that are prepared to use all sorts of means, deniable means and hybrid means, to undermine our free societies and democracies. That is certainly one of the factors.

The Chairman: You have given your broad answer to that, which is very clearly that there are huge changes afoot. The second question, from Lord Grocott, is about how we can cope with it.

Q16 **Lord Grocott:** I found what you said extremely interesting, especially the reference to the great powers and spheres of influence. I hope I am not misinterpreting you, but it rather reflects the enduring power of the state. For all the sub-state actors, modern communications and the rest of it, functioning central Governments and states with boundaries are still a pretty important part of the scene.

My question is on the extent to which the Foreign Office in particular, but government more generally, is flexible enough to adjust to the changes, some of which you have described. If I may encapsulate it in one example, you mentioned the growth of China. How quickly do you think the diplomatic structures of the Foreign Office—at a simple level, the structure of embassies—can reflect significant changes in the importance of states? We talk about emerging or developing powers, but we are too polite to talk about diminished powers. To what extent is the Foreign Office reacting to all this, and does it need to react? Does the structure of embassies need to alter?

Lord Ricketts: Just to complete on your first point, you illustrate well what I was trying to say. There are many powers in the world—the democratic societies, essentially—that are very porous to public opinion, to social media pressures and to manipulation by means of cyberattack.

There are many societies that are less porous but more nationalistic and closed and where it is much more the Governments who decide. They are less open to the sort of pressures we have been talking about. Countries like Russia and China are less porous to that sort of effect, although they are not completely sealed off from it; there are public opinion pressures on the Chinese Government and the Russian Government. But it is right to say that there are different orders of magnitude.

Is the UK flexible enough? First, as the first National Security Adviser I would put in a plug for the National Security Council. It is an instrument at the centre of government that gives a flexibility to look across the whole landscape—the changing picture, not just in foreign affairs but with the other national security agencies, if I may call them that—to adjust to changes and to allow the Prime Minister and all the relevant senior Ministers to sit together, spot the changes and react to them.

I would say that the Foreign Office has been adapting for some years to the emergence of China and India, for example, as major economic powers. You would have to get the up-to-date figures from the FCO, but the embassy in Beijing, the high commissions in Delhi and South Africa, and other embassies such as that in Brazil have been growing. They are growing their trade teams and specialists, such as on climate change and energy, and probably to a lesser extent also in the core political sections. There is a case for continuing that build-up and for spreading to a larger number of consulates in the large cities, because the number of cities of over 10 million people in China is very high. I think we are still opening consulates in major cities outside the capitals.

Part of the problem for the Foreign Office is that it also now needs to reinforce the embassies in Europe, recognising that bilateral relations with European countries will take on greater significance after Brexit. Its budget is also far too low. If we want the FCO to have genuine flexibility and room for manoeuvre to adapt to this changing world, more of its budget needs to be freed up from the constraints of being spent under the ODA rules. A lot of FCO money at the moment is subject to being spent under the ODA rules—i.e. in poorer countries. It needs to have more flexibility to devote more resource to the faster-growing, richer economies where Britain needs to exert more influence.

There has been a shift over the past five or 10 years, but now the Foreign Office will be even more stretched, partly by the need to reinforce in Europe.

Lord Grocott: I am pretty sure you would find a lot of sympathy in this Committee for resources for the Foreign and Commonwealth Office. I would just put it to you that although we are trying to steer clear of Brexit to a degree on this, we make substantial contributions through Europe's Global Fund to the European Union's foreign policy expenditure, not least in sundry offices across the globe in capital cities.

If we are not paying towards a European office, wherever it is, is there any capacity—it does not work quite as cleanly as this, I know—for some

of that money to be released in order to improve our own representation in those countries?

Lord Ricketts: I agree that it might be difficult to do the accounting in any clean way between those two things, and, as you will know very well, there is a lot of controversy about what the actual net outcome will be from our leaving the European Union and whether we will gain or lose overall.

Irrespective of that, the point you make is right. There will be no sense in which those organisations will represent the UK when we have left after Brexit, which is a further reason for devoting more to the FCO. The figure I had in my mind is that if you aggregate the money that the Government spend on international work—broadly speaking, the defence budget, the development budget, the intelligence vote and the FCO budget—the FCO's share is 3% of that. Is 3% the right proportion of that overall cake? In my view, no. Whether you account for it by saying that some of it is savings from leaving the EU or some other way, it is a matter of government accounting. However it happens, the FCO needs greater resource.

Lord Hannay of Chiswick: I was very struck by what you said about the National Security Council and its important role, which I have always supported, but would you not recognise that the National Security Council in this country is virtually invisible? I do not think the National Security Adviser has anyone called a press officer. The contrast with the United States is very striking. General McMaster and his predecessors go on weekend television programmes all the time, particularly when there is an international crisis or when the US Government have promulgated a new policy such as the nuclear posture or security strategy. Do you not think there is something rather odd about us having gone to all the effort of producing a National Security Council with a National Security Adviser, yet its policies are totally invisible?

Lord Ricketts: No, I do not, actually. It is much more important for the National Security Council to be effective than visible. When the Prime Minister set it up in 2010, he decided to make the National Security Adviser an official rather than a Minister. I think he did that deliberately, because under the British system he wanted to retain clarity of accountability. Ministers are responsible to Parliament and for the public presentation of policy. He wanted a National Security Adviser who was a co-ordinator, an organiser, and a secretary, rather as the Cabinet Secretary is to the Cabinet.

It is different under the American system, which is presidential. The National Security Adviser is now established in legislation and has been there for 70 years. He is in a very different position from that in the British system, where you have to operate in the British tradition of parliamentary democracy. I think it is right that it is departmental Secretaries of State who retain the responsibility for public presentation and to Parliament, and that the National Security Adviser is there to facilitate and drive the efficient working of a National Security Council. At

the end of the day, it is the Prime Minister and Ministers who need to give it visibility.

In times of war, for example in Libya, the National Security Council has been very visible. The media waited on the doorsteps of the Cabinet Office to doorstep Ministers coming in and out of National Security Council meetings. In less dramatic times, the important thing is that it should be efficient, not that it should be visible.

Lord Reid of Cardowan: I know this is a slight diversion, but I very much agree with what you said about the utility of the NSC and the manner in which it works. I pressed very hard, when Home Secretary and Defence Secretary, for a national security council right at the top of government, so that you had the various departments coming together in the Office for Security and Counter-Terrorism, and it led up to an NSC.

I could not persuade my colleagues to do it, not least because they thought it was too Americanised. Given the political context of the time, from the top down in the Government, and especially at the top, the last thing they wanted was to be seen to be pursuing the American role. I was very glad when the coalition Government brought it in in 2010, exactly as some of us had been arguing but with a British style of operation rather than the American system of constant press statement and publicity.

My question on the NSC is whether the Foreign and Commonwealth Office is now completely reconciled to the NSC. My experience was certainly that everyone was perfectly capable of saying, "This is a great idea, but we shouldn't do it because of the old Whitehall turf wars". That was certainly the case in the Office of Security and Counter-Terrorism, which nobody now wants rid of. The objection was not that it was a bad idea but that it would take power from us. I sense that the Foreign and Commonwealth Office was not entirely happy with the NSC.

Lord Ricketts: In the early days, I think the FCO and other departments were wary of this new animal in the jungle. Now, seven years on from its creation, the NSC is embedded in the Whitehall processes and structures.

In the end, the crucial question is whether it is a useful forum for taking decisions. If the Prime Minister of the day uses it to drive decisions and to give departments the opportunity to make their case and secure agreement for policies, all departments will take it seriously.

The FCO now has a national security team that prepares the Foreign Secretary for National Security Council meetings and with material to feed into those. So, yes, I think it is now accepted. The crucial thing is that it should continue to be effective in driving decision-making. If the Prime Minister continues to chair it regularly, it will, to go back to Lord Grocott's question, provide the flexible instrument by which Ministers can decide that they need to put more effort into one country here, because it has become more important to us, and less into another there. It is the only place in government where you can do that: where you can look

across the whole set of instruments that you have and decide which to give priority to.

Lord Reid of Cardowan: Well, can you? Is the NSC still, in its remit, precluded from discussing economic affairs, unlike the American NSC? If it is, is that not hugely debilitating? It certainly was in the early days, when presumably, at the resistance of the Treasury, economic affairs were excluded from its remit.

