

# ADVANCING THE US-UK “SPECIAL RELATIONSHIP” DURING THE SECOND TRUMP PRESIDENCY

By DARREN G. SPINCK



**CENTRE FOR  
TRANSATLANTIC  
STRATEGY**

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## About the Author

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Mr Spinck authored the July 2022, May 2023, January 2024, June 2024 and December 2024 HJS reports “Securing the Strait: Engaging Taiwan in the UK’s Indo-Pacific Tilt”, “Stronger Together: How US-UK Collaboration Can Answer China’s Growing Geopolitical Ambition”, “A Vital Partnership: How Strengthened UK-Taiwan Ties Can Help Maintain Stable Cross-Strait Relations”, “How Mongolia is Transforming into a Beacon for Foreign Direct Investment in East Asia” and “Understanding Kazakhstan’s Strategic Importance: A Middle Power Partner for the UK in Central Asia”; along with Dr Robert Seely, MP, he also co-authored the October 2022 HJS report “A New Era for UK Policymaking: An Economic Denial Strategy in the Indo-Pacific”.

He is a regular speaker at the Economic Forum in Krynica and Karpacz, Poland and the Foundation Institute for Eastern Studies’ Europe-Ukraine Forum in Rzeszow, Poland, focusing his discussions on the risks of China’s growing influence in Central and Eastern Europe and US policy toward Ukraine. He was an international election observer with the Ukrainian Congress Committee of America for Ukraine’s 2019 presidential election and presented at the 2023 Reagan-Jackson Security Dialogue in Cambridge and the 2024 Astana Think Tank Forum.

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## About Us

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### About The Henry Jackson Society

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The **Henry Jackson Society** is a think-tank and policy-shaping force that fights for the principles and alliances which keep societies free, working across borders and party lines to combat extremism, advance democracy and real human rights, and make a stand in an increasingly uncertain world.

## CENTRE FOR TRANSATLANTIC STRATEGY

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### About the Centre for Transatlantic Strategy

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The **Centre for Transatlantic Strategy** aims to educate the public on the benefits of transatlantic cooperation between the United Kingdom and the United States of America. The centre also seeks to outline an open, confident and expansive geostrategic policy for the twenty-first century that embraces the United Kingdom’s strengths in both hard and soft power. As a key custodian of both the European and international orders, the United Kingdom is an advocate for liberalism, national democracy and religious freedom, with a highly effective military and a unique constellation of diplomatic and economic influence. A confident, globally oriented Britain can complement America on the world stage, advancing our shared interests.

## Contents

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<b>About the Author</b> .....	<b>2</b>
<b>Acknowledgments</b> .....	<b>2</b>
<b>About The Henry Jackson Society</b> .....	<b>3</b>
<b>About the Centre for Transatlantic Strategy</b> .....	<b>3</b>
<b>1. Executive Summary</b> .....	<b>5</b>
<b>2. Republican Governance and the Changing US Foreign Policy</b> .....	<b>7</b>
The Emergence of an “America First” Foreign Policy.....	8
<b>3. The New Architects of US Defence Policy</b> .....	<b>10</b>
The Foreign Policy of the Labour Government.....	11
The US-UK Relationship in a Shifting Global Order .....	11
<b>4. Changing Geopolitical Realities</b> .....	<b>13</b>
The Fracturing of the US-Led World Order.....	13
<b>5. Transatlantic Strategy in a Multipolar Era: US Prioritization and the UK’s Role</b> .....	<b>16</b>
The UK’s Foreign Policy Dilemma in a Multipolar World .....	17
<b>6. Diplomatic Strains: Navigating Past Criticisms and Political Tensions</b> .....	<b>19</b>
<b>7. Policy Divides: Trade, Security and the China Challenge</b> .....	<b>21</b>
High-Stakes Diplomacy: Lord Mandelson, Chagos and US Trust in London .....	22
<b>8. Transatlantic National Security Challenges: Prioritisation or Primacy?</b> .....	<b>24</b>
The UK’s Role in Ukraine’s Future Security and Reconstruction .....	25
The UK’s Indo-Pacific Strategy and the Chagos Islands Dilemma .....	26
<b>9. US-UK Economic Ties</b> .....	<b>27</b>
<b>10. Development Finance</b> .....	<b>31</b>
<b>11. Conclusion / Recommendations</b> .....	<b>34</b>

## 1. Executive Summary

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### **Realigning the US-UK “Special Relationship” Under Trump’s “America First” Doctrine**

The re-election of President Donald J. Trump, supported by a unified Republican Congress, signals a decisive shift in US foreign policy toward a more consolidated, ideology-driven approach under the “America First” doctrine. For the United Kingdom, this translates into an era of reduced bipartisan friction in US policymaking but also heightened demands for alignment with Trump’s nationalist priorities. The absence of a divided US Government will likely result in a more cohesive but unilateral American foreign policy, accelerating shifts on trade, security and multilateral alliances. For the UK, the opportunity lies in rapid policy alignment to secure privileged access within a streamlined US foreign agenda; the risk lies in diverging on key issues such as China, defence spending and trade tariffs.

### **The Core Problem: Navigating Divergent Priorities in a Shifting “Special Relationship”**

Under Trump’s second term, the US-UK “Special Relationship” faces stress from diverging priorities masked by shared rhetoric. Trump’s Administration prioritises bilateralism, economic nationalism and Indo-Pacific security, while the UK, under the Labour Government, leans toward multilateral diplomacy, progressive trade policies and European security commitments. This policy gap threatens transatlantic cohesion, weakening their collective ability to act against common adversaries, particularly China.

