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The UK and the World: Rethinking the UK's International Ambitions and Choices

Session 3

The UK, the US and Europe: Transatlantic Relations and Choices

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Paul Cornish

Good afternoon ladies and gentlemen may we begin please. And before we go any further may I ask you to make sure you've switched off all your mobile phones and blackberries and so on, otherwise they interfere with the microphones.

It's an enormous pleasure here for us at Chatham House to welcome back to Chatham House as our first speaker Dr Liam Fox, the Secretary of State for Defence. He has spoken to us several times before. As I said, it is an enormous pleasure, the Secretary will speak for about 20 minutes and we will then have time, for about five to ten minutes of question and answer, all of which will be on the record. Secretary of State.

Liam Fox

Thank you very much. Ladies and gentlemen with their UK and the World program Robert Niblett and the Chatham House team are making a serious and welcome contribution to the discussion of British foreign and security policy. I welcome their robust conclusion that a global role for the UK is a necessity not a luxury. This accords closely with the view of this government that Britain must help shape a changing world rather than merely react to it. The foreign secretary set out at the beginning of this month the background to the distinctive foreign policy that this government intends to pursue. The strategic defence and security review will set out how this will be pursued, including the capabilities we will need to protect our security. We're consulting widely with the armed forces and their families, civilians working in defence, our allies, the academic community and others, and details of how to contribute to this can be found on the MOD website. We undertake this review at a testing time.

First, our armed forces are engaged in a vital struggle in Afghanistan, to ensure that transnational terrorists cannot find safe and unhindered sanctuary as they did there before 9/11. Today's incident is a reminder of the risk taken and the sacrifices made by our armed forces every day in Afghanistan on our behalf. The murder of three brave troops by a rogue ANA officer was a despicable and cowardly act, and my thoughts, and I am sure yours, go out to the family and friends of those who lost their lives. However, this will not affect

our resolve to see the mission through in Afghanistan and to train the Afghan national security forces so that they can one day take over the security of their country so that our forces can come home.

Second, the national finances are severely contained, particularly as we act to reduce the huge budget deficit left by the previous government which threatens the health of our economy. And third, we face a sobering international environment in which geopolitical balances are shifting and where the risks to our national security are complex, diverse, and characterised by uncertainty. So we're seizing this opportunity to realign our defence and security capabilities with our foreign policy. It enables us to reset and revitalise relationships with our traditional allies and forge new relationships with emerging nations.

It offers us an opportunity to make a clean break from the mindset of cold war politics and dispense with conceptual and physical legacies that persist. But while we need to put the cold war behind us we should not forget the fundamental and timeless lessons that were applied during that long struggle and that are equally applicable to the 21st century. Let me pull out just three for the purposes of our discussion today. First, economic strength underpins the power and influence that we are able to exert on the world stage. Economic stability and prosperity in Britain is the top priority for the government. It's at the heart of the coalition agreement. Without economic strength we will be unable to sustain in the long term the capabilities required, including military capabilities, to keep our citizens safe and maintain our influence on the world stage.

Secondly, the legitimacy enjoyed by the west during the cold war was in part a product of the development of rules based international systems. The alliances we formed militarily through NATO, economically through the European Economic Community, and politically through the United Nations, played a key part in restraining, containing, and ultimately defeating the Soviet Union. As an open trading nation Britain's future security and prosperity will be delivered primarily through maintaining a rules based and stable international order in which there are significant constraints on the use of force. In facing this complex and unpredictable world, therefore, it is in our national interest to build and strengthen international governance, not weaken it. But we must also recognise that today the main threats and risks to our security come from failing states, non state sources, and other asymmetrical challenges. By

definition these operate outside the international system and international law; arms smugglers, terrorists, war lords, pirates, international criminal gangs and, of course, worst of all, the nuclear proliferators. We will need to work hard to retain a commitment from like minded states to support and, if necessary, defend the rules based system on which global security and prosperity depends. This will require the political will to invest our national power and prestige in international institutions, in strengthening international law, in maintaining our alliances and forging new ones.

The third lesson from the cold war I want to raise today is an overarching one and it's this: warfare is not and never had been solely about the art of war fighting. Success in warfare in its most expansive sense requires the application of all levers of power. Diplomacy, development, economic strength, trade, cultural influence, and military capability, underpinned by intelligence and information to make sure they are used as effectively as possible. That's why we have brought together the three policy pillars of defence, diplomacy, and development, in our new national security council. Success in warfare also includes having national resilience and political determination to face down threats, to accept the risks to life and limb that that entails, and to have the self belief, patience, and determination, to stay the course. We all know there is no such thing as a risk free war, a casualty free war or a fatality free war. Our armed forces accept that yet they volunteer for the task; that is what makes them truly special.

And success means using our power to prevent or dissuade our adversaries from acting against our interests in the first place, which we define as deterrents. Or if they do act against our interests to force them to change their behaviour, which is more properly called coercion. The concept of deterrence is as old as warfare itself and is far broader than just the nuclear deterrents which the concept came to be linked with during the cold war. At its most fundamental level deterrence works by dissuading an opponent from taking action because the fear of a subsequent retaliation will be of sufficient scale as to outweigh any benefits that might have come from the initial action. A broad deterrent posture, particularly conventional deterrents, has not outlived its usefulness with the end of the cold war but we must update our understanding and bring our concepts of deterrence into the 21st century.

Ladies and gentlemen, when we talk about deterrents we need, of course, to place within our continuum of escalating posture and action which necessarily

requires action from across government. Prevention, deterrence, coercion, intervention and stabilisation. At one end is conflict prevention, using all the levers of power short of force, aid, trade, diplomacy, and sanctions, amongst others. Defence contributes significantly to this process. We must not forget the utility of defence diplomacy in building up understanding and reassurance. For instance undertaking training and exercises with our partners demonstrates our capabilities, forges trust, and let us not forget the enduring links that defence exports can bring, and the central aim of the new government will be to support and enhance Britain's defence exports. Further along the spectrum we move from deterrents through containment to coercion, the threat of the use of force and ultimately forceful intervention where necessary and stabilisation to prevent a recurrence of the threat.

Of course this continuum is not linear, in dealing with crisis situations we may need to apply different measures at the same time, with positive inducement aligned to negative consequence. And let me be clear, we must be prepared to defeat threats if necessary, when deterrents and containment have not succeeded. We must have a war fighting edge. While prevention, as I used to say in my former profession, is better than cure, cure is a lot better than letting a virulent infection spread. In my view the benefits we get from being a permanent member of the UN Security Council, from being a lead nation in NATO, in the EU and the Commonwealth, and from membership of other international institutions such as the G8, means we have a responsibility to contribute fully to enforcing the will of the international community and we must stand ready to do just that.

These are tough economic times but whatever the specific outcomes of the SDSR, I am determined to ensure that the United Kingdom retains robust and well equipped armed forces capable of intervening abroad where necessary to protect our security interests at home. Deterrence seeks to avoid conflict. It therefore has inherent legitimacy; it's about setting boundaries for action and communicating the risks associated with crossing them. This is primarily about influencing the perceptions and calculations of our adversaries. It may be invisible; we may not always know an opponent has been deterred from damaging our interests because he calculates a response would outweigh his gains. In some cases precision about consequences will be necessary; in others ambiguity may be required. But in all cases our military capability combined with those of our allies will be part of a calculation on those we wish

to deter or contain. The cost of deterring conflict will invariably be less of those of direct intervention at scale or the wider price we may pay when conflict destabilises a region. So deterrence is also cost effective. That doesn't mean that it's cheap or easy, deterrence only carries weight if our adversaries understand that we have the incredible capability to intervene and crucially the political will to carry it through.

From a military point of view no other means can provide greater conventional deterrents than the capacity, either independently or with allies, to project credible land, air, and maritime power with considerable geographical reach. That would mean, when the national interest demands, maritime and able power projection, the capacity to control air space to guarantee freedom of manoeuvre, and the ability to deploy land power with the logistical strength to sustain it. And let me just be clear, the capability to deploy land forces provides an unambiguous signal that the UK and our allies are prepared to meet threats to our interests and security that lie beyond the reach of maritime or air power.