Lord Ricketts: I do not remember it being as clear as that. It is true that we did not in the NSC try to take over economic policy in any way. That would not have been possible. There was a sub-committee, even in the early days of the NSC—I think it was called emerging markets or emerging countries—which looked at the economic relations with these countries. I do not think the NSC regarded itself as being precluded from talking about economic implications. Sanctions policies, for example, are economic policies, and the NSC would feel entirely entitled to talk about that. I am not sure there is any sense of that being precluded.

The Chairman: Can we stay with this for a moment? You were the National Security Adviser, and this is a fascinating area. The first criticism has been aired by Lord Reid: is the NSC able to come up with a strategic defence review and look at the broader picture and bring in all the factors?

The second criticism one hears is that we are now in a new world situation and so have to co-ordinate and gather our official weight more effectively and co-ordinate the departments more. Every department now has a foreign interface. Is this co-ordination well organised?

The third criticism one hears is that this country has vast reserves of soft power. You mentioned universities earlier. Is it now time for the nation to mobilise its power using both the non-governmental and governmental channels more effectively?

There are these three streams. You have dealt with one, and I would like your comments on the other two.

Lord Ricketts: I am sure that the NSC is not perfect, but it is the best mechanism that we have devised so far in government to bring all these various strands together so that we can look at them collectively. The fact that the intelligence heads are part of the discussion every week, that chief of defence staff are there, and that the Home Office, the FCO and DfID are all present systematically, means that you can co-ordinate more effectively than before.

I do not believe that the National Security Adviser as an official is a problem. It is an advantage. I see no better mechanism for co-ordinating across government than in the NSC. I think we can answer that criticism honestly.

On drawing in wider opinion, the problem with going too far into the economic area is that the National Security Council rapidly becomes the

Cabinet. The distinction between the two can elide. The National Security Council needs to be confined to a limited range of issues that are relevant to the security of the nation and the safety of its citizens. The NSC should not try to take over everything, but it can range into economic work where necessary.

Equally, it should be able to draw on soft-power assets such as the BBC and the British Council, institutions of that sort, in looking at Britain's policy towards individual countries. I understand that part of the NSC's approach now is to have thematic discussions of Britain's policy towards China or India and other parts of the world. I hope that in doing that it draws in, perhaps through the FCO, evidence on where our soft power assets are and how we can deploy them most effectively. I do not necessarily see people being invited to the meetings, but the FCO can certainly make sure that the NSC considers all the UK's soft-power assets.

Lord Hannay of Chiswick: I want to press you a little further on the democratic accountability of what is done in the National Security Council and on giving a lead to public opinion on the National Security Council's decisions and orientations. I accept what you say about the role of the National Security Adviser in our system being a civil servant and not, therefore, a television star. I understand that. But do you not think there is a gap there in that nobody knows what the National Security Council is doing? Nor do the decisions that it takes seem to be accountable to Parliament in any way. There is an oddity about this that needs to be considered rather more carefully than it has been hitherto.

Lord Ricketts: There is a parliamentary committee on the national security strategy, chaired by Margaret Beckett, and there is formal accountability through that. There is also accountability to individual Cabinet Ministers for decisions that are in their area. Can it be increased? Of course.

The Prime Minister is ultimately accountable for actions and decisions taken in the National Security Council. As I said, in moments of crisis, the Prime Minister reports to Parliament and the country on decisions taken in the National Security Council. In week to week activity, rather as with the Cabinet I do not think one expects great visibility on every discussion and decision taken, although there seems to be more and more visibility these days for Cabinet discussions than there is for the National Security Council. The British system of accountability continues to work with the NSC in existence. I do not see that that is a problem.

On giving the lead to the country, that comes down to the Prime Minister and to Ministers. I do not think it is for officials in the National Security Council staff to do that. The NSC is there to co-ordinate policy and it is then the responsibility of Ministers to articulate it and to be responsible to Parliament for it.

I do not see a gap, and I think we are different from the US National Security Council, which is a statutory body and operates in a very

different, presidential system. As Lord Reid said, we have created an NSC with British characteristics, and I do not feel that there is a gap there.

The Chairman: Just staying with Lord Hannay's theme, it is not so much a question of accountability; it is really dialogue and information, narrative and story, to show people the general direction of our national security interests and prosperity.

Let me try a particular example on you. Everyone is talking about the role of our universities in our security and influence in the world. I believe that 58 Heads of State or Government around the world were all at British universities. People say that we need more of this—more students, easier visas for Indian students, and all that sort of thing. How does the National Security Council engage with that, and if it reaches the view that we need to promote that aspect of our soft or smart power, how does it transmit that view to the universities? Is there a dialogue with them? I suspect not.

Lord Ricketts: You are asking someone who was National Security Adviser five years ago, so I am rather out of date. I do not know whether that is done; that subject seems to me to be one that could be discussed in the National Security Council. Dialogue with universities tends to happen through the Minister for Universities, who deals with them all the time. There is an intense government dialogue with universities. If one wants to include university activity in our national security deliberations, clearly that would be the place to do it. I do not see why you could not have a discussion in the National Security Council about the co-ordination of government support for universities. There would be nothing to stop that, but it would then be for the Minister with responsibility for universities to cascade that down.

On the issue of visibility, the Government publish national security strategies every five years. They are not greeted with enthusiastic interest in the public area. I have been critical of the decision to separate out defence from the current national security capability review—it is to be looked at differently and on a slower timetable—because that undermines the co-ordination that we have been trying to achieve, and which we have been talking about here, on the policies, priorities and resources for departments.

I fear that it reintroduces competition between departments for the available resources. There is a good case for having SDSRs—strategic defence and security reviews—and national security strategies, which the Government have done. Perhaps more could be made of those, as in the US, but it is a mistake to have separated out the constituent elements of the national security capability review and pursued them separately. That is retrograde, in my view.

The Chairman: We must press on. Lord Reid wants to open up a wider question.

Q17 **Lord Reid of Cardowan:** On a slightly different issue, this question is

about how the United Kingdom relates to international rules-based organisations. In this changing world that you mentioned, particularly with the development of the means by which informal groups and new organisations can enter the field of debate and discussion, how should the UK relate, first, to existing international organisations and emerging international organisations of a newer or more informal nature?

Secondly, are these organisations, especially the post-war organisations that developed, capable and adequately responding to the changes in the new networked world and/or to the relationship with the new organisations or entities that are developing?

Lord Ricketts: I wish we had an entire session to talk about those issues, because there are many subjects there.

The first point is that Britain's departure from the EU, which I personally deeply regret, means that our relationships with other multilateral organisations become more important. I am therefore glad to see that we are putting in greater effort into NATO; for example, we are taking more of a lead in deploying our forces in eastern Europe. There is the UN Security Council, of which we remain a permanent member, and we are still full members of other groupings such as the G7 and the G20.

It is critical that we make use of that membership and pursue an active, engaged initiative-taking foreign policy by making the most of our presence in these organisations. It is no good just vaunting the fact that we are members of more clubs than any other country; we really have to exercise that membership. I know the Commonwealth is dear to the Chairman's heart. The Commonwealth summit in London will be a crucial opportunity for us to put more effort and political energy into the Commonwealth. I worry that the whole Brexit issue, and its likely continuation over several years, is taking all the political energy that could be used in promoting and using Britain's role in these organisations to our advantage.

On the new groupings, you are quite right to say, Lord Reid, that much important international activity goes on outside these formal structures. The UN is to some extent blocked by the difficulty of reaching agreement on major issues in the Security Council. However, there are contact groups. The Iran nuclear negotiation, for example, had an ad hoc contact group, with Britain in a leading role. There are many other examples of small-group diplomacy. There was the previously discrete group of four powers that met regularly, involving the US, Britain, France and Germany. I hope it can continue to meet.

There are interesting new groupings taking shape in other parts of the world. There is a new four-power group in Asia involving Australia, Japan, India and the US. Given our significant interest in the Asian region, we need to be alive to new groupings emerging in that sort of way and make the most of our reputation and experience to look for a more entrepreneurial foreign policy, both in the existing organisations and in these new ad hoc groupings.

Lord Grocott: You pointed out, and it is well accepted, that the Brexit negotiations and related matters are taking a lot of time and energy, not least in the Foreign Office.

Moving our minds to your other point about the importance of us playing an effective role in various other organisations, presumably when we have left the European Union there will be some resources. Let me put it to you that it appears to an outsider that a huge proportion of Foreign Office activity and commitment is tied up with our relationship with the European Union and our membership thereof. At a minor level, officials must be spending a huge proportion of their time preparing Ministers for the sundry ministerial meetings that take place in Europe. They spend a lot of time in Europe, and of course the structure of the organisation in Brussels itself is involved.