### **Costs of Inaction**

1. Geopolitical Drift: Without alignment, the UK risks marginalisation in Washington’s foreign policy “prioritisation”, as President Trump prefers bilateral, transactional relationships with agreeable partners. Failure to engage could reduce the UK’s influence in shaping transatlantic security and trade policies.
2. Economic Fallout: Protectionist US tariffs and any failure to reach a bilateral trade agreement could undercut London’s post-Brexit economic strategies, isolating the UK from critical US markets and undermining its global trade ambitions.
3. Security Vulnerability: Divergent policies on China, NATO commitments and Indo-Pacific strategy may erode Five Eyes intelligence sharing, a pillar of UK national security, weakening joint capabilities against cyber and hybrid threats.

### **Strategic Opportunities for the UK**

1. Indo-Pacific Partnership: By aligning with President Trump’s Indo-Pacific agenda through AUKUS and regional security cooperation, the UK can position itself as a key transatlantic partner in countering China’s influence, securing transit corridors and natural resource supply chains and advancing defence technology collaboration.
2. Ukraine Reconstruction Initiative: A joint US-UK initiative in post-war Ukraine would not only reinforce the “Special Relationship” but also grant the UK economic and strategic stakes in critical sectors such as rare earth mining which are essential for defence and technology supply chains.
3. USMCA Integration: Exploring UK accession to the US-Mexico-Canada Agreement (USMCA) prior to its 2026 review would anchor the UK in North America’s trade bloc, enhancing post-Brexit economic security and signalling to the US President that the UK is a reliable partner within his economic vision.

## **Key Areas of US-UK Policy Reconciliation**

1. Security and Defence: Announcing plans to meet President Trump’s calls for increased NATO contributions (2.5% of GDP) will help solidify the UK’s role as a key ally, while participating in joint cyber-defence initiatives will reinforce transatlantic deterrence against state-sponsored cyber threats.
2. Trade Policy: A UK-US agreement addressing the White House’s digital privacy issues and rare earth mining and processing cooperation would advance priorities of the White House.
3. China Strategy: Coordinating policies on sanctions, technology export control restrictions and countering China’s Belt and Road Initiative will demonstrate the UK’s alignment with US priorities in the Indo-Pacific, strengthening collective leverage against Chinese economic coercion.

## **Immediate Actions for the UK Government**

1. Appoint a UK Special Envoy for Transatlantic Cooperation: A singular point of contact in the Government to coordinate transatlantic policy and prevent gaps in messaging and strategy with Washington.
2. Release a US-UK Strategic Alignment Paper: Publicly defining areas of convergence under the America First framework would clarify UK intentions and build confidence in Washington.
3. Convene a Transatlantic Security Council: Focused on joint responses to cyber threats, Indo-Pacific operations and intelligence sharing, this would ensure that security cooperation remains seamless.

A second Trump term offers the UK both opportunity and peril. Success in maintaining the “Special Relationship” requires swift recalibration of UK policies to align with US priorities, particularly on defence, trade and China. Failure to do so risks diminishing the UK’s status as a primary US ally in favour of more compliant partners. Strategic alignment, framed around shared security and economic interests rather than political ideology, will be the key to preserving the strength and relevance of the US-UK alliance.

## 2. Republican Governance and the Changing US Foreign Policy

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Washington will be governed under full Republican Party control for at least the next two years, with the Senate led by John Thune, who has stated that “This Republican team is united... we are excited to reclaim the majority and get to work with our colleagues in the House to enact President Trump’s agenda”.<sup>1</sup> With the Republican-led Senate holding 53<sup>2</sup> of the 100 seats, the transition and Cabinet appointment process have proceeded relatively smoothly, with few exceptions, allowing the White House to staff the Trump Administration with adherents to the US President’s America First foreign and economic policies. The White House, under the management of Chief of Staff Susie Wiles, has thus far demonstrated discipline and is “more functional” than the first Trump presidency, according to reports, restricting press leaks and limiting inner-rivalry feuds.<sup>3</sup>

The House of Representatives also remained under control of Republicans, with Speaker of the House Mike Johnson poised to hold on to the gavel until the 2026 mid-term election after winning support of the House caucus. With an ideologically aligned White House and Congress, the Trump Administration will face few initial hurdles in advancing its foreign policy and economic agenda. Trump’s appointments and legislative leaders will seek to implement the will of America’s right-of-centre electorate<sup>4</sup> and will not risk the ire of the commander-in-chief.

One significant but underreported change in House leadership, prior to President Trump’s inauguration, which helps illustrate the shift in America’s foreign policy trajectory, was the election of US Representative Kevin Hern as House Republican Policy Chairman.<sup>5</sup> Hern will oversee the Committee, a GOP advisory initiative tasked with producing issue backgrounders and policy solutions to the House Republican Conference.<sup>6</sup> He was previously supported in a bid<sup>7</sup> to become Speaker of the House in 2023 by members of the House Freedom Caucus, a pro-Trump group known for its conservative reputation and tendency to buck congressional GOP leadership on key pieces of legislation.<sup>8</sup>

Hern, who holds hawkish views toward China<sup>9</sup> and has opposed supplemental spending bills for Ukraine aid,<sup>10</sup> is representative of a recent shift in Republican foreign policy thinking which is embraced by Trump’s White House. This shift from the previous presidential administration’s focus on defending Ukrainian interests was further illustrated in the House by the removal of

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<sup>1</sup> Deirdre Walsh and Barbara Sprunt, “Republicans begin picking their next leaders in Congress”, *NPR*, 13 November 2024, <https://www.npr.org/2024/11/13/nx-s1-5188585/house-senate-republican-leadership>.