Maintaining capable armed forces with the credibility to project and sustain combat power is expensive but it provides, nevertheless, the bedrock for general deterrents as a clear sign of a commitment to guard our interests. But the United Kingdom will rarely require, or indeed be able to afford, the conventional power to deter every threat to our national security by acting in isolation. This is not new, for the last 300 years the UK has consistently pursued national security through building international coalitions, from the days of the Duke of Marlborough to the cold war. Splendid isolation may have an attractive ring for some but we know it does not work. So let me be clear, a defence policy that invests considerable weight in deterrents needs to be bound to an international framework, formal alliances, and bilateral partnerships that allow us to use diplomatic and military levers of power in combination with others. The UK's capacity to build coalitions, to form and maintain alliances and importantly to encourage forward engagement would be the lynch pin of an effective deterrent posture. NATO has long sustained a credible general deterrence against state threats. And while the direct threat to UK territory is low we cannot rule out the re-emergence in future of a state led threat to our homeland or, more likely, to our allies. This risk is mitigated through our membership of NATO's collective defence. The trans-Atlantic alliance is the United Kingdom's most important strategic relationship and

NATO will remain the UK's instrument of first choice for collective security challenges and the cornerstone of our defence. But that also means we need a rational approach to our contribution both to article five commitments and to NATO missions out of area and that has consequences when we're forming our armed forces in the SDSR. For example, we need to think carefully if and if so where it is necessary to duplicate in quantity, capabilities held in large numbers by our allies and relate that to the needs to defend our overseas territories, which are not covered by NATO guarantees.

But in today's world threats to our national interests from state proxies, non state actors, are those emanating from non governed space have the highest likelihood. These are less susceptible to traditional concepts of deterrence; in fact they demand an updated concept of deterrence. For instance, to terrorists who seek martyrdom and do not value their own lives or the lives of civilians the general use of force may not be a deterrent, in fact it may be exactly what they are seeking. Instead we have to demonstrate that our response to attacks is measured, will reduce their ability to operate and take them further from their goal. That may mean depriving terrorist groups of space to operate or denying them their supports network. It might mean concerted action to undermine their finances or it might mean diplomatic action. The best possible insight and understanding based on good information and intelligence are required to judge what action would be the most successful, including when the use of force would be most appropriate. None of this is easy but we will only have any hope of being effective if we retain effective capabilities, strong intelligence, and united international political will. We must show resolve because this acts as a deterrent to people who otherwise would be drawn to the same methods. We must show that we refuse to be terrorised, we must show that we are resilient in the face of attack. That's the responsibility of us all, not just those of us in government. Terrorists threaten whole societies and we all, government, public, media, business, must defend our freedoms and our way of life.

So deterring some twentieth century threats most definitely requires the comprehensive approach, cross cutting across governments, multi disciplined and multi pronged. Our defence policy will need to be better integrated with all the levers of national power and influence and our armed forces will need to have an improved ability to operate side by side with civilian agencies in a conflict zone, just as they are doing today in Afghanistan. In the twenty first

century deterrents will require our armed forces in alliance with others, to provide the capacity for a broad and flexible spectrum of possible responses adopting postures and capabilities that will be relevant in deterring and if necessary dealing with both state and non state threats. This means they will need to be more agile and more adaptable. More mobile strategically, operationally, and tactically, and better integrated across land, sea, and air with improved access to intelligence, surveillance, and recognisance technology. Informed by critical situation awareness on the ground, and the ability to deploy special forces will be very essential. Such a posture would provide decision makers with as wide a range as possible, the options for deterring, containing or dealing with a threat up to and including the use of force.

The nuclear deterrent is, of course, fundamental to our ability to deter the most destructive forms of aggression. This government played a strong role in the nuclear non proliferation treaty, the review conference, and will continue to press for continued progress and multilateral disarmament. But in an unpredictable world where we cannot see very far into the future, where nuclear weapons will not be dis-invented, where we are seeing wider proliferation, this government will not gamble with the country's future. The coalition agreement is clear, our current policy of maintaining the UK's essential minimum deterrent remains unchanged. Yes, I accept the capital costs of the successor program are likely to be up to 20 billion spread over the next decade or so but that seems to me pretty good value when compared to the amount spent every year by government; over 650 billion annually.

Where we can reduce the costs of the current policy we will, and that is why we've agreed the renewal of Trident should be scrutinised to ensure value for money. That work is being undertaken and is looking at whether this policy can be met while reducing the cost of a successor submarine and ballistic missile systems, including by shifting the balance between financial savings and operational risk. And this work will cover the program timetable, submarine numbers, the number of missiles, missile tubes and war heads, infrastructure and other support costs, and the industrial supply chain. It is important also to consider the role of NATO in the context of nuclear deterrents. As I mentioned during my last speech here at Chatham House last December – seems a lot longer than that – NATO remains an alliance with a

nuclear culture, and that should be reflected explicitly in the upcoming strategic concept.

Ladies and gentlemen, the SDSR will be watched closely by our adversaries and allies alike. We must make sure that the signals we send are not perceived as a diminution of our commitment to engage in world affairs, nor as curtailing our ability to respond to the threats we face. So where we can deter we will. Where we cannot deter we will contain. Where we cannot contain we will deploy force and seek to defeat the threat. What we will not do is to place at risk the British people, our interests, or our allies. We will not bend to the will of those who threaten our values, our liberty, or our way of life. Our opponents need to be convinced that we have the political will to oppose them, the support of our people, and the means to follow through. We would put this country at risk if we did not make every effort to make deterrents credible on all counts. That means updating our concepts as well as our capabilities. A stable international order and security of the global commons is essential if our interests are to prosper. For freedom of action to defend our interests we depend on the legitimacy we have as a positive and active member of the international community. With power comes responsibility, the starting point for Britain to exercise that power and fulfil that responsibility is through a strong international system, a strong alliance structure, a strong economy and ultimately a strong defence. Thank you.

Paul Cornish

Ladies and gentlemen, thank you very much indeed, and thank you Secretary of State for a really excellent speech. We've got time, as I said at the beginning, five or six minutes or so for some questions, so if you catch my eye, wait for the microphone, and then could you please give your name and affiliation and could you also keep it to a question rather than a statement that would be very helpful. Or a speech, indeed. Richard Norton-Taylor first.

Richard Norton-Taylor

Defence Secretary can I ask, there was an interesting Chatham House poll on Trident and you've referred to the scrutiny of Trident, for money on Trident.

Are you suggesting that there could be fewer missiles and fewer submarines and fewer warheads as a result of the scrutiny?

Gordon Glass

Gordon Glass, 20/20 Vision, a member of Chatham House as well. I was alarmed by your belligerent tone, if I may say so, it sort of sounded, had all the sounds of a neo con doctrine of full spectrum reaction to the rest of the world really. I personally think defence is an outdated philosophy; deterrence is an outdated philosophy. It depends on the other person responding to it in the way that you want them to. It gives the power away; it just doesn't work anymore, sorry. What about peace keeping?

Paul Cornish

Sorry, I have to interrupt, we want to get several questions in. Could you come to a quick question?

Gordon Glass

The question is what happened to our priority for peacekeeping in the world.

Paul Cornish

Thank you very much. Clara O'Donnell.

Clara O'Donnell

Clara O'Donnell of Centre for European Reform. What value does the government give to EU defence cooperation and is it planned to remain fully engaged in the European defence agency in an attempt to improve capabilities amongst European partners? Thank you.

Liam Fox

Well, I'll take those as they came. On the question of the nuclear deterrent our plan is to maintain the current deterrent capability, the current nuclear capability. If we can do it at lower costs without in any way diminishing that then we would seek to do it, purely as an exercise in value for money. We have no intentions of moving to different systems simply to see that within the current Trident replacement program we can find better value for the hard pressed tax payer's money.

On the second point that defence is utterly pointless and that I sound belligerent, I certainly hope that to those who might pose a threat to the United Kingdom I do sound belligerent and that I am making it very clear that there is a full spectrum available to the United Kingdom. The trouble with people who say that we should just be peace keepers is that to be a peace keeper there has to be a peace to keep and sometimes you have to fight for the peace, sometimes you have to die for the peace. That is the lesson of history I'm afraid. I would wish the world to be something else but I'm not so eccentric as to believe that it does.

As for the European question, yes, we want to cooperate with the European Union in terms of defence but we've made it very clear that NATO is the cornerstone for our defence, we believe there's a limited role for the European Union in doing what NATO cannot or will not do and I do think that there is a greater need for interoperability amongst our European Allies. And, you know, it's not really a question of reinventing the wheel and creating new technologies. There are countries, Britain and France, who already produce the capabilities that other countries in Europe require. If they want to be interoperable I've a very simple message for them, buy British.