I do not expect you to give me a percentage of Foreign Office activity that is devoted to all this, but presumably there will be some release of those capacities in a post-Brexit situation when, as you rightly say, we will need to punch our weight and have our influence heard in other international organisations. Will not there be some possibility of a release of energy from the Foreign Office to do just that?

Lord Ricketts: The release of energy that I am talking about is ministerial political energy to devote to an active foreign policy. Lord Hannay is more expert than me on the structures in Brussels, but I am not sure that there will be an enormous gain for the FCO. That is partly because a large percentage of the staff in the Brussels representation is from other Whitehall departments rather than from the FCO—so presumably those resources will return to those departments—and partly because we will need to maintain an effective, competent and probably quite large representation in Brussels. We will lobby the EU as a third country from the outside, as a lot of other third countries have to lobby the EU, on issues of interest to us.

It is also partly because we will need to reinforce our bilateral embassy network around Europe to maintain the links that have been maintained around council tables in Brussels. For example, in foreign policy we will have to maintain greater dialogue and exchange with the leading EU countries, because we will not be part of the political and security committee structure in Brussels.

I am not sure that there will be a net saving, but there might be a reorganisation of resources. I suspect that a net increase in the FCO's activities might be needed in Europe, so that we effectively maintain our bilateral links with the European countries and lobby for the British view where whatever is happening in the EU in Brussels affects us. All that goes back to our earlier discussion, but I think the FCO will need a net increase in resource.

The Chairman: In the last century we were very good at building and being members of international institutions. Do you see us now building some new ones to meet the new situation? Perhaps those will be new

institutions in Europe, rather controversially after 40 or 50 years of opposing European defence closeness on the grounds that NATO was better; or perhaps in south east Asia, where change is happening and new alliances are being informed; or perhaps in the Commonwealth. Do you see that we might put our energies into these creative areas?

Lord Ricketts: I certainly think we need to put our energies into bilateral relationships. In Asia, our position in the five power defence arrangements gives us an institutional position. Our Commonwealth links and the fact that countries such as Japan are hungry for more British interest and attention as we leave the EU gives us opportunity.

I do not have an opinion on whether we put our energy into building new formal international structures or concentrate on informal contact group-style diplomacy whereby we put together ad hoc groups to pursue particular cases, but there is a lot of opportunity for Britain to be active in the world, provided we can mobilise in particular the ministerial time and attention that is required.

In countries where there are fewer parliamentary obligations—I am thinking of France—the President can travel extensively and does not have to rush back for votes in Parliament. That gives France a diplomatic tool that is very powerful, and Britain needs to mobilise more ministerial political time to cultivate relations around the world, because we will not be meeting countries every week around the Brussels table.

The Chairman: We move on to the big one: what are we to make of America?

Q18 **Baroness Helic:** I probably have the best question. We have a new Administration in the United States. There is a new slogan, "America First". There seems to be a new direction for American engagement with the world. How do you think that will reflect on international relations in general? How will it reflect on the United Kingdom through our special relationship with the United States? How do you think we ought to respond to it, or should we respond to it differently from the way we have responded to it over the past 70 years?

Lord Ricketts: That is a big question. First, there are some fundamentals that do not change and have not changed with the arrival of President Trump. Those are in our strategic partnership with the US right across the defence area, including the very important area of nuclear, and the intelligence relationship. Those are absolutely vital pillars of our national security. They are not affected by this and it is very important that they should not be.

It is true that where the US chooses to engage, it is still a very influential country. It was striking to see, for example, that when the US took the leadership against ISIS and pulled together a coalition of nations, in which Britain plays a prominent role, things began to happen and real progress was made in the bombing campaign to force ISIS back. The Americans are still capable of wielding significant international influence,

and it will usually be in Britain's interest to be alongside it when it does that.

But, as you say, and as I said at the beginning, under President Trump US foreign policy has become more transactional and more focused on bilateral interests, with less energy going to the multilateral organisations. We have seen the Americans pull out of the climate change agreement, the trans-Pacific trade agreement and so on.

Most worrying to me when it comes to our national security are the hesitations over the value of NATO and over recommitting to the article 5 guarantee. One of the most striking phrases I heard last year was from Chancellor Merkel at the G7 when she said that, in the light of that hesitation, we Europeans must take our fate into our own hands. That struck me as a very significant statement from the German Chancellor and an indication of declining European confidence in the American underwriting of NATO. That may pass, and since that time we have seen signs that the Americans are committing more energetically to NATO. None the less, it has encouraged more effort going into European defence.

We have to be alive to the changes in Washington, which are not entirely a result of President Trump's victory. The gradual disengagement of US foreign policy in Europe and its pivoting towards Asia was a President Obama initiative. The striking absence of American leadership in Syrian diplomacy is, I think, a reflection of the mood in Washington that goes beyond President Trump. The American preoccupation with China is here to stay and is a real factor.

For Britain, we need to maintain that core strategic relationship with the US. That means Britain taking more of an interest also in the issues that are important to the US. Britain needs to show that we are relevant and that we have intellectual contributions to make on how to handle the North Korea crisis and how to ensure that the emergence of China does not disrupt the entire international system. We also need to work with other allies in Asia as well as with the US.

There is a broad trend here, and it can be exaggerated. There is still a great deal about American policy that Britain should be aligning with. But obviously we have to keep that under review as these shifts play out in Washington.

I am sorry that that was a long answer, but it is an important question.

Baroness Helic: You mentioned the US involvement in Syria. I have been very impressed over the last 12 months with the US intervention in the Balkans. It was the US that took leadership in disentangling the problem in Montenegro, where the Prime Minister was almost assassinated. The US made sure that Montenegro joined NATO. In Macedonia, when there was a problem over the winning party taking power, whose Foreign Minister we met and who was very impressive, it was the United States State Department that intervened.

I sometimes wonder whether we take too much comfort from having President Trump in the United States. That has become our major excuse for our own lack of strategic vision, not only here in London but, if I can say so, in the European Union. It is all very well for Chancellor Merkel to say that Europeans are going to take their fate into their own hands, but there is inertia, paralysis and inability, presumably because there is a lack of leadership. It almost leaves Europe slightly stuck in its own desire to do something and its inability to do so, and then quickly running to Washington to say that it is the fault of President Trump for doing this or that. I may be giving him too much credit, but I often think that we ought to look in the mirror and see where we lack drive, vision and an ability to engage.

I do not want to end up talking about Brexit—I am very disappointed that we are pulling out—but I often feel that Brexit also has sucked out oxygen from our vision of the world and the role that the United Kingdom can play in it.

Lord Ricketts: I do not disagree with your last comment at all. I also am disappointed at the lack of an energetic, active, distinctive British foreign policy in the last couple of years. Like you, I think that Brexit is distracting enormously from that.

As I tried to say, I think we should not caricature US foreign policy under President Trump. When the Americans engage, they can still be the influential power, and they do engage, even though the State Department has been weakened and does not have the senior staff resources it needs. When the Americans engage, they can still be the crucial country. It is in Britain's vital interest to stay alongside and, as far as we can, influence and shape the way America engages with this crisis management, recognising that it has its own agenda.

Lord Hannay of Chiswick: This is a "blip or trend" question. It is not just about whether President Trump will be there for eight years or four years. Is US policy—I think you have started to answer this—on a longer-term trend that has implications for us? Also, if you look at our policy in the past few months on climate change, on the Iran nuclear agreement and on the whole issue of NATO and its future posture, we have found ourselves all the time in close concert with France, Germany and other European countries. Is that a blip or a trend?

Lord Ricketts: There is a lot of trend going on. If we look back over 10 or 15 years, we see that US foreign policy has been less oriented towards Europe, partly because, following the Cold War and the Balkans crisis, there have been fewer crises in Europe requiring full-scale US attention. It has been shifting eastwards in line with American national interests. Europe has had to take more of a lead in its own security—we saw that during the Libya intervention, where the UK and France took the lead, with the US taking a second-row position. I think that is a trend.

I hope that the tendency of the current Trump Administration to walk away from multilateral agreements and undertakings is a blip. The UK is

right to stand out against that where we judge that they have made the wrong decision, as on Iran and climate change, and to work with our European partners to keep those multilateral agreements on the road and to try to persuade the Americans to think again. The strategic shift in American foreign policy centre of gravity—to mix my metaphors—is a longer-term trend; we have to adjust to that and respect it. But I hope that the current American dislike for multilateral engagement is a passing thing, and Britain is right to do what it can to maintain the dynamic in those organisations.

