HOUSE OF LORDS

Select Committee on International Relations

Corrected oral evidence: UK foreign policy in changed world conditions

Thursday 15 November 2018

2.10 pm

Watch the meeting

Members present: Lord Howell of Guildford (The Chairman); Baroness Anelay of St Johns; Baroness Coussins; Lord Grocott; Lord Hannay of Chiswick; Baroness Helic; Lord Purvis of Tweed.

Evidence Session No. 20 Heard in Public Questions 231 - 244

Witnesses

I: The Rt Hon Jeremy Hunt MP, Secretary of State for Foreign and Commonwealth Affairs; Sir Simon McDonald, Permanent Under-Secretary, Foreign and Commonwealth Office; Jill Gallard, Deputy Political Director, Foreign and Commonwealth Office.

USE OF THE TRANSCRIPT

1. This is a corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Examination of witnesses

Jeremy Hunt MP, Sir Simon McDonald and Jill Gallard.

Q231 **The Chairman:** Secretary of State, a warm welcome. I am obliged to remind everybody that this is a public hearing. It is on the record. There is a full transcript, which all participants have access to and can change if it does not reflect the true record. I also have to remind my colleagues to declare any interests relevant to our discussions when they intervene.

We are immensely grateful to you for fitting in time to see us. This is our final opportunity to bring your wisdom and ideas into our report, which we are about to conclude. That is why we have had to hold a meeting now—we will try not to keep you longer than necessary. I think your views will be extremely valuable to our Committee, and I hope you will find some of our views of value to you as well. I even dare to say that I hope you will find this next hour a bit relaxing because we are going to try to make it a Brexit-free session. We will not succeed totally but we will do our best.

I will begin with some things that you have said and some things that are relevant to our inquiry. In a very interesting speech the other day you talked about a new world order arising. The Prime Minister has talked about the need for new allies and fresh partners. All our witnesses have talked about major technological transformation and the need for an entire reorientation of our international policy. This is big talk. How do you see all this? Who are the new partners? Are we really moving into a fundamentally new epoch—people have used even that language—and, if so, what will be our major priorities as Britain reorients itself, obviously, and adjusts to these totally new world conditions? That is the first big question.

Jeremy Hunt MP: Thank you, Lord Chairman. First, I apologise for rescheduling yesterday's session because of the Cabinet meeting. I thank you for your understanding in doing that. What you have raised has been the single biggest question that I have been grappling with in my mind over the past four months since I took on this role. I would like to be honest with the Committee: I do not think my thoughts are completely fully formed, so I will indeed be very interested in what you have to say.

As a new boy to the world of foreign affairs, it seems to me that the world order is changing very dramatically. We had a golden period for democratic values in the 30 years that followed the fall of the Berlin Wall in 1989, a general assumption that the march of democratic values was unstoppable, and a general optimism—although we found plenty of other things to worry about in that period. My father was in the Navy and I remember the 1970s and 1980s, when he spent his entire professional life on exercises to deal with the Soviet threat, and I am just old enough to remember how the world felt then, in the sense that we absolutely could not take democracy for granted in those days. We felt that there was another system, another approach. There was no complacency at all that our way of life was going to prevail.

I feel that, although we are moving forward into a new era, we are once again moving into a period in which we cannot have that complacency at all. That is because in 2030 the largest economy in the world is likely not to be a democracy. That will fundamentally change the world order. I am someone who thinks there are big opportunities in the rise of China and we cannot stop the rise of China, but that will fundamentally reshape the world order and we need to think hard about that.

The issue you raised, Lord Howell, was technology. That will be a huge change in that period as well. It is already making its presence felt.

Sorry for the long first answer, but my final comment is that I very strongly believe that as that world order changes, despite the fact that we are not a superpower and we do not have an empire, the United Kingdom must be an actor and not an observer. We have the ability to shape that world order—not to control it but to shape it. Because we are the country that, alongside the United States, was largely responsible for the current world order, I think people will be looking at us and asking what we are going to do to protect the values that all of us here believe in so strongly.

The Chairman: Your father used to write to me frequently about the decline of our merchant shipping because I was the nearest MP he could reach. I should have welcomed Sir Simon McDonald and Jill Gallard as well. I apologise for not doing so at the start. We are very honoured and pleased to have you with us.

I have one follow-up to this general opening. Some of our witnesses have talked about the way in which all foreign policy throughout the world is turning more to a vast extension of what is called soft power. Others have said that soft power makes no sense unless it is combined with efficient military and hard power in some kind of new mix—what we call smart power and the Chinese call sharp power. How do you see that shifting your whole approach and indeed the resources of the Foreign Office being turned in that direction so that we can project our soft-power assets and back them with an efficient military in a much more definite way than perhaps we have done in the past?

Jeremy Hunt MP: I am definitely not someone who thinks you can have soft power on its own. I think we have absolutely formidable soft power in this country. I noticed that the Portland index earlier this year said that we were number one for soft power, although the polling for that was done a few days after Prince Harry's wedding and that might have had some influence on the scores that we got. It is interesting that that wedding was seen by nearly one in four of the world's population. There are many examples of soft power but, for power to be credible, it has to be backed up by strength. That is why hard power is important. For me, hard power is not just military power but economic power. The strength of the British economy over the next 10, 20 and 30 years will be absolutely essential, as will making sure that we have a proper military capacity.

The Chairman: Turning to some of the specifics, you said the other day that the bedrock of our security and prosperity was the transatlantic relationship. Several extremely senior officials have come before this Committee and said the same sort of thing. Can we pursue that in the light of obvious wobbles in that scene? Lord Hannay, this is your subject.