Paul Cornish

Thank you very much. I'll take some questions from this I think, Sir Crispin first.

Crispin Tickell

Secretary of State, thank you, far from being belligerent I thought you were reassuring. It's Crispin Tickell speaking. Now I wanted just to ask you about one of the threats that you didn't mention, which has recently attracted a lot of public attention, which is one called cyber warfare. In other words are you thinking about cyber warfare in a national context, are you cooperating with our allies in NATO and elsewhere? And what kind of research are you undertaking at the moment so that we can pin down more exactly the kind of threat we face?

Adrian Croft

Yes, Adrian Croft from Reuters. Defence Secretary, could you elaborate on this phrase where you say shifting the balance between financial savings and operational risk? Does this mean that you're no longer committed to continuous at sea deterrence and that you might contemplate the three submarines even if that meant you couldn't keep one at sea at all times?

Paul Cornish

Thank you very much, at the back sir.

Dominic Dyer

Dominic Dyer, a member of Chatham House. As we enter this age of austerity and looking at the budgets of all our White Hall departments what do you plan, Secretary of State, to do in terms of the Ministry of Defence, bearing in mind all the criticism we've seen in recent years about waste and inefficiency in that department?

Liam Fox

Have you got an hour? Well, I can already see my colleagues beginning to work on a speech about the belligerence/ reassurance continuum and where we might be placed on that at any one time. Yes, undoubtedly cyber is a

major threat and we have to invest heavily in that area. That's why there will be a separate chapter in the defence review about cyber capability. I've just come back from the United States where I had discussions on that with Secretary Gates and others. I think there's a particular political challenge here for us and it's this; that the taxpaying public have always been able to regard their conventional defence in terms of what they can see. The number of ships they have, the number of planes they have, the number of tanks they have. And a lot of what we'll have to ask them to invest in in the future will be things they cannot see because future – the challenge in the future war space will often be about the denial of access to capability as opposed to capability itself. And it will be a tough job for politicians to sell it to the public that they may have to have cuts in their conventional capability to invest in other areas such as cyber. That will be one of the challenges, I think, of the defence review, and something that we are very much focused on at the present time.

In terms of the question of risk on the nuclear submarine, what I was specifically referring to is there has been a lot of debate on three or four submarines and it's about whether you can guarantee a permanent at sea deterrent. This was floated by the previous government somewhat disingenuously at one point, on a flight from Washington to London, or was it vice versa. When all along, from the White Paper and the debate in the House of Commons in 2006/7, it said if we are able to maintain the same continuous at sea deterrent with a lower number of submarines, if technology allows, then we might consider that at some point in the future. It was a very Brownian sort of phraseology. It might have been presented differently but that reality is still there and we would have to look at what technology was available to us and what risks we were taking as we came to make that decision probably on that fourth submarine some time in 2014/15.

As for the Ministry of Defence, we are embarking on quite a radical program of defence and it, broadly, is this – how I normally describe it to our staff is that a proper flow through for management would be foreign policy, defence strategy, portfolio management, capability gap identification, specific programs, and physical procurement. That's how it ought to work. For that you require a management structure that's much more logical than the one that exists in MOD at the present time. Therefore we are reorganising MOD into three pillars, policy and strategy, the armed forces, procurement and estates, to allow us that flow that I think we require to make more sensible

management decisions. That will be done on a rolling basis over the next year, we will soon set out exactly how we will do that and with whom, fasten your seat belts, and it will also have a further general instruction. At all times of austerity there is a temptation for any big organisation to centralise as a means of controlling expenditure but what it actually needs to do is the opposite. And what we need to have is a leaner centre that's willing to trust the devolution of some of its financial areas, but with far greater accountability. And it's that accountability and responsibility along with clear management directive which will ultimately provide a better means for the MOD to do business than it's done in the past. Its primal instinct which is bring everything to the centre and try to control everything is a recipe for disaster and it's the opposite for what we intend to do over the coming year.

Paul Cornish

Just three more quick questions.

Mohammad Abdul Bari

Mohammad Abdul Bari, Muslim Council of Britain. What we have seen after the recent cold war is militarisation of American foreign policy and also we are seeing a sort of hot peace, if I can use this word, and we supported America rather than trying to reign in. Can this new government go for a new direction of foreign policy and military policy?

Tim Dunne

Tim Dunne, University of Exeter. I am not persuaded really that deterrence is a workable concept in a world where threats are multiple and very diffused but specifically I'd like to ask you the question that, given the fact that you are committed to NATO, and given the fact that NATO is the most technologically advanced and sophisticated defence alliance in the history of international relations, what aspects of NATO's defence capability does the Secretary of State not trust?

Nigel Hall

Nigel Hall. Secretary of State, who owns the SDSR, councils and committees can direct but history tells us that it needs a bit hither, and clearly it cannot be the prime minister who can be just a figure head owner of the SDSR, thank you.

Liam Fox

Well, first of all I'm glad to see that Chatham House is fully employing its gender equality rules today! I think that the only acceptable driver to British foreign policy and therefore British security policy, is what's in Britain's national interest. But I think what's in Britain's national interest largely coincides with what's in the United States national interest and I do largely reject the idea that you can have a divergence in policy between the two and not cause any weakness to both. There will be times when we might make slightly different judgements on different issues, there may be times where we actually have slightly different interests. But in the generality I think there is such a large overlap between UK interests and United States interests that it makes sense for that to remain and perhaps even be strengthened as the premier strategic relationship for this country. I never, in any way, have been an apologist for the transatlantic bonds which I think have actually been key for the security relationship that has maintained global security over recent decades.

The second question is an extremely good question about NATO and it wasn't meant to be a friendly question but it comes out that way actually because it's not the technological capability of NATO where I think the weakness lies. We may have great technological superiority, the question is do we have the political will to pursue it and to see it through, it doesn't lie with its military capability, it lies with its political resilience. And that, I think, is what's been tested in Afghanistan. In Afghanistan you are seeing the collective resolve and the moral fortitude of NATO being challenged by transnational terrorism. And the question is being asked, do we have the strength together to see it through or will we fall apart in the face of that challenge? And that I think is where we need to be concentrating our efforts because having the technological capability but no political will to see it through is not, in fact my view about credible deterrence. And the final point about the SDSR, well it's in

the name because it's a defence and security review it is run under the auspices of the National Security Council. There is a great deal of work going on but very frankly the elements that fall entirely in the defence area will fall to those of us in the MOD and to myself to make some of the big decisions. We've got an enormous amount of work streams running, to the extent that I had to tell my ministerial staff that they could have two weeks off during the entire summer recess and they're working Saturdays in September. We are determined to pull it in the timescale that we set ourselves but we'll simply have to do more hours because we're not willing to substitute the speed at which we're doing it for an adequate quality. And there will be tough decisions to make. And I said to staff last week, just in case there was any doubt, what did they not understand about this process? This is not just a spending review, this is a full scale strategic review with an absolute – the mother of horrors of a spending review on its back- and it will be more difficult than some of our previous reviews but it does offer opportunity for us to reshape and to realign our security policy with our foreign policy. And I think that's very long overdue in the UK.

Paul Cornish

The Secretary of State has to go. Can I ask you please to stay seated while he leaves because there will be a seamless transition. Secretary of State, just picking up on some of your last remarks there, we have a fairly new government, we are in the midst of an age of austerity, you're in the midst of the SCSR, and there is, as they say, a war on. Some of the tragic results of which you referred to just earlier. So you have a fair amount on your plate and I think we are, therefore, double grateful for you coming along today and giving us your thoughts. An excellent speech, and for handle so many questions, thank you very much indeed.

Anand Menon

Ladies and gentlemen, welcome to this afternoon's session. I'd like to express my thanks for taking the pressure off subsequent chairs after his gaff, which makes me feel a bit relaxed about this. I'm delighted to be able to chair two such distinguished speakers on such an important issue. And I think broadly

speaking, when we're talking about the UK , the US, and Europe there are two big questions that we need to be thinking about. The first is to what extent is there really a choice between the two. It's a commonplace of many analyses of British foreign policy that Britain makes choices between Europe and the United States but it strikes me those choices are nowhere as clear cut as is often portrayed. For one thing we have very different relationships between the two, we're a partner of the United States, we're a Member of the European Union, and that constrains us in numerous different ways, it seems to me. We can't opt out of Europe as often as some people might like to think we can. Secondly I don't think it's necessarily the case that there's always a tension between European and Atlantic alternatives. Certainly since the second Bush administration, Bush the younger, it seems to me there's a synergy between Europe and the United States, in the sense that the American administration of Bush and his successor have both been anxious to see European defence streams strengthened as a way of strengthening transatlantic security.