The Chairman: We have two further, huge questions to ask and are giving you virtually no time to answer them, so we will have to ask just for your take now and perhaps pursue this at a later date.

Q19 **Lord Jopling:** You talked about China briefly. Lord Hague came before us last week and drew our attention to the very long and important speech by the Chinese President setting out its vision for the future. What effect do you think China's ambition to play a more significant global role is likely to have on international relations? What should the UK's response be to China's very clear ambitions and intentions?

Lord Ricketts: From my experience, China has always been reluctant to be drawn into taking wider responsibilities for what the charter calls international peace and security. Again, Lord Hannay is more expert than I am, but it has traditionally not wanted to step forward and take a political and security responsibility commensurate with its growing economic weight. It is putting most of its effort into establishing its position in its region. As I said at the beginning, we could describe that as spheres of influence in the South China Sea; I will come to the Belt and Road policy in a moment.

At the moment, I see a mismatch between China's economic weight in the world and the international security responsibility that it is prepared to take on. This will play out most urgently, I think, in the case of North Korea, where China is obviously the country with the greatest influence over North Korea if it chooses to use it. How China discharges that responsibility will be very important.

At the moment, I see the Chinese handling of North Korea more as a function of its policy towards the United States than a real determination to resolve the problems in North Korea. But that would be test case. Beyond that, Britain has been right so far to take a rather cautious and wary view of the belt and road initiative. By all means, we should stay in touch with it as it is a major piece of infrastructure building, but we also need to be conscious of the potential strategic implications of it and pay close attention to the views of our allies in the region such as Japan, Australia and India, all of which take a sceptical view of the longer-term intentions behind that.

All in all, Britain will have to pay more attention to what is happening in east Asia and China in the years to come and stay close to our allies in

the region in doing so, and it should try to draw China out into a wider international security role as it gains international economic weight.

The Chairman: We will have to leave that huge subject there, but Lord Hannay has one final question to fit in, which is equally huge.

Q20 **Lord Hannay of Chiswick:** Without going into this rather scholastic discussion about whether we are in a Cold War with Russia again, we certainly seem to be in a deep freeze as far as diplomatic activity is concerned. Do you have any concerns about that? Do you see an alternative to it, or are we really, with President Putin's re-election certain next month, fated to continue for quite a long time in such a posture?

Lord Ricketts: I think the latter. We have important commercial interests in Russia, not least BP, which seem to continue and should continue, but ever since the poisoning of Mr Litvinenko in the streets of London I think we have been clear that we are up against a Russia that does not play by the rules that we have accepted and is taking a much more aggressive approach to relations with western Europe.

Since then, the signs have intensified; you referred to the blatant cyber interference in democratic processes. In my recent experience, I have found that in London we have traditionally taken a more clear-eyed and sober view of Russian behaviour than is the case in many other European capitals, where people seem to have been prepared to give Russia more of the benefit of the doubt. I am in no doubt that we are in for a period of cool relations—wary, sceptical relations—with a power whose intentions seem to be to dominate in its part of Europe and to intervene fairly aggressively in processes in our part of Europe. That is a factor that Britain has seen more clearly than other European countries. I do not see that changing in the forthcoming years.

The Chairman: Lord Ricketts, we would like to go on and on, frankly; there is so much to discuss. But we have run out of time; we have taken an hour of your time. We are going to let you go now. In a sense, I hope that we have not frustrated you too much, because there is so much more to discuss in all these areas, but you have given us some very good insights and we have a lot of work and thinking to do as a result. Thank you very much indeed.

Lord Ricketts: Thank you very much, Lord Chairman.

Examination of witnesses

Ms Xenia Wickett and Dr Kori Schake.

Q21 **The Chairman:** Thank you very much to our two experts from, respectively, Chatham House and the International Institute for Strategic Studies. We are very grateful to you for spending your time with us. I remind you that what is said here is on the record. There will be a transcript afterwards. If you wish to alter anything, that opportunity will

be there.

As you are aware, I think, we are starting with what looks like a very broad canvas, or the framework of a canvas, of the change to world conditions in which the UK has to adjust and adapt its foreign policy, both the priorities and the machinery—the means of implementation and the implementation process of policy. This means looking at every part of the world, particularly at the great changes in Asia and Russia, and perhaps, above all, the place where for the past 40 or 50 years we have tended to look first—the United States. You are both considerable experts on these areas and we would like to ask you some questions about how you see our relationship with the United States evolving, given changes there, changes here, the rise of the digital world, and the changes in Asia that I have just touched upon.

I will start with Xenia Wickett from the Americas programme at Chatham House. The Trump Administration: how do you feel this is going to change our relationship with America? Is it just a passing phase and the realities of the past 50 years still prevail, or are we into a new scene? It is a big question but give us your broad approach to that.

Ms Xenia Wickett: Sure. First, thank you very much for inviting me here. I am sure this is going to be a very interesting conversation. If nothing else, I have been able to catch up with Kori—we were at the LSE together and it has been a while—so that is very good. I have just brought out a report on the transatlantic relationship and it was in part in answer to this question of Trump. I will give you the answer first and then some explanation. My analysis suggests that Trump is cyclical. What I mean by that is America's interests have not changed. Interests do not change, people change. So what we are going through right now with the current President is a manifestation principally of this President. We should be careful to separate out the implications of the individual from implications of the direction America is going in more broadly. There are some underlying trends, which is what we should be watching, but we seem to be taking our eye off that ball—the structural changes—and putting our eye on the cyclical changes. The noise is very distracting and that is what has happened.

There was a piece by Fareed Zakaria about 10 days ago which I thought said it very nicely. He said that President Trump is three parts: the circus ringmaster, a populist and a Republican. What we seem to be paying attention to is the circus ringmaster and the populist and we are losing sight of the Republican side. If you get beyond a lot of the noise, what he is implementing is mostly a fairly mainstream Republican policy, and that is worth keeping in mind.

What does that mean structurally for the direction America is going in and the implications of that? During the Obama Administration, I said regularly that America was not pulling back or withdrawing from the international community but it was focusing more of its attention and resources internally—on America's internal state as opposed to the external state. That means it was expecting the rest of the world to step

up. That is a trend that has continued with President Trump and it would be a real mistake to look at some of his comments on NATO, et cetera, and think that this is a manifestation of this individual rather than the trend that America is following.

There are lots of different thoughts in there but the bottom line is that when you think about the United States today, you should be thinking beyond the President. You have to think about lots of different actors if you want to effect change with the United States today, but most importantly you need to split out what is noise from what are trend lines. Trend lines are where you need to pay attention. There are things that we need to do on the noise front as well but you need to pay attention to the trend lines. The trend line that is of particular interest to this Committee is that America is expecting others to step up and is willing to devote fewer resources to a broad international community than it has historically done for the past 20-some years. There are implications of that and we can go into those if you would like.

The Chairman: That is a really helpful start, thank you very much. Dr Schake, perhaps more from the strategic, defence and military angle—but these things all roll together these days—how do you see the question that I have put?

Dr Kori Schake: First, thank you for the privilege of testifying here. It is a great joy. I have only a slightly different view from Xenia's on this, which is that I think it is too soon to tell whether or not President Trump represents an actual divergence from traditional American policies, for a couple of reasons. First, I agree with Xenia that most of the President's choices have been traditional American foreign policies. They have been at variance to his own stated personal view, what he campaigned on and what he said he was going to do—on Afghanistan; on keeping American troops in Iraq after the defeat of ISIS; on nation building, which he famously hates yet it is what we are doing in Afghanistan, it is what we are doing in Iraq and it is what we intend to do in Syria, according to Secretary Tillerson's outline of the Syria policy a couple of weeks ago. The President has made traditional foreign policy choices but only because he has been roped in by a Cabinet of establishment figures and whether that will hold in extremis is an open question.

The test case is, of course, North Korea, where the Secretaries of State and Defense are stating the traditional American policy, which is that any attack on the United States or its allies or friends in the region will result in a military response by the United States that the North Korean regime will not survive. That is not the White House's message. The White House's message is that North Korea cannot be deterred and therefore we will need to take military action to prevent it having nuclear weapons with ranges to hit the United States. The White House may not be quite aware that we have passed that point. Clearly, nobody is emphasising that to the President because they are worried about the President's reactions, and I think they are right to be worried about the President's reactions. His reflexes are the recklessness with which he talks about

stuff and there is a very great reason to be concerned, not just because of the irritation value of stuff like refusing to say the magic words of Article 5 at the NATO summit. But that is what he believes.