Q232 **Lord Hannay of Chiswick:** Secretary of State, let us turn to the US relationship, recognising that it has been the bedrock of our external affairs since the Second World War and America has been our best and closest ally. However, in the last two years or so there have been quite a large number of things on which we are at odds with the United States, whether you are talking about the JCPOA[1] with Iran, unilateral trade measures taken against steel and aluminium and threatened against cars, the move of the US embassy to Jerusalem and treating Jerusalem as the sole capital of Israel, or the withdrawal from the INF,[2] which seems to have taken place without any consultation at all, even though the Russians certainly are not in full conformity with its provisions—this list just goes on and on. Is it your view that we are faced with a blip or a trend? How do we handle it?

For example, on the rules-based international order, which the Government quite rightly—in the view of many of us on this Committee, I think—regard as a major continuing national interest for Britain, the actions of the President and his Administration are extremely hostile. I was a bit struck, I must say, by your saying to the Foreign Affairs Committee in the other place, that you thought he was out to reform the rules-based international order, not to damage it. I wondered whether you had spent any time with his National Security Advisor. I have spent rather too much time with him in my life and he does not share your view. He wants to damage it, in one case saying that he wanted to remove the top 10 storeys of the UN building. How does British foreign policy cope with the fact that its principal ally has become unpredictable, perhaps in some circumstances unreliable, and in some actually acting against our interests?

Jeremy Hunt MP: The important thing in a situation such as this is to be absolutely strategic in your approach. I would not want to minimise that long list of differences between British and American policy as just the odd blip; for example, like the invasion of Grenada was in the time of Margaret Thatcher and Ronald Reagan—one of the few disagreements they had. I think there is something else going on. I also think it is important to say that the alliance between the United States and the United Kingdom is stronger than any individual Prime Minister or President and that is because it is fundamentally based on a shared view of the world and a shared set of values that are rock solid. It is important to remember that because, as one of the great powers in the world for the past 300 or 400 years, no country has been more masterly in understanding when alliances matter and who we should ally ourselves with—in a way, that is the story of British history from one perspective—

[1] The Joint Comprehensive Plan of Action
[2] The Intermediate-Range Nuclear Forces Treaty

and the most solid alliances come when you share values and it is more than just a transactional agreement of 'If you do this, I'll do that'. We share those values with the United States and it is important to remember that.

Going back to the first question, all these issues about the changing world order are ones with which the United States is very preoccupied. President Trump has said that he is not prepared to accept the eclipsing of American power and he is going to do something about it. We believe very strongly in the rules-based international order and in multilateral institutions. In so far as the United States seeks to reform those institutions—and I think there are very fair reasons why, for example, it should want WTO reform because the deal it has with China was very much based on China's situation at the time as a very poor country and that has changed a lot so it is perfectly reasonable for the US to say that the deal needs to change—if its policy were to become the active destruction of the multilateral world order, we would not support that because we think it is incredibly important and it has been the foundation of the world order that we have built alongside the United States.

Lord Hannay of Chiswick: But have you identified any single case where the United States has put forward proposals for reform? You spoke about the WTO. I am not conscious of any proposals for reform from the United States. I am conscious that the United States is refusing to allow the nomination of judges to the dispute settlement procedure, which is at the heart of the trading system of the world. That could confront us, within a few months, I think, with a completely intolerable situation where that system atrophies because of the US's attitude. That is a purely disruptive and destructive attitude. I have to say, I do not see any cases where the Americans have come forward with reform proposals. They say very rude things about the United Nations continuously, but they never say how they think the United Nations could be improved. They simply withdraw from the Human Rights Council and UNESCO. That is not a way to reform an organisation.

Jeremy Hunt MP: I have a different perspective. I think they feel that the way that those large multilateral organisations work at present does not work for the United States of America and they are seeking to change that. If we think about the NATO summit in July, President Trump said—correctly, in my view—that it was unacceptable for the United States to be spending 4% of its GDP on defence and for many European countries not even to be honouring the 2% NATO commitment, when a substantial amount of American expenditure was actually to defend Europe. I think he is right on that. He was seeking to get his NATO allies to agree that there should be proper burden-sharing and once he had secured—or believed he had secured—that, things would carry on as normal. As you would expect from someone with his background, he approaches this as someone looking for leverage to get a better deal and then, when he can get a better deal, he feels he has succeeded.

To go back to your original point, we will not always have the same view as the United States but, as I said in the speech that Lord Howell generously referred to, what is Britain's role going forward? We may not be a superpower but we are probably the best-connected of the major powers in the world, with our links with the Commonwealth, the transatlantic alliance, our European friends, and so on, and we should aim to be the invisible thread that links the democracies of the world, and the most important link in that is going to be between the United States and Europe. It is our job to try to hold that together and to make sure, in all the big and lively debates that we have, that all sides remember the fundamental things that really matter, which is that we share values and we need to work together in the modern world to defend those values.

The Chairman: To press you a bit on that, how shared are those values? The values of America today are 'America first'. Putting nations first is the way to undermine the rules-based order. Indeed, that is what happened in the 1930s and, to some extent, before 1914, driven by internal populist pressures producing very selfish attitudes and total disregard for international treaties. Is not that the flavour we are getting from America now? Is the judgment that all this will pass because the President will be there for just two or six more years, and America will then revert to its broad, generous views, or should we not be more realistic and realise that our security and interests are going to rely increasingly on other networks in a changed world?

Jeremy Hunt MP: As you know—I think we would agree on this—in this country for many years we have said that the 'Britain first' policy is an international rules-based order that works for everyone. That is in the British national interest and we believe it is in everyone's national interest—America's national interest as well. But we have to recognise that one of the reasons for the 'America first' rhetoric has been the failure of politicians across the western world—I count myself in this category—to connect properly with voters and a very strong sense in America that the international system has been working against American interests. But I firmly believe that if we can get the proper reforms we want in that system, President Trump would be a big supporter of that system, but he needs to see it working better. I think that is the long-term purpose.