The second broad group of questions then I suppose concerns how much would the United Kingdom stand to gain by building on these relationships? Can we make the United States listen to us and listen to what our interests are, even if we worked effectively within the European Union can it ever be an effective international actor? I'm delighted to say that I'm joined up here by two people who are far better qualified to answer and address these sorts of questions than I am. On my left is Timothy Garton Ash who I imagine is well known to many of you, not least because he is author of nine books of political writings and a regular columnist in the Guardian. I'm delighted to say that his most recent book, *Facts are Subversive*, has just come out in paperback from Atlantic Books. To my right is Philip Zelikow, who is the White Burkett Miller Professor of History at the University of Virginia. He has had a remarkable career, both in academia and the world of policy. In the former he has had positions at the American Academy in Berlin and Harvard University. In terms of the latter he has served the US foreign service and has directed the 9/11 commission as well. So I'm very much looking forward, gentlemen, to what you have to say. Each of our speakers is going to talk for between seven and ten minutes, leaving, I hope, a lot of time for discussion thereafter. Tim.

Timothy Garton Ash

Thank you very much Anand. I want to say three things; first of all I want to say since our subject is trans Atlantic relations we clearly need to start in the Pacific. That is to say start in the changing world wherein with the global challenges, with the global power shift that is becoming so evident, from West to East. To a lesser degree from north to south from a bi or uni polar world to a multi or no polar world, what has in summary been called the post Western world. Now, I do think the new government is in many ways, although perhaps not in the last half hour, recognising this. The wording of the coalition agreement which Robin Niblett mentioned this morning, is remarkable. In the foreign policy section it says, we will work to establish a new single “special relationship”, with India and seek closer engagement with China. Next point, we will maintain a strong, close and frank relationship with the United States. Now that’s quite a remarkable shift, to use totemic, in a shamanistic phrase, special relationship for India, and to talk about frank relations with the United States.

I think this is almost to go a bit too far but what I do think, and this is my first point, is that in this transformed and transforming world we do need to think in terms of a new set of special relationships, indefinite article lower case capital, with countries like India, Brazil, South Africa, and other parts. Interestingly enough, David Milliband, shortly before he involuntarily retired as foreign secretary, I asked him what his greatest regret was from his time in office, and he said not having gone to Brazil. And I thought that was quite a good answer. Our foreign secretary needs to go to Brazil and I think it’s a good idea to build up these special relationships using, by the way, the extraordinary character of British society today, with its many large communities of Diaspora character or at least of origin particularly in the sub continent, so that for example in relations with India or Pakistan we have extraordinary assets in our own society. And this, I believe, far from being a problem or a diversion from the relationship with the United States would be a great asset in the relationship with the United States. The United States is, after all, making its own assessment of priorities in a similar way. This is not a zero sum gain it would be a positive sum gain. That’s my first point.

The second is the question of Europe, because while recognising that shift, William Hague for example, has talked about what he calls strategic bilateralism. He’s talked about Britain having a strategic dialogue with China; I

wonder what China thinks about having a strategic dialogue with Britain. The question is posed whether we are large enough, however much we punch above our weight, if you're a bantam and shrinking there is only so much work you can do. The other way to go about it is to increase your weight and then you don't need to punch so hard. And the way to do that is, of course, to work through the European Union to which, as Anand rightly reminded us, we belong. Interestingly in the YouGov Poll commissioned for this conference more of those asked thought we should work closely with the European Union in foreign policy than thought we should work closely with the United States in foreign policy. It was quite a striking result because people instinctively know that you do foreign policy with Europe in the same organisation but in a relationship with the United States. That seems to me the ineluctable conclusion from the declining relative power of the West, Europe, and particularly the United Kingdom, from the financial constraints, which nota bene the defence secretary just described as a mother of all horrors, from the global challenges we face. And I'm sure Phillip Zelikow in a minute will say a little bit about the US attitude.

My impression from the Obama administration, I've been talking to people in the Obama administration, is the following, its attitude, unlike the Bush administration, in its first term more like the Bush administration in its second term, is we would be delighted if you Europeans got your act together but we're not going to do anything about it. We will take you as we find you, and if we find you weak, divided, and hypocritical, as we currently do, then we will take you as weak, divided and hypocritical and we will work with individual countries on individual issues. In other words it's a very pragmatic, coolheaded,"realist approach". So if we want to develop a strategic partnership with the United States it's up to us not to them to do it. And this is, by the way, a difference from the cold war because for most of the cold war the United States was an active promoter of the European Union, we can no longer count on that.

Now, this leaves the question whether, though desirable, this is actually possible. Now what, of course, many British policy makers say is, well it would be wonderful, wouldn't it? But it's not going to happen, is it? Well it's certainly not going to happen if only one of the two European countries which still has a continuous tradition of thinking and acting globally, does not do anything to make it happen. That is a classic self-fulfilling prophecy, and I think we heard

just a hint of that, if I may say so, in the last half hour in the reference to security policy. I mean, if we're going to have a serious European defence and security policy Britain has to be in the lead in that, and I noticed a good question about the European Defence Agency was not answered. So I think that recognising all the difficulties that there are in Europe, irrespective of Britain, the impact of the crisis of the Euro Zone, the particularly issue of Germany, which I hope we can talk about in discussion, the problem of public opinion, which is like our own, unhappy, defensive, and deeply attached to the idea of Greater Switzerland. By the way, Britain is in this respect European too. In this poll the country people most like the sound of is Switzerland, so where Greater Switzerland is too.

Despite those obstacles we should work to build up a European Union which is a credible strategic partner for the United States, we should work to identify those areas where the European external action service, as it comes into being should focus, that is to say those areas where it can score relatively quickly and effectively, and will not clash with the vital interests of major European states. In other words, to identify the places many of them, I think in Europe's wider neighbourhood, for example, somewhere like Belarus or Tunisia, or maybe Ukraine and Egypt, where you would want to have a really strong EU representation, and if you had to cut the British Embassy then maybe you could cut it there. That seems to me to be a sensible priority. And thirdly, to look at areas where you can work together between European governments, even without the common institutions on particular issues. After all we had a common EU policy on Iran even before the Lisbon treaty came into force, and that too is possible. So that, I think, is some of the ways in which we should attempt to work more actively through the European Union to increase the collective clout so that we don't need to work so desperately to punch above our own diminishing weight.

The third and final thing I wanted to say is about the bilateral relationship with the United States. There is no questions this is a special relationship in many ways. It has been for 60 years, since 1941. The intensity of intelligence sharing, the military relationship, the degree of access to the interagency process in Washington, the degree of cultural interchange in the media and academe and think tanks, all of these are special, But there is one characteristic posture of British policy towards Washington, which I believe we should emphatically abandon, and this is what I call the Jeeves school of

diplomacy. Like that perfect gentleman's gentleman British officialdom, in fact British foreign secretaries, Prime Ministers indeed, have too often approached Washington like Jeeves to Bertie Worcester, or was it George W Worcester. That is to say impeccable invincible loyalty in public ne'er a word of public criticism, but in private to murmur, "Is that wise sir? Is that wise to go on that bender? You want to invade Iraq, is that wise sir?" This, I think, is an approach whose time has gone.

For me, the moment that became drastically and painfully clear was 2002, 2003. It was that moment when a large part of the foreign office and British officialdom knew that the Bush administration was making a great mistake in leaving the job less than half done in Afghanistan and hurrying on to an illegal and ill judged war in Iraq. And said almost nothing in public, while Jeeves like murmuring in private, "Is that wise sir?" We did not serve British interests by doing that, we did not serve the interests of the world by doing that, and what is more we did not serve the United States well by doing that. The true friend, the good friend, is that one who tells you, and tells you loudly and clearly, when you are making a stupid mistake, and does not just go muttering in the pantry. And I think we should learn from that mistake, no longer be Jeeves but be that frank friend which is envisaged in the coalition agreement. So those are my three points, a strong new emphasis on new special relationships beyond the West, building up by a number of different means the greater weight of the European Union of a strategic partner of the United States, and farewell to Jeeves.