Tom Wright from Brookings has done the best work on this, showing the consistency of Trump's views on alliances, on trade and on immigration. They go back 35 years and no amount of better information or Cabinet interventions have changed his views. He is fundamentally unreliable on the subjects of trade, immigration and alliances. That said, the American public are more reliable. The Chicago Council on Global Affairs does an annual survey of American public attitudes and in the past year, it has recorded the largest change in those attitudes on alliances, trade and immigration in the history of doing that poll. Those shifts are moving in opposition to the President's views, so that the NATO country in which the largest proportion of the population believes that an attack on any NATO ally should be met with a military response from the United States is the United States itself.

The President is not just hemmed in by his Cabinet on issues on which he is unreliable; he is increasingly hemmed in by public attitudes. You can see that in the Republican Congress, which has otherwise not distinguished itself with legislative independence, yet it passed the Russian sanctions that bind the President's hands. We are going to see a lot more legislation on transatlantic issues in the run-up to the NATO summit, where Congress will speak the will of the American public, which is: "We like alliances; they make us feel safe in the world. They contribute to our defence in material and important ways".

I will stop after saying this. In the *National Defense Strategy* that the Secretary of Defense put out two weeks ago, the strongest message coming through is about the importance of America's alliance relations, our commitment to our treaty obligations and how it will not be possible for the United States to defend itself and protect its interests without the help and co-operation of our allies.

Lord Reid of Cardowan: Thank you for coming.

Dr Kori Schake: Didn't I last see you at a football game in Texas?

Lord Reid of Cardowan: I am interested in your use of the word unreliable, especially as it comes after your insistence that Trump has been completely consistent, right or wrong, over the years. What do you mean by unreliable? Do you mean, as Mrs Thatcher used to say, "He is not one of us"? Is it a word used to mean that you disagree with his views, or in what sense is he unreliable?

Dr Kori Schake: It is certainly true that I disagree with his views. I am serenely unrepentant about my signature on all the anti-Trump letters that establishment Republicans put out in the run-up to the election but I am making an analytic case, not a political one. Look at what candidate Trump said about Afghanistan—"Why are we there? We're losing and we ought to write it off"—and then at the policy planning process that took

about eight months, and during which the Secretaries of State and Defense, the Director of National Intelligence, the Director of the Central Intelligence Agency and the National Security Adviser all argued in opposition to the President's inclination, which was to get out of Afghanistan.

The President, to his great credit, is asking first-order questions: "Why are we doing this? Why aren't we winning? Why aren't Afghans stepping up?" There are good answers to all those questions, and I think the Cabinet gave those good answers. So, over time, the President let himself be persuaded that there was no better solution to protecting and advancing our interests than sustaining the path we are on in Afghanistan. So while he is unreliable because his reflexes are reckless and cost-incurring, he has for the most part allowed himself to be reined in by his Cabinet.

Lord Reid of Cardowan: I do not want to prolong this—it may just be a semantic question—but when John Maynard Keynes said "When the facts change, I change my opinion. What do you do?", was he being unreliable?

Dr Kori Schake: The President has not changed his view on quite a number of things where facts have been put before him. He has sustained his opposition to those facts on trade, on alliances and on immigration. The policies that his Administration have put forth on trade have been consistent with the President's view that multilateral trade is bad for the United States and is killing American jobs. On immigration, the President has sustained his view that it is a danger to the United States. On alliances, he has been dragged kicking and screaming by his Cabinet to behave slightly better. But I think on all three of those fundamental issues, the President is unreliable because he is unreconciled in his views to the policies that he is carrying out.

Baroness Helic: I have a quick question because I find this absolutely fascinating. How do you explain the gap between the US leadership and public opinion? It almost looks to me as if Roosevelt has been turned on his head because in 1939-40, the President was ahead of public opinion, yet here you have a President lagging behind public opinion in understanding alliances. How do you reconcile that? Every time I go to America, I get brainwashed within a week because the news is so aggressively trying to tell you "America First"—to think about American prosperity, engagement and jobs. How in that space can there be a world-view that understands alliances and their importance for the protection of the United States?

Dr Kori Schake: That is a wonderful question. Do you want to take the first whack at it, Xenia?

Ms Xenia Wickett: Thank you. What I would emphasise to get to Baroness Helic's point is that, historically, as I think Kori said, when you analyse the United States, you analyse the Administration and assume they are as one. But if you analyse Congress, you assume that it is as

two: Democrats and Republicans, or House and Senate. Basically in foreign policy, you just look at what the Administration are doing. Certainly when we were in the Administration, the President said something and the Administration followed—and DoD did what it was supposed to do. That is out the window. So, to your point, if you analyse the United States today you now have to analyse what the President said and, to Kori's point, you then have to understand where the Administration are. Where are Tillerson and Mattis? Where is McMaster, et cetera? But you then have to understand Congress because Congress is no longer two but four, at a minimum. There are two parts to the Democrats and two parts to the Republicans. I am simplifying hugely but you have to understand each of them and, as Kori says, Congress is now taking more responsibility than it ever has before because it disagrees with what the President is saying. It is binding his hands.

Then you have to keep going, unfortunately. You have to look at the judiciary, because the President is pushing borders in that space as well. What is the judiciary going to do? Then you have to look at civil society and at cities and states, which also now play a role in foreign policy in a way that they never have before. So understanding the United States is not just about where the dichotomy is between the public and the President; it is about understanding all those actors. If you want to effect change in the United States—in any world, but today more than ever—you have to understand what each of those actors thinks and therefore where you can have the most impact.

It does not surprise me at all that, on civil society, Kori's polling is absolutely right. I would say that the public have not changed but the President has. You have gone from a President who was to the left of the public to one who is right of the public, so it is no great surprise that there is this dichotomy. But you should not consider the public as a unitary part. Look at the polls on Trump: he has the lowest approval rating of any President at this point in their presidency—it is something like 38%. But the 38% who support him absolutely support him through thick or thin, regardless of what he does, so you cannot think of the public as unitary either.

Dr Kori Schake: I have a slightly different slant on your question, which I love and think is really interesting. I think what the President has done brilliantly is walk us back to first-order questions about the United States in the world. It is not immediately obvious to my mother, for example, why, when Germany spends 1.2% of its GDP on defence and it is a prosperous country, the United States should be expected to rush to Germany's defence.

As the Secretary of Defense said, you cannot expect Americans to love your children more than you do. If Dwight Eisenhower, as Atlanticist an American President as has ever existed, knew that American troops were still stationed in Europe, he would be astonished. He thought of it as a temporary measure until Europeans regained their strength.

The last three American Presidents, and certainly their Defense Secretaries—and certainly my mom—have been asking, “Why are Europeans quite so dependent on the United States? Why are they not, as the world is growing more dangerous, as Europe is growing more dangerous, doing more for themselves?” That does not mean my mom thinks, “We shouldn’t be in the mix. We’re not going to defend them. We don’t care”. She says, “Why aren’t they doing more for themselves, especially if they’re scared and especially if the world is growing more dangerous?” I think that is a bedrock American public attitude.

I agree with Xenia: one of the things I love about my country is our loud, argumentative disputatiousness on all subjects. It is part of the vibrancy of American democracy and what a lot of countries which do not know the United States as well as Britain does miss. They think that we are in a perpetual state of decline because we are always arguing loudly about everything but that is how we build our bedrock public views.

On alliances, that bedrock is quite strong. For example, Europeans are the people we like the best in the world and the ones we feel most committed to but if you look at American public attitudes about defending South Korea, for example, candidate Trump questioned why we were doing it at all and questioned why South Korea should not just get nuclear weapons of its own if North Korea gets nuclear weapons, and said that we ought to be out of this mix. Yet my mom unquestionably thinks, “We like the South Koreans. We have a treaty with the South Koreans. We are going to defend them because that is what we do”. So I think the President is actually out of sync with American public attitudes and that comes through in the Chicago Council on Global Affairs polling. There has been a swing of 15 percentage points in the last year in the United States in favour of alliances beneficial to us and of allies deserving our support, and by support I mean American kids willing to die in their defence.

