

How Special is the Relationship?

A Brief History of US-UK Diplomacy

Executive Summary

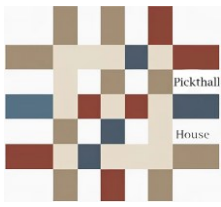
This paper examines the dynamic nature of the “Special Relationship” between the United Kingdom (UK) and the United States (US), charting its history and highlighting its *deeply asymmetrical* dimensions. Once rooted in a strategic Cold War alliance, the bond today simply expresses the vast extent of US economic and military dominance and the UK’s heavy reliance on American foreign investment and intelligence. Conversely, Pickthall House explores the extent to which the UK provides Washington with international legitimacy, access to foreign networks, diplomatic insight, and financial access that might (and sometimes must) be tactically leveraged to secure British interests.

We consider examples of successful American foreign pressure in the UK, from the UK’s involvement in the Iraq War or support for Israel to the disbarment of Huawei from the UK. In addition, we also consider cases of and opportunities for UK foreign policy independence or sovereignty, like the UK’s maintenance of the Iran nuclear deal or its support for Ukraine, salient given the UK’s diplomatic history and soft power.

Pickthall House concludes that, driven by the emergence of regional powers and the increasing isolationism of the US, the UK would do well to exercise its own sovereignty and take more initiative when securing its interests.

Introduction: A ‘Special Relationship’

US-UK bilateral ties have been labelled the ‘[special relationship](#)’ for decades. [Churchill popularised the term](#), which flourished in the early Cold War as Britain and the US united against the aggressive expansion of the Red Bloc, something clearly symbolised in the [Atlantic Charter](#) of 1941, which laid down a joint-vision for the post-war world. This synergy



flowed naturally into NATO, with Britain often playing the stalwart junior partner to America's growing global influence. We see that Macmillan offered support during the [Cuban Missile Crisis](#), the US [offered intelligence](#) to Britain and helped mediate during the Falklands, and the UK [fought](#) in the US-led coalition liberating Kuwait in 1991. The 20th Century is rife with examples of partnership, collaboration and mutual benefit between the two leading Anglophone nations.

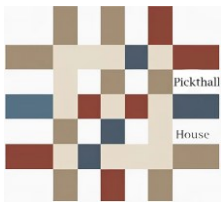
And yet, the dynamics between the US and the UK have grown increasingly skewed as the world entered *Pax Americana*; Pickthall House believes that the term 'special relationship' simply obscures the glaring asymmetry of the alliance.

This is not a new idea. The British historian Max Beloff considered the 'special relationship' a convenient myth, which served little more than to 'cushion the shock of (UK's) national decline', as [David Reynolds](#) phrased it in the mid-1980s. More recently, questions of political interference emerged around the possibility of [patronage by US billionaire, Elon Musk](#), towards the British political party, Reform UK. Although no substantial action has been taken thus far, it was among the more brazen displays of possible American influence in the British electoral process. Hard-line conservative British politicians, including [Suella Braverman](#), [Liz Truss](#), and Nigel Farage, have already demonstrated [allegiance](#) with the American right. Angus Hanton's new book '[Vassal State: How America Runs Britain](#)' has also brought this question back into political discourse, with comments from the [Daily Mail](#), [the Guardian](#), and the [New Statesman](#), among others.

The 20th Century itself is rich with examples of this asymmetry: a watershed moment in relations is the [1956 Suez Crisis](#), where Britain, France, and Israel attempted to seize control of the Suez Canal after Egyptian President Gamal Abdel Nasser nationalised it, but were forced to yield after [pressure from the United States](#).

This dependency persists into the 21st century, most notably during the 2003 Iraq War. The Chilcot Report highlights that PM Tony Blair was pushed into the war [too early](#), despite massive [domestic opposition](#), weakening public trust in our government, but also eroding any semblance of foreign policy sovereignty. [Polling at the time](#) indicated that nearly all British Muslims opposed the Iraq War, highlighting how the UK's deference to US interests strained social integration and complicated domestic counterterrorism efforts by stirring resentment at home.

