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U.S. Policy towards the UK under Trump

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President Donald Trump has shifted the balance of his partnership with the UK toward the U.S., straining transatlantic ties in the process. He actively sides with Brexiteers who support a no deal departure from the European Union. Forcing himself into the UK's internal debate and sharply criticising British partners in public speeches and media forums has caused added tension. Additionally, approaches to the intelligence and security issue of 5G development spawned a divisive debate. Relations between the U.S. and UK are likely to remain one-sided, with the possibility of deepening the asymmetry if Trump is re-elected during the UK's post-Brexit recovery.

Trump turned Brexit-minded Britain into an arena for undermining the EU and challenging global rivals. He seeks to redefine UK relations toward an “America First” partnership, in order to use NATO to deter Russian aggression in Europe and to negate Chinese soft and hard power. However, the transactional fashion through which he is defining the partnership has damaged key relationships with the British political elite, and harmed possibilities for future relations in the process. Prospects of a free trade agreement (FTA) with the UK created uncertainty about how quickly it could be reached and on what terms, rather than reassurance. Trump’s position on 5G and security seeks to persuade the UK to take sides as a U.S. partner in the developing great power rivalry.

Areas of Cooperation

The partnership between the U.S. and the UK is often described as a “special relationship.” This context is used by leaders and audiences in both countries to varying degrees, and is overplayed at times. Due to a shared language, culture and history, these countries have traditionally been very close in security and defence. However, the relationship has come to encompass other areas of mutual cooperation such as trade, commerce and foreign policy.

Security and Defence

The U.S. and the UK share a close security defence relationship. As permanent members of the UN Security Council, both countries consult with and support one another in projecting a common voice through the international community. Both have held similar outlooks on issues such as the use of force, development of military capabilities and the role of NATO. The UK is one of the few NATO partners which currently meets the annual 2% of GDP spending on defence benchmark.¹ In addition,

¹ The House of Commons Defence Committee, *Indispensable allies: The U.S., the UK and NATO defence relations*, Eighth Report of Session 2017-19 (June 2018).

the UK recently signed up to the U.S. coalition to bolster space defence against Chinese and Russian rivals.

Besides contributing to U.S.-led coalition efforts in the Middle East against the Islamic State (IS), and strengthening NATO deterrence on Europe's Eastern Flank via the Enhanced Forward Presence (EFP), the U.S. and UK have become even closer partners than before in terms of defence industry cooperation and sales. The two are now engaged in joint equipment programs, and most major U.S. defence companies have a UK presence. Most British defence companies also operate in the U.S. with more success than other European ones.

The UK hosts about 8,700 U.S. military personnel, along with airbases, equipment and radar sites. The U.S. sees the UK as a natural nuclear partner too. This unique cooperation was established in 1958 via the U.S.-UK Mutual Defence Agreement, which allowed the mutual exchange of scientific information and nuclear material. Since the 1963 Polaris agreement was signed, the U.S. has sold the UK equipment for submarine-level nuclear weapons systems. The UK's nuclear deterrent consists of Vanguard-class submarines armed with up to 16 Trident missiles.²

Both countries are also close intelligence partners, sharing what some term a special intelligence relationship (SIR). The UK and U.S. (along with Australia, Canada and New Zealand, are members of the Anglophone *Five Eyes* intelligence alliance developed during the Second World War and Cold War. UK agencies routinely cooperate with their U.S. counterparts in sharing intelligence, especially in counterterrorism. Through mutual cooperation and collaboration, intelligence shared between the U.S. and the UK thwarted and disrupted multiple terrorist operations against both countries in recent years. Law enforcement agencies in both countries regularly serve as investigative partners.

Commerce and Trade

The U.S. and UK share a similar outlook on commerce and trade. Both practise neoliberal free-market capitalism with low tax levels and trade barriers, less stringent regulations, public sectors providing few services, and strong private property rights. This common economic relationship defined globalisation and contributed to the overall ease of doing business between the U.S. and the UK.