The President has energised a public conversation by asking first-order questions that cause people like my mom, who do not spend all their time thinking about these issues, to say, “Hey, that’s actually right. Why don’t Europeans do more for themselves?” Then they also think their way through the question and the American public are much more malleable on these issues than the President himself is. I actually think the bedrock view of the American public is that we can and should defend the people we like in the world—the people who share our values, the people who uphold an order that we and they continue to benefit from.

Lord Hannay of Chiswick: The picture that the two of you paint is a combination of the unpredictability of the President and paralysis of the checks and balances. I have not studied the consistency of the President’s thinking over the past 35 years because when I met him in 1990 he was just the man who owned the Plaza Hotel so his views on foreign policy were not of immediate relevance. Surely the picture you are painting is a pretty terrifying one if some major world crisis or challenge comes along because neither unpredictability nor paralysis is an ideal way to handle that, particularly for a country such as Britain, which

has always believed itself to be the closest ally of the United States. What implications do we draw from that?

Dr Kori Schake: I hear my Canadian neighbours jangling in the background about Britain being the closest American ally because they always make the same claim. But you are both right. I agree that this is an unstable period. I do not agree with your description of checks and balances in the American Government equalling paralysis. What they equal are constraints on the range of choice. That has traditionally served the United States Government well and it is serving the United States Government well right now. The President bridles at those and pushes against them in all sorts of ways, not least with law enforcement agencies in the United States.

So, yes, it is a tumultuous time and I do not expect that tumult to even out for as long as Donald Trump remains President. This is going to be a rocky ride, my friends, but you can have confidence that the system is working. The checks and balances are working; they are constraining. As you know, Lord Hannay, the American President has the widest latitude as Commander-in-Chief so I, too, am most nervous about crises and most confident that in the regular functioning of policy-making, we will end up in reasonably good places. But yes, it is going to be a rocky ride.

The Chairman: The question that hangs in the air is whether President Trump is the cause of the instability or the outcome. I suppose the answer is a bit of both. We must press on. Lord Jopling.

Q22 **Lord Jopling:** Can I take you back to the United States' approach to multilateral institutions and the rules-based international order, in the light of America First and all of that? With regard to Dr Schake's remarks a few moments ago about Europe doing more for itself, I take that on board entirely. I make exactly that speech very regularly to the NATO Parliamentary Assembly, so there are voices in Europe saying exactly that. Xenia Wickett, you spoke earlier about mainstream Republican policy and the fact that it is wise to look at that rather than the outpourings of the President.

What do you think will be the implications of moving back towards mainstream Republican policy for the US's approach to multilateral institutions and the rules-based international order? When one thinks of the previous Republican Administration, the last Bush one, one thinks, probably overwhelmingly, of Iraq. There were thoughts at that time that the United States was giving up a degree of its support for these international organisations and arrangements. During the Bush period one felt that the Americans were beginning to say, "We're going to do this. If you're with us, fine, come along, but if you're not, get out of our way", which was a totally new approach. Do you think that under this Republican Administration, we are going back to that sort of attitude?

Ms Xenia Wickett: Let me say two things. Let us put trade aside for a second, because there is a slightly different thing happening on the trade side with multilaterals. As Kori mentioned, President Trump has had a

view on trade for decades and that is not changing. It is that multilaterals do not work for the United States. They do not work to America's advantage. So as far as this current Administration are concerned, you should assume that multilateral trade organisations are not going to go forward and in fact they may go backwards. TTIP is a manifestation of that. It is not making any progress, I think on both sides. When it comes to the conversation on NAFTA, I think there is a 50:50 chance that NAFTA will blow up.

Trade is one thing but let us talk about security, NATO and those kinds of institutions. We all like to think of our relationships in strategic terms but I think countries actually think of relationships in transactional terms. It is the dirty little secret—it is not polite to think transactionally. This Administration in particular think transactionally. As Kori says, Trump has tapped into something and while there are differences between where the public are and where the President is, this is one of those issues where there is a strong sense on both sides of the aisle that, in security terms, America has been taken advantage of for the past 20-plus years; that America has been spending and others have not been reciprocating.

If you look at the raw numbers, the suggestion is fairly clear that that is the case, at least as far as Europe is concerned. It is slightly different in Asia and it is very telling that when President Trump was informed that actually the South Koreans pay an awful lot of the costs, as do the Japanese, of having American troops in the region, he suddenly was a lot happier with having American troops in the region.

So there is a very clear line in the sense that, "We believe in the security alliances and their role, they are incredibly important to the United States as well as the rest of the world, but we need you to step up more". Those two things are linked to one another. That is not to say, notwithstanding what Trump says, that if you do not step up more, America will back away, but I think America is really trying to find a way—and this predates Donald Trump—to get Europe in particular to engage more, step up more, take more responsibilities. I think it is happening in Asia. You have seen real changes in Asia in terms of America's Asian partners stepping up more, doing more and being willing to take more responsibility and it does not really appear to be happening here in the same way and I think that is a real issue.

So, again, putting aside trade, it is not against multilaterals at all. I do not think you need to worry about that. You may have to start worrying if Europe does not actually step up and do more. There will come a pivot point. It may not be in the next four years but there will be one because that is a trend line.

Dr Kori Schake: I cannot improve on anything Xenia said and I agree with it all.

The Chairman: But behind that is the assumption that more military spending is the way to more security and why do the other people not do it? Is that a fair assumption when the national security document is

saying quite different things? It says America's security may not depend just on more spending or other people spending, it depends upon vast increases in technology which we have to get on top of. That is rather a different argument, is it not?

Ms Xenia Wickett: I will say one thing and then pass this to Kori because this is really her area of expertise. It is not just about spending, it is about how you spend. It is about working together. It is about all sorts of things that are very sensitive to sovereign states.

Dr Kori Schake: It is certainly true that defence spending is not the entirety of national security but it is also true that there are countries and politicians who argue that it is not the right metric because they simply do not want to spend more for their security, and that is unrelated to the threats they are facing. I am thinking of the German Foreign Minister—well, I do not know who in the new German coalition that was formed this morning will get to be Foreign Minister—but the head of the SPD in the last German election was arguing that Germany absolutely should not meet NATO's agreed 2% spending because defence is not security and the US is trying to bully Germany towards it.

It seems to me that military force is simply one element of how a Government shape the international order. There are alliances, rule-setting, norms, humanitarian assistance, foreign aid, helping train the coastguard—there are so many ways your and my country engage the world and military force is only one of them. But military force is a non-trivial one, and in a world where challenges are growing, where Russia becomes more and more a malicious kleptocracy, where North Korea is racing for the threshold, military spending is a non-trivial part of our security, and most Europeans—in my judgment, including Her Majesty's Government—are underinvested in that element of their security.

The Chairman: Lord Hannay, would you like to take it on from here?

Q23 **Lord Hannay of Chiswick:** This fits in very well with your last answer, but moving on to the slightly more solid ground of the recent defence strategy which Secretary Mattis presented and then last weekend the nuclear posture review, what should these tell us about US relations with the key international players which have now been characterised as strategic competitors—China and Russia? What should allies such as ourselves draw from those two documents?

Dr Kori Schake: I love that question. Thank you for pitching me one slow and over the middle of the plate, Lord Hannay. I think the best way to understand the *National Security Strategy*, the President's document, is to read the *Wall Street Journal* piece that Lieutenant-General McMaster and the economic adviser Gary Cohn wrote. That is clear and consistent. That is the America First argument. That is how they think about trade and security.

The *National Defense Strategy* is different from the *National Security Strategy* in a couple of important ways. The one that is most striking for

me is how much the *National Defense Strategy* emphasises alliances and that America's interests cannot be preserved and advanced without the assistance of our allies. That comes through really strongly in the *National Defense Strategy*. The second thing that comes through in the *National Defense Strategy*, as you rightly point out, is that whereas for the past 15 years the American military establishment has been focused on the challenges of terrorism and collapsing states and the security challenges that emerge from that, the Defense Department now believes that we need to pay more attention and shift our emphasis to being concerned about great-power conflict. A rising China and a declining Russia are both threats to us in different ways and the Defense Department believes that our margin of military advantage, technologically and operationally, is being eroded because we have focused our effort on a different set of challenges, and now we need to up our game for the prospect of deterring challenges, principally from Russia and China, in those realms.

On the *Nuclear Posture Review*, which is aligned to that, what is getting the most press attention is the suggestion that the United States will commence development of submarine-based nuclear-tipped low-yield cruise missiles. What is not getting as much press attention is that that proposal is intended to incentivise Russia's return to compliance with the INF treaty and the diminution of Russian threats towards NATO allies. It says that if Russia returns to compliance with the INF treaty and ceases being a threat to America's allies, America will reconsider the development of that new weapon. It is very much in the context of NATO solidarity and diminishing Russia's threats. That is how I think you should understand it.