<sup>2</sup> Megan Lebowitz, “Sen. Bob Casey concedes Pennsylvania Senate race to Republican Dave McCormick”, *NBC News*, 21 November 2024, <https://www.nbcnews.com/politics/2024-election/bob-casey-concedes-pennsylvania-senate-race-dave-mccormick-rcna181277>.

<sup>3</sup> Marc Caputo, “Scoop: How Trump’s ‘black box’ limits outside influences”, *Axios*, 26 January 2025, <https://www.axios.com/2025/01/26/trump-white-house-inner-circle-influence>.

<sup>4</sup> David Weigel, “No matter who wins, the US is moving to the right”, *Semafor*, 16 October 2024, <https://www.semafor.com/article/10/15/2024/no-matter-who-wins-the-country-is-moving-to-the-right>.

<sup>5</sup> Kevin Hern, “Hern elected Chairman of Republican Policy Committee”, Congressman Kevin Hern, 13 November 2024, <https://hern.house.gov/news/documentsingle.aspx?DocumentID=2983>.

<sup>6</sup> “History & Committee Membership”, House Republican Policy Committee, accessed 4 March 2025, <https://republicanpolicy.house.gov/about/history-committee-membership>.

<sup>7</sup> Chris Casteel, “Oklahoma Rep. Kevin Hern gets votes for House speaker as Republicans remain fractured”, *The Oklahoman*, 6 January 2023, <https://www.oklahoman.com/story/news/politics/2023/01/06/oklahoman-kevin-hern-draws-votes-for-speaker-as-gop-remains-fractured/69781636007/>.

<sup>8</sup> Cami Mondeaux, “House Freedom Caucus cashes in on power with Trump’s big win”, *Washington Examiner*, 16 November 2024, <https://www.washingtonexaminer.com/news/house/3231875/freedom-caucus-power-trump-big-win/>.

<sup>9</sup> Kevin Hern, “Here’s How the U.S. Should Counter China”, Congressman Kevin Hern, US House of Representatives, 24 May 2024, <https://hern.house.gov/news/documentsingle.aspx?DocumentID=935>.

<sup>10</sup> Kevin Hern, “Hern opposes Ukraine supplemental”, Congressman Kevin Hern, US House of Representatives, 19 April 2024, <https://hern.house.gov/news/documentsingle.aspx?DocumentID=913>.

House Intelligence Committee Chairman Mike Turner, who diverged on policy with Speaker Johnson regarding continued military aid to Ukraine.<sup>11</sup>

## The Emergence of an “America First” Foreign Policy

“America First” foreign policy is described as “the idea that America is best positioned to lead in the world and preserve peace and stability when it places the safety, prosperity, and overall well-being of the American people first.”<sup>12</sup> As outlined by the America First Policy Institute (AFPI), “This principle departs from the prevailing Washington approach, which prioritizes the preservation of multinational processes over the protection of American interests.”<sup>13</sup> AFPI, however, emphasises that an “America First” foreign policy does not mean America alone, nor does it indicate that Washington is embracing isolationism. Secretary of State Marco Rubio, during his Senate confirmation hearing, emphasised that prioritising an undefined liberal world order in US foreign policy is a “dangerous delusion”.<sup>14</sup> He stated that the Trump Administration would instead focus on advancing US national interests as its primary foreign policy objective.

Frederick Kempe, the Atlantic Council’s president and CEO, has described this “emerging era... [under Trump as] one characterized by more government intervention, less common cause, more mercantilism, less free trade, and more big-power swagger.”<sup>15</sup> Such policy shifts aim to undermine current structural settings in the UK-US partnership and redefine them, a reality that UK policymakers must recognise to position the UK into a ready mindset and make “new” US foreign policy less unpredictable.

The Republican Party’s policies and messages have been shaped not only by AFPI, but in part by the Heritage Foundation, a US think tank which published Project 2025, a conservative strategy for America’s presidential administration. AFPI,<sup>16</sup> a think tank founded by former Trump advisers, has had significant Trump Administration appointees serving as former chairs of various policy centres, including Director of the Central Intelligence Agency (CIA), the Honorable John Ratcliffe; US Permanent Representative-designate to NATO, the Honorable Matthew Whitaker; Attorney General, the Honorable Pam Bondi; US Special Envoy for Ukraine, Lt General (Ret.) Keith Kellogg; as well as two other cabinet members. This reinforces the notion of a Trump-style foreign policy that will be reflected from domestic policy experience.

Michael Anton is another mostly underreported appointment to the US State Department as director of policy planning staff. A former senior fellow with the Claremont Institute, a policy centre that has served as a pipeline<sup>17</sup> to Vice President JD Vance’s senior staff, he will play a key role in implementing Trump’s “America First” policies. His work will aim to counter the influence of what former Obama Administration official Ben Rhodes describes as “the Blob”<sup>18</sup> – a disparate group of elites who “coalesce around hawkish foreign policy” – and to

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<sup>11</sup> Karoun Demirjian and Catie Edmondson, “Johnson Ousts Turner as Intelligence Chairman, Bowing to Trump”, *The New York Times*, 15 January 2025, <https://www.nytimes.com/2025/01/15/us/politics/mike-turner-house-intelligence.html>.

<sup>12</sup> “Establish an America First Foreign Policy”, America First Policy Institute, <https://agenda.americafirstpolicy.com/strengthen-leadership/establish-an-america-first-foreign-policy>.