These are simply a litany of examples illustrating the enormous asymmetry in the Anglo-American relationship, generally presiding over the long century of British decline on the geopolitical stage. This is not overtly surprising, of course, given the significant asymmetry in economic and military capability: the UK military and defence budget was less than 10% of that of the US in 2024.



More fundamentally, then, we here attempt to sketch out the mutual contributions of each country to the other, consider the associated costs of the relationship for the UK, and then ultimately draw some basic conclusions about how the UK might chart its own course given its interests and diplomatic commitments.

What does the UK provide to the US?

This [analysis](#) from Chatham House (2013) delineates some significant advantages that the UK historically offered the United States:

1. A representative or mediator between the US and Europe
2. A diverse array of military, diplomatic, and economic resources
3. A unique perspective on global issues, shaped by its historical and geopolitical context

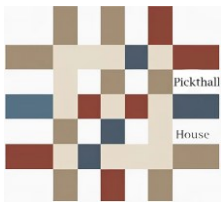
We argue additionally that British cooperation has, [according](#) to Professor Wyn Rees, offered US actions a ‘sense of legitimacy in the eyes of the world’ (p. 133), and indeed that the US often relies on the UK’s support to justify foreign policy and activity, particularly at various important diplomatic tables including the UN Security Council, the G7, and NATO.

Britain’s role as a leading member of NATO, its various military collaborations with the US, the joint operations, the training, equipment interoperability and the UK bases across the world provide many examples of the use of military assets often for American ends.

Financially, the UK is a major market for American investors, who see many opportunities there. Approximately 30% of all US overseas investment is in the UK alone (Hanton, p. 4), and the largest US companies sell over \$700 billion worth of goods and services to the UK (p. 27). The UK is an *essential* hub for American firms poised to expand into Europe, underscoring its significant dependence on US investment and market links.

The UK's ability to provide key hard and soft resources to the US is also crucial. Former ambassador Charles Ray recently discussed US support for Zimbabwean opposition leader Morgan Tsvangirai. While the US overlooked some violence from Tsvangirai’s party, the UK upheld a principled stance, leading to the US threatening to withdraw support for his Movement for Democratic Change (MDC). Ray emphasised that the UK should [“learn to disagree without being disagreeable.”](#) since the UK offers valuable input in US diplomacy.

The UK can draw on its vast history of connection points and national dialogues around the world, in no small part through its colonial past, to arrive at more informed decisions than the usual Washington consultants. For instance, in 2023, approximately [800 UK military personnel were stationed across the US](#), including a contingent in Tampa, Florida, where decisions on the Middle East and Central Asia are typically taken (Rees, p. 132).



The US values insights from the UK, particularly within government sectors, though gauging the full extent of this influence can be complex. This is in part because UK and US collaboration is close enough that parsing out the flow of influence in one direction or the other is not always possible. To complete this account, it is necessary to consider what the US gives to the UK and what this entails.

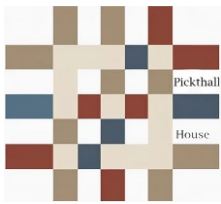
What does the US offer the UK?

US investment in the UK is significant, particularly in economic and intelligence terms. For instance, the US and UK are part of the '[Five Eyes' intelligence alliance](#), which includes Canada, Australia, and New Zealand, facilitating deep intelligence sharing. Yet, this partnership has been increasingly used to influence British politicians to align with American interests.

US investments in the UK have significantly shaped bilateral economic relations and influenced key strategic decisions, particularly regarding Huawei. Boris Johnson's government initially planned to partner with Huawei on phone networks but reversed this decision after the [US banned tech sales to the company in 2019](#). [Under American pressure](#), the UK ended Huawei's involvement in 5G by 2023, highlighting how US influence can constrain British decision-making. This raises concerns about the erosion of Britain's independent policies and future relations with the US.

