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GREAT BRITAIN'S NEW NATIONAL SECURITY STRATEGY

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P R O C E E D I N G S

MR. SINGER: Well, with that I think we're ready to begin. For those of you who I haven't met yet, I'm Peter Singer. I direct the 21st Century Defense Initiative here at the Brookings Institution. And on behalf of 21 CDI and the Center for U.S. and Europe, it's a great pleasure to welcome you to this discussion on Great Britain's new Strategic Defense and Security Review.

As many of you are well aware, this review has garnered a great deal of attention here in Washington, not only for what it bodes in terms of strategic decisions that are being laid out by America's closest ally and friend, but also in the manner in which some extremely tough choices were made in the effort to tackle budget deficits and balance economic and national security issues that we're wrestling with as well right now.

And so today we're very much honored to have one of the leaders in this effort speak to the challenges and strategies and even process embodied in that review. Baroness Pauline Neville-Jones has had a remarkable career that provides not only a wealth of experience, but perhaps a unique expertise in facing these issues of what the report termed security in an uncertain world.

As a career diplomat, she served in the British missions in

Rhodesia, Singapore, Washington, Bonn, and the European Commission. In roles in London, she took on such tasks as head of the Defense and Overseas Secretariat and the Cabinet Office, chairman of the Joint Intelligence Committee, and political director in the Foreign and Commonwealth Office, in which capacity she led the British delegation to the Dayton Peace Process.

Her career was no less distinguished in the private sector, serving as managing director and head of Global Business Strategy for the NATWEST markets, as a BBC governor, and as chairman of Kinetic Group, PLC. In 2006, she was appointed by David Cameron to head the Conservative party's national and international security policy group, and then was appointed shadow security minister and national security advisor to the leader of the opposition. With the change in government in May of 2010, she was appointed minister of state for security with a permanent position on the newly created National Security Council. And we're delighted and honored to have her join us here today.

After she delivers her remarks, we'll be joined by Jonathan Laurence, who is part of the family here at Brookings. He is a nonresident senior fellow in Foreign Policy here at Brookings, as well as an associate professor at Boston College, where he is specializing in European politics. And what he'll do is speak to the broader context of the reaction to the

review here in Washington, D.C. And after that we'll turn to general Q&A and discussion amongst the panel.

So with that we welcome your remarks. Thank you.

BARONESS NEVILLE-JONES: Thank you. (Applause)

Well, ladies and gentlemen, when I say -- it's customary to say that it's a pleasure to be here, but it is. I love coming to Washington, and it's great to be here. It's my first visit after getting into office. It's great to be in office, too, instead of constantly being a shadow.

And as you will have gathered from the introduction, and you already knew this anyway, the incoming government, which is a coalition, has had a fairly tough time. We set ourselves a lot of goals and we have -- and a hot pace in which to accomplish them because we reckoned we didn't have a lot of time to spare.

Now, what I'm going to do in these remarks -- let me say there is a longer text for which you'll be glad to hear I am not going to read out, but I hope that perhaps at the end of it, it might go up on the website. It will give you a certain amount of factual detail which obviously, you know, certainly in my opening remarks I won't go into, but I would be happy to discuss any of the things, you know, if they particularly interested you, if you indeed have gone to the lengths of reading these two famous documents. Let me show you. That is the National Security Strategy: "A

Strong Britain in an Age of Uncertainty." That is the Strategic Defense and Security Review: "Securing Britain in an Age of Uncertainty."

These two documents were accompanied by a third document and a third act, which was the Spending Review. And these happened on Monday, Tuesday, Wednesday of last week. And I will explain in a moment exactly how they relate to each other.

What I want to do first before giving you perhaps a summary of some of the things that we regard as our top priorities is to give you some -- just a little bit of background as to why we've done what we've done and the context in which we found ourselves doing it. I mean, the story really begins when we -- when the Conservative Party was still in opposition. And Peter said, you know, that I was appointed to do some work for David Cameron on national security, and we produced a report after about 18 months work in a small group and taking quite a lot of evidence from people. And one of our conclusions was we needed to set up a National Security Council.

And it is from that moment that the decision actually to change something of -- some of the structural fabric of British policymaking was taken and we worked on it. And of course, you know, there is a transition regime not at all like yours which takes place if there's a possibility of change of hands. And so we were, in the last few months

before the election, talking to civil servants. And on day one, the National Security Council met. And it's been meeting on a regular basis ever since. And it does take all the high level issues and we have a constant agenda. You can imagine, Afghanistan.

But we take a huge variety of issues. Some of these are represented in this document. And one of the things that is different I think from the way we have structured the National Security Council where, you know, this is plagiary, is that we do not attempt to have, given our scale, a separate Homeland Security Council. We believe that actually national security for us is something in the round, that you must take the domestic along with the foreign. And for a country that has experienced this sort of interactive terrorism that we have where what goes on in Pakistan and what goes on in the streets of the U.K. are very closely linked. It makes, frankly, no kind of sense to separate these elements. So it's a single approach.

Secondly, it's an old government approach. The National Security Council has several fixed regular members that you can imagine it's the foreign secretary, the defense secretary, myself, chaired by the prime minister with the agencies in attendance. Very often the chief of the defense staff. But we will invite -- if we are talking about -- and the definition of what constitutes national security is broad and we discuss

things like extremism on our own society because it affects actually the quality of our decision making and we will then have, say, the schools minister.