Bilateral investment between the U.S. and the UK is the largest in the world. The UK is America's seventh-largest trading partner and its top services trader. Since 2016, the U.S. has maintained a consistent trade surplus with the UK, a clear indication of the importance of the British market for a number of U.S. industries. At the same time, the U.S. experienced deficits with the EU, and with some individual Member States such as Germany and France. U.S. foreign direct investment (FDI) in the UK has grown precipitously since 2014 to about 15%. In comparison, EU Member States rank well below the United States, with France investing the most at 7%. Conversely, the UK is the top foreign direct investor in the United States. American and British companies employ more than one million workers in both countries.³ For many U.S. companies, shared language and culture make the UK a business gateway to the EU market. This is more commonly referred to as the single passport, which allows companies to do business from the UK through the EU Member States.

Foreign Policy

In foreign policy, the UK's status as a close ally of the U.S. has served to enhance America's post-Cold War influence. British support has often added international credibility to U.S. policies and initiatives. In addition, the UK has often served as an indirect voice for the U.S. in the EU. This is beneficial to the United States, which sees the UK as an important partner to counterbalance Franco-German ambitions in Europe. The UK has been an advocate of policies which align with U.S. positions such as free trade and liberalisation of the single market, EU enlargement, and EU cooperation on foreign, security or defence matters.

Furthermore, the UK has diplomatic "eyes and ears" in such places as Teheran or Pyongyang, and shares information with the United States. It has also been a strong and outspoken supporter of sanctions against Russia following the aggression against Ukraine, including the illegal annexation of the Crimean Peninsula in 2014.

² D.E. Mix, *The United Kingdom: Background, Brexit, and Relations with the United States*, Congressional Research Service RL 33105, 12 March 2018, p. 15.

³ Office of the United States Trade Representative: United Kingdom, www.ustr.gov.

The Shift: From Obama's Indifference to Trump's Utilitarianism

After the fall of the Soviet Union, the UK's importance changed diametrically for the United States. During the Cold War, it served the role of an American partner deterring Soviet threats. Afterward, the UK's role as America's special partner diminished, forcing the British to reconsider how they could remain useful. Projecting military clout by supporting the U.S. in conflicts was one of such means. The UK contributed troops to coalitions during the Gulf and Iraq wars. During his presidency, Barack Obama moved away from tight bilateral links with European partners, and towards developing closer multilateral bonds with a wider range of countries playing key roles in the EU. Obama prioritised a trade deal between the U.S. and the EU through the proposed Transatlantic Trade and Investment Partnership (TTIP) over smaller, piecemeal free trade agreements.

Obama considered Germany, the largest EU Member State and the one with the strongest economy, as a close partner. Military cooperation was also strengthened with France, especially following the 2013 gas attacks in Syria, when the British parliament objected to the use of force. The French were the most prepared and likely ally to use force alongside the United States in operations beyond Europe. Conversely, Obama criticised his British ally, treating the UK as one of many countries with which the U.S. shares special relations. Severe cuts to British defence spending by a Conservative-led coalition government forced Obama to put pressure on then prime minister David Cameron in 2015, requiring him to ensure the UK met NATO's 2% of GDP defence spending commitment.

During his 2016 state visit to the UK prior to the Brexit referendum, Obama vocally urged Britons to remain in the EU. He signalled that a chief consequence of leaving would be being placed at the "back of the queue" in any future trade agreement with the United States. This drew criticism from those in favour of leaving the EU, who viewed his comments as direct interference in internal UK affairs.

After the June 2016 referendum, Trump, then candidate for Republican Party nomination, publicly supported Brexit. He formed relations with the UK's chief Brexit supporter Nigel Farage, who actively campaigned for Trump. Trump's outspoken Brexit position stemmed from certain self-perceived similarities between him and Brexiteers. Scepticism of the EU, disdain for multilateralism and preference to handle trade and diplomacy bilaterally were all attitudes which featured prominently in the Leave campaign, demonstrating parallels between the Brexit camp and Trump's domestic campaign platforms.

In comparison to his predecessor's indifference, Trump assumed a domineering approach to UK relations with the intent of pulling it away from the EU and closer to the United States. His administration formulated a narrow Brexit agenda focusing solely on economic and trade issues in the form of a bilateral FTA if the UK leaves the EU with no deal. Trade and investment barriers between the UK and the U.S. are currently low. An FTA envisions building on this by deregulating all trade laws and tariffs to ensure the free flow of goods and services, and including more access for American agricultural, technological and pharmaceutical products to the British market. By prioritising a UK FTA rather than reaching a multilateral agreement with the EU, Trump shifted transatlantic trade policy in attempts to make it conform to his protectionist "America first" agenda.