Lord Purvis of Tweed: Good afternoon, Foreign Secretary. I am struggling slightly because we have received evidence, including from Sir Mark Lyall Grant, who had a pivotal role in building to where we are now, that is in stark contrast with what you have just told us. He told the Committee, when he was asked by the Chairman about the challenges to the rules-based order, 'You are right, Chairman, when you say that one problem in tackling that shift is that the traditional champion of the rules-based international order, the President of the United States, does not currently believe in it. That is certainly a challenge.' You assert that you believe the President is something that our security apparatus has told us that he is not. I am struggling.

Jeremy Hunt MP: What I am telling you is on the basis of numerous public and private interactions with the President and his staff. First, to reassure you, the United Kingdom will continue, come what may, to support the rules-based international system. Were we to believe that America was going in a different direction, we would say so, because we are very clear that this is absolutely essential. President Trump is trying to reconstruct the system to remove what he perceives as unfairnesses to America. I do not think he is set on the wholesale destruction of that system. But we will continue to talk to the Americans and to remain close to them.

One of our jobs in these situations, as these debates rage, is to make sure that there are voices in the White House to explain why the rules-based international system is very important to everyone. When I have made that case, it has been met receptively. I think that what we are seeing is something slightly different: a return to a more muscular Republicanism of the sort that we have seen in previous periods of American history, which is based on a desire to make sure that America's strength in the world is maintained. That is what we saw in the 1980s. We have to accept that this is a change in the Americans' position but it is precisely because they see the same things that Lord Howell talked about in the opening question and they are not willing to cede American power.

The Chairman: Let us move on, as time is short, to other powers and other networks—that is, other than America.

Q233 **Baroness Coussins:** Good afternoon, Foreign Secretary. You mentioned China in your opening remarks; China and Japan are two of the world's giant industrial powers. The influence of China is expanding extremely rapidly with belt and road investment in infrastructure right across the globe. How should we be relating to and engaging with this shift in world power? How should we be tying in with Asian-based networks, such as the SCO[3] and ASEAN,[4] or with the emerging economic networks in Africa and Latin America?

Perhaps I could also tack one other small question to this area of discussion as it is about industry, the economy and networks. In your recent Policy Exchange speech, you said that we need to go beyond traditional diplomacy and develop new partnerships, including with the private sector. Could you expand on that a bit and say exactly what you mean? What are the rules of engagement with the private sector, as far as diplomacy is concerned?

Jeremy Hunt MP: I am very happy to do that. Let us start with China. We must recognise the extraordinary achievements of the Chinese Government and the Chinese people since Deng Xiaoping's big opening up started. We must recognise that the reason many of the millennium

[3] The Shanghai Co-operation Organisation
[4] The Association of Southeast Asian Nations

development goals have been met is not because of western aid programmes; it is because of extraordinary economic progress in China.

We must recognise that it is a huge achievement for the Chinese Government to have lifted several hundred million people out of poverty and to continue to do so. China's increase in wealth is wholly to be welcomed. I would go further and say that we cannot stop the rise of China, nor should we seek to. Even now, its GDP per head is only 20% of the US GDP per head.

It is entirely legitimate for China to say that it wants to raise its standard of living to western levels, and that is indeed what it is trying to do. As it does that, it will become the largest economy in the world. I believe the Chinese are still deciding themselves what kind of role they want to play in the world. These are choices that are emerging, because they have not been in this position for several hundred years.

They would say China was always the biggest and most powerful country in the world until relatively recently—they have a famously long-term view of history—and that this is just returning China to its original glory.

As an old and great power ourselves, we have to recognise the risks in this situation. This has been called by some historians the Thucydides trap, where you have an existing power and a rising power. According to Thucydides, these situations inevitably end in conflict between the two powers.

I believe that statesmen and stateswomen on all sides should do everything they possibly can to avoid the Thucydides trap, and that means maximising understanding on all sides of each other's objectives.

I had a long discussion on this matter with Dr Henry Kissinger, who I met a couple of times over the summer. He was, of course, responsible for the opening up of relations between America and China; I do not think anyone has thought harder on this issue than he has. It is important to have that understanding, but I also think that were China to move in future in a direction that were to threaten our values, we should be willing to be robust. We must be clear that we do this from a position of strength, because our values and way of life are incredibly important—and it is important that China understands that.

It is also important for the Chinese to understand that, provided they do not threaten our values, we will be their best friend and will welcome their development and growth.

On your other question of links to the private sector, I do not elevate the private sector over links that the Foreign and Commonwealth Office should have with NGOs, voluntary organisations and organisations such as the BBC. We need a holistic view of British soft power and to recognise that it is part of British power and influence; we need to use it whenever we can to defend our values.

Q234 **The Chairman:** I have two quick follow-up questions on networks and

the rise of the East, as it were. First, on the Trans-Pacific Partnership—which the Japanese are very keen on and which the Prime Minister has mentioned—should that not be a higher priority? Secondly, the other big network embracing large parts of Asia, including notably India, is of course the Commonwealth which, again, you mentioned in your speech. Should these two areas not be very high priorities? These are where the great new consumer markets are going to be and where we have got to succeed.

Jeremy Hunt MP: Absolutely. The Commonwealth is particularly important because it is the strongest north/south alliance of nations there is. It is quite unusual. It has a mixture of established and newer democracies, but democratic values run through all Commonwealth members. The Commonwealth is very unique and important. It is in the whole world's interest that we do everything we can to support countries that wish to go on a democratic path on that journey.