So, I give you that as an illustration of our approach. It is broad. It is all governmental. We believe that the National Security Council should drive the process at the strategic level. The departments in that process we hope will be less stove-piped than normal -- normally. And that they will, however, be responsible -- and this is our constitution -- accountable to Parliament for the aspects of policy within their area. But that the monitoring or the implementation will be done by the National Security Council and embedded in our private planning is our timetables of when we have actually to try and hit these goals that have been identified.

So it is a structured process. It is also, if I might say so, and we were -- quite a lot of people said you can't possibly have done something serious and strategic within a very few months. It's just been far, far too rushed.

I know when an accusation hits home. That one does not. We worked extremely hard. We worked extremely intensively. I do not believe that you need to take a great deal of time -- months and years actually to come up with decisions that are important. We've done a great deal of work in opposition. It wasn't as if we came to it, you know without

a thought in our heads and we focused obviously on what as a government we had to identify as the priorities.

And the national security strategy in a sense identifies the context of the world that the U.K. lives in, which is the world that you would recognize if you read an American document of the same kind. We talk about our role in it. We intend to continue to be a player. Let me say to you straightaway, this government has plenty of appetite to continue to be a major player and a partner of this country. Our issue, of course, has been the economic context in which we find ourselves and the capabilities that we are at the moment able to afford. And the strategic decision we took was that we needed to prioritize here and now those things which it was essential as a -- responsible for our own national security and as a player on the international scene. That we had to finance to the measure that it was necessary to finance them. And then we looked to the future and said, what kind of capabilities do we need looking out? And what are we prepared to do in the meantime given the constraint on resources?

And that affected, for instance, the decisions that we took on the carriers, which I'm very happy to talk about in Q&A if there's curiosity about it. It certainly caused a lot of comment.

The Security and Defense -- the Strategic Defense and Security Review, note the coupling of defense and security. It's

deliberate. It's the document that gives you the implementing detail of the strategy. The spending review that came on the third day tells you the financial allocations. The departments in Whitehall are responsible for the internal allocation of the monies that have been agreed for that department. And now you can imagine this would not be foreign to anybody who has been in government. Of course, there was a lot of negotiation and a certain amount of haggling.

But actually governed in the end by the strategic priorities that had been already agreed and identified in the National Security Strategy. That was a very important document when it came to then how did you do it and how much money did you get for it. And we are quite clear there are things that fall out of the bottom. But the departments are then or now responsible for ensuring that those frontline issues and those priorities that fall to them, they are responsible for ensuring that the resources follow the identification of those priorities. So there won't be a question of you as a department having identified a priority and then deciding you'll spend the money some other way.

And this has been a serious exercise. It is not fun to try and do an exercise of this kind against the sort of economic background we faced. Let me give you just one or two salient figures. We have a public expenditure volume of roughly 700 billion pounds sterling. We had -- we

inherited a structural deficit of 109 pounds sterling. Now, this is a huge structural -- unsustainable structural deficit. We had to bring it down. Had we not taken the actions that we have -- they're brutal -- we would have found ourselves with the credit ratings lowering the quality of our sovereign debt interest burden, which is already huge and rises to, if it's uncorrected, 63 million at the end of this Parliament, a billion per annum. I mean, these are big burdens. We had to act.

So that's the context. And, you know, there weren't choices. And, of course, when we first started to think about national security that was not the context in which we were thinking about it.

And I'll come back to some of the constants in a moment. The only thing that we have decided to do, and this is something we would in any event have done, but, of course, it becomes very salient when you're up against it financially, is that we have adopted what we describe as a risk-based approach. That's to say that we have -- we inherited some of this from our predecessors and we developed it further. And I'm sure it's the sort of thing that's probably going on in Washington, too. We have something called a national risk assessment which takes, you know, most of the risks on most of the nasty things. It's threat-based. It's a threat-based assessment, but includes both manmade threats, but also natural hazards you may not necessarily be able to control, and rates

them according to their likelihood or vulnerability to, therefore, their impact.

You've got to get your measures right obviously, but it did give us at least some scale against which then to align priorities and also told us something about how to handle them. And if you decide, for instance, that a dirty bomb is something that you must make some preparation against, you're also likely to decide when you've analyzed its consequence that it is better to deter than to find yourself managing the consequences. So you put your money in a certain place. So not only does it tell you what's important, to some extent it tells you, guides you as to how you should then spend the money.

And I'll give you that illustration. I mean, it's a pretty profound one, but it does tell you, I hope, that there's actually a lot of detail work that actually lies behind, you know, the headlines in the papers.

So risk-based approach. That means that risk is inherent in the strategy. We are conscious of the fact that we've had to take some risks. Some of them are bigger than we would ideally have liked. What we've tried to do is to make sensible choices given the situation we were faced by.

Now, we selected, really basically we've decided there are four priority areas that we need to be able to cover. The first one selects

itself. Terrorism. It's national terrorism. But also I fear in the U.K. a revival of terrorism among dissident Irish groups. Not at the moment a very great set, but nevertheless, an unwelcome return or something which we'd hoped was not going to be something we had to deal with. And a lot of the structures, of course, that we had in the past to deal with Irish-based and Irish-related and Irish dissident terrorism, of course, have been dismantled in the course of the peace process and its consequences.

The military conflict. Continuing danger of low level insurgency-type military conflict.

Thirdly, partly because we reckon that we are not nearly resilient enough, i.e., we have a lot of vulnerabilities in our national infrastructure, resilience and the strengthening of the national infrastructure is against threats and our ability also to deal with not just things like flooding, but also pandemics is an area which we identify as being a priority because there needs to be a lot of work. We do reckon and know that you must be able to manage the consequences certainly, but we need to strengthen right down the line and embed in our society much greater resilience in terms of the panning processes we have for big projects, the role of the regulator, and a partnership basically between the private sector and government. Like here, you know, a lot of our critical assets lie or are owned in private hands and some of them in the U.K. are

in foreign-owned hands.