Philip Zelikow

Well, if I was really going to play the part of Bertie I would have a friend out here, probably named something like Toffee who I would immediately invite up to give this speech for me. Instead I think I'd like to focus on four ideas; enduring choices, a tacit consideration, the power of examples, and some specific examples.

Let me start with enduring choices. When I was thinking about this topic I reflected a little bit as a historian about when the British American strategic partnership really formed in a version that's recognisable today. My reading of the history is that that period was in the last years of the 19th century and the first years of the 20th century in the administration of McKinley and

Theodore Roosevelt and several British governments. And the main impetus for the foundation, the fundamental strategic choice then was that what happened in both countries was what happened whenever countries go through periods in which they change their basic attitudes towards the world. Usually what has happened is a shock or some kind of substantial changes in the world that are widely understood, not just by elites, that cause a lot of people then to form some notion then of what's going on in the world and their nation's relation to that. That's what happened in the United States in those years, and actually also in the United Kingdom and the British Empire. And in both countries there was a narrative that emerged about what's going on in the world and their countries relation to that that significantly overlapped having to do with certain kinds of desirable political orders, the notions of an open civilized world that both of them held dear, and a sense of common pursuit although they continued to disagree about many things.

I call that an enduring choice because I really don't see that that fundamental alignment that took form in those years has changed now 110 years away. I think that fundamentally, as the Secretary of State pointed out just a few minutes ago, I don't really see that the British people have elected into office a government that has a fundamentally different narrative about what's going on in the world and their country's relation to it than the one that harmonises with a comfortable narrative of the people whom the American electorate have placed in office. Now that does not mean that roles don't change and disagreements don't arise but here's a good point at which to observe the significance of America's relations with say Britain, or even much of Western Europe's relationships with East Asia. There's been a lot of talk in the press about how the attention of the United States has shifted much more to Asia and away from Europe, and there's a lot of evidence behind all that talk, there is some fire underneath all that smoke. A lot of American policy makers find Europe as an area insular and self absorbed, I won't use some of the pejorative adjectives that Tim used a moment ago. They find Asia quite dynamic and challenging. Just last year, for example, I remember spending some time with our economic policy makers as they were really in the intense moment of trying to create the G20 and figure out what it would do. And they were tearing their hair out with the tiresome arguments they were having to spend so much time on, about how Europe and Europeans would be represented in the G20 process. There are probably a few of you who are

aware of the arcane details. I will not repeat them because you would find them as tiresome as I do.

That still does not mean, however, that there is a fundamental strategic realignment in the United States; that kind of enduring choice that exists between the United States and Britain above all but also with much of Western Europe in the situation of, say the United States and Japan, and certainly the United States and China. There is a little bit more of it in the United States and South Korea, especially under its current government, and you can talk about the United States and India where you see that emerging in a more embryonic form. But Asia is a dominant important object in the foreground of American foreign relations. But the enduring choice made more than a century ago of the fundamental alignment of the United States and Western Europe hasn't really changed.

That brings me to my second point about a tacit confederation. I prefer the term tacit confederation to special relationship - that hackneyed phrase - though I've lived much of my professional life inside that relationship. When I was a career foreign service officer I was detailed to the White House for George HW Bush at the beginning of 1989, one of my responsibilities in addition to European security and later unification of Germany what bilateral relations with the UK. Beginning with that time and ever since I have been enmeshed in these issues and one of the things that I found is that actually the term special relationship doesn't nearly capture what we're talking about here. The kind of identity of interest that I described that emerged so many years ago intensified during and after World War II, actually to an almost confederation where there was a sense, a larger political entity that had no name or formal structure. It had symptoms like NATO and this or that, and people would refer to an Atlantic community. But the United States became connected with Western Europe in a kind of confederation in which actually Western European states became part of American politics, became part of an American polity. And Americans in turn became part of their polity.

We are deeply interpenetrated into each other's culture, social institution and political lives in ways that would take a long, long time to describe. Britain is inside America's domestic politics. British commentary, British commentators, British political writings, British press, British individuals, British institutions and institutional ties are literally inside the American government, inside America's domestic politics, much more than is the case, say, for many of

America's largest states. There is actually, again, no easy phrase that captures that but the alignment is significant to the point that I just call it a tacit confederation. We are interpenetrated in each other's lives. We share widely held axiomatic beliefs, as I say, still, about the nature of the world and our countries' roles in it. A sense of responsibility, interest, and knowledge about the world, and activist and practical temperament about it. That's especially true for Western Europe but above all by far, for Britain, for a variety of reasons, simply also including the language commonality and the interpenetration of English media into American discourse.

The third point I wanted then to turn to is to talk then about the power of examples. As Britain contemplates what it wants to do in its foreign policy how then would the British government define a positive outcome? I would say one definition of a positive outcome is the British government, in the next two or three years at the maximum, should contribute to some notable success in its external affairs. Material. Okay. Either the British government should choose that example or life will choose that example for you. I think it's very important to notice the significance of examples. You can have all the grand doctrines or grand strategies you like but no grand doctrine is ever any better than its policy exemplar. Containment plus deterrence had the Marshall plan and NATO. The Bush government had Iraq. You can see the respective fate of those doctrines, to the extent there was a Bush doctrine at all. So you have to decide what that example will be if you can and then in that matter Britain will make that decision, of course, based on its national interests, not on American national interest.

I don't actually believe Britain was playing the role of Jeeves. The notion that Prime Minister Blair thought the Iraq thing was a really deeply bad idea but when along with it anyway I think misunderstands the prime minister. For better or for worse I think the Prime Minister actually believed it was necessary. In some fashion he thought it should be done the right way and had views about that. You may fault him for that judgement but I thought that was a judgement that he sincerely held and it actually even held before George W Bush took office, in terms of the significance of this issue. Even going back to the late nineties because of his ideas of going back into liberal interventionism and his notion of the international system that anti-dated the power of the Bush administration. But that's unimportant, my point is that Britain needs to decide in its national interest what it thinks the important

success should be, what that example might be. Then I leave it to Britain to decide whether or not you need to work with the United States to achieve that. If you think you can achieve that important success without working too much with the United States, good luck to you. I don't think the American government needs to be insecure about this issue one way or another. If we're not central to the topic we've chosen, we should wish Britain well.

I think we're central to a number of subjects and don't need to be nervous about that. My fourth and final point is to illustrate that. What could have been some concrete examples that the British government could have chosen after, let's say the last two years? Issues where the public, the general public, was aware there was a Big Problem that it looked to its government to play a significant role in contributing to some notable success in relation to that problem. You can pick your example. Let's take economic issues, everybody knew there was an economic crisis. And by the way I would make the same argument to my government which I also gets mixed marks at the best in how it has used the opportunity of the economic crisis.

On the economic issues my own little list would be contribution to significant concrete outcomes in, A, addressing the problem of structural imbalances, B, getting a new international norm on the capital adequacy of banks, or see some kind of re-invigoration or some decisive solution to the problem of the Doha round in international trade. Though I give our governments marks for the G20 process creation I don't really see yet what I regard as satisfactorily successful outcomes on any of those three concrete ways of appearing to address the economic issues in a substantive way. Or, if you prefer, non proliferation of nuclear weapons. Here I give my government and yours an incomplete mark. There is some progress, there is a fair degree of unity, but the momentum of non proliferation is not where it should be. I would find fault in the sanctions regime, in the readiness of military options, by the way, which should not include a bolt from the blue strike but other kinds of options.

Also on diplomacy. I thought the NPT review conference this year was a blown play. I didn't think we actually had anything like the dynamic approach to say nationalisation of the nuclear fuel cycle, that we could have put together among our governments and a couple of others in going into that that might have given a much more exciting diplomatic set of alternatives to address the Iranian issue, amongst some others. Or if you prefer, environment and energy issues. I thought the Copenhagen meeting at the end of last year was a major

failure; it was a failure before it began. Viewed coldly, before leaders arrived in Copenhagen smart policy leaders knew the summit was not going to be successful. It was not going to be successful because the heavy lifting in designing an adequate policy approach would need to have been done several months at a minimum beforehand, within months to the choreography and administration of implementing that design for the summit. The heavy policy work actually was never really done, as to how you could get a successful outcome out of Copenhagen. I could give other examples on the energy issues. Neither my government nor the British government, I think, made adequate efforts to contribute to a note of success on that topic.