I agree with you that there are also big commercial opportunities. I would love us to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership . But while such trade deals present very exciting opportunities, they cannot substitute for a very good trade deal with the European Union, which is our nearest neighbour and with which we absolutely need to have a good trade deal. I know you did not want to talk about the 'B word', Lord Chairman, but that is a very important outcome of this whole process.

The Chairman: We might come on to that, but we turn now to another dark power riding on high technology, and that is Russia.

Baroness Helic: I have a lot of questions on China too, but I will not go in that direction.

The Chairman: Put that in as well.

Q235 **Baroness Helic:** I sometimes feel that in the same way that we are dazzled by technology, we are dazzled by China. That may be rightly so with China as it is a huge country and a rising power, as you say, Foreign Secretary. But I am troubled that when the head of Interpol disappears in China, no one says anything. When a million Muslims in China end up in re-education centres and being spied upon, one on one, we do not say anything. This does not say much for our respect for human rights and rules-based order.

I will leave that on one side because we have plenty of other countries to worry about. Russia is close to home, interfering and poking us in the eye in every part of the world where we have any interest and even here, back home, in the leafy suburbs. I would like to ask you not only what our reaction should be, but about our pathway with Russia. Where do you think our relationship with Russia will be in five years' time?

Jeremy Hunt MP: Those are two very important questions. I will answer the first one on China. On human rights, we of course respect the fact that different countries have their own systems and their sovereign rights

to have their own systems. However, my view is that human rights are universal to all human beings. They are our values, but you have to recognise—if you want the UK to be a strong defender of human rights all over the world as I do—that you have to raise these issues differently with different countries.

For example, on the treatment of the Uighurs in Xinjiang province: I raised that issue in private with Foreign Minister Wang Yi when I met him in Beijing in August. I also raised issues relating to other Chinese nationals, on how they were treated in the system and, in particular, on the way some lawyers have been treated and our concerns about that. It is a private dialogue. I also raised issues relating to other Chinese nationals and how they are treated.

If we raise these issues in public, the truth is that the dialogue would stop, so you have to do these things differently in different countries, depending on the type of relationship that you have. It is very important that we continue to raise these issues with different countries. I raised human rights issues with Aung San Suu Kyi in Burma and with the Iranian Foreign Minister in different ways. It is very important that we do so.

With respect to Russia, there has been a very troubling change in Russia's posture in the world. It largely goes back to the invasion of Crimea in 2014, but you could argue that it goes back to the Georgia invasion in 2008. It seems to have adopted a policy of sowing maximum chaos around the world as a way of increasing Russian power and influence, which is a wholly destructive approach to take. I recognise that Russia is one of the great powers of the world and that it is entitled to the respect that comes with that, but this is not a way to gain respect. It has to understand that if it continues on this path, countries with different values will react in concert from a position of strength. That is what we have been doing. You could argue that it has taken us too long to realise that that is what needs to happen, but we are doing that. The way that the Prime Minister assembled an international coalition to respond to the Salisbury attacks, with 153 Russian diplomats expelled from 28 countries and NATO, is an indication that if this continues Russia will find that the price is just too high. We do not want to get into tit-for-tat. This is not about escalation. We just want Russia to go on different path because we think that it is bad for us and, actually, for them as well.

Q236 **Baroness Helic:** On pre-empting what Russia will do, we are about to fall into a trap on the Kosovo-Serbia border exchange or correction. The rule in life ought to be that you have to think twice about whether you want to support what Russia supports. I have a feeling that we are heading in that direction. President Putin met Prime Minister Thaçi I think three days ago in Paris, or whenever the events were. He not only met him but openly supported exchanges of territory and of populations. In the long term, that will impact exchanges of territory and correction of borders not only around Georgia, Abkhazia and South Ossetia, but in the Baltics. I hope that we think this one through before we support the will

of the people or of elected representatives of the people in this part of the world.

Jeremy Hunt MP: I have to defer to your much greater knowledge of this part of the world than mine, but we are very cautious about border exchanges because we are worried about what they might unleash. We have to be cautious in lining up against it if it is something unveiled by elected representatives of two peoples and there is agreement about it, but our starting point is that one has to be incredibly careful before doing anything like this. We are extremely nervous about these proposals.

The Chairman: You have just been in the Middle East, where order is continuing to collapse in every direction. Even old alliances seem to be breaking apart. Baroness Anelay would like to talk to you about this.

Q237 **Baroness Anelay of St Johns:** Good afternoon Foreign Secretary. Could I take your attention to one of the other very contentious and difficult areas for foreign policy to be effective: the Middle East and the Arab states? Earlier you said that the UK should be an actor, not an observer. How can we better fulfil that role of being an actor rather than an observer, which appears sometimes to be the case? For example, we have been accused of playing catch-up with President Trump on his proposals for cessation of hostilities and taking forward a way of knitting together the forces of the Arab states and Israel against Iran. In particular, thinking about the horrors of Yemen, I know that when you gave evidence to the Foreign Affairs Committee in the Commons you were not keen on having a United Nations resolution in the Security Council just now. On that particular item, would you consider whether, as penholder on Yemen, the UK could begin at least the preparatory steps to have that kind of resolution, just to rattle a cage or two?

Jeremy Hunt MP: Yes. We are very actively looking at when the most appropriate time to have a UNSC resolution should be. We have been having a lot of conversations with the UN special envoy, Martin Griffiths, about the most appropriate time. In the end we are looking for a cessation of hostilities that could lead to a ceasefire and a political settlement. We have been working very closely with the Americans and with all actors in this. I had a meeting with people from the United States, the UAE and Saudi in September at the United Nations General Assembly. This week I met the Vice-President of Yemen and the Foreign Minister of the legitimate Government of Yemen, as well as the Crown Prince of Saudi Arabia and the Crown Prince of the UAE to talk through these issues. We absolutely want to use every bit of influence that we have because we are facing the most appalling catastrophe in Yemen: 14,000 people are getting cholera every single week at the moment, with 8.5 million people on the brink of starvation. This is a really appalling humanitarian crisis.