Finally, the last thing, but not the least thing, that we identified was our need to build a secure national cyber platform which in many respects underpins all other things. I'm just going to go through those very briefly. If we take terrorism, this is something where we shared this with you. The amount of cooperation that goes on and the resources that we both put into what I can only describe really as an organic relationship in the matter of intelligence is extraordinarily important to both of us. And we have insured that the intelligence services are well enough financed to continue to be able to offer the level of coverage that they already have and which we need to continue to have in the country.

We assess the threat as being continuing, indefinite. We are still at the level severe. We declare our levels publicly. And, of course, it is evolving, unchanging pattern and shape, in some ways becoming more difficult to track, though that is against the background of being significantly better informed than we previously were.

For the U.K., there is already an established pattern of domestic policy towards terrorism. There are a whole series of policies which go under the heading of contests. We are following the tracks of our predecessors in three out of the four. The one we are changing is use of soft power in society essentially, which is our relationship and the

government's relationship and the respect which minority communities have for governmental structures. And we won't go into why, but I think the country has got into a position where there is significant mistrust in the Muslim communities in the U.K. towards some of the measures that government has taken and a feeling that we only ever want -- the government only ever wants to talk to them in communities, you know, about counterterrorism. And that's the only interest they have.

The country has been on a multicultural track for a long time. We don't think that's sensible. And so we are going to pursue something, which is much more overtly and consciously integrationist across our society and deal with extremism, which is certainly a threat and a threat to values in policies which are already well established, but not only in relation to Muslim communities, but right-wing extremism which is also rearing its head partly in response to the tensions that have taken place between Muslim communities and broader society.

That is -- why is that a matter of national security? Because in the end it has to do with trust. It has to do with the acceptability of policies. It has to do with whether in the end you get a national consensus behind what we're actually doing. So we don't regard it as being trivial, and we do regard it as being a very, very important part, of course, in the end of tackling the underlying circumstances in which people are tempted

to become terrorists. So that is for us part of our national security strategy.

The second priority we identified, obviously, is the continuing danger of military conflict around the world. As I say, we are going to continue to play our part and fund rather better some of the things that we're currently doing in Afghanistan. We've had a shortage and we have, for instance, main battle tanks still sitting in Germany, and we have some aircraft that we probably don't need. On the other hand, we have a shortage of helicopter lifts in-theatre. We have a shortage of protected vehicles in-theater. We have a shortage of strategic lift to theater, and so on.

So a lot of the things that actually, frankly, we needed, we don't have. Why? There hasn't been strategic defense review, let alone a defense and security review for more than a decade. You cannot go on like this. And what did we have? We had an overcommitted budget by 38 billion. Not possible to sustain. So we had to bring -- we've had to bring that budget much better under control. A lot of the measures in this area in the Ministry of Defence are being taken through back office hit, if I can put it that way. This is a very big department.

The public sector as a whole under labor expanded immensely. A huge number of extra people hired, taking nearly half the

national income. Inherently undesirable in our view. We need to get the public sector out of the private sector's way, but we also need actually to release some of this talent and some of this manpower into the private sector. And we are actually, interesting enough, creating jobs. But over a four-year period, something like half a million people will probably leave the public sector.

Now, in the Ministry of Defence, it's particularly the case that we can share quite a lot. That doesn't deal with anything like the whole of your problem, but it is actually a material contribution and helps pay for frontline services. And we do believe that we need to give our armed forces a better deal than they have at the moment.

I'll come back if you wouldn't mind to more of that if you'd like in Q&A. What I do want to say is that the other part of the strategy in relation to military conflict is actually a frank emphasis on prevention. We do not believe that it's actually going to be possible -- I don't know what you feel about your country, but I am quite clear and I know the government is quite clear that to ask the British public and the armed forces to continue to bear one conflict after the next in continuous operation, which, of course, hasn't been properly funded and, you know, all the cycles of leave and things are entirely wiped out by the degree of pressure that's been on individual servicemen. We are quite clear that

actually intervention as a main up-front, first call instrument of policy does not make sense. And that it is extraordinarily important to retain the capacity to threaten the use of force.

But that's where it ought to be and it's only when other policies have failed that you should be actually resorting to the use of force. So we want to put much more our diplomats and also our aid budget in the line of actually supporting national security priorities and actually helping to create the circumstances in which states are less vulnerable, states are less open to actually having their structures and their populations become fields of battle. We can talk about that more if you wish, the resilience I've mentioned. I don't really want to say a great deal more of that.

I just want to end by saying something about cyber. I think it's pretty obvious, you know, that cyber is important. When we looked at what we had done, we've got quite a good starting point. And once more, ladies and gentlemen, this is an area in which we're going to put money. We're putting money into our special forces and we're putting money into the cyber strategy. And the aims are as follows. We want to create a cyber platform across the country, that's to say government structures, government networks, but also the private sector and in partnership with the private sector. And we are at the moment working out how we are

going to conduct that partnership, which needs to be both strategic, as well as operational, so that both the GCHQ, which is, of course, our NSA, which can offer -- which technically is global quality, can offer expertise, can offer services to the private sector, deal with the private sector. You will maintain certain standards which we may lay down in law, so that you have across the board government and private sector a really much reduction in the level of vulnerability, which in turn, of course, ought to reduce the losses to the economy and to the exchequer through hacking and cyber crime.