Or, if you prefer, transnational crime and terrorism. Using the specific case of Pakistan, Afghanistan, notice instead of calling it AFPAK I've flipped it into PAKAF because I think the Pakistan problem is actually the core one and one on which the British government has enormous intellectual leverage and understanding at least comparable with that of the United States. And, again, here I try to figure out what is the policy of my government on Pakistan and what is the policy of your government on Pakistan. And where are we on a trajectory to achieving noticeable success? I thought there were definitely some gains in 2007 and 2008 in the fundamental changes in Pakistan's politics. Where are we now? Very hard to say. It's actually difficult for me to describe your government's policy towards Pakistan. I hear the words and what people are saying but I'm not sure I understand what the policy is. I'm just giving these as illustrations. You can pick illustrations of your own, your government can pick examples that it prefers.

My point is that the British Government needs to pick some important story that its people recognise as important; try and achieve some success there. That would give it a notable boost for itself and also for the whole idea of how the British work in coalitions to organise successful outcomes in the world. To think back to another example of the power of examples, some of you will remember that in the Thatcher government, in 1982 Thatcher was unpopular and her government was languishing when the Falklands war came around. The Falklands war was a kind of little bolt from the blue and it was not a huge coalition effort. There were bits of international diplomacy involved, but what it did, it was an incredible example that had a symbolic power far, far larger than the significance of the islands themselves, in just galvanising the British people around the notion that maybe our government isn't as incompetent and

feckless as we feared it might be. And that then turned into a lot of energy that that government harnessed for many other things as well, including in its domestic politics. I don't know what that example will turn out to be, whether life will hand it to us or we should select it, but I prefer that we together exert the strategic initiative.

Anand Menon

Thanks very to both of you. Thanks to your admirable discipline we now have a remarkable thirty minutes for questions and discussion. Who would like to kick us off?

Andrew Wood

Andrew Wood, Chatham House. It's not often I hear two wise discourses, both of which I agree with. So to that extent I would say that was a disappointing outcome! But I think it does highlight a question which occurred to me increasingly throughout the day so far, and that is the question of what British policy, or what British vision, rather, should be for the European Union. I fear that Britain doesn't really have a vision for the European Union, it has a vision of what it fears but it has a vision that somehow the European Union can provide a refuge. It does seem to me that there are institutional problems at the European Union, there are differences between Britain and various other countries within the European Union, our relations with other countries and how they should be articulated and so on. I wondered if either of the speakers was prepared to see us how they see that European Union ought to evolve as opposed to the way they might fear that it will evolve.

Anand Menon

Thank you. There was a gentlemen, I hope, in front of you. Can I just say we'll collect just a few questions and just answer those you think it's appropriate to?

Simon Anholt

Thank you, I'm Simon Anholt. On the cover of the research I'm going to be referring to in the next session it says embargoed until 1610, so I guess I'm not allowed to talk about it yet, but as the copywriter I give you permission. We spoke about the special relationship, of course always in terms of the special relationship between the two countries governments. I just wanted to cast a little light from this survey on the relationship between the two populations and it's very charming. When I ask Americans and British people which passport they would like to be accidentally issued with if they lost their own one and it had to be from another country all the Americans want a British passport and all the British want an American passport. And when it comes to matters of the heart when I ask people which country they would pick their spouse from if they had to have a forced marriage with somebody not from their own country the Americans want to marry a Brit and the Brits want to marry an American. Isn't that touching?

Dibble Clarke

Hi, Dibble Clarke, chairman of 3SDL. As a defence consultant my question is probably going to appear a bit strange but this morning we heard that the rule of institutions in government is waning. I have two teenage sons and I was trying to work out what might influence them in the future and it would appear that sport is the one thing that defines how they see the rest of the world. Perhaps as we look towards a brave new world, and it's quite an esteemed panel, is sport a little too lowbrow for this audience to discuss or is it an important factor that might bring us together?

Anand Menon

There's just one more behind and then I'll turn to you two.

Christopher Hill

Thank you. Christopher Hill, University of Cambridge. I'd like to ask about the relationship between Britain's neighbourhood policy, regional policy, and its

global policy. I mean, I get it up in the sixties and seventies, retreating from [unclear] and all the rest of it. Under the Blair government we've had a much more assertive government role and it remains to be seen what the present government will do. It's a very enticing [unclear] choosing our example and our narrative and so on, one could say we've chosen Afghanistan and Iraq and we haven't made a very good fist of it. But it's a question of choosing the examples in which you have the capacity to do something, some leverage. When I think about Pakistan I think you're right that we have experience of the history, the knowledge, whether we've actually got the leverage is another matter altogether. And one could say the same about the tragic dispute between Israel and the Palestinians in which nobody appears to have the relevant leverage or will to do it. So my question is particularly to Professor Zelikow, what is your image of Britain's role in the wider world and its capacity to make a difference there. I think Tim Garton Ash very rightly asked the questions what do the Indians and the Chinese think about our presumption about a strategic partnership with them. The same might go for the European Union by the way, but still.

Timothy Garton Ash

I'm extremely impressed by the fact that you managed to agree with both of us because as I understood it we disagreed considerably! So you must have a very great dialectical intelligence. So perhaps I could connect a couple of responses with a couple of comments on what Phillip Zelikow said. First of all, just very briefly, not wanting to go back too much over ancient history. Blair and Jeeves, it's perfectly true that Tony Blair brought to the Iraq subject his own version of Glastonian crusading zeal and his own particular interest in WMD, rogue states, international terrorism. He also kept telling the cabinet, and you can read this in Robin Cook's memoirs, I tell you we must stay close the Americans, quote unquote. I think in his case those two motives came together. Jeeves in this case was almost everybody else in British government, and there were a lot more of them, including people who shall be nameless, very high up in Whitehall, who saw perfectly well all the dangers to put it no more strongly, but said to me repeatedly, look, they're going to do it anyway so we must just try and help them and limit the damage. That's the authentic voice of Jeeves, not Tony Blair; I won't say who he was in PG Wodehouse, that's another question.

Now on the question about the EU, rather than giving you several hours on my vision for the EU, let me say just one thing, I think we in Europe talk too much about values and vision and too little about interests. And I think the British, and indeed French approach to the whole European projects is to say let us start by defining our own British interests. Let us then see to what extent these coincide with the interests of others, notably with those next door to us in Europe, to whom we are so close and with whom we are connected in many ways, and what we can do together. And that for me actually produces an answer which is a very strongly pro European answer, but it produces it in a realist, interest based, patriotic logic. And so to what you said, Phillip, about first define your interests, then see if you want to work with the United States, there's actually an intermediate step which is do the French and the Germans and the others in the EU agree? Because if so we can come to the United States and China and Russia, not just as Britain but representing 27 states and the largest economy in the world. That would be my approach.

Finally, on the very good question about sport by which, of course, you mean football. What other sport is there? I think you're absolutely right, I think the directive which allowed all European football clubs, in the mid nineteen nineties to hire players from anywhere in Europe as probably done more for European integration emotionally than any politician's speech because seeing David Beckham playing for Real Madrid or Jurgen Klinsman in Britain does wonders for public opinion. And, by the way, seeing two German strikers called Podolski who speaks Polish at home and Ozil who speaks Czech at home, does wonders for integration in Germany. So I think it's an incredibly important element and I think the United States has an enormous problem in world affairs, which is when they play football they mean something quite different by it. Everybody else plays football, you play something else.

Philip Zelikow

I'm going to start on the European Union issue and offer two comments. The first is I actually fear there's a danger that as the European foreign policy mechanisms get stronger the effect of these mechanisms is to inhibit European action not to empower it. I know that seems counter intuitive but I'll just put that forward to you as a hypothesis is that as Ashton gets connected to a bureaucracy that is being formally empowered by member governments

instructions then will form the lowest common denominator among those governments, I wonder if Ashton will have as much diplomatic agility as say, Solana, has had in my personal experience. I think there's a fairly decent chance that the answer will be that she will have even less agility and freedom of movement than Solana has. In part because she will be so firmly anchored, like a chain to the ball to this bureaucratic apparatus that has been imposed in order to empower her. Just consider that, because as you get to the point that the Europeans can only take action when they are united in what the action should be, reflect, take any particular policy issue that suits you, and then reflect on how that policy issue would have unfolded had that requirement been in effect. Let's say the history of the Balkan crisis of the early nineteen nineties, and just kind of replay that history with such rules rigidly in effect. Or pick any other and ask yourself, do you think in that case Europe would have been a more powerful and more influential player on the scene or not. And just consider that. So that's comment number one, is to introduce a counter intuitive hypotheses.