We do not believe that a military solution is possible. There has to be a political process, but you have to have an environment where both sides believe that there needs to be a political process. What has bedevilled the situation in Yemen to date is that both sides have believed that they can

win militarily. That is what has been causing the problems. We want to exploit this moment. It feels to me that things have dramatically changed since I was at the UN in September. There is now a path towards peace, with the talks we hoping will happen in Stockholm and the announcement, which the Saudis confirmed to me on Monday, that they are prepared to see 50 wounded Houthis evacuated. I spoke to the Saudi Foreign Minister this morning. He has told me that they have now agreed the arrangements for flying the Houthis to the talks in Stockholm. That was another big issue: how to fly them there safely from Yemen. A number of things are beginning to fall in place but this is a very challenging and a difficult road.

Q238 **Lord Grocott:** It goes without saying that the Middle East, almost without conclusion, seems an area of conflict. When one finishes another starts. The one that is perhaps most persistent is Israel-Palestine. I cannot avoid referring to President Trump in this, for all the difficulties in analysing where he is going and what he is doing. I think we all agree that Israel and Palestine, as much as any other part of the world, needs sensitivity and delicacy in dealing with conflict between the two parties. Those are not characteristics that you necessarily associate with President Trump, in particular when he unilaterally decided to move the American embassy to Jerusalem. His argument presumably would be that you make a decision and then maybe the ripple effect will result in some kind of solution. One of this Committee's big inquiries said that a sensible step forward would be to consider recognising Palestine as a state. Your answer—I do not mean yours personally, but the Government's—has been what, for as long as I can remember, every Government's answer has been: it is a two-state solution, we must not do anything that is disruptive on one side or the other and we must keep talking to both sides. I guess that is what you will say. I do not want to criticise you for that, but I put it to you that there is a growing feeling internationally, and indeed in both Houses of our Parliament, that that would be an important symbolic step to take. To what extent is that on anyone's agenda?

Jeremy Hunt MP: I agree with you. It would be a very important symbolic step to take. Because we believe in a two-state solution, we are willing to recognise the state of Palestine but it is about getting the timing right and making that decision at the moment that will give the most impetus to the peace process and the maximum opportunity for a lasting peace. I do not think that we are at that moment yet. Some very important things will happen in the next few months with respect to that issue. The most significant one will be the publication of President Trump's Middle East peace plan. I met Jason Greenblatt, who is putting together that plan with Jared Kushner for President Trump, the week before last and we had a good discussion about the process. I do not know what the contents of that plan are, but it will have a big impact. We need to see if that unlocks progress. That is the next big moment but I absolutely want Britain to play our part when the moment is right.

Q239 **Lord Hannay of Chiswick:** Forgive me for saying so, Secretary of State, but you have expressed a view about the timing factor on recognising the

state of Palestine which I think has been the British Government's position since about 1980, when Lord Carrington first put forward the two-state solution, and it has not changed since then. That is quite a long time to wait for the right time. I just hope we are not going to wait until there is nothing left of Palestine to recognise. The view that Lord Grocott has expressed is the view of this Committee. I am not sure the Government have listened very much to what has been said in both Houses about this.

Another question that arises out of our Middle East report was that we were deeply disturbed by the signs—we wrote the report nearly two years ago—of the sharpening conflict, or confrontation, between Saudi Arabia and Iran. We came to the conclusion, looking at it all, that Britain's interests did not lie in taking sides in this confrontation, let alone in egging it on—which is, I am afraid, the policy of the US Administration—but rather that we needed to do our best to ensure that there was a *modus vivendi* in the Middle East between the two largest powers there, Iran and Saudi Arabia, and that that was Britain's interest. Do you share that view?

Jeremy Hunt MP: I do not share that view but I understand exactly why you are saying it. Let me explain why. We have a strategic partnership with Saudi Arabia, but that does not mean that we should not maintain close contact with Iran and try to do everything we can to create a reconciliation. You are absolutely right that the conflict between these two large Middle Eastern powers is becoming more dangerous to world peace than even the conflict between Israel and Palestine. This is a big concern at the moment. The Iranians have an approach to their region which unfortunately has too much in common with what we described about Russia a few moments ago, which is they are seeking to destabilise many other parts of the Middle East; be it Yemen, where they are supplying missiles to the Houthis; be it Lebanon, with their support for Hezbollah; or be it Iraq or Syria. This is of great concern. I do not believe that that is what Saudi Arabia is doing. I think Saudi Arabia wants stability within countries' current borders. But that does not mean to say that, as a country that has long, historic links with both countries, we should not be seeking to talk to both of them to see if there is common ground. There is, I am afraid, a lot of destabilising activity that is being supported, often tacitly but sometimes overtly, by Iran, which is destabilising large parts of that region.

The Chairman: The GCC used to be the one stable area in the Middle East and now its constituent countries are at each other's throats, with Qatar and Saudi Arabia disconnecting from each other completely. Whose side are we on in that dispute and how can we help?

Jeremy Hunt MP: You are absolutely right to talk about the GCC. As you say, we have strong relationships with all the GCC countries, perhaps our strongest relationships. Our view is that we want these differences to be resolved as quickly as possible. We are very concerned about the additional instability that is created by what is happening. I have had many discussions about this with my Saudi and Emirati counterparts.