So it has not only a national security importance, an importance of protecting ourselves against the theft which is certainly going on, and from states of valuable intellectual property as well as of national security significance and certainly of advanced technology significance. All of these things, you know, are vulnerable at the moment and that's why we have to have this partnership between government and private sector. Many companies are, of course, embedded in government offering, you know, providing the services to government. So it's not an option next to it. It's an absolute essential.

Put those two things together and then combine that with a much stronger capacity actually to both detect and enforce criminal sanctions against cyber -- illegal cyber activity. That will require us both to

improve our capacity and capability actually to identify the source of attacks. That attribution is not an easy thing and it will require much stronger capability on the part of the police than they have currently actually than to be effective law enforcers. And that is part of a broader strategy of police reform which we're also conducting. There's no end, ladies and gentlemen, to the things that we're reforming at the moment. It is true to say this is a reforming government.

And then finally, we will bring together, obviously, the military and the civilian in the cyber strategy, but the other thing we reckon we need to do and one of the things I hope comes through in the way in which we presented the national security strategy, that we do believe that national security is about society. It's not just about the state and it's not just about state institutions. It's actually the capacity of society among other things to function through crisis. You know, that you should get to the point of being sufficiently resilient that that's the case. And cyber is a part of that.

But it also means that, you know, you need to have an educated population that understands what it needs to do to contribute to cyber security and we need to upscale in our universities and our population generally for cyber skills at the moment we lack. And we reckon we're going to lead in the next generation.

So that is in very brief -- I hope it gives you some idea of our approach to these issues. We -- what we've tried to do, and, in fact, I'll come back to my starting point, we have actually tried to look ahead. I think it's an exceptionally uncertain nonlinear world in which that's a very, very difficult thing to do. So what we decided fairly early on was that we needed to try and create a framework which allowed us flexibility, adaptability, and the ability if we have to make midcourse correction, to be able to do that.

So having set up the framework, what we will now do is concentrate on its tactical development with an eye always to whether the goal we've set was the right one. And if it's not, then begin to adjust. But what we hope we've done is done sufficient intelligent thinking, broadly speaking, to be able to focus on effective development over the next four years. Thank you. (Applause)

I'll come sit down.

MR. LAURENCE: Well, thank you, Madam Minister, for these very thoughtful and insightful remarks.

I'd like to use the short time I have to make a few brief points. My first reaction to the new national security strategy was that it puts a brave face on somewhat grim news. That is, it is impossible to decouple this document from the security and spending reviews that the

minister mentions. And with these three documents we have a realistic blueprint for tough times, reflecting the priorities of a new government chastened it says by the overreaching of its predecessors, but which nonetheless continues to endorse a global role for the United Kingdom.

Now, despite this admirable pluck, there is concern about diminishment of British grand strategy. And some of the less charitable pundits and commentators have suggested that with these three documents the British government is “managing its relative decline” or that the U.K. has “departed from hard power” or that the country will lose its capacity to mount major autonomous operations. But if you listen to the Minister’s remarks, I think that it’s quite clear these are somewhat unfair characterizations. The commentators echo the criticism actually directed at President Obama’s own national security strategy last May when he declared that the U.S. would have to learn to live within limits and to turn towards the domestic economy as a top priority. But if the Pentagon and the State Department have received these documents relatively warmly, it’s because this coalition has preserved the critical nodes of our special relationship and they’re slashing other areas of government in order to fulfill these shared priorities.

For example, special forces and cyber security both get increases. Intelligence budgets are relatively untouched.

Counterterrorism receives a boost. The at-sea nuclear deterrent remains in place. And there's also evidence of an enduring common vocabulary. The key priorities in both the American and the British national security strategies of this year appear with similar degrees of frequency and they are in order terrorism, Afghanistan, Al-Qaeda, and cyber crime. But more broadly considering just how profound and widespread the British austerity measures go, one is struck mostly about how much worse it could have been. All right? It seems almost miraculous that the military budget emerged so unscathed. Only 7-1/2 percent in cuts and not the 25 percent cuts seen by the Home Office or the Foreign and Commonwealth Office. The government still adheres to NATO's 2 percent spending target, although it must be said that it may be helped over that threshold by a shrinking GDP. But in the context of across the board retrenchment, the cuts come across almost as a heroic rearguard action by transatlanticists in the British government.

Now, on this topic -- on the topic of Britain and Europe I think it's worth asking whether or not the spending cuts might nonetheless lead to a long-term qualitative decrease in British capabilities. And if this isn't just a temporary break in spending, then the 7-1/2 percent reduction might have made more sense if there were also a parallel shift to a more European security strategy. But these documents don't really elaborate

on any economies of scale that might be derived from European cooperation, in particular with regard to the U.K.-French partnerships that many see as the only viable way to maintain current capacities. In general, the strategy doesn't make much of a case for cooperation, even as it celebrates Britain's position at the heart of many global networks.

Now, a third and final observation, and this is really more of a question about lessons learned from British counterterrorism in the last five years, the Minister has said elsewhere that the days of Londonistan are behind us. And just now you noted that there will be less emphasis on multiculturalist policies and approaches than the previous government. So what do these reviews tell us about what the new coalition will make of its inheritance of state-Muslim relations from the last government? What hint should we take from the dramatic slashing of the Department for Communities and Local Government, for example, on which the previous government had premised much of its outreach to Muslim communities? Or what should we make of your previously stated intention to ban one or more of the nonviolent Islamic groups active in the U.K.?