Bilateral trade talks cannot formally begin as long as the UK remains in the EU. Under its membership terms, the UK is precluded from engaging in such negotiations. To by-pass this formality, a U.S.-UK Trade and Investment Working Group was established in July 2017, as an informal body through which representatives of both countries could conduct talks over aspects of a future free trade deal. Responsibility for the working group falls to U.S. Trade Representative Robert Lighthizer, a member of the presidential executive office. Within Congress, some bipartisan support for a post-Brexit FTA appears in the House UK Caucus and the Senate UK Trade Caucus groups. Those close to the Trump Administration have actively campaigned in British media outlets about the benefits of a post-Brexit FTA, while downplaying concerns.

From informal talks, certain contentious aspects emerged, which caused alarm among some in the UK. Opponents of the FTA cite import deregulation as steps toward introducing genetically-modified American foods to the UK market. Concerns are also voiced over the idea of the UK's National Health Services (NHS) being part of the trade deal. Critics worry that, by opening it up to U.S. health care companies, it could weaken the system's regulations and lead to creeping privatisation. These issues, and whether or not the UK will accept them, will be the focus of bilateral negotiations in the future.

Trump's Brexit position is not completely in sync with U.S. policy. The State Department adopted a more neutral, hands-off approach. Through public statements and private demarches, officials urged

that Brexit negotiations produce an environment for a strong UK and EU. The State Department also made the maintenance of stability in Northern Ireland, continued UK leadership in transatlantic decision-making and strengthening long-term economic ties between the US and the EU as key post-Brexit policies.

Trump's Brexit policy has also met congressional criticism. Congress votes to either ratify or reject trade agreements proposed by the president.⁴ Some members moderated support with calls to ensure that future negotiations do not undermine promoting broader trade relations between the U.S. and the EU.⁵ Given current low trade and investment barriers, others question whether it is appropriate for the Trump Administration to prioritise negotiating an FTA with the UK over a trade agreement with the EU.

Congressional members questioned the effect Brexit would have on the border between the Republic of Ireland (EU) and Northern Ireland (UK). This is subject to a specific "backstop" provision in the Brexit agreement which, although rejected by the UK parliament, remains under discussion. This provision would remove any possibility of a hard border returning between the Republic of Ireland and Northern Ireland, but would also tie the UK to close trade and economic relations with the EU for an unspecified period. Democratic House Speaker Nancy Pelosi said there would be no chance of a trade agreement if Brexit weakened the peace process on the island, a process which the U.S. was instrumental in negotiating. The reinstatement of a controlled border would mean a return to checkpoints preventing the free flow of goods and people between the EU and the UK. Historically, this has been an issue that caused violent protests. Many bipartisan members of the Friends of Ireland congressional Caucus also voiced their concerns on this matter.⁶ Trump has given non-committal reassurances that a post-Brexit border between Ireland and Northern Ireland will be "just fine." However, it is clear that he is focusing more on Brexit than on the backstop.⁷

Trump's Record: Attempts to Enforce His Vision on the Relationship

Trump's dominating redefinition of his relations with the UK have caused disagreements, awkwardness and tensions in personal diplomacy, while polarising public opinion.

As prime minister, Theresa May was the first foreign leader to visit Trump after his inauguration in January 2017. However she was unsuccessful in resetting and levelling personal relations with the president. On numerous occasions, Trump criticised May's handling of Brexit negotiations as too soft, and openly praised Conservative Party candidates likely to succeed her as prime minister after she announced her formal resignation.

Trump has made two presidential trips to the United Kingdom. His first visit, in July 2018, was downgraded to a working visit after joint protests from British parliamentarians and the public at the thought of affording him a state visit. An official state visit was held a year later.

