Government Response to the House of Commons Foreign Affairs Committee's Eighth Report of Session 2013-14 (HC695)

Government foreign policy towards the United States

Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty

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GOVERNMENT RESPONSE TO THE HOUSE OF COMMONS FOREIGN AFFAIRS COMMITTEE'S EIGHTH REPORT OF SESSION 2013-14 (HC695)

GOVERNMENT FOREIGN POLICY TOWARDS THE UNITED STATES

The Government welcomes the scrutiny of its policy towards the United States carried out by the Foreign Affairs Committee. The Government strongly welcomes the FAC's very positive assessment of the relationship, which the Committee describes as being in good health, and their positive comments about how our engagement with the US has progressed under the current government. We also welcome the Committee's supportive assessment of how we co-operate and work with the US, both at Ministerial level and in terms of the importance attached, and staff devoted, to the UK-US relationship within the FCO and its network of posts.

This Command Paper sets out the Government's response to the Foreign Affairs Committee's report of 4 April 2014 into the Government's foreign policy towards the United States. The Committee's conclusions and recommendations are set out in bold. Unless otherwise indicated, references are to paragraphs in the Foreign Affairs Committee Report (HC695).

1. **In its March 2010 Report on UK-US relations, to which this Report is a follow-up, our predecessor Committee recommended that the UK Government should adopt a more hard-headed, less deferential attitude to the US, based on UK national interests. We are pleased to be able to conclude that the Coalition Government seems to have taken up such an approach, without jeopardising the warmth of the tie or the utility of the relationship for the UK. The UK has assets, capabilities and characteristics that US policy-makers value. As long as UK Government positions are well-founded, there is little historical evidence that taking a different stance to the US, or declining to comply with US preferences on specific issues, damages the UK Government's relationship with Washington in any long-term way. Moreover, having an independent perspective is often a valuable and valued part of what the UK brings to the relationship with the US. Whilst there has been no fundamental change in the UK-US relationship, the Coalition Government seems to have developed in public a more mature and measured relationship with the US, one which is more willing publicly to acknowledge differences between the two Governments. We recommend that the Government should continue to base its approach to the US on the confidence that should flow from the value that US policy-makers place on the UK contribution to the relationship, from the deep-seated historical, economic and cultural connections between the two countries which underpin the tie, and the historically proven capacity of the UK-US alliance to endure despite differences on specific policy questions. The UK-US relationship is one in which, across the full range of international issues, ongoing contact and co-operation between the two states' policy-makers is normalised, and security capabilities and policy-making processes are intertwined. This affects the resilience of the relationship and the way it is managed across Government.** (Paragraph 19)

   The Government strongly welcomes the conclusion that it has taken an effective approach to its relationship with the United States based on UK national interests. We believe that we have continued to take this approach since December 2013, when the FCO gave evidence to the Inquiry. A number of foreign policy issues have risen up the agenda in these months. The most notable is Ukraine, but there have also been developments in South Sudan and the continued negotiations with regard to the Iran nuclear programme. On all of these we have

maintained a close dialogue with the US Administration and, in the case of South Sudan, cooperated extensively on the evacuation of our citizens.

Since submission of written and oral evidence, developments in Ukraine have further reiterated the strength and value of close cooperation between the UK and the US. There have been regular conversations between President Obama and the Prime Minister, and between Secretary Kerry and the Foreign Secretary. The dynamics of the situation provide an excellent example of how the US' and UK's policy approaches remain closely aligned, with a focus on de-escalation in tension and ensuring that Russia is clear about the illegality and unacceptability of its actions in Crimea.

We acknowledge the Committee's comments regarding the need to maintain confidence in what the UK brings to the relationship. This was one of the principal conclusions of a seminar that the FCO held with a range of academics and other experts to consider the UK-US relationship in the future. We remain confident that the US values our views and the capabilities that we bring. As the US Embassy in London noted in their submission to the Committee, "the United Kingdom's military capabilities, development assistance budget, and unparalleled "soft power" make it a uniquely capable ally for the United States".

That said, we are aware of the need not to be complacent. As set out in our written evidence, we are actively considering how the changing nature of the United States, in particular the demographic shift, is altering the degree to which our historical and cultural ties resonate in parts of the United States. We therefore constantly seek to adjust our approach to reach out to new audiences in innovative ways, to ensure that the relationship between our two countries will remain strong for many years to come. We are using our political networks and the full range of diplomatic tools available, such as visits, scholarships, programme funds and media engagement, to target not just those in positions of power today but also to engage with different communities – across the US – that could provide the next generation of US leaders and influencers.