The Chairman: Now I am afraid that we are going to come back to our own region. Lord Grocott will start us on this area.

Q240 **Lord Grocott:** I will try to put all these things as neutrally as possible. We are about to engage in a huge change in the context of British foreign policy. I ask this question in the context of your speech, which I very much agreed with—I am not too keen on too many businessmen becoming ambassadors, but we will leave that to one side for the moment. Whichever side of the argument you are on, it inevitably means big changes in the context of British foreign policy. It is related to something else you have said, which really struck me: by 2050, the combined economies of China and India will exceed the GDPs of the entire G7 put together. Of course, four of the G7, as of now, are members of the EU. Irrespective of whether we are in the EU or out of it, the context of British foreign policy is changing. Do you feel that the Foreign Office is structured to anticipate these changes; for example, in the balance of our representation across the world? Again, I welcome what you have said about expanding our representation in parts of the world, but presumably that means relatively reducing representation in other parts—or rebalancing, let us use a neutral phrase here. How do you see the future structuring of the work of the Foreign Office being affected by our departure from the European Union?

Jeremy Hunt MP: It is a very important question. Very briefly, on the issue about businesspeople being ambassadors, I just want to clarify that I do not want to move away from a professional Foreign Office where the vast majority of our ambassadors have come up through the ranks of the Foreign Office and got the extraordinary value that a professional background in the FCO can offer; nor do I want to see an increase in political appointments, which is a feature of some other systems. I just think we should be open to having one or two highly talented people from other fields—it does not have to be the private sector—who might be able to represent our country. On a limited basis, I think that that could be beneficial in broadening the pool of talent. But it is not a substantial change in terms of the numbers of ambassadorships that would not go to people with a professional background in the Foreign Office. I have to say, I have been incredibly impressed by the people I have met in my short time in the role.

About Brexit, we have strengthened, under Sir Simon's leadership, our diplomatic representation across all the EU 27 countries because we recognise that we will need to have strengthened bilateral relationships with all those countries given that we will not be working with them inside the structures of the European Union. We will also be significantly strengthening our representation with the European Union as an organisation. Our UKRep team in Brussels, led brilliantly by Sir Tim Barrow, will continue to be very important.

The point I would make is that in that in my speech I said that I wanted our global role to be an invisible chain linking the democracies of the world. Many of those democracies are in the EU. We have huge values in common with our friends in Europe. We find that we are thinking along

similar lines on many global issues. I do not want the diplomatic alliance we have with EU countries to change as a result of Brexit. The way we get to those common positions and the structures that we use to get to them might change, but I do not want the end result to change because we have a huge amount in common with many countries in the EU. The point I make to them—they all say the same thing about us, by the way—is that in all relationships, the economic relationship is at the heart. It is the starting point. It really would be a big step backwards if, in the context of wanting to have that strong partnership in global affairs, friendly countries started erecting huge trade barriers between each other. We should avoid that.

Q241 **Lord Grocott:** This is a much more sensitive question, but I feel obliged to ask it. You are embarking on a dramatic new change with us leaving the European Union. It is beside the point, really, but I am pleased about it. You have the machinery of the Foreign Office to support you in your work. Foreign Office diplomats are by definition diplomatic and do not express their views in public about issues of policy, until, that is, they become Members of the House of Lords, whereupon to a man—it is to a man—they are the most enthusiastic supporters of Britain's membership of the European Union. That makes me think that it was probably a good job that I failed the Foreign Office test 50 years ago, because I do not think my career would have progressed very well. You, as Foreign Secretary, are reliant on all this advice. Do your diplomats come to you with enthusiasm and commitment about the change that is approaching, or is it with foreboding and anxiety? Sir Simon could be free to come in there.

Jeremy Hunt MP: I will happily bring in Sir Simon after me. Being diplomats, civil servants and professionals they do not express political views to me, but in so far as I can sense those views the impression I get is that theirs are not very different from mine, which is that we are democrats. This is one of the great democracies of the world. The people of this country have spoken and the Government are committed to implementing the will of the people. What we all therefore have an obligation to do is make a success of government policy, which in this case is to implement the will of the referendum. I can truly say that I have not sensed anyone at any stage trying to unpick that. What I get is extremely smart, wise advice on how to avoid the many pitfalls we have as we plot a different path from people who recognise that, as a democracy, all of us, whether elected unelected, have a duty to follow government policy and the Government have a duty to follow their commitments. I do not know whether Sir Simon wants to add to that—with him sitting next me I could not have said any differently, could I?

Sir Simon McDonald: I have no problem at all with what the boss has just said. It is our job as public servants to work for the Government of the day within the law. That is what we are doing. We are doing our best to protect and promote British interests in the new context. People in the diplomatic service have responded very well to that task. The only other

thing that I would add, Lord Grocott, is that almost as good as the House of Lords as a platform is a Twitter account.

Q242 **Lord Purvis of Tweed:** Foreign Secretary, you have said that you ideally do not want things to change, but inevitably they are changing. They will change dramatically. Perhaps Sir Simon is constrained until his elevation to this place, but I wonder what the impact will be. Even just looking at the withdrawal agreement statement, the Commission document is very clear that the Common Foreign and Security Policy will apply to the United Kingdom during the transition period and we would be able to participate, yet without any leading capacity. The UK will have the possibility to participate in projects of the common foreign and security policy agencies, including the European Defence Agency, but without having any decision-making role. Knowing that we have no decision-making capacity or any 'leading capacity', to quote the document, has an impact on our people who will be participating in some of these discussions.