<sup>13</sup> Ibid.

<sup>14</sup> Marco Rubio, “SFRC Confirmation Hearing Opening Remarks”, 15 January 2025, [https://www.foreign.senate.gov/imo/media/doc/6df93f4b-a83c-89ac-0fac-9b586715afd8/011525\\_Rubio\\_Testimony.pdf](https://www.foreign.senate.gov/imo/media/doc/6df93f4b-a83c-89ac-0fac-9b586715afd8/011525_Rubio_Testimony.pdf).

<sup>15</sup> Frederick Kempe, “Dispatch from Davos: Trump is both symptom and driver of our new geopolitical era”, *Atlantic Council*, 27 January 2025, <https://www.atlanticcouncil.org/content-series/inflection-points/dispatch-from-davos-trump-is-both-symptom-and-driver-of-our-new-geopolitical-era/>.

<sup>16</sup> “About America First Policy Institute: Team: Chairs”, America First Policy Institute, <https://americafirstpolicy.com/team/category/chairs>.

<sup>17</sup> “Claremont Goes to Washington”, Claremont Institute, 19 July 2024, <https://www.claremont.org/claremont-goes-to-washington/>.

<sup>18</sup> Jacob Heilbrunn, “How the War in Ukraine Is Reviving the Blob”, *Politico Magazine*, 6 May 2022, <https://www.politico.com/news/magazine/2022/05/06/biden-foreign-policy-blob-00030443>.

direct America from continuing down a path of overextended internationalism. Described as a “longtime Trump loyalist”,<sup>19</sup> Anton has called the Republicans “the party of military strength and foreign policy restraint”,<sup>20</sup> adding:

America’s days as the world’s arbiter-intervener of first resort must and will end. As a commercial republic whose prosperity depends in part on buying and selling overseas, America must be able to project strength abroad. But we will do so only where and when we must, to protect our interests, which we will define strictly and narrowly.<sup>21</sup>

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<sup>19</sup> Joseph Addington, “Anton to Lead State Department Policy Planning”, *The American Conservative*, 9 December 2024, <https://www.theamericanconservative.com/michael-anton-tapped-to-work-at-the-state-department/>.

<sup>20</sup> Michael Anton, “The Case for Trump”, *Claremont Review of Books*, Summer 2020, <https://claremontreviewofbooks.com/the-case-for-trump/>.

<sup>21</sup> *Ibid.*

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### 3. The New Architects of US Defence Policy

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In the Pentagon, America’s defence policies will be largely shaped by a quartet of realist thinkers: Elbridge Colby, Under Secretary of Defense-designate for Policy; Austin J. Dahmer, Deputy Assistant Secretary of Defense for Strategy; Alexander Velez-Green, formerly with the Heritage Foundation, a Senior Adviser to Colby; and Dan Caldwell,<sup>22</sup> Senior Adviser to Secretary of Defense Pete Hegseth. Colby, the primary author of the 2018 National Defense Strategy, has argued that “our [America’s] core interest is in denying Chinese regional hegemony over Asia”<sup>23</sup> and wrote that in relation to Ukraine, “the key is for the Europeans to step up in the lead for supporting Ukraine and to have a more realistic policy than the, I would say, triumphalist liberalism that the administration and some Republicans have advocated for over the last 2 years.”<sup>24</sup>

Velez-Green has criticised the perspective held by some Asian leaders that prioritising Ukraine’s defence should take precedence over the Indo-Pacific. Former Taiwanese President Tsai Ing-wen, for example, has stated that the US should prioritise Ukraine’s defence over Taiwan, arguing that “we [Taiwan] still have time”.<sup>25</sup> In response to this thinking, Velez-Green has written that “Asian allies & partners must stop encouraging the USA to invest scarce resources in Europe at the expense of our ability to fully resource a denial defense in Asia. They hurt themselves & reveal a lack of seriousness about their own defense by engaging in this behavior.”<sup>26</sup>

Dahmer, like Colby, supports a US defence policy grounded in a “strategy of denial” – the objective of preventing a “credible aspirant” from achieving hegemony in a key geographic region. According to Dahmer, the world’s most geopolitically significant regions for the United States are: 1) East Asia, 2) Europe and 3) the Arabian/Persian Gulf. Dahmer writes:

There is, however, no credible aspirant to regional hegemony, or there exists a tolerable balance of power or sufficient anti-hegemonic coalition, in both Europe and the Gulf. The world’s most important region, and where a favorable balance of power does not currently exist and is unlikely to emerge without the forthright efforts of the United States, is East Asia.<sup>27</sup>

Caldwell has argued for the Trump Administration to commit to realism, including recognising that America operates in a world of constraints, both budgetary and related to finite resources – manpower and munitions. He has criticised the Biden Administration for not focusing on these constraints and called on Republicans to acknowledge the limits of American power. Caldwell wrote: “the United States should retrench from regions in which American interests are less pronounced, such as Europe and the Middle East,” adding that these responsibilities can be “outsourced to relatively wealthy and capable allies in those regions who have more at stake.”<sup>28</sup>

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<sup>22</sup> Noah Robertson, “In Trump’s Pentagon, a growing skepticism about US military power”, *Defense News*, 28 January 2025, <https://www.defensenews.com/pentagon/2025/01/28/in-trumps-pentagon-a-growing-skepticism-about-us-military-power/>.

<sup>23</sup> Elbridge Colby, “The U.S. and Taiwan Must Change Course”, *The Wall Street Journal*, 2 September 2024, <https://www.wsj.com/opinion/us-taiwan-china-defense-elbridge-colby-64ef679c>.