On the other hand, something that you alluded to with your remarks about the impacts on society of national security, is it possible to detect a greater sensitivity to the domestic ramifications of British foreign policy, particularly with regard to British Muslims? And could doing slightly

less in the world actually help heal some of the internal wounds that were opened during the war on terror? So I would be interested in hearing your thoughts about foreign policy as a driver of radicalization or as a challenge to social cohesion and whether or not we can read anything into the national security strategy on that front.

And with these few observations I will hand the floor back to the moderator. Thank you. (Applause)

MR. SINGER: While we're getting you hooked up there, the moderator's task, I think, is easy because we certainly can't help but give you an opportunity to respond to those comments. And before we go to Q&A you were taking notes there and I think you've got much to say in response.

BARONESS NEVILLE-JONES: Am I audible?

MR. SINGER: You are audible. Yes.

BARONESS NEVILLE-JONES: Right. Yes. The problem coming to this place is everybody is so alarmingly well informed. I can't but congratulate the comments that I just heard. And you said some of the things that I undoubtedly ought to say about the 2 percent and about retaining the deterrent. All I would say is maintaining the 2 percent, you know, even if your budget is declining it still is an effort.

I certainly do think that the fact that in the end -- this was a

process of negotiation and identification of priorities, that we still come out saying it is very important to retain these hard power capabilities does tell you something which is -- goes to the vitals of the coalition and goes to, I think, is actually well received in popular support. Brits are people actually who do believe in the use of hard power. And it's very interesting that if you take polling -- if you do polling in the U.K. and then you poll differentially between different groups, you will find that in a lot of the -- if I can put it -- the intellectual community and indeed to some extent in Parliament, you will find that people will say, you know, our security is best met by our aid budget, by the use of soft power diplomacy. You go out into the broader public. They say we want the soldiers. Power and the ability actually to defend and protect yourself matters. So there's a deep strain there I think of interest in the ability actually to influence events. And I think the more I said about the ability to threaten the use of force I think is important.

All that said, I think that one of the things that also comes through in British attitudes is there is a bit of battle fatigue. We've had one campaign after the next. Afghanistan is certainly hard going. There is no pressure on the government to pull out, however. There is anxiety, and I think there is a feeling that this is not a way in which you can continue to conduct your foreign policy and your international role and that we do

have to find, you know, better ways of doing it. Hence, our emphasis on prevention, but with -- combined with an absolutely steely determination to deal with the conflict we have on our hands in a way that actually will get us -- guarantee us the best chance of success.

And we've learned a lot about how to combine different forms of power. Stabilization teams that now go out are a mixture of people who go right from the military end dealing with the security part of it right through to the people who are protected by them, but also in turn doing development. And these are mixed teams which operate together in very near frontline now. I mean, it's a working example of a comprehensive approach, and I think we're going to find that news very frequently, more generally over time in other conflict prevention scenarios.

The one thing we do, I think, convince ourselves of, it's important to get ahead of some of these situations. Yemen is very important. Don't let it develop. Somalia is becoming a challenge. We must try preventative strategies. Don't let it develop. So I think that we -- we're trying to learn some of the, you know, the lessons of the last decade.

You say we don't make -- I don't think you think that that constitutes sort of quantitative decline however. I think what it tells you is good appetite there, shortage of resources. What's the priority? Grow the

economy. What does David Cameron say? And when we're able to we will start reinvesting in defense. He's like -- he would like to see -- I know this -- he would like to see the size of the army grow again. In the meantime, we're going to look at reviewing our role -- our use of the reserves, which is less imaginative than yours. You know, you have taken the National Guard much more into the frontline than we have done. There are ways in which we can palliate some of these shortages in the short term, and indeed, I think use our armed forces more intelligently. In the longer term, what we hope is or what they're building for the future, we can actually increase capability over time.

So that's the, you know, the direction of march. It will depend, frankly, on the other things that we're doing in the economy. I make no bones about that. And that's why, of course, cutting back the public sector and growing the economy are absolute national priorities which underpin our future capacity.

You asked one other set of questions about the business of our relationship and the government's relationship with its Muslim population. We have been preoccupied by that because it's not as good as it should be. There isn't a level of trust that there ought to be. I think it's just a straight factual matter as conflict declines and as we are less involved militarily in Muslim countries -- I mean, if that's the way it goes,

which I hope -- that source of tension will undoubtedly diminish. But let me not give you the impression that we won't use force if we need to; we will.

But I think that we've laid a certain amount of emphasis on this because we do believe that if you have a portion of your population which is solely disaffected from the rest of society that constitutes potential you've got a serious weakness. We cannot afford it. And it's not just that it will influence your -- it only provides a seabed for terrorism, but it's actually much broader than that and it has damaging effects on the cohesion of society. And it means you don't all pull together. I mean, we really need that.

Cooperation internationally, you're quite right to say, and I think if I was criticizing our document it's something -- we do talk about cooperation with allies, and France and the U.K. are particularly mentioned. There isn't a lot of emphasis on it. I have to say next week in Paris there is the Anglo-French Summit. Wait for the communiqué. It is interesting. I mean, we are putting actual flesh on some of these bones. And again, it's in the area of real capability.

One of our problems frankly about the European thing is that we worry continually if it represents diversion of resources and not additional capability. And there's endless, endless quarrelling, you know,

between the EU and NATO which actually is not really sustained by the major powers, but is partly a side product of the Cyprus problem. I mean, it does constitute a continuing difficulty in developing something sensible on the European scene, but I think, frankly, we take the view that countries have one set of armed forces. You can cover them up any way you like, but if you start covering them up in penny packets, and we do believe that NATO still remains the cornerstone because of the American membership and because of the fact that it is an enabler of coalition forces around the world, that that is our primary strategic alliance. And we certainly want to see Europeans doing useful things, but I doubt we want to see them and ourselves in that context doing the high end. We don't have that ambition. But there is undoubtedly useful cooperation.

