

Will Britain choose to make a difference?

Join me in a thought experiment. The voters have just decided who will lead them for the next few years. The British economy is showing signs of emerging from a severe recession as the business cycle turns – that's what cycles do, and why we call it the business cycle. But the recovery is taking its time: consumers have re-learned the virtue of thrift, house prices have settled at levels reasonably related to incomes, the job market is recovering, though slowly, and the shock of the 2007-2010 recession has not worn off.

The government faces an unpleasant fiscal situation. The red ink that has been flowing to pay for the stimulus and bank-saving measures has formed a huge blot on the national balance sheet, the pound is sufficiently weak to make more borrowing a chancy thing, and there is resistance to increases in already-high tax levels. In short, the new government is forced to rethink how to use the limited resources available to it.

The savings from eliminating waste prove trivial, as they have in the past, and any plans to reduce the size of the state crash into the demands of an ageing public for more expensive medical procedures, of parents who want

their children educated so that they can compete in a globalised world, and of a public that is tired of a second-rate transport system, among other things.

So the government has to decide how to allocate the resources available to it, which are modest relative to the demands on it, even after it wrings a few odd millions out of a tax-weary electorate, and the Treasury's receipts begin to benefit from the fledgling recovery. Which means that it has to decide just how much it is willing to pay to continue a foreign policy that insists Britain must "punch above its weight", and that it is important to retain the "special relationship" with the United States.

Meet the demands of the voters for more hips and knees and access to cancer-fighting drugs, or maintain a large contingent of troops in Afghanistan? Build more schools and improve the lot of pensioners, or maintain its independent nuclear deterrent and an enlarged fleet of aircraft carriers?

The current Government has made its choice: more for the home front, skimp on military kit and the size of the military establishment, which is already stretched too thin to meet the foreign policy commitments



Tough decisions lie ahead if the country is to retain its influence, says
Irwin Stelzer

inherited from Tony Blair. But skimping won't suffice in the world in which we are conducting this thought experiment. Only a reappraisal of Britain's global role, a reappraisal as fundamental as that made after the Second World War, will suffice.

By this time the period in which it was difficult to resist President Obama will have passed, and necessity will require a more precise definition of the special relationship. The prime minister will have to adopt the slogan Nancy Reagan suggested for those tempted by drug dealers, "Just say

no". But that will mean giving up the notion that Britain can somehow be a bridge between America and Europe, as Blair liked to put it. Instead, Britain will have to find a new relationship, one that permits it to remain active in world affairs, although not as influential as in the days of Ronnie-and-Maggie, and George-and-Tony. Instead, the prime minister of the day will attempt to influence events through international bodies such as the European Union and the United Nations, although Britain's influence in the latter forum will have been diminished by the expansion of the permanent membership of the veto-wielding Security Council.

America, of course, will remain the guarantor of the safety of the West – among other things, its supply lines to the oil of the Middle East, still crucial after the rush to renewable energy proves of only marginal significance. It will also remain the first line of defence against Islamic fundamentalists and their mad dreams of re-establishing the caliphate. But for help it will no longer turn first and primarily to Britain. Which from Britain's point of view might be a good thing, given what will then be the demands of its domestic economy and welfare state on the

nation's limited resources.

It will remain true, as Sir Christopher Meyer recently wrote in these pages (Jan 24), that the US and the UK will be "bound together by a multiplicity of links". But not true, at least on the American side of the pond, that "most of the speculation about the future of the 'special relationship' is so much irrelevant twittering in the dovescotes."

The "speculation" matters, especially that part of it that is taking place in the Pentagon. For proof, look only to the Pentagon's increasingly jaundiced view of Britain's reliability as an ally since Gordon Brown ordered the abandonment of Basra, forcing Americans to fill the gap left by his confined-to-barracks troops.

But this is only one thought experiment. Try another: the prime minister of the day lowers taxes, stimulates growth and therefore sufficient revenues to allow Britain to fund a more efficient, consumer-driven welfare state, and still have money left over to pay down its debts and maintain its special relationship with America and its role as an independent force in world affairs. Possible but, alas, not probable.

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