2. **The US has a different history, geographic position, size, demography, and domestic political structure from the UK. It is thus to be expected that its interests and policy positions will often differ. Moreover, the US is an international power of a different order to the UK and thus has significantly greater capacity to pursue its objectives. We welcome the greater realism about these features of the US that seems to be evident in the Coalition Government's approach. However, in consequence of the United States' continued pre-eminent position in international affairs, it continues to be in the UK's interest for the UK Government to stay close to the development of US policy and to work to exert influence in the US to win US support for UK international objectives. The Government should continue to act accordingly.** (Paragraph 27)

We welcome the Committee's comments about the realities of our relationship with the US, in particular its careful analysis of what being close to the US means in reality. As set out in the FCO's original written evidence, and picked up in the Committee's report, the ability of the UK to achieve its international objectives is significantly improved if these are shared with the US. As the Committee has noted, this does not mean that we automatically look to align our goals with the US. Instead we work to stay close to US policy development both to seek to influence it or, where differences persist, to understand the reasons for divergences and to minimise any misperceptions that may arise from them.

The Committee notes that differences in history, geography and other factors are likely to mean that our positions vary. We agree that this is sometimes the case, but the differences are, in most cases, small, given that our overall values and interests are so closely aligned. The Ukraine crisis provides a strong example of this. Although, as has been widely reported, Europe and US economic and energy interests may have different forms, the UK and US remain very closely aligned in terms of our overall objectives and our approach. Where differences do exist, they tend to be more issues of implementation rather than overall approach.

3. **We are disappointed that the US Administration fails to give priority to the principle of self-determination in its position on sovereignty of the Falkland Islands. This is particularly so given the way in which the UK allows the US to use two other UK Overseas Territories, Ascension Island and Diego Garcia, for military basing. However, in the spirit of realism which we welcome in the Government, we recognise that the United States' position in the Western hemisphere gives it particular interests there, and that the issue of the Falklands must take its place among the many other international questions on which the US and UK are engaged.** (Paragraph 31)

   As the Committee acknowledges in its report, we have raised the issue of the US position on the sovereignty of the Falkland Islands and the right of self determination of the Islanders with the Administration at very senior levels. We will continue to do so. We will also look to continue to highlight to the US specific examples where Argentina's approach to the Falkland Islands has a direct adverse impact on US as well as UK interests.

4. **We are not aware of any evidence that the House of Commons vote at the end of August 2013 against opening the way to potential UK military action in Syria has damaged the UK's relationship with the US. We conclude that the episode surrounding potential Western military intervention in Syria in August 2013 illustrates important general features of the UK-US relationship, namely that developments in the UK can and do influence US policy, and that the two countries' positions can diverge in a particular case without harming the underlying tie. However, if Governments in both countries are routinely going to seek authorisation from their legislatures for discretionary military action, it will affect the way in which the UK and US work together as allies—in terms of both international politics and diplomacy, and the practical planning of military operations.** (Paragraph 39)

   We welcome the Committee's agreement with our assessment that the parliamentary vote on Syria did not impact negatively on the UK's relationship with the US. We continue to work extremely closely with the US on all aspects of the Syrian conflict, including the political process, counter-terrorism, the humanitarian crisis and ensuring access for humanitarian relief.

   The Committee's observation that the vote in the UK and President Obama's decision may influence the context for future discretionary military action by both countries is valid. But fundamentally, the UK and US will continue to be able and willing to work together in tackling international crises, whether diplomatically, through intelligence sharing or, should it be appropriate, military options.

5. **We doubt that the US 'pivot' to Asia is likely to involve as great a shift in US foreign and security policy attention and resources as has sometimes been suggested. Inasmuch as the US is increasing its engagement in Asia, we agree with the FCO that this may be in accord with the UK Government's own shift of attention and resources to the region, and that it need not be to the detriment of the Transatlantic relationship. However, Asia—and particularly China—is an area where differences may open up between the UK and US Government approaches, with the UK Government giving priority to commercial factors, and the US approach driven more heavily by security considerations.** (Paragraph 48)

   The Asia Pacific region clearly remains a growing area of interest for both the UK and the US. Like the Committee, we do not see the US' rebalancing as representing a major shift in US focus away from either Europe or the Middle East. The focus on Ukraine since the evidence sessions has further demonstrated that the US has not disengaged from other parts of the world.