I will expand that to evidence that we had from Sir Simon Fraser, who did not have to wait until he was put into the House of Lords when he gave us evidence. He combined it with how the Foreign Office is not equipped to meet not just that challenge of withdrawal, but the other challenges that you mentioned in your introduction. The question was about atomisation and the structure. He was critical of the creation of the Department for International Trade. He told us he did not think it was necessary or a good idea. He said, 'There is a big challenge for the Foreign Office in establishing its role as essentially the co-ordinating international department that should be leading the thinking on foreign policy in London and its delivery overseas, but it has been hollowed out and I am not sure that it is in a fit state at the moment to assert itself as far as it should'. That is quite a worrying bringing together of two elements. I wonder what your reflection on his comments is about the hollowing out and what your process is now perhaps to reverse that trend if he was right.

Jeremy Hunt MP: Let me respond to that, then I will bring in my Permanent Secretary to give some details. It is very important that the totality of our foreign policy effort is not what is written in the withdrawal agreement and is not limited to what we achieve through EU institutional structures. It is simply saying that we will be bound by the decisions of those EU institutional structures during the transition period, but there is very rarely any difference of opinion and we still have our ability, which we have now as a member of the EU and will continue through the implementation period, to have an independent foreign policy and take our own positions, whether on defence or foreign policy. We will continue to do that as a permanent member of the Security Council, a leading member of NATO and a leading member of the Commonwealth. I am absolutely confident that we will do that. Given that we have so much in common in foreign policy interests with the EU, I am not anticipating any significant conflicts over the period between now and December 2020 for foreign policy issues. In fact, I would say that there will be more

enthusiasm on the EU side to work closely with us because it is very much in its interest that the diplomatic partnership we have between ourselves and continental European powers continues.

With respect to the Foreign Office, I have had no sense at all during my time there of an organisation that feels hollowed out. In fact, in the speech that Lord Grocott referred to we announced one of the biggest strengthenings of our diplomatic network for 20 years or so, including increasing our number of ambassadorial posts to 160 of 193 UN countries. We will do that by 2020. That is equivalent to France, only six fewer than China and seven fewer than the United States. We will be one of the four biggest diplomatic networks in the world. We are doubling the number of people who will speak the language of the country they are posted to. Just under half of all our diplomats posted abroad will speak the local language to high levels. That is an extra 335 additional overseas posts and, I think, 328 additional posts in the UK. The Government's view is that this is a moment when we need to strengthen our dramatic network and we are determined to do so.

Sir Simon McDonald: I have one additional point, Foreign Secretary. Part of the case made for hollowing out is that the centre has become stronger, because since 2010 we have had the National Security Secretariat and the National Security Adviser. I have a couple of points about that.

First, there has always been a strong co-ordinating function at the centre, which is necessary because there are multiple players across government with legitimate interests in the overseas policy space.

Secondly, key personnel from the National Security Secretariat come from the Foreign Office. All four people who have been National Security Adviser have been Foreign Office people. Since the combination of that job with that of Cabinet Secretary we have, for the first time, a Foreign Office person who is Cabinet Secretary.

Jeremy Hunt MP: Could I bring in Jill Gallard, who is our ambassador in Lisbon, to give a comment on some of the Brexit angles?

Jill Gallard: Thank you, Foreign Secretary. I really wanted to pick up on this point of whether the Foreign Office is full of Europhiles who are devastated, with a subtext of trying to subvert the Government's policy. I speak as someone who was a human resources director when the referendum happened. I can say, hand on heart, that a big factor for why Foreign Office staff engagement has gone up over the last two years is that our diplomats know we matter more than ever now.

We are the ones who speak the European languages; we are the ones who get under the skin of the people in-country. When I was the ambassador in Portugal I was one of four British diplomats, whereas 20 years ago, when Lord Hannay was our permanent representative at the UN, we had something like 15 British diplomats in Portugal. Over the

intervening decades, the amount of business being done in Brussels meant we had to suck people out of EU capitals and into Brussels.

The Foreign Secretary talked about resources and the fact that we are now growing again. We are, frankly, flooding our network with more diplomats. For those who joined the Foreign Office wanting to work overseas in a country where we speak the language, it is has almost given us our *mojo* back. We are now the ones who can explain in-country what is going on back here, as there is less action happening in Brussels and in working groups.

Q243 **The Chairman:** It is a difficult time now but could this point towards the need for the Foreign Office and, indeed, the UK to start building up views of a new kind of European architecture to replace the weaknesses and problems of the past, including the feeling that the EU itself is a rather outdated model? Should we not begin to develop a really forward European policy in the new conditions?

Jeremy Hunt MP: No, I think this is one where quite a lot of diplomacy is called for. As we are leaving the EU, it would obviously not go down terribly well if we started preaching to the EU about improvements that it might want to make in EU structures.

We want the EU to be successful and strong, because it is our neighbour, our single biggest market, and very important diplomatically. Lord Howell and Lord Hannay talked about issues around populism and establishment politicians losing touch with their voters, which is an issue that we have in common with countries in Europe. We all have to think about the best ways to address it.

This is the kind of thinking that we can do constructively in private, but at the moment when we are in Brexit negotiations, this is probably not a time for us to be publicly piling on ideas for new European structures.

The Chairman: We are really in extra time already. Lord Hannay will make one more comment, as will Baroness Coussins, and then we must let you go.

Q244 **Lord Hannay of Chiswick:** Could I ask you a couple of process questions on this issue of co-ordination of foreign policy more broadly than the Foreign Office? All the evidence we have had is that the establishment of the National Security Council has been an excellent development and is to be greatly welcomed. It is having some effect on the previously rather disparate way that external policy developed, with different departments getting involved.