We could have said more. You're quite right. But I think what you're going to find in the next year or so is a significant development of the notion of interoperability of a military planning and strategic kind with close allies.

MR. SINGER: Well, we're going to turn to the question and answer part of this. And I'm actually going to abuse the role of the moderator to kick us off with a question which is in reading these documents as an American I can't help but compare them to our own ones, our Quadrennial Defense Review, our National Security Strategy.

And one of the striking differences to me in terms of not just the content, but the style is the amount of specificity within these documents. So, for example, whereas our documents might use the verb reduce, in these documents it would say something like reduce by 45 percent. Or for example, where we talk about the manifold challenges that might strike us at home, this document identifies. It says flooding and dirty bomb. To what do you credit that difference?

BARONESS NEVILLE-JONES: Well, that's a very interesting question. It hadn't occurred to me.

MR. SINGER: We try and ask those types here.

BARONESS NEVILLE-JONES: Yeah, right. Absolutely.

I do think that -- and this goes to something else, which is there's no reason why this audience should know this, but this national security strategy is preceded by a detailed document, I have to say largely written by me, which we produced in opposition, where we had done a great deal of work I have to say. And so we didn't come to this exercise, you know, empty-handed. We already had quite a strong view on the things that needed to be done. We'd done quite a lot of the underlying research.

Now, the figures that went onto it, of course, are the product of being in government. And they're the product, I think, of two things.

One, the need actually given that straightened resources actually to be more specific so that you have credibility about what it is you're saying you're going to do and being clear, therefore, that -- and also providing a test against which you then have to be -- you are going to be judged. Quite willing to do that. We wanted this, therefore, to be not just a general guide, but actually a program. It is a program. And it is the SDSR combined with the spending review that actually gives you your benchmarks that we've now got to hit.

So I think it's -- what I think we hope it will lead to is good government and good -- and government actually when it says it will do something actually jolly well doing it. Because we are certainly not going to be held to account by Parliament because we made it so plain that what it is we think we ought to be doing that it's not going to be difficult, you know, for us to be tested against the outcomes.

And I would say that another of the drivers was that we observed our predecessors who we reckon wasted their first five years and achieved -- and that's your moment. That's your moment when you've got the mandate behind you. You hope you'll have public opinion. You hope you retain it. But that's your moment, you know, to front up level with people. Tell them what you're going to try and do over the period of the mandate that they've given you. So that was quite

motivating in itself. And we reckon the sensible thing to do was to say it now so they know.

MR. SINGER: Let's open it up. If I can ask you to wait for the microphone to come to you and stand and introduce yourself. So why don't we go right here in the front?

MR. OLMAN: I'm Harland Olman. Pauline, that was a terrific presentation. I hope that your country offers that much more frequently because as you know there were some surprises when the SDSR came out on this side and it did not go down as well. But I think that was a really good forceful presentation.

My question gets to two of the critical aspects that have not been so publicly known. The first is how you are going to apply innovation and creativity to getting a lot of these things done, specifically the regeneration of your industrial base. How are you going to do things with your mobile brigade, cyber, et cetera, et cetera, et cetera. There are some papers that have not been published, but that's the first part.

And secondly, who are you going to hold accountable and responsible? Who is going to have the authority really to do this outside the National Security Council? You make some very, very telling points about how you're going to have these changes, but who is really going to be put in charge and what have you done so far to ensure that this is not

just a terrific document, but it actually becomes implemented into real product?

BARONESS NEVILLE-JONES: Well, on the first point about innovation creativity, I have considerable preoccupation in government. There are very few zones of government that haven't been reduced -- where spending hasn't been reduced at all. Standards of technology is one that's not been hit in that way. We've had a very bad tendency in the U.K. to say, oh, it hit science and technology because it's invisible. I mean, you're only sacrificing the future, but it's actually invisible here and now. We've not done that this time. And so science and technology, we're doing two things really.

First of all, we preserved as far as we can the science and technology effort inside government. There's an exercise now underway which I am part to bring the things that we do under the heading security and the things that we've traditionally done under the heading defense together. We are giving the chief scientific officer, who increasingly over time has become an important figure in government, a lead role in this and we will develop for the country, for the government at any read, led by the government because this has to be something you do nationally. One of my points about the whole thing is this is a national effort.

Actually, to identify those technologies, where we need

sovereign capabilities, which are important for the national economy and where government should play a leading role which we can actually in a sense rely on others, rely on partners, or rely on the academic world to do it. That needs to be done in cooperation with the research councils that are well respected and, of course, academia. We already have more cooperation with the academic world and it may be obvious, but we certainly need to up it. So we need a national effort.

The second thing I would just say, which is relevant to this, it's related, we -- Peter Luff, we have respective positions in the Ministry of Defence and in the Home Office, are going to produce a joint paper on science and technology in defense and security, which will be part of the background to another effort which is the security -- the defense and security industries as earners -- revenue earners for the U.K. related in turn to an export drive in which government is very much involved.

If you look at the British security industry, it has sort of 18 percent roughly you will find of the world capacity. It produces for the national income, 4 percent of total exports. You know, that's failure. So these are the sorts of things we're very much focusing on. And the other part of this, of course, is a defense procurement strategy which will come out in the next six, nine months. And though these are separate parts of -- these are separate documents, they clearly have a relationship with each

other because your defense procurement strategy has to have an eye to the technologies which you also need to procure. And clearly, we are increasingly going down the road of long-term platforms where the really important thing you're doing over time is technology insertion. So that's something else where once you get into the detail it's all part of a piece.