   The report makes a number of observations about the potential for a divergence between our approach to China and that taken by the US. As with many areas of policy, we continue a close dialogue with the US on our approach to the Asia Pacific region. Daniel Russel, Assistant Secretary of State for East Asian and Pacific Affairs, visited London in January as part of these ongoing discussions, following a similar visit by FCO Director for Asia Pacific, Stephen Lillie, in October 2013. There is regular contact between UK and US officials. Our approach of constructive engagement with China is shared by the US, EU and other major partners.

6. **We agree with the Government that the proposed EU-US Transatlantic Trade and Investment Partnership (TTIP) could have significant positive strategic impact for the UK—by boosting EU and US economic growth, providing a renewed underpinning for the Transatlantic relationship, and exerting influence over the global trade and economic system.** (Paragraph 53)

   We welcome the Committee's conclusion regarding the central significance of the Transatlantic Trade and Investment Partnership (TTIP) and the boost that it will bring to growth for all parties. We are pleased that the negotiations have continued to move forward in the last few months, with a political stocktake in February; renewed political commitment at the EU-US Summit at the end of March; and a fifth round of negotiations from 19-23 May. We want to see the negotiations make substantial progress in the rest of this year.

7. **If the UK were to leave the EU, we believe that it would continue to have a close and valuable relationship with the US. However, the evidence we have received and discussions we have had have left us in little doubt that US policy-makers would prefer to see the UK remain an EU Member.** (Paragraph 59)

   This Government believes that the UK's membership of a reformed EU is in our national interest. Whether through the first ever cut to the EU's multiannual budget, launching a process to simplify EU legislation, or the decentralisation of fisheries policy, the UK and partners are making progress in reforming the EU to make it more open, competitive, flexible and democratically accountable.

The UK is also playing a leading role in strengthening cooperation between the EU and US to promote British interests. For example, the Prime Minister and EU partners launched negotiations on an EU-US Transatlantic Trade and Investment Partnership at the UK's G8 Summit at Lough Erne in June 2013, which could be worth £10bn to the British economy alone; and the UK has played a crucial role in ensuring that the EU and the US work together effectively around the world on issues such as Iran's nuclear programme or the situation in Ukraine.

8. **We conclude that the division of responsibilities between UK Government Ministers in dealing with the US Administration is working well; and that, in particular, the development of the Deputy Prime Minister's role as an interlocutor with the US Vice-President is useful, given the increased policy-making importance of the Vice-President in successive recent Administrations. Whether or not future UK Governments have a Deputy Prime Minister, we recommend that they designate an appropriate senior interlocutor for the US Vice-President.** (Paragraph 63)

We welcome the Committee's conclusion regarding the mechanics of the interaction with the United States. We believe that, if there were no Deputy Prime Minister in any future Government, the Government should continue to designate senior interlocutors for the US Vice President on a broad range of issues, rather than a single interlocutor.

Vice President Biden has had a particular role in US policy on Afghanistan and Iraq but has also had a wide-ranging brief on foreign policy issues. The Embassy in Washington has maintained a close relationship with him and his staff.

9. **We conclude that the Government's creation of the position of National Security Adviser has been helpful for the Government's engagement with the US Administration on security issues.** (Paragraph 66)

The Government welcomes the Committee's conclusions on the creation of the position of the National Security Adviser. The Prime Minister established the National Security Council on his first day in office in 2010 in order to ensure cross-Government support for national security priorities and decisions, and more effective follow up and implementation. The Government believes that the NSC has been a successful addition to the machinery of government. In the last four years the NSC has established itself as the central forum for national security policy decision-making. It brings together the Government's national security departments to set strategic direction and to ensure the delivery of our domestic, foreign policy and security objectives in a coherent and coordinated way. It provides for the first time the regular, top-level direction which these complex issues require.

The UK and US National Security Advisers have regular contact and this relationship has enabled closer UK and US working on important matters of national security in response to shared threats and priorities.