Indeed, there are numerous dependencies on the US, particularly in the economic sphere, with approximately 30% of all US overseas investment concentrated in the UK (Hanton, p. 4) and US ownership accounting for half of the total foreign assets in the country (p. 36). In contrast, the UK holds around \$660 billion in US assets, which is considerable but modest relative to GDP (p. 37). The dominance of American firms in private equity, with seventeen of the top twenty operating in the UK (p. 101), further emphasises the UK's dependency on the US. While these linkages provide benefits, they could be exploited in the event of major disagreements between the two nations.

The same is true when examining the degree of military cooperation between the US and the UK. According to Rees, there is nearly unanimous support within the armed forces for joint operations with the US ([Rees, p. 128](#)). A [2023 House of Commons Defence Committee report](#) confirms that the US is the UK's most important ally, highlighting collaboration in training, technology, and nuclear capabilities. The US is described as '[critical](#)' for [maintaining the British nuclear 'deterrent'](#), particularly with the Trident system, which is supposedly independent but relies heavily on American support for technical and political backing. Concerns arise when considering that [recent tests of the Trident system have failed](#), raising doubts about its reliability in deterring aggression.



US involvement in the UK's defence industry has become increasingly pronounced in recent years. Notably, key British aerospace companies, such as [Cobham and Ultra, have been acquired by American firms](#). Despite these acquisitions, these firms are often still regarded as British, potentially obscuring the growing US influence in the UK arms industry. A [2023 article on the US-UK special relationship](#) highlighted Cobham's role in supplying a refuelling probe for Lockheed Martin's F-35 without noting its US ownership. Given these connections, it is evident how much of the British arms industry is sustained by American investment and demand.

The ties between the UK and the US are extensive, with military connections being the most visible aspect of their relationship. However, the crucial financial and investment links often go overlooked. Cataloguing these relationships proves challenging due to the complex flow of influence between the two nations. For some, this close partnership has begun to feel somewhat restrictive. The following section of this paper will explore the opportunities for Britain to assert its own independent course, particularly in the diplomatic sphere, while acknowledging that such an effort would necessarily require similar shifts across other areas as well.

Can the UK still make its own way?

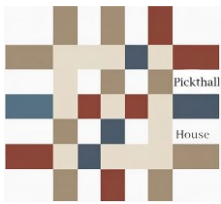
In recent times, there has been precedent for the UK to pursue policies that diverge from, though not necessarily oppose, US interests. A notable example is Britain's determination to uphold the Iran nuclear deal even after the US, under Donald Trump, withdrew from it. [As Boris Johnson stated](#), the US withdrawal "made no difference to the British assessment that the constraints imposed on Iran's nuclear ambitions by the [Joint Comprehensive Plan of Action](#) remain vital for our national security and the stability of the Middle East."

Regardless of the merits or demerits of this decision, it demonstrates that, with sufficient political will, British leadership can chart an independent course. Moreover, in cooperation with other European nations, the UK developed a payment system for trade with Iran in certain goods, directly countering the ongoing US sanctions against Iran.

The UK's approach to China also distinctly differs from that of the US. The US has consistently framed [China as a threat to US interests and a nation aspiring to global hegemony](#). In contrast, the UK has adopted a more cautious stance towards China.

Rachel Reeves, the UK's Chancellor of the Exchequer, appeared determined to [normalise the UK's relationship with the communist superpower](#) in January 2025, before visiting the country shortly after.

In its manifesto, Labour criticised the Conservative Party's inconsistent China policy, promising a balanced approach of cooperation and challenge. The Huawei incident highlights the UK's less threatening perception of China compared to the US, reflecting its



unique stance based on geopolitical stakes. Ultimately, Britain needs a realistic assessment of its diminished global military influence. The [Foreign Policy Research Institute](#) recommends the UK reconnect with its tradition of statecraft to enhance soft power, leveraging its strong historical reputation and distinguishing it from the role of a 'vassal state.' However, an increasingly assertive Trump presidency could complicate these efforts.