<sup>24</sup> Elbridge Colby (@ElbridgeColby), X post, 13 December 2023, <https://x.com/ElbridgeColby/status/1736107078387662942>.

<sup>25</sup> Jack Detsch, “Taiwan’s former president says Ukraine needs US weapons more urgently than Taipei”, *Politico*, 23 November 2024, <https://www.politico.com/news/2024/11/23/taiwans-former-president-says-ukraine-needs-u-s-weapons-more-urgently-than-taipei-00191400>.

<sup>26</sup> Alex Velez-Green (@Alex\_agvg), X post, 17 August 2024, 1:11am, [https://x.com/Alex\\_agvg/status/1824599998308422108](https://x.com/Alex_agvg/status/1824599998308422108).

<sup>27</sup> Austin J. Dahmer, “Resourcing the Strategy of Denial”, *The Marathon Initiative*, 2023, [https://themarathoninitiative.org/wp-content/uploads/2023/02/FINAL\\_Resourcing-the-Strategy-of-Denial\\_Dahmer.pdf](https://themarathoninitiative.org/wp-content/uploads/2023/02/FINAL_Resourcing-the-Strategy-of-Denial_Dahmer.pdf).

<sup>28</sup> Dan Caldwell and Reid Smith, “Trump Must Not Betray ‘America First’”, *Foreign Affairs*, 13 November 2024, <https://www.foreignaffairs.com/united-states/trump-must-not-betray-america-first>.

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Trump leads a Republican Party seemingly united behind these “America First” foreign policies, which prioritise great power competition with an increasing focus on countering China – a country the previous UK Government described as the “greatest state-based threat” to the UK’s economic security.<sup>29</sup>

## The Foreign Policy of the Labour Government

However, the Labour Government has reversed the course of the previous three Conservative Party Governments and has sought to strengthen economic ties with Beijing,<sup>30</sup> recently easing the Chinese Communist Party’s (CCP) access to Western capital markets and re-establishing UK–People’s Republic of China (PRC) bilateral frameworks on energy, trade and industrial policy.<sup>31</sup>

In addition, the Labour Government has furthered negotiations for the transfer of sovereignty of the Chagos Islands to Mauritius, a move that some current US foreign policy makers have warned advances CCP interests<sup>32</sup> in their opinion. As the Trump Administration seeks to further accelerate America’s decoupling from targeted CCP economic and technology sectors, the US feels that the Labour Government’s apparent rapprochement with Beijing, after years of cautious relations following the PRC’s 2020 breach of the Sino-British Joint Declaration,<sup>33</sup> could unnecessarily complicate the “Special Relationship”.

Critical issues requiring transatlantic cooperation – ranging from securing a just and lasting peace for Kyiv while negotiating a political solution between Russia and Ukraine, to reaching agreements on trade and technology policies – are at risk if the US and UK fail to align on China policy. Moreover, unresolved ideological differences, which have led to contentious disputes on both sides of the Atlantic, further threaten collaboration.

Sensing that the Labour Government may not have adequately prepared for a second Trump White House, Parliament’s International Relations and Defence Committee launched,<sup>34</sup> an inquiry on 24 January 2025 into the UK’s future relationship with the US. While the committee’s chairman, Lord de Mauley, acknowledged that the US has been the United Kingdom’s principal ally for a century, and that relations between the two countries have endured despite diverging interests and changing political climates in both London and Washington, he cautioned that “we must not take this ‘special relationship’ for granted”.<sup>35</sup>

## The US-UK Relationship in a Shifting Global Order

Just as London should not take its relationship with Washington for granted, the Labour Government must recognise that the Trump White House will not view its ties with 10 Downing Street through a business-as-usual lens.

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<sup>29</sup> “China is ‘greatest threat to UK’s economic security’ – Sunak”, *BBC News*, 25 March 2024, <https://www.bbc.com/news/av/uk-politics-68657849>.

<sup>30</sup> Darren Spinck, “Misreading the Mood Music: The UK’s China Engagement Risks Derailing Transatlantic Ties”, *The Committee for Freedom in Hong Kong Foundation*, 23 January 2025, <https://thecfhk.org/misreading-the-mood-music-the-uks-china-engagement-risks-derailing-transatlantic-ties/>.

<sup>31</sup> Heather Stewart, “Rachel Reeves heads to China to build bridges, but new golden era of relations is impossible”, *The Guardian*, 9 January 2025, <https://www.theguardian.com/business/2025/jan/09/rachel-reeves-heads-to-china-to-build-bridges-but-a-new-golden-era-of-relations-is-impossible>.

<sup>32</sup> Emilio Casalicchio, “US Republicans fear UK Chagos Islands deal will boost China”, *Politico EU*, 4 October 2024, <https://www.politico.eu/article/republicans-us-washington-chagos-islands-deal-china-security/>.

<sup>33</sup> “Foreign Secretary declares breach of Sino-British Joint Declaration”, *GOV.UK*, 12 November 2020, <https://www.gov.uk/government/news/foreign-secretary-declares-breach-of-sino-british-joint-declaration>.

<sup>34</sup> “The UK’s future relationship with the US”, UK Parliament Committees, <https://committees.parliament.uk/work/8614/the-uks-future-relationship-with-the-us/>.

<sup>35</sup> “The UK’s future relationship with the US”, UK Parliament Committees, 24 January 2025, <https://committees.parliament.uk/work/8614/the-uks-future-relationship-with-the-us/news/204919/the-uks-future-relationship-with-the-us/>.