Both Trump visits met with large-scale protests on the streets of London. The president is generally seen as unpopular among Britons (67%), while only 21% are positively disposed to him.⁸ Relations between the U.S. and the UK are not viewed in the same widespread bipartisan manner as they used to be, and nor do they enjoy the support they once had among British political parties. While the Conservative Party and some moderate Labour members still see U.S. relations in the "special"

⁴ The U.S. Constitution grants Congress the power to regulate commerce with foreign nations. Congress establishes U.S. trade negotiating objectives and would need to approve future legislation for a definitive FTA between the U.S. and the UK to enter into force.

⁵ S. 3123 (114th Congress) "United Kingdom Trade Continuity Act;" H. Con. Res 146 (114th Congress) "Expressing support for fostering closer economic and commercial ties between the United States and the United Kingdom following the decision of the people of the United Kingdom to withdraw from the European Union."

⁶ A resolution expressing opposition to the possible return of a post-Brexit hard border between the Republic of Ireland and Northern Ireland was introduced in the House of Representatives by Caucus member Brendan Boyle (D). Members of Congress and leading Irish-Americans also sent letters to Theresa May (in February and March) warning of an indefinitely delayed FTA if Brexit in any way jeopardised the 1998 Belfast Agreement. H. Res. 88 (116th Congress) "Expressing the opposition of the House of Representatives to a hard border between Northern Ireland and the Republic of Ireland."

⁷ One day after appointing Woody Johnson as ambassador to the UK, Trump dismissed his ambassador to Ireland. From January 2017 until June 2019, no U.S. ambassador served in Dublin. Current Trump appointee Edward R. Crawford is, like Johnson and many others, a businessman and entrepreneur with no diplomatic experience.

⁸ www.yougov.co.uk.

context, others do not. Labour leader Jeremy Corbyn's anti-Americanism has defined Labour's foreign policy line, which challenges the United States. The Scottish National Party's anti-nuclear and anti-interventionist platforms criticise U.S. positions in each of these spheres. The pro-EU Liberal Democrats' anti-Trump views have caused them to take an anti-U.S. position too.

During both UK visits, Trump underlined that mutual relations were special in the context of promoting his trade agreement as a post-Brexit enticement. During the state visit, Trump personally met or spoke with Conservative politicians who support a no-deal Brexit and bilateral FTA. Corbyn boycotted the state banquet and refused to meet the president. Instead, he participated in an anti-Trump rally.

Besides the visits, Trump's vocal statements, outspoken criticism, and candid tweets targeting prominent British politicians created tension and further backlash in the UK. The president has been either in longstanding feuds or outspokenly brash toward critics, denouncing those calling for the UK to remain in the EU. However, he has succeeded in preparing a dialogue with likeminded politicians who share his Eurosceptic, anti-immigration views, among them Brexit Party leader Nigel Farage and incumbent British prime minister Boris Johnson.

Despite some differences of opinion on strategy, Johnson is closer to Trump on the questions of China, Iran and Russia, and a strong proponent of the "Global Britain" foreign policy. This policy can be defined as the British intention to be an international player after Brexit. The policy seeks to tighten partnerships, including relations with the United States, on such matters as enhancing mutual ties to maintain a rules-based international order.

Recent international incidents have already moved the UK and U.S. closer together. The seizure of the British oil tanker *Stena Impero* by Iranian forces in the Strait of Hormuz (July 2019) and the British response to use warships in escorting flagged tankers through the Persian Gulf confirm UK willingness to project military clout when freedom of navigation is threatened. It also indicates a common area in which relations between the U.S. and the UK can become stronger, as both governments view Iran as a destabilising force in the Middle East. Although the UK and U.S. governments differ fundamentally in their positions on the Joint Comprehensive Plan of Action, the UK has assumed a more active role in allying with the U.S. against Iran. British authorities in Gibraltar impounded an Iranian vessel bound for Syria with oil for the Assad regime. Johnson also switched from his predecessor's position and joined the American-led Operation "Sentinel" to protect oil tankers travelling through the Persian Gulf. This was met with approval by the Trump Administration, which seeks allies in its hardline policy toward Iran. Johnson's desire to play a greater international role after Brexit, and the British ability to project military strength, could both be an assets for a U.S. government seeking likeminded partners on those issues.

5G: Souring Relations between the U.S. and the UK?