So we've got various next steps coming out which I hope will answer some of your questions. And we'll really make, I think, players who in the U.K. have often felt that they are not valued or regarded by government so feel most particularly the scientific departments of our universities.

MR. SINGER: Let's give someone -- actually back left there.

MR. HUN: T.J. Hun from British American Security Information Council.

Your excellent summation that there is increasing challenges and more diversified challenges while we are facing depleting resources, in that case, in your view, and what is the position of the U.K. regarding Trident and the nuclear security of U.K.? I mean, we are looking at there is a difference of the landscape and depleting resources. Are we going to have some kind of new measures to deal with the security issues?

BARONESS NEVILLE-JONES: Some new measures you say?

MR. HUN: New measures. New measures, yes.

BARONESS NEVILLE-JONES: I hope I can answer the question. I certainly think you're right to emphasize what I said about diversified challenges. But, of course, diversified challenges can include, and for us it does include, the possibility of passing into an era where there's less trouble possibly or from non-state actors so-called or continuing trouble from non-state actors, but also the emergence of state threats. I mean, after all, this world is not free of state threats now. I mean, look at Iran.

So we do not believe that it makes a great deal of sense given that we have a nuclear deterrent to decide that we're going to dispense with it. We are certainly going to take further measures to ensure that we don't keep more warheads or war tubes or any of those things than we absolutely need. But we are quite clear that we are going to continue to have one because we believe that, A, it's a form of protection, but secondly, we're not at all clear that the world -- we won't find ourselves needing that again. And we think there's a sunk investment there that we want to keep.

So, no, we will remain in the nuclear club. We will do more -- we will certainly continue, obviously, cooperation with you. And we'll probably do more operationally with France as well. There is more of a

triangle developing there.

MR. SINGER: Okay. Back left. Let's give -- front left here.

MR. MANDELL: Hi, Seth Mandell. I was wondering if you could be more specific about which government policies encourage mistrust in the U.K.'s Muslim communities and may have provided, as you said, a seabed for terrorism, and be more specific on how you would change those policies or what new policies you would implement to fix that.

BARONESS NEVILLE-JONES: I suppose you would say there were probably -- they all lie. All the policies on the whole, of course, mistrust have lain in the area of the ways in which counterterrorist policies have been implemented. It's not the intention of the policy, though the intention of the policy hasn't always transmitted itself very well and it's been certainly open to misinterpretation and undoubtedly has been deliberately misrepresented, as well. So you have multiple challenges of communication. I mean, certainly I think the previous government -- and I think the previous government actually acknowledged this, you know, didn't actually succeed in winning the hearts and minds with the policies it pursued of the Muslim community.

I could cite you various examples. Some of the powers, and these are some of the powers that we're reviewing, we're often -- when we

review -- when we are in the context of reviewing the counterterrorist powers that the state has in which it has taken to itself in the last decade or so, what we're looking at is sometimes the extent of the power. Very often we're looking at the operation of that power and how it's being used. And there are instances -- I'll give you an example -- of powers which enable the police to stop and search people without having to show cause why, you know, without reason.

Now, these powers can in an emergency be very important, you know, if you have information about a threat, but it's not specific enough for you to know exactly where to look. You need to have a wide power actually to, you know, to go into the area and stop people if you need to. That power passed in statute as I think can only be -- we'll use one word -- has been abused by the police. Have used it far too widely without discretion and they have undoubtedly, if you look at the arrest numbers and the stop numbers, you can see a definite ethnic pattern. That creates, you know, distrust. And they don't offer, you know, reasons saying we had cause.

So I think that it is a feeling of being picked on. It's also a feeling the government only ever talks to us when they want to talk to us about counterterrorism. There is, of course, an argument about policy. We would vigorously defend ourselves. I mean, any government should

defend itself on its foreign policy. Government actually unwilling -- previous government are willing to talk to the Muslim community about foreign policy. No, they said, that's ruled out. We're not going to talk to you about that. We'll talk to you about other things, but we're not going to talk to you about that. That's not what they want to talk about. So, lack of courage.

So I think gradually what happens is that the community leadership that you need actually to take -- both to take a lead and to stand in their own communities and also to take the young under their wing, that enthusiasm and that willingness diminishes. You lose people. They are no longer on-site and so those who go off the rails, there isn't any or very much community spirit that you can rely on for them either to come and seek the help of government or the police or local authorities. They -- I mean, blind eye.

So we -- and that, of course, had been compounded by what we do regard as being a very misguided interpretation of multiculturalism. Now, multiculturalism in its original form meant that you should be entitled to dignity and fair treatment and equality irrespective of your origin. It turned into and the operation into, well, because you're Sikh, we'll give you some money so you can be a bit more Sikh. You're Muslim. We can give you a bit more money so that you can be a bit more Muslim, you

know, more mosques, more this, more that. And this is divisive. It also creates jealousies among minority communities when they see one community getting more money than another. And they used to get it under the heading of prevention of violent extremism. That's to say implicitly that if we don't give you some money you'll be violent and extremist. I mean, awful branding. So generally mistaken policy and what it's done on the whole is to entrench difference, compounded by the then-mayor of London who was an exemplar of this, Livingston, would buy votes that way, too. I mean, not literally, but certainly curry favor.

So we think it's about time we had a more conscious integration strategy which actually does ensure that British history gets taught in schools. I regret to say that it was Mrs. Thatcher who stopped the compulsory teaching of history, got it started again. We've got to show people what the shared past is so actually they've got some idea of what the shared future is. We need to ensure that kids meet each other more, you know, we don't bust children in Britain, but, of course, living patterns dictate local schools and it dictates the ethnic composition very often of a school. They can go to school and never meet another ethnic community and that's serious.