Lord Hannay of Chiswick: So in a way it is a replay of the early 1980s policy of deploying to Europe cruise missiles and, at the same time, offering to sign the INF treaty, as happened. Is it a bit of a replay of that policy, in new circumstances?

Dr Kori Schake: NATO's long-standing reliance on nuclear deterrence as a central component of our common defence, while trying to reduce the threats to us by being willing to negotiate restrictions on our own forces and capabilities, continues to be the right mix for us all.

Lord Hannay of Chiswick: Can either of you deal with the second part of the question, which is the implications of that for United States relations with Russia and China, which are probably quite different?

Ms Xenia Wickett: I will take China if you take Russia, Kori.

When Trump was elected a year ago, we at Chatham House put out a paper on what we thought his foreign policy would be on 11 issues. China was one of them, along with Russia and the Middle East. I wrote the China part and I essentially hold by what I said there: that Trump's focus where China is concerned is principally economic; and that as long as China plays ball in the economic space—which means opening up in some areas and shutting down corporate espionage; there is a whole set of

things there, which does not necessarily mean revaluing its currency, but does mean changing investment—then I think that America will have a perfectly good relationship with China. Trump is far less concerned about Chinese muscle-flexing in the South China Sea and there will be a slow reaction from the United States on that, notwithstanding the treaty obligations. I guess I am saying that China can stay on the right side of that red line and have a bit more flexibility on the territorial question if it moves on the economic question.

The only other outstanding question there is North Korea. When Trump took office, North Korea was not really on his agenda in any significant way but it has thrust itself on to the American agenda; and to the extent that there is an answer to North Korea, Trump has discovered that the answer is through China. That is complicating matters a little. But principally, for this America, one needs to divide the competition in the economic space from that in the security space. The competition in the economic space is absolutely prime, but America will be a lot more relaxed under this President on the competition in the security space.

The Chairman: Before we get to Russia, can I add to Lord Hannay's point? This is a country whose GDP is two-thirds that of Italy's and half the size of ours. Its per capita income is one-14th and its GDP is one-seventh of those of the United States. It is a pretty titchy affair. Is there not something wrong in this whole obsession with Russia, or is it that size no longer matters because technology has taken over?

Dr Kori Schake: Russia is not our peer. That is the essential thing to understand about why Russia is trying to destabilise civil society and politics in the United States. It is why Russia is trying to corrode the sense of order internationally and chip away at the rules of that order. What Vladimir Putin's Russia wants is a return to the bad old days when the US and the Soviet Union would have bilateral meetings, and Europeans would have to worry that they might have a superpower condominium made over their heads. That is not the world we are living in. Russia is trying to recreate a sense of its own grandeur; it has chosen to do that by being a threat to us in the West. It is doing it in all manner of ways, such as trying to draw our companies into corrupt practices and to subvert the rule of law. It is absolutely a threat to us although it is not our peer.

One thing that the Russians have done extraordinarily adroitly is to play in the social media and political spaces in ways that amp up our social divisions, and the fractiousness of some of the things that we in free societies deal with. They do not have an economy or a society that I would want to trade for but they are still a danger to us. They still have a major influence on a lot of political and social issues in my country.

The Chairman: We have to move on again, although this is a fascinating area. Lord Reid, do you have to go now?

Lord Reid of Cardowan: Unfortunately I do, so I do not want to be discourteous by asking the question I wanted to ask and then leaving as

you reply, as that could be misconstrued. But I am sorry, I do have another meeting.

Q24 Lord Wood of Anfield: You have talked about the gap between the President and the State Department—the permanent and cyclical interests, as Xenia put it. We can all see that gap day to day but I am interested in the debate about American decline, its post-primacy and all that. To what extent has the American foreign policy establishment accepted that, post-primacy, we are in a post-American imperial world or, as there often is when empires are on their way out, is there a part of the establishment that wants to keep the old empire alive rather than reconcile itself to a shifting, different world? Is there a split on that issue? Does it, in your view, make a material difference within the establishment or is it more complicated than that?

Ms Xenia Wickett: I will give a quick answer and then toss the ball to Kori. I think there is general acceptance in the foreign policy community in the United States that this is a kind of post-primacy world. Where there is a huge dissonance is on whether that needs to remain and how best to reverse it or slow it down. That is where we get this incredible dissonance, not just politically as Republican/Democrat but even within the parties. It is a question not of whether America is in relative decline—I think most people accept that—but of what caused it.

The SSI report suggested that it was caused by two things. I have not written them down so I will not be able to remember the details but one was the decline of the military, relatively speaking, and the other was the decline of international institutions. I think most people would accept both of those—

Dr Kori Schake: I would not.

Ms Xenia Wickett: Well, this is great. There are a lot of other causal factors that many people would bring in: not just the decline of the military, at least in economic terms, but the decline of diplomacy and partnerships. If you get the causal reason for those phenomena wrong, then you go wrong on how to solve the causal reason as well. That is where there is huge dissonance between some people who say, as this President does, “We need to throw a lot more money at the military. If we are strong and out front, people will just come in behind us”—this goes to Lord Jopling’s point—and others who come in and say “No, actually we need to be much more collaborative and part of the pack”.

I used to describe Obama’s foreign policy as “leading from within” rather than, as in that wonderful/awful *New Yorker* piece, leading from behind. I am totally blank on who wrote that now. It was more accurate to describe the Obama Administration as leading from within. This President’s foreign policy is not leading from within; it is very much leading from in front. But you disagree with me, Kori, which is fantastic.

Dr Kori Schake: I do have a different view on that, maybe because I have a different interpretation of primacy. American primacy is not about

American power being paramount but about setting and enforcing a rules-based international order that not just we but others benefit from. If you take the economic parallel, the zenith of American power relative to everyone else would have been 1945, when Europe was destroyed. That is not a world the United States wanted. We wanted a world of wealthy, prosperous friends and allies, most especially Britain, and we worked assiduously to help create that world. So American hegemony does not mean that we have more power than everyone else, it is that we set and enforce a set of rules that are beneficial to us.

The liberal international order of the past 70 years—what President Trump cannot understand—is that we are a major beneficiary of it in addition to a major contributor to it, and our strongest asset in managing a rising China and a declining Russia is not simply the strength of our soldiers, sailors, airmen and marines, it is the strength of our friendships, our alliance networks. That is what I think the defence strategy is trying to emphasise and the Cabinet is trying to bring the President around to. There is a widespread appreciation, most especially among my fellow conservatives in the Republican Party, that we built the existing order for a reason, and it was not built by soft-headed lefties, it was built by the hard men who had won World War II. It is a preventive system of common good and there is widespread support for that and for sustaining it.

Lord Wood of Anfield: That is a difference about how to restore primacy, rather than about primacy itself. Trump has the aggressive bilateralism, a sort of Bastille-Day-on-speed, pyrotechnic defence strategy—

Dr Kori Schake: Exactly.

Lord Wood of Anfield: —and you are talking about reinvesting in international institutions.

Dr Kori Schake: And about helping a rising India to be prosperous and powerful in Asia and beyond, and about trying to nudge the Chinese into understanding that they will not remain sustainably prosperous if they do not play by the rules because the rest of us acting together are going to enforce the rules.

The Chairman: Baroness Helic has a question on the same theme.

Q25 **Baroness Helic:** I am dying to ask my own very quick question. You talked about the INF treaty and it being used to roll back Russian influence. I guess that is quite tasty for President Trump, who is a trader so it is easier to sell to the American public. Is there anywhere in the world where Russian influence could be rolled back, working with the Europeans, so that you could show in a concrete example that both the alliance and the relationship between Europe and the United States are still alive and actually act? Is there a need for that in order to show Russia that we have the will, understanding and strategic vision to do something along those lines? That is a private question, if I may. The

official question is: with the change in the US policy, there are certain changes that the new Administration are bringing to the longer-term global trends and how do these affect the foreign policies of other countries? Are there nations around the globe that can take advantage of this, both positively and negatively?

Dr Kori Schake: As I watch the policies of other countries adapt to what has changed in the United States, I think there are several different models being test-driven by different countries. So Germany is choosing to be the voice of our values and to try to shame the United States into living our common values. That is creating quite a lot of friction with President Trump. The second course of action has been Prime Minister May's course of action, which is to try to emphasise a bilateral relationship and the closeness of our relationship. I confess to being surprised that that has not succeeded with President Trump because the Japanese are likewise engaging that model and it has worked for Prime Minister Abe. You all would know better than I the extent to which it is working for Britain. It looks to me, as an outsider, like it is still pretty rocky.