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President Trump’s electoral victory provides the UK with a path to align its post-Brexit foreign and economic agenda with the United States, ensuring the mutual interests of both countries are advanced in a rapidly shifting geopolitical landscape. However, this alignment will require careful navigation of the ideological and policy differences that have emerged between the two countries, particularly on issues like China, trade and defence, not to mention social policies.

As noted by Fareed Zakaria, “The crisis of democratic government is actually a crisis of progressive government. People seem to feel they’ve been taxed, regulated, bossed around and intimidated by left-of-center politicians for decades.”<sup>36</sup> As the Labour Government works with President Trump’s Administration, it should realise its views on a wide range of policies including immigration, climate policy, digital privacy and welfare benefits are vastly different. These fractures, the latest being a UK Government demand for “backdoor” access to Apple’s encrypted cloud storage system, have begun to define the overall relationship between the two allies, impacting the potential for foreign policy alignment.<sup>37</sup>

A failure by Labour’s Government to reconcile these differences and concerns could jeopardise the long-standing “Special Relationship” and undermine joint US-UK efforts to address geopolitical challenges, critical to maintaining the UK’s role in the world, which the former executive director of the UK in the World Initiative has called “a medium power ‘with extra clout’”.<sup>38</sup> Overcoming these cultural differences requires a shift to a more transactional model of foreign policy cooperation. Britain needs to take an active role in re-setting this agenda, pushing questions of domestic ideology to the margins in favour of solid, mutually beneficial measures. This interest over sentiment approach could anchor US-UK foreign policy relations.

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<sup>36</sup> Fareed Zakaria (@fareedzakaria), X post, 5 January 2025, 7:01pm, <https://x.com/fareedzakaria/status/1875980945095791088>.

<sup>37</sup> Stephen Nellis, “US examining whether UK’s encryption demand on Apple broke data treaty”, *Reuters*, 26 February 2025, <https://www.reuters.com/technology/us-examining-whether-uks-encryption-demand-apple-broke-data-treaty-2025-02-26/>.

<sup>38</sup> John Kampfner, “Britain must get real about its place in the world”, *The World Today*, Chatham House, December 2022, <https://www.chathamhouse.org/publications/the-world-today/2022-12/britain-must-get-real-about-its-place-world>.

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## 4. Changing Geopolitical Realities

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President Trump enters the White House for a second time as leader of a vastly different global world than during his first term from 2017–2021. The US-led unipolar world has largely fractured into multi-polarity, albeit with Washington seemingly remaining the world’s dominant economic and military power. Multipolarity and, as a reaction, US foreign policy realignments have intensified following three global events.

### The Fracturing of the US-Led World Order

The first was the US withdrawal from Afghanistan.<sup>39</sup> The US House Foreign Affairs Committee has noted that US competitors like China, Russia and Iran “saw weakness during the chaotic and deadly evacuation, emboldening them”.<sup>40</sup> The September 2021 withdrawal was followed, less than six months later, by the second contributing factor which hastened the shift away from unipolarity: Russia’s 2022 invasion of Ukraine. Moscow and Beijing subsequently entered into a “friendship with no limits”,<sup>41</sup> forming an anti-unipolarity alliance.

The third factor leading to the end of US-led unipolarity is Iran’s central role in fracturing the world into multipolarity by leading a proxy war<sup>42</sup> – and at times direct conflict<sup>43</sup> – against Israel following the 7 October 2023 Hamas-led terrorist attack.

Further complicating global stability is the consistently chaotic North Korea, which has entered into a “cash-for-weapons exchange” with Moscow and has sent at least 10,000 North Korean troops to reinforce the Russian military in Kursk according to confirmed media sources.<sup>44</sup> This demonstrates the willingness and ability of foreign states to operate outside previously established international norms, further challenging the status quo.

Amid these challenges, China has worked to lessen its dependency on maintaining economic ties with the United States by developing an alternative economy of the “sanctioned”.<sup>45</sup> Beijing has tightened its diplomatic relationship with Russia,<sup>46</sup> while reducing its over-reliance on foreign imports through its Dual Circulation economic model.<sup>47</sup>

Meanwhile, middle powers, striving to maintain strong commercial relationships with both the West and Beijing, are adopting multi-vector foreign policies. This shift highlights the growing

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<sup>39</sup> Darren G. Spinck, “Navigating New Geopolitical Realities: Policy Paths for the Next U.S. Administration”, *IRMO Brief 09/2024*, Institute for Development and International Relations, Zagreb, September 2024, <https://irmo.hr/wp-content/uploads/2024/09/IRMO-Brief-09-2024.pdf>.

<sup>40</sup> “Getting Answers on the Afghanistan Withdrawal”, US House Committee on Foreign Affairs, <https://foreignaffairs.house.gov/getting-answers-on-afghanistan-withdrawal/#:~:text=Our%20adversaries%2C%20like%20Russia%2C%20China,a%20full%20invasion%20of%20Ukraine>.

<sup>41</sup> “China and Russia: a friendship without limits”, European Council on Foreign Relations podcasts, 31 March 2023, <https://ecfr.eu/podcasts/episode/china-and-russia-a-friendship-without-limits/>.

<sup>42</sup> Patrick Wintour, “How Iran uses proxy forces across the region to strike Israel and US”, *The Guardian*, 1 November 2023, <https://www.theguardian.com/global/2023/nov/01/how-iran-uses-proxy-forces-across-the-region-to-strike-israel-and-us>.