Policy Implications

Shifting Global Alliances and UK-US Relations

In an era where 'multi-polarity' is frequently discussed, there is a diminishing call for large, all-encompassing international blocs and coalitions. The UK's departure from the European Union in 2016 provides one of the most prominent examples of this shift. In parallel, there is a growing desire among nations to adopt tailored approaches to international engagement. Chatham House's assertion that the [UK offers the US a distinct and useful perspective](#) emphasises this trend.

At the [2024 US-UK Strategic Dialogue](#), both the US and UK governments 'covered the key elements of the UK-US partnership, including unwavering support for Ukraine, the promotion of peace and security in the Middle East including through a ceasefire in Gaza, cooperation towards a free and open Indo-Pacific, and alignment on secure, resilient and sustainable growth.' Yet, divergences in policy are becoming increasingly apparent.

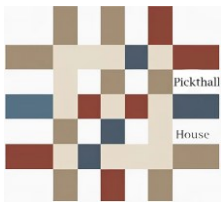
Growing Divergences in Defence and Security Policy

One of the most significant areas of divergence is European security, particularly regarding Ukraine. While [Trump cut military aid to Ukraine](#) following his meeting with Ukrainian President Zelensky, Keir Starmer confirmed that he is '[ready to put boots on the ground and planes in the air.](#)' This stark contrast signals the UK's increasing willingness to pursue an independent defence strategy in Europe.

The extent to which the UK can continue relying on the US is increasingly uncertain. Under Trump, the US is pushing European countries to decrease dependence on US protection. Last month, [Trump pressured Keir Starmer](#) to increase defence spending to 2.5% of the UK's GDP by cutting [foreign aid and social services](#). Yet, the US retreat from European defence issues may strengthen European integration efforts. [Starmer hosting European leaders in March 2025](#) is a key example.

Trade and Economic Tensions

Despite being the [UK's largest trading partner](#), the US has not granted Britain exemptions from [President Trump's 25% steel and aluminium tariffs](#). As a result, [discussions about a](#)



[potential free trade deal with the US](#) are gaining traction. A new agreement could allow the UK to avoid these tariffs, but it remains to be seen how this aligns with Britain's broader trade strategy.

Challenges in Middle East Policy

The UK's alignment with US policy on Israel has become a major point of contention. While the UK has traditionally aligned with Washington on Middle East policy, recent events challenge this approach. The [US pressured the Labour government](#) to block the International Criminal Court's arrest warrant for Israeli Prime Minister Netanyahu, demonstrating the extent to which American influence can shape British decision-making on international legal and human rights issues. More recently, the [Biden administration issued warnings over a potential UK ban on arms sales to Israel](#), representing a troubling intrusion into British sovereignty and raising questions about the UK's ability to determine its foreign policy independently. Given growing domestic and international scrutiny over arms exports to conflict zones, the UK must weigh its strategic interests against the risks of continued deference to US demands.

Looking ahead

As dynamics between key powers shift, the UK must refine its foreign policy beyond mere alignment with the US. While the special relationship remains significant, growing tensions with China, an evolving European security landscape, and the unpredictability of a potential second Trump presidency call for a more strategic and independent approach. Ultimately, the UK offers the US significant access to foreign networks, strategic diplomatic insight, and opportunities for financial investment. These interests can be leveraged to support the UK's implementation of independent policies, shifting away from excessive US influence.

Under the current administration, Trump's tendency to withdraw from key treaties and sideline allies increases the risks of the UK's passive alignment. If Britain continues to simply mirror Washington's lead, it risks entanglement in conflicts and economic disruptions that do not serve its long-term interests. Instead, the UK should actively shape its domestic and foreign policy to reflect national priorities rather than defaulting to US preferences.