You have generational differences between, you know, in many ways the second and third generations who should be integrating

are, in fact, stranded between their parents who live very often spiritually still in Pakistan and the mainstream community into which they've never quite found their way. So it's all those things. And we can do something about it. So it's a whole mixture of issues. Some of them grievances, some of them disaffection, some of them just needing to give people a bit of a push to feel they come into the community and dealing in particularly in the Muslim community with the position of women. Encouraging -- encouraging the independence and the rights of women in the female community.

So I think it's a broad policy. It'll take time and it has to be addressed to the whole of the country.

MR. SINGER: We're getting close on time here so what I'd like to do is actually bundle two questions together on the last one.

BARONESS NEVILLE-JONES: Yes, absolutely.

MR. SINGER: So let's give someone in the back right there, actually just behind you, Carrie. But wait on your response and then we'll get another question.

MR. ANGEVINE: Thank you very much, ma'am, for your time. Very informative presentation. I'm John Angevine from Brookings CDI.

BARONESS NEVILLE-JONES: I can't hear you very well.

MR. ANGEVINE: Yeah, I'm John Angevine from the 21st CDI.

In light of the defense reallocation, and of course, acknowledging even more modest than other departments, the U.K. seems to be assuming some strategic risks to greater surprise by any number of act or state or non-state actors. Traditionally, robust intelligence, vis-à-vis defense intelligence staff, for example, has helped mitigate these risks by providing valuable time to reconstitute capabilities that may be curtailed due to this new strategy that you're taking on.

In light of recent cuts in defense intelligence staff, how do you propose to address merging risk that you may be taking on by not having those eyes and thinking it's over the horizon to give you that time needed to reconstitute?

MR. SINGER: And right here.

MR. SHORROCK: Tim Shorrock. I'm a writer on intelligence.

This question kind of feeds into the last one a little bit because I wanted to ask you about the -- I can only say the sort of evolving high tech intelligence strategy being carried out in Afghanistan and, you know, the drones, UAVs, satellites, and sensors. We read a lot about that here in the U.S. What it really means is increasing dependence

on private sector contractors. And you used to run one, Kinetic, which is now a very big player here in the U.S. and in the war in Afghanistan. And my question has to do with, you know, with increasing reliance on private sector companies and special forces, classified operations, and even stabilization operations like you were talking about, what do you see as positives in this and also the potential dangers, particularly in light of what's come out in the last couple of days from the WikiLeaks stories about, you know, responsible -- lack of responsibility over contractors and oversight issues? It seems that these are going to become even more pronounced as this reliance increases. Thank you.

BARONESS NEVILLE-JONES: First question on the reductions in the defense intelligence staff, that policy of reducing DIS was undertaken by our predecessors and it caused, as you're obviously aware, a great deal of controversy at the time. One of the things that I know Liam Fox is going to be looking at is precisely whether he thinks that that is the right outcome or not. And I don't know the answer to that question, but we are aware of its relevance and saliency. That, of course, doesn't mean that other forms of intelligence capability aren't there, but you can't actually reduce the staff that much and have no effect obviously on your particular operational battlefield capability. We need to look at that. So I don't know the answer to the question. I don't know where it will come

out, but certainly we would say information intelligence is absolutely basic to successful operations.

On the interesting question of, you know, the evolving battlefield, I think that the whole business of the embedded defense company operating very near the frontline, and indeed constituting a major enabling these days has come to stay. That is not going to change. And I don't think -- I certainly am quite clear that the U.K. could not afford the kind of armed services that you would need if everybody doing their jobs was going to be in uniform. I doubt actually in the U.S. that that's feasible. So I think we're all into this mixed economy of civilians very near the frontline and civilians very near the frontline doing other things because I also believe that the kind of -- not all, by any means. You know, if we have a bust up within Iran it won't be like this, but if we -- quite a lot of military conflicts of an insurgency type are going to require other forms of mixed economy where it is the military operating with the NGOs doing, you know, stabilization governance and economic development work. So the frontline is no longer the preserve of people in uniform.

What is the consequence of that? It's significant, as your question implies. The military find themselves responsible for protecting people who are not actually equipped to fight. That in itself is a burden on them. It's very important, therefore -- one of the things you say to yourself

is you must have training. People should not go to the frontline with the absence of some training, irrespective of whether they're civilian or military. And indeed, training mixed groups is not, I think in the future, going to be more and more important. People operating together with different backgrounds and different competencies and different roles.

The second thing I think is the rules of the game. I do not think we can go on with largely unregulated private sector security companies performing important roles. I mean, we have something of a crisis in Afghanistan at the moment partly because of that. The security companies, I think, are not a great regulator, but I do actually think that we are probably, in the interest of the industry itself so that you drive out the bad hats, probably in need of a bit of regulation. But I think more important than that, it is the operational rules and roles that they have when they are in the frontline. And I think that that is a task we are going to have to tackle because apart from anything else, you know, we are in danger of getting up against Geneva Convention problems and failure, actually, to observe fundamental rules of war unless we do that.

So we have, I think, in fact, to have some recognized disciplinary rules within which everybody has actually to operate. So I think actually it's quite a big issue and you are quite right to ask about it.

MR. SINGER: Well, it's been a remarkable conversation

covering topics that range from the trident submarine to school bussing to private military contractors, but most importantly it's a conversation I think we all leave much more informed. So please join me in a round of applause for our speakers. (Applause)

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I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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