<sup>43</sup> David Gritten, Matt Murphy and Patrick Jackson, “What we know about Iran’s missile attack on Israel”, *BBC News*, 1 October 2024, <https://www.bbc.com/news/articles/c70w1j0l488o>.

<sup>44</sup> Edward H.K. Howell, “North Korea and Russia’s dangerous partnership: The threat to global security from the Kim-Putin axis and how to respond”, Chatham House, 4 December 2024, <https://www.chathamhouse.org/2024/12/north-korea-and-russias-dangerous-partnership>.

<sup>45</sup> Jeff Stein and Federica Cocco, “How four U.S. presidents unleashed economic warfare across the globe”, *The Washington Post*, 25 July 2024, <https://www.washingtonpost.com/business/interactive/2024/us-sanction-countries-work/>.

<sup>46</sup> Clara Fong and Will Merrow, “Where the China–Russia Partnership Is Headed in Seven Charts and Maps”, Council on Foreign Relations, 12 December 2024, <https://www.cfr.org/article/where-china-russia-partnership-headed-seven-charts-and-maps>.

<sup>47</sup> Hung Tran, “Dual circulation in China: A progress report”, *Atlantic Council*, 24 October 2022, <https://www.atlanticcouncil.org/blogs/econographics/dual-circulation-in-china-a-progress-report/>.

importance of strengthening transatlantic ties with the Global South as competition with the PRC continues to intensify.

Worsening the growing chasm between the West and the competing Beijing-led order is the expansion of the BRICS (Brazil, Russia, India, China and South America) economic partnership, which now includes Egypt, Ethiopia, Iran and the United Arab Emirates. The bloc’s combined gross domestic product (GDP) totals 37.3%<sup>48</sup> of global GDP. While the US dollar remains the world’s reserve currency, efforts at de-dollarisation are afoot, with alternatives to the SWIFT cross-border payment system in place, including China’s Cross-Border Interbank Payment System (CIPS) and Russia’s System for Transfer of Financial Messages (SPFS). While the Trump Administration’s Secretary of the Treasury Scott Bessent has voiced support for maintaining the US dollar as the global reserve currency, there is expected to be ongoing debate within the Trump Administration, with Vice President JD Vance believing a weaker dollar would help boost the US export sector.<sup>49</sup>

Complicating the global security outlook further, nine NATO allies still do not budget 2% of their GDP for defence spending, including G-20 members Canada and Italy.<sup>50</sup> In contrast, the US defence budget reached 3.38% of GDP in 2024, compared to 2.33% for the UK. While the Labour Government has now committed to a timeline to raise UK defence spending to 2.5% of GDP by 2027, further budget allocations for defence are needed to allow the UK to deter global challenges.<sup>51</sup> President Trump has called for NATO members to increase defence spending to 5%<sup>52</sup> – a likely unattainable level for many countries in the near term, given the dominance of large social protection benefit programs (27% of GDP for the European Union in 2022).<sup>53</sup>

As this global realignment unfolds, America’s closest ally, the United Kingdom, finds itself grappling with its own challenges and recalibrating its foreign and domestic priorities. The United Kingdom has been a steadfast strategic supporter of Ukraine throughout its war with Russia. However, during his Senate confirmation hearing, Secretary Rubio stressed<sup>54</sup> that the official US position now prioritises ending the war in Ukraine and reaching concessions between Russia and Ukraine. Reshaping “strategic realities”, as stated by US Secretary of Defense Pete Hegseth during a February 2025 Ukraine Defense Contact Group, is conceding that a return to Ukraine’s pre-2014 borders is an “unrealistic objective”.<sup>55</sup> The Pentagon chief continued, “The United States does not believe that NATO membership for Ukraine is a realistic outcome of a negotiated settlement.”

While the US navigates political solutions and terms with the Kremlin and Kyiv, including agreements on Ukraine’s short-term security needs and territorial claims, the United Kingdom,

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<sup>48</sup> Marc Jutten, “Expansion of BRICS: A quest for greater global influence?”, European Parliament Research Service, 15 March 2024, [https://www.europarl.europa.eu/thinktank/en/document/EPRS\\_BRI\(2024\)760368](https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI(2024)760368).

<sup>49</sup> Greg Rosalsky, “The economic mind of JD Vance”, *WUSF*, 23 July 2024, <https://www.wusf.org/2024-07-23/the-economic-mind-of-jd-vance>.

<sup>50</sup> Clara Falkenek, “Who’s at 2 Percent? Look how NATO allies have increased their defense spending since Russia’s invasion of Ukraine”, *Atlantic Council*, 8 July 2024, <https://www.atlanticcouncil.org/blogs/econographics/whos-at-2-percent-look-how-nato-allies-have-increased-their-defense-spending-since-russias-invasion-of-ukraine/>.

<sup>51</sup> Stephen Castle and Mark Landler, “U.K. Announces Increase in Military Spending Ahead of Trump Meeting”, *The New York Times*, 25 February 2025, <https://www.nytimes.com/2025/02/25/world/europe/uk-defense-spending-starmer.html>.

<sup>52</sup> Piero Cingari, “Trump at Davos: NATO 5% push, tariff warnings for Europe”, *Euronews*, 23 January 2025, <https://www.euronews.com/business/2025/01/23/trump-at-davos-nato-5-push-tariff-warnings-for-europe>.

<sup>53</sup> “Social protection statistics – social benefits”, *Eurostat*, February 2025, [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Social\\_protection\\_statistics\\_-\\_social\\_benefits](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Social_protection_statistics_-_social_benefits).