Comment number two though is where I think that you actually could be immensely important: it's that my analysis of the current state of world history that issues of a transnational character, that is to say they cut across societies rather than between them, actually Tim has written eloquently on these points too. Therefore the implication of that is that the challenge of foreign policy in coming years will increasingly be the harmonization of our respective domestic policies, whether on public health, on competition, on intellectual property, example, example, example. Even on cyber security, which if you spent five minutes analysing that and asked yourself how much of cyber security is, quote, domestic policy, you'll find in your country, I'll bet, 98%. So then if you ask how would you do harmonisation of domestic policies that might wield European influence in creating international norms, then you can make an argument for you not only useful but indispensable. So yet I'm sure that Ashton would be the relevant player in those key negotiations. That's my point on the EU.

On Mr Anholt's point that the Americans would chose the Brits and the Brits would choose the Americans in these very revealing questions, which I like very much and I think is right, it reinforces my sense of the tacit confederation. In a way it seems humorous on the surface but it's actually quiet important. The sense that Americans are closer to Brits than people of Massachusetts

are to the people of Texas. There is a sense in which we are one polity that has no formal structure, that is distinct somehow and I'm just struggling to give it a name.

Finally, and very thoughtfully, the issue on Pakistan of how does Britain have leverage? How, indeed, on any great issue does Britain have leverage on the wider world? But then pose it from the perspective of my country, my country is not dominant, it is central, I think, on many issues, but not dominant. It is like the stakeholder at a meeting of the stockholders. The stakeholder has 18% to 20% of the relevant shares, which is a lot. That person's voice will be very important. No one else has more than 11% or 12%, and here's one party that has 18% to 20%. Maybe no one else has even more than 10%. Let's say Britain is one of the ones that has 8%, 9%, 10% and the Americans have 20%, but that doesn't mean the Americans are calling all the shots. It means the American voice will be important but either of them, to get anything done, are going to have to form some kind of coalition to get it done. The shape of the coalition will change according to the issue.

Jeremy Greenstock's incisive points about mini-lateralism that he made this morning come very much to mind here. That's why your leverage and our leverage often very much is the leverage of our intellectual capital. Very often it's ideas about how do we do policy designs, how do we develop an institutional choreography that can implement and enact this policy design. Who are the other indispensable players? And therefore you need a set of countries that are significant stakeholders but also feel a sense of responsibility and therefore have the knowledge and practical engagement that goes with a sense of responsibility. And on many issues this is usually just a handful of countries, and Britain is usually part of it. But to offer you an example of a contrast, when I talked to you about the situation 110 years ago, one of the great issues on which America needed British advice and help was North East Asia. And actually Britain performed a pivotal role in formulating a treaty with the Japanese in 1902. But now ask yourself, what is Britain's role today in the policy making in North East Asia, in that incredibly important triangle between China, Japan, and Korea. And partly that's a function of British choices, not America's choices to push the British out.

Anand Menon

I'm going to give Tim a chance to come back but there was some frantically hand waving. If anyone's got something brief that directly relates, if it's generally brief then in the interests of making this a discussion then we'll try it.

Unidentified speaker

Just a comment.

Anand Menon

Is it brief, could it be? If it's brief than go ahead.

Unidentified speaker

There is no reason at all why Cathy Ashton should not be another Javier Solana. The rules are identical, the rules were not changed by Lisbon. Javier Solana never got out of line with the French, German's, and British in particular. He was always very careful to cover his back. He appeared to be a bit of a free booter but the rules haven't changed, it's a matter of personality, and it will be up to Kathy's personality.

Anand Menon

Okay, other people claiming a link as well.

Adrian Michaels

I'm Adrian Michaels at the Telegraph. Just on the tacit confederation. You haven't mentioned how stable that will be in time, given the generational shift. Because there is a lot of discussion about how the current US president and his background in the Pacific and so on means that his terms of reference are completely different or may be completely different. And therefore how he may

view the United Kingdom far more as part of other large economies in Western Europe rather than one standing out on its own.

Anand Menon

Well, I'm not going to take new people, is there anyone else other than the people I've already identified? All right, I'm going to let Tim go and then we'll have to I'll start again.

Timothy Garton Ash

I think, actually, Philip, we're actually light years away from the point at which the EU foreign policy mechanisms will actually stop people doing things they want to do. If major European member states in a matter important to them in the course of relationships, they won't be stopped, they'll go on doing what they want. What these institutions give you is the potential on a whole slate of sort of sort of middle range issues where most member states either broadly agree or don't know what they think. And many member states on many, many issues don't really know what they think. That's the nature of the European Union, to forge a common analysis, to identify your common interests, your common instruments, and then to go forward. So it will be an enhancer in that respect. And this is why; this is what I think Britain should be pushing right now, if you want to ensure early successes, and you're absolutely right, it's important to score early successes, you need to identify the places where you can do that. And in my book those are places in the European Union's near [unclear]. I mentioned Belarus, Ukraine, parts of the Maghreb, right, where you have quite a lot of power which is disaggregated, which is fragmented, and where you have a pretty similar analysis. And I think what Kathy Ashton needs to do is to build up a few model EU embassies in say Minsk or maybe Cairo, or wherever it might be, and say this is what we can do.

Anand Menon

I've got about five people I've got written down already. Tim Dunne I think.

Tim Dunne

Tim Dunne, Exeter University. I just want to come back on this idea of tacit confederacy because I thought it was a problematic sort of analytic to understand the trans Atlantic relationships. And I'll just give you two reasons why, and hopefully broaden the discussion. I think one reason is the relative powers, several really, we're not constituted as a political union in the sense that you would find in a confederacy. But leaving that aside, the degree of political inequality between the United States and Western Europe, because you implied it wasn't just Britain, it was actually wider than that, and it seemed to me that inequality was so enormous that to call it confederacy is probably stretching the concept really. I think the phrase by Geir Lundestad about empire by invitation is probably a bit closer really to explaining that union than some sort of confederacy. But I also wanted to maybe give another reason why I think it's problematic and I think on the values question you seemed to imply that it was a really strong convergence in values across the trans Atlantic divide, and actually there is some empirical evidence to suggest that is not, indeed, the case. The world value survey plots values on two different axis, God and science being one axis, and individualism and interventionism in the political sense on another axis. And here you find Europe and the United States occupying quite different places on that grid. And, in fact, you see some interesting convergence actually, with some Islamic countries and the United States in terms of commitment to theological beliefs. But, of course, you see some radical differences between some Islamic countries and their relative emphasis upon individual rights and liberties and so on. So in a sense in terms of how does your, in a sense, defence of that concept really stand up to the inequality of power and, critically, the different and contested value systems that you could argue Europe and United States hold.

Clara O'Donnell

Clara O'Donnell, Centre for European reform. I have a question on the Euro zone crisis. As this crisis continues and potentially worsens what implications could this have on the EU's ability to be perceived as a credible actor on the world stage; but actually even more broadly for the stability of the EU itself? Thank you.

Maurice Fraser

Thanks. Maurice Fraser, LSE and Chatham House. I mean those of us who have worried about the drifts and spats in the Atlantic Alliance for the last few years and those of us who think that the West has something rather important to say to the world would, I think, perhaps at the moment be looking at something rather more ambitious than sort of a tacit confederation and are getting back to the idea of a trans Atlantic bargain. Do our panellists feel that there is now a need, an urgency for some kind of new trans Atlantic bargain? Obviously still involving, hopefully, the US nuclear umbrella and Europeans pulling their weight rather more. But do we need a new guardian, and if so what may its key components be?

Unidentified speaker

Yes, short question. You both emphasise the importance of some successes, I'd just like you to reflect – both of you if you will – on the consequences of failures. Iraq wasn't a great success, Afghanistan could well be a failure, I say sadly because I have a son in the front line there right now. And people have talked about this being a test case for the future of NATO, Afghanistan, what would be the consequence of failure; however you define it, in Afghanistan?

Anand Menon

The gentleman at the back. I'm afraid this is going to have to be the last one as we only have six or seven minutes left.