The third alternative model is the one that Prime Minister Trudeau is effectuating in Canada, which seems to have two major planks. I confess I think it is brilliant. His first tack is to be a dynamic force for trying to uphold the international order even if the United States is not going to be in a leadership role or, in the case of trade, even a major participant. He and the Australian Prime Minister and the Japanese Prime Minister agreed to move ahead with the Trans-Pacific Partnership, even without American participation, to buy time for us to reconsider our choice and because it remains in their interests even if we are not in it. So his approach externally is to uphold the rules-based order and buy the United States time to test whether Trump is an outlier or the new direction of American policy, and whether he can be reined in.

The second part of what I see as Prime Minister Trudeau's strategy is to play the internal game in American politics—to stand next to the governor of my home state of California and talk about how 34 million people and the world's sixth-largest economy are going to abide by the Paris climate agreements, irrespective of what our federal Government does, and to work with mayors of major cities that are hubs of Canadian trade, such as Detroit, to ensure that the regions, the states, the mayors and the individual businesses that are major forces in American politics that have commonality of view and can be internal forces for pressuring the Trump Administration's policy. So I think he has a smart "uphold the international order" piece and a smart "reach into American politics and play all those diverse voices" piece, and nobody is better situated to do that than Great Britain is.

Baroness Helic: And France?

Dr Kori Schake: I would put France more in the category of what Prime Minister Abe and Prime Minister May are trying to do—to be President Trump's buddy. So invite him to a military parade on the Champs-Élysées

because everybody knows he likes parades. It is not clear to me, though, that the Japanese have been able to deliver different Trump Administration policies along that line. It is not clear to me that the Prime Minister of France or the Prime Minister of the United Kingdom have yet been able to deliver different policies along that line.

Ms Xenia Wickett: I would just look at the other side of the coin. Kori has talked about our friends—well, what about our potential adversaries? We have talked a little about this already so I will not labour the point but the Chinas and the Russias are clearly taking advantage of what is a bit more space in the international community to test the boundaries. To take us back to the earlier conversation, I think mostly that is okay. What worries me is that there may be a red line in Trump's mind that right now they do not know exists and they walk straight over it and then you have a crisis. I agree with what Kori was saying earlier, that all bets are off if there is a crisis. In a major crisis the instruments that are currently binding the flexibility that President Trump has to move in certain directions go out the window. That is the thing to worry about. I am not worried about the status quo.

Q26 **The Chairman:** We must ask a bigger but basic question, which we have covered in part. Does America still believe that it is playing the superpower game and the leadership game, in which case some of its military will want to boost their capacities? There is talk of bigger nuclear weapons and so on. Do they still want to talk the language of the 20th-century superpower scene in one way or another? Or do they realise that they are in the grip of much larger forces than America itself can control, as part of a network, and that power is distributed not merely to other parts of the world but to non-governmental as well as governmental actors, and that all Trump can do is to question, as you said, but not really control? We have to know which direction they are going in so as to know how to respond to them here. We have listened to your wisdom but I am not sure whether any of us can be clear about the answer. Can you give us a final steer? How is the UK going to respond if we are not quite sure which way America is going?

Dr Kori Schake: I have a couple of things. First, I do not recognise your description of American superpower thinking, because the second part of it—an America that sees non-governmental actors as hugely important parts and views itself as part of a network, cajoling co-operation—would have looked very much like American power to President Eisenhower or President Truman. The superpower description is something of a caricature of us, but we sometimes play that caricature.

My sense is that this will be a rocky several years. One good set of choices Britain might make would be to try to build in large margins of error everywhere you can. There will be fits and starts with American policy, where the President will say something in public and then the Cabinet will try to correct it, or the Congress or the courts will have to push back on it. It will be dicey but it is also my judgment that Britain's strongest hand continues to be in maximising its ability to deliver the United States to the policies that are in Britain's interests. You have a

unique ability to do that because of how tightly tied together our societies, our business and our reflexes are. That does not mean you should not hedge your bets in other places; it just means that I do not see a better choice for you than the fundamental one that Britain has made.

The Chairman: That is one view. How do we reconcile that in your final answer, Xenia Wickett? Is it being special and deep with Europe, being a new global-reach Asian power developing new links with the Middle East, or building up the Commonwealth network? How do we put those things together with what we have just heard?

Ms Xenia Wickett: Let me second what Kori just said. We tend to talk about whether America will go this way or that but, right now, we have to be very careful about our language because it affects how we think. We cannot think of America as a unitary whole and ask which direction it is going in. I am going to be crude but it needs to be more nuanced than this. What Trump is saying, and what rhetoric comes out of America, is different from the actions that come out of the United States. Kori just described it absolutely: the view of America as a networked player—as engaged and collaborative—is a view of the actions. We are getting distracted by a lot of noise, or as if it was a shiny thing. I agree with Kori that you therefore have to give yourself more flexibility, but you also have to pass down the details much more.

An interesting German manifesto, as they called it, came out back in December, I think. It was written by a group of German think-tankers—I have a copy here—and I disagreed with parts of it but what they got right is that you have to divide some issues from the ones where you are not going to make progress. I am afraid to say that, despite a lot of rhetoric, trade is in that category; you are not going to make progress on an FTA with the United States that Britain likes the look of. You can talk all you want but it is just not going to happen.

So there are some issues that you should just put aside and some issues on which you say, “Yes, we can work with the Government on that”. Counterterrorism is an example. Then there are some issues on which you might say, “You know what? We can’t make progress with this Government but we can do an awful lot to lay the groundwork to make progress with other people”. Cities, states and the environment is a great example; you can do an awful lot to lay the groundwork in that space with cities, NGOs and states rather than looking to the federal Government. It is more complex and nuanced. It is vastly harder but the idea that it is black-and-white, that you either do or do not embrace America, is a false choice to make.

The Chairman: Fair enough. That is very good. A final, final question from Lord Hannay.

Lord Hannay of Chiswick: I just want to take up the point about how Britain could maximise its influence along what you might call classical lines—a prescription that seems fine to me, except that it takes no

account of President Trump at all. The problem with President Trump is that he has a unique capacity to turn most ordinary British people against him. As far as I know, he has not made any remarks about the French social security system—

Dr Kori Schake: Or a terrorist attack in France.

Lord Hannay of Chiswick: Nor about how much he loves Marine Le Pen. That capacity is a huge impediment. I am sure your prescription is what the Government here might like to do but they are being prevented from doing it by, among other things, some quite strong currents of public opinion that risk driving us back to the position that we were in during the 1970s, when large bits of our public opinion was anti-American. That is a huge risk. Do you not see it?

Dr Kori Schake: I absolutely see it. Yes, free societies get their range bounded by their public antipathies and public favourability but it is also true that Donald Trump is not the entirety of the United States. To the extent that that message gets conveyed, the Prime Minister might go to the great state of Ohio to meet Governor Kasich. There are other ways to play this game, and others are playing it more effectively than your own Government. They are playing it by expanding their Governments' policy space in ways that the British Government are not. Canada is no less sanctimonious than anybody else about America's failings and the vulgarity of our President, but it is not spending all its time on him or with him, or amplifying what he does.

Ms Xenia Wickett: I would add that it is not just about what the Government do but about what you as parliamentarians do. There is an even more important role for you all to reinforce the building of relationships with congressional leaders in the United States, because right now that will be extraordinarily important.

Dr Kori Schake: May I give a two-sentence answer to the private question from Baroness Helic about what NATO is doing right? Reinforcing the Baltic states is a hugely important message. There is also what we are doing together in Ukraine, where some European countries have been hesitant about arming the Ukrainians and saying that the United States will do it. We are passing some leadership tests and it is important that we pass them. Making a success of Ukraine and helping it to establish the rule of law and have institutionalised political power is, in my judgment, the absolute best way for us to push back on nefarious Russian behaviour, and to show the willingness and ability of vibrant, free societies to sustain ourselves against Russian pressure.

The Chairman: That is an excellent ending to the session. You have been quite brilliant. I am not sure that everything is crystal clear—we did not expect that—but you have set the dilemmas before us, and the need to find a balance and a way through more clearly than ever. Thank you both very much indeed for a long session, which has been very valuable. Thank you so much.