<sup>54</sup> Monica Sager, “Marco Rubio: Ukraine Must Make Concessions to End War With Russia”, *Newsweek*, 15 January 2025, <https://www.newsweek.com/marco-rubio-ukraine-russia-war-concessions-confirmation-hearing-2015519>.

<sup>55</sup> Greg Norman and Lucas Y. Tomlinson, “Ukraine regaining pre-2014 borders is ‘unrealistic objective,’ Hegseth says in first NATO visit”, *Fox News*, 12 February 2025, <https://www.foxnews.com/politics/ukraine-regaining-pre-2014-borders-unrealistic-objective-hegseth-says-first-nato-visit>.

through its 100-year partnership agreement with Ukraine, can help guide Ukraine’s economic reconstruction and future security concerns.<sup>56</sup> However, this Labour Government effort will be somewhat clouded by uncertainty, as the White House aims to secure future US aid to Ukraine by leveraging access to the country’s vast reserves of rare earth elements, critical minerals and strategic infrastructure.<sup>57</sup> As China continues restricting exports of key rare earths due to its monopoly of mining and processing these elements, the United Kingdom should work closely with the United States to ensure there are secure supplies for the UK’s domestic industrial base and for the manufacture of submarines through the AUKUS trilateral defence agreement.

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<sup>56</sup> Claire Mills, “UK-Ukraine 100-year partnership agreement”, House of Commons Library, 5 February 2025, <https://commonslibrary.parliament.uk/uk-ukraine-100-year-partnership-agreement/>.

<sup>57</sup> Seb Starcevic, “Trump demands \$500B in rare earths from Ukraine for continued support”, *Politico EU*, 11 February 2025, <https://www.politico.eu/article/trump-demands-500b-in-rare-earth-from-ukraine-for-support/>.

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## 5. Transatlantic Strategy in a Multipolar Era: US Prioritization and the UK’s Role

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With the United States focusing its efforts on countering adversarial encroachment in the Western and Northern Hemispheres, and on blunting the PRC’s hegemonic ambitions in the Indo-Pacific, US national security objectives will focus on “prioritisation” over “primacy”, with shaping of policies based on strategic necessity and reshaping America’s industrial base.<sup>58</sup> The UK-Ukraine partnership offers London a post-Brexit opportunity to shape European security architecture, including maritime security collaboration, scientific and technology partnerships and food security. But the United Kingdom should pursue joint policies with both the United States and Ukraine if Washington secures mining rights to the latter’s natural resources. As instability in Ukraine could complicate midstream processing of rare earth elements, London should coordinate with Washington to establish safe passage for mined materials to a third-party country. Additionally, the UK should encourage private sector investment into both Ukraine’s and neighbouring countries’ infrastructure to allow for the secure export of these critical resources.

Besides collaborating with the Trump administration to advance transatlantic national security interests in the Indo-Pacific and Europe, the UK Government can also pursue policies in the Middle East to promote regional peace and stability. During President Trump’s 2025 joint address to Congress, he stated, “...we’re going to build [on the foundation of the Abraham Accords] to create a more peaceful and prosperous future for the entire region.”<sup>59</sup> Achieving this goal will require US and Israeli leadership, supported by London’s diplomatic efforts to normalize relations between Israel and its Arab neighbours. The UK can obviously play a role here in participation in the Abraham Accords process, given its warm historical ties with the Gulf region and support for Israel as a democratic ally.

But more than this, an opportunity now exists for the UK to get on board with US positioning on Iran, and to end the transatlantic divide on Iran policy that has disrupted attempts to forge a coherent approach to stopping Iran’s nuclear progress since the mid point of the first Trump Administration. When the US pulled out of the Joint Comprehensive Plan of Action (JCPOA) in 2018 and imposed a policy of “Maximum Pressure” on Iran, the UK refused to follow suit. It has stayed a party to the JCPOA since and refused to snap back sanctions on Iran, even though Iran has repeatedly breached the obligations it undertook in the JCPOA to restrict uranium enrichment.<sup>60</sup> With Iran’s Supreme Leader Ayatollah Khamenei having just rejected a US offer of direct talks to end the nuclear standoff, this would be an appropriate time for the UK to finally demonstrate some backbone on Iran’s repeated JCPOA breaches.<sup>61</sup> A decision to finally snap back sanctions would not only be the right decision from a strategic point of view, but would also be seen as a victory for the long-established Trump policy on Iran, one that would cost the UK nothing and would generate much goodwill in Washington DC.

A similar move could easily be achieved by the UK joining the US in proscribing the Islamic Revolutionary Guard Corps (IRGC), Iran’s elite armed force, as a terrorist entity. The first

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<sup>58</sup> Majda Ruge and Jeremy Shapiro, “Polarised power: The three Republican ‘tribes’ that could define America’s relationship with the world”, European Council on Foreign Relations, 17 November 2022, <https://ecfr.eu/article/polarised-power-the-three-republican-tribes-that-could-define-americas-relationship-with-the-world/>.

<sup>59</sup> Donald J. Trump, “Remarks by President Trump in Joint Address to Congress”, The White House, March 6, 2025, <https://www.whitehouse.gov/remarks/2025/03/remarks-by-president-trump-in-joint-address-to-congress/>.

<sup>60</sup> Claire Mills, “What is the status of Iran’s nuclear programme and the JCPOA?”, House of Commons Library, 4 October 2024, <https://commonslibrary.parliament.uk/research-briefings/cbp-9870/>.

<sup>61</sup> David Gritten, “Iran rejects nuclear talks as UAE