William Horsley

William Horsley again, journalist. I'd like to put a critical but constructive question, I think, to Tim Garton Ash about this idea that we heard a bit about this morning. That there could be somehow painless successes of the European axes without disturbing anything. I put it to you that countries that have representative governments in Georgia, the Orange Revolution group in Ukraine, and indeed perhaps you could say Turkey, the last thing they want is

a united European policy because it might be at a time that is very adverse for them. In other words if you present Europe as having a united policy when actually it's deeply divided over, shall we take relations with Russia, then you're in danger of making things worse. You could drive – Ukraine has already gone backwards rather rapidly since the departure of the last government – you could actually consign them to a long period in darkness, as they see it. And the heart of that appears to be the idea that some mainland European countries have actually had a Russia first policy towards the whole East for some time. If you pretend to have a united policy and it's actually one that reflects that point of view would that not be against the interests of some countries in between and, indeed, Britain's view of the world?

Timothy Garton Ash

On the Euro zone crisis, Clara, I think self evidently this is a huge threat to what Cathy Ashton and others are trying to do because – for two reasons, two main reasons. Firstly because self evidently Euro zone and other governments are so preoccupied with the crisis of the Euro zone and with the economic and financial crisis more broadly, that they are not going to dedicate the time and the political will to try and make the Lisbon institutions work. Secondly, more specifically, because as we have already mentioned, Kathy Ashton can do very little without the agreement of government, and particularly the governments of major member states. Now Franco German relations at this moment are worse than they have been for a very, very long time. Not least because of the drastically different approaches that the French and German government want to take, as you know better than anyone, to the crisis of the Euro zone and how we get out of that. In a situation where you have a no so Euro sceptic but still at the edges or maybe in the heart of at least one of the two hearts of the somewhat Euro sceptic British government and the French and German governments getting on very badly it is very difficult to imagine the making of an effective foreign policy.

Two, William, I would say that I really don't agree. What you say shows why you can't do it in Russia because first you've got to have your common Russian foreign policy. But actually when it comes to Belarus there are not major differences of interest and approach between the member states of the

European Union. Let alone when you come to the countries of the Maghreb. So these are the places, it seems to me, to start with a stronger EU embassy. But also the beauty of doing it with 27 member states is that not every state has to do identical things in the same place. You can have a certain division of labour, yes, you can have the soft cop and hard cop. I call it the nine hydra approach. The hydra head of the EU coming in in different ways but with a strategic approach. That's the idea, I'm not going to say it's going to happen but there is a potential that particularly if we send in, and it's interesting that William Hague has said he would, some of our best people to be present at the creation of the external action service. So that's a quite specific take away, to send our best people with a clear agenda. Finally, I'll leave the consequence of the failure in Afghanistan to Phillip in this transatlantic division of labour, we went just over one hour of this session before anyone mentioned the words the West. You could not have gone an hour at Chatham House at any point almost, for the 60 years until 2000, without someone mentioning the words, the West. Just reflect on that. We believed, we, Americans and British, and French and Germans, that we lived in some enduring profound historical and cultural reality called the West. And now almost nobody talks about it. That is to say the West, as a geopolitical actor was, it seems to me, much more a function of the presence of the common enemy during the cold war, than it is entirely comfortable for us to admit. And I actually don't believe that the cultural closeness that you're talking about and trying to capture with – and economic and other – tacit confederation translates into a geopolitical reality. Therefore what I believe we have to do – it's a variant Maurice, of your trans Atlantic bargain, I would put it this way, we the Europeans and you the Americans have to define our interests in this utterly changed world. And then we need to sit down for a long weekend and say what is the basis of a strategic partnership longer term, which has to be newly defined? Can we, to some extent, leave Russia to you, the Europeans, how can you help us, how can we help each other in Pakistan and so on? That, it seems to me, is the conversation that we have to have, but starting from the unsettling premise that what we believe to be permanent and enduring, the West has, at least as a geopolitical reality, crumbled before our eyes when the common enemy disappeared.

Philip Zelikow

First, the question about the different value systems and it say, well, there are these surveys that show these value axes which seem to make the Americans more like the Islamic world than like the Europeans, this to me is more of a commentary on social science than it is on these societies. I suppose you would then come to the conclusion that really the benighted Texans are much more like Egyptians than they are like Brits, to which my answer would be do you really think so? Have you lived in these places? My point about the needing of a new transatlantic bargain and the observation that Tim just made, the structure I suggested would answer that question, no, let practice be your answer. If you're addressing one or another of these concrete issues practices will arise, relationships will arise in which the question will begin to answer itself. You will see that this is a distinctively Anglo or American style of working through large doctrinal issues rather than a deductive style and here – because I think when they get together for the long weekend it will be to haggle out the details of one or another particular solution to a problem rather than the grand doctrinal scheme. But I want to come back to that because I want to try and advance the discussion a little bit, after I say a word about the consequences of failure in Afghanistan.

I did notice in the survey data that was distributed to the group that both British elites and the British public as whole are sick of Afghanistan and want Britain to get out. In short order. I just note that. Because one of my purposes in coming here is actually to listen to all of you and to learn more about how British leaders are thinking about the world. But the consequences of failure in Afghanistan, in my view, I don't think it is the sky falls. I actually don't even think Afghanistan goes back to the September 10th of 2001. I don't think the Taliban regaining control of the whole country or most of the country, and that the northern alliance then comes back into being, contesting. Instead what I think is more likely to happen is that the country will break up into a spear that is dominated by the Taliban, there will be spears that will be dominated by other elements. They will all have foreign supporters from neighbouring states. What that trend implies is huge pressure on the internal cohesion and future of Pakistan because the rise of a Pashtun-istan would have implication for the [unclear] nationalism and other things. Since there is some real question as to whether the Afghan state is actually viable as a nation state, and you can argue that it never really has been viable since the end of

dynastic rule in Afghanistan, and that that lack of viability has been papered over. And indeed there has been pretty much a continuing civil war in Afghanistan as to what it will become that has been running nonstop for the entire generation. And the current war is superimposed on top of what's still an ongoing civil conflict. But the, again, if you agreed with a conclusion that's something like that you would still then have to ask some really interesting questions about to what extent do Britain and America care about all that, especially the issues for the future of Pakistan. What leverage do our two countries have in addition to the leverage of the countries much closer to that cauldron? And I think the answer is in both our cases the potential leverage is significant but not dominant. And it's a fairly complex and challenging problem. And I'd actually really like to get; I wish our governments would have together some really quality weekends getting to talk about that kind of future prospect.

The final point I wanted to end on. Let me just finish answering this point. It's a really positive note, I'm really listening to what you're saying, to what Tim's saying, I'm happy to defer to your judgement to what the EU can do and can't do. You know it and follow it more closely than I do. And remember the point I underscored is if I'm right that the dominant issues of foreign policy will be the harmonisation of domestic policies of many kinds, then I think that it also follows that the European Union is an indispensable agent for the conduct of such foreign policy, quote foreign policy. That Tim and the arguments that others have made are encouraging in that context. Then I would stress that another contribution that both Brits and Europeans can make to us is the deficiency in our discussions of global governance is we need to advance both the quality of global governance concretely, that is in which we harmonize our domestic policies. But the way in which you manage that politically is by also figuring out how to make subsidiary principles strong because you have to convince our local communities – by the way in your country and in my country local communities have to be convinced that they retain some degree of self determination about the character of their communities. And the viability of their primary communities and self governance. So this tension between globalisation and self determination, which are two sides of the same coin is what this challenge has to address. You and the Europeans have enormous experience and understanding in helping to try to make these ideas work if you'll address both horns of it. That is how do we, where can we do this harmonisation in ways that are

demonstrably successful in managing otherwise toxic transnational developments that we can show our peoples, which setting up and showing the viability of subsidiary principles that also reassure them that self determination remains viable too. If together we can work through some of those issues on some concrete challenges of the future that could be an enormously significant and positive area of cooperation for the 21st century. And notice the significance of Britain and Europe in this context, in contrast to Asia. In the way you've developed and been working on these principles in ways that our federal republic has in a different setting, and combined expertise and understanding we could bring to global solutions, I think could end up being vital.

Anand Menon

We express our appreciation to the two speakers, we have to draw to a close now, I think the next lecture is mean to start at about ten past, so if you can be hasty about getting your tea I would be grateful. Thanks very much.