Trump has also questioned British plans to develop their 5G telecommunications infrastructure with technology from the Chinese company Huawei. The U.S. sees Huawei as a national security and economic threat. The Trump Administration accuses the company primarily of intellectual property theft and allowing security breaches to the benefit of Chinese intelligence. Trump seeks to convince partners, including the UK, to ally with the U.S. in its developing power rivalry with China.

The UK planned a compromise approach. May's government initially approved allowing the company to develop some non-core aspects of the UK's 5G network. The decision was leaked from a closed-door national security meeting, resulting in the dismissal of defence secretary Gavin Williamson. The issue caused friction within the UK government and raised concerns in the United States, leading to warnings that allowing Huawei to develop certain 5G sectors could limit the intelligence-sharing aspect of the special relationship.

The Trump Administration is exerting added pressure on the *Five Eyes* members to take an anti-Huawei position, in a bid to persuade them to side with the U.S. in its rivalry with China. Two members, Australia and New Zealand, have banned Huawei from developing their 5G infrastructures.

The U.S. took formal measures against Huawei. The company and its affiliates were placed on a Commerce Department blacklist. Trump also issued an executive order barring U.S. companies from using equipment from manufacturers associated with undefined foreign adversaries. Yet the president has sown confusion in this matter, suggesting on numerous occasions that the company's status might

be resolved as part of trade talks with China, thereby undermining his government's official position that it is a national security matter.

The UK government began to re-evaluate its position on Huawei by conducting its own internal assessments. The British seek to gain a clearer picture of U.S. policy and the effects of American measures. However, the Trump Administration is continuing its form of coercion diplomacy. Trump has signalled that a post-Brexit FTA may hinge on Johnson's willingness to fall in line with U.S. policies toward Huawei.

Outlook: Can the Relationship Work after Brexit?

The consequences of Trump's approach to the UK deepened the state of asymmetry in relations between the two states. This conveys to the international community an image of dysfunctionality between close allies and partners. It also suggests that Trump's style of diplomacy is based not even on transactionism, but on coercion. He has damaged chances of a dialogue with existing members of the British elite, and harmed chances of talks with future UK leaders, many of whom espouse anti-Trump feelings. The result is a lack of consensus among British political elites toward cooperation with the U.S. in strategic matters. Trump prefers to focus on a narrow relationship with likeminded politicians such as Johnson and Farage to pursue his "America First" agenda.

Trump seeks to use Brexit as a means of ensuring closer collaboration with the UK at the expense of a weakened EU. The question of a future FTA remains open to negotiations. Much of the agreement's details will hinge on several factors, including the final terms reached between the UK and EU, how long this will ultimately take and congressional approval. Given that the trade relationship between the two has benefited the United States, it would be questionable for Trump to push an agreement which risks further alienating political elites and aggravating British public opinion.

Relations between the U.S. and the UK may work best after Brexit is in the security defence sphere, traditionally the sphere in which consensus between the two has been strongest. The "Global Britain" foreign policy shares similarities with U.S. foreign policy, and is a likely starting point for closer cooperation. Should the UK pursue this policy after leaving the EU, the U.S. is likely to find a partner willing to project its influence in common defence issues. The British willingness to join the American-led Operation "Sentinel" in the Persian Gulf, and possibilities that it may assume the U.S. 5G position, indicate areas in which international cooperation may be possible. On the other hand, a post-Brexit economic recession could force the UK to divert military or NATO spending to cover other pressing matters.

UK officials have tentatively reassured NATO Eastern Flank Allies that they will maintain forces there after Brexit, adding that even a no-deal departure from the EU would not alter their defence policy toward Europe. Seeing Russia as an imminent threat to Central Europe, the UK envisions strengthening European security thorough closer cooperation with Poland. However, the long-term effects of Brexit will determine whether or not this will be a permanent commitment.

The ultimate form Brexit will take is likely to determine the scope of asymmetry in the relationship between the U.S. and the UK. Pressure exerted by Trump has thus far conveyed a perception of deepening asymmetry. This may cause British elites to hesitate in supporting the U.S. in the near future. For the United States, the UK is more useful as a credible independent ally rather than a satellite.