10. **US international policy profoundly affects UK interests, sometimes in the weightiest areas of Government action. Tracking and influencing US international policy, as we believe the UK Government should do, needs to be undertaken systematically and thoroughly. However, the open and dispersed nature of US international policy-making in Washington makes this especially challenging. The task requires well-informed targeting of action and**

a major investment of diplomatic resources at appropriate levels of seniority, in order to be able to engage effectively with the various parts of the Administration, the Congress, the media, academia and think-tanks. We are pleased that the particular budgetary strains which were affecting the FCO's US network at the time of our predecessor's Report in 2010 appear to have eased; and that the FCO has increased staff numbers in the Washington Embassy and the US network, notwithstanding its broader shift of diplomatic resources to emerging powers outside the Transatlantic area. We recommend that the FCO should state in its response to this Report whether the recent increased staffing levels across the US network are sufficient to ensure it is fully sighted on US policy development, and that in future the FCO should conduct such staffing assessments on a regular basis. (Paragraph 72)

We welcome the report's conclusions on resourcing in the US Network and note its comments on the particular challenges the US system presents for those working in Washington to remain fully sighted on policy developments. We will continue to keep resource levels under review as priorities change. The resource climate remains challenging. However, we are confident that our current resourcing level is sufficient to ensure we are fully sighted and we have shown in recent months our ability to respond to changing priorities and crises with flexibility.

Our staff in the US Network continue to engage broadly to ensure that we remain sighted on emerging policy thinking. Staff also stay closely engaged with the wider policy community in Washington, including think tanks, media, business and lobbyists. Within the Administration, as well as the close and continuous contacts with the US State Department, Embassy staff from across Whitehall are also engaged with the US Departments of Defence, Treasury, Homeland Security, Energy, Justice and other Departments and agencies to ensure that we maintain a rounded picture of US policy development.

That policy community also extends outside Washington. Staff in our Consulates General also engage with leading commentators and academics based in their regions who have influence over policy, both now or in the future, as well as with their state governments and branches of federal government.

11. **The idea of using the Washington Embassy as a site to build relationships with emerging country diplomats based in the US capital, as well as with US policymakers, strikes us as an effective and valuable use of the resource.** (Paragraph 74)

We are pleased that the Committee has picked up on this innovative work and sees it as both valuable and effective. Work on developing relations with the Emerging Powers in Washington this year will be boosted by the formation of a Traditional Allies Emerging Powers network. This will enable the UK to work with a range of Traditional Allies (such as the US, EU, Australia and Canada) to increase our engagement with the Emerging Powers. Meanwhile the Embassy will endeavour to build upon the contacts it has already established with emerging powers' diplomats through the German Marshall Fund Policy Forums, by arranging ad hoc policy discussions and events.

12. **We agree with the apparent rationale for the Government's creation of the UK-US Joint Strategy Board (JSB) with the US in May 2011—namely, that there would be potential value in the two Governments jointly examining key strategic issues and developing coordinated responses in a more structured way. However, in the absence of any public**

information about the matters considered by the JSB or any specific resulting action, it is difficult to assess the extent to which the operation of the JSB so far is realising this potential. If the JSB has effectively been downgraded to an umbrella framework for ad hoc contacts, dominated by immediate rather than strategic issues, the missed opportunity would be a matter for regret. (Paragraph 91)

13. **On the evidence available to us, we conclude that the creation of the JSB appears to have been announced over-hastily during President Obama's State Visit to the UK in May 2011, without adequate preparation having been put in place for the Board's effective operation; and that the Government has been reluctant to acknowledge to us the gap between the impression of the JSB conveyed by the May 2011 announcement of the Board's creation and the reality three years on. We would have been open to any well-founded explanation of a change of plan offered by the Government. However, having set out the initial ideas for the operation of the JSB in some detail in a press release, the Government then failed to communicate this evolution, and we have had to expend considerable effort to gather even a limited amount of further information about the Board. We would have expected the Government to issue an updating statement, perhaps at the time of the promised review of the Board in May 2012, and we see no reason why it could not have done so. We recommend that the Government should consider whether there are wider lessons for Government communications from this episode. We further recommend that the Government should set out in its Response to this Report steps that it will take to report regularly to Parliament on the work of the JSB.** (Paragraph 92)

The Government welcomes the Committee's assessment that the rationale for setting up the Joint Strategy Board was right, but does not share the Committee's conclusions on the speed with which the Joint Strategy Board was established. The Joint Strategy Board is an example of close working between the UK and US.

The aim of the Joint Strategy Board is to discuss policy on a range of national security issues, informed by intelligence analysis. The Joint Strategy Board is one of many such mechanisms, highlighting the depth of the relationship. The Joint Strategy Board comes under the auspices of the National Security Council which is itself subject to the conventions of The Cabinet.

The Government has no plans to conduct a formal review of the work of the Joint Strategy Board. It is still in its infancy and there were a number of changes of key personnel when the new Obama Administration was formed in 2012 after the Presidential election. Senior officials from both the UK and US have discussed its work and are content with its relevance, role and impact on joint policy making. The Government has noted the Committee's comments on communications.

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