One thing that struck us and on which I would like you to give us your thoughts is that, while the National Security Council is clearly helping to co-ordinate British external policy, it is not doing anything at all to lead the national narrative about foreign policy. In a way, I would have thought that was one of the main purposes of having a body like that. Do you have any thoughts about how it could be a little more proactive in leading the national narrative?

Frankly, I do not think the understanding of foreign policy issues around the country is often very advanced. It does need some help. I would like you to comment on that.

The second process issue is that clearly over the years there have been worries about what is rather unfortunately known as 'siloisation'. It came very much to the fore in the context of DfID[5] at a certain time, though that has been to some extent reversed by double-hatting a number of Ministers.

Looking at the evidence we have had, 'siloisation' is still alive, well and, unfortunately, spreading. That seems particularly to be the case in the context of the establishment of the Department for International Trade and setting up a whole mass of trade commissioners around the world.

We have been quite unable to get out of anyone quite who is responsible for trade relations in any particular country, whether the ambassador or the trade commissioner, who might live somewhere else in that region. They have very little time to spare. There are real concerns there.

Jeremy Hunt MP: Those are very important questions. I do not want to pretend that we have resolved all the issues that you are talking about. I have been attending the NSC only since the summer but I think it works well. What I particularly like about it is the fact that you have elected politicians and professionals sitting around a table talking about issues as peers. You end up with a better insight as a result and take better decisions.

When it comes to the national narrative of our foreign policy, that is the job of the Foreign Secretary and can only be the job of the Foreign Secretary. I do not believe a council can do that, but when I articulate our foreign policy, it needs to balance the economic, security, defence and diplomatic interests and bring them all together. Although it is only the diplomatic arm that is working for me directly—and I am of course responsible for two of the security services—I have to bring on board those other interests.

The Foreign Secretary has an enormously important convening power and that is his or her job. With respect to 'siloisation', I agree with you that it is an inherent risk in the structures that we have. I would say that over the four months that I have been doing the job, I have felt there is a full-time Secretary of State's job for running DfID, a full-time Secretary of State's job for running DIT and a full-time Secretary of State's job for running the Foreign Office.

The DfID/FCO divide is something that we can have a longer discussion about, but we are very conscious of the need to align our interests. The current DfID Secretary of State is particularly open to the kind of discussion that you would welcome to ensure that our development policy properly reflects our national interest regarding diplomatic outcomes.

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[5] The Department for International Development

With DIT, I would not necessarily argue that we would want a DIT Secretary in a decade's time, but right now, as we face Brexit and the establishment of an independent trade policy, there is an absolutely enormous job in going around to sort out those trade deals. A Secretary of State is needed to do it.

It is a big job. I would not have time to do that with all the other things the Foreign Secretary has to do. If we are going to do it this way—and I think there is a very good reason for doing so—it has to be done in a way that is completely joined up.

Sir Simon McDonald: I recognise the point about 'siloisation', especially in London. In the field, it is much less evident. I travel extensively in this job and, in the field, the head of mission has the relationship in her or his hands. We have nine trade commissioners; five of them are double-hatted and all are blended into the existing structures.

Baroness Coussins: This picks up on what you said in reply to Lord Hannay. You told the Foreign Affairs Committee last month that you were not entirely happy with the interface between development policy and diplomatic policy. How do you think better co-ordination between DfID and the FCO could be achieved? Would you agree that it is just as important for our DfID people working overseas to be able to speak the language of the country they are in as it is for our diplomats? Will you ensure that the brilliant Foreign Office language school does everything that it could and should be doing to pull in all the people from DfID, and DIT for that matter, to become better linguists, just as it is doing for the diplomats?

Jeremy Hunt MP: Yes. As you have just mentioned that, I hope you will forgive me but I want to put something on the record. Because of the Prime Minister's Statement to Parliament today and the rather exceptional circumstances we are in, I was not able to attend in person a wreath-laying ceremony at the Foreign Office to commemorate diplomats who have fallen in the course of their duty.

That was a matter of very great sadness to me although I was represented by another Minister. Over the last year, we lost Rebecca Dykes, who was a DfID programme manager in Beirut. I want to use this opportunity to say on the record what extraordinary service she gave to her country and how we will remember her, and indeed the other Foreign Office and other international personnel who have been working for HMG in many posts abroad.

With respect to the co-ordination between DfID and FCO policy, there are very good relations at ministerial level in London. I am not in a position to give you the answer but I will, rather cheekily, tell you what I think the problem is. It is characterised by a conversation I had with President Museveni when he came to the Illegal Wildlife Trade Conference in London October. We had a long conversation about Chinese influence in Africa and about how helpful the Chinese were in terms of their willingness to fund infrastructure projects and so forth. It felt to me as

though the presence of British aid—we are the third biggest aid donor in the world—is something that many African leaders assume is a given. We are a much more generous aid spender than the Chinese, for example.

I am giving you the problem and not the solution; forgive me. I think we have the finest international development arm of government of anywhere in the world. I am incredibly proud of DfID and all the work it does. However, when we set up DfID to focus, quite rightly, on poverty reduction, it was not in a world where there was the kind of competition for interest that we now have. That is the problem. We need to think about that, because the taxpayers funding DfID's aid programme want to know that their money is being used at all stages to further our national interest. I want to make sure that it is never taken for granted.

The Chairman: Secretary of State, we have kept you all for longer than the promised hour. I have a final observation, which is not a question requiring an answer. You will probably be pleased to know that this Committee is fairly heavily impressed by the witnesses who have said that we need far bigger resource to be put behind our diplomacy in this country—in this new era of the networked world. That means more resources for our spearhead department, which happens to be the Foreign and Commonwealth Office. Michael Clarke spoke of the need for a 'complete uplift in the international diplomacy effort of this nation'. That is you. Thank you very much, and I suppose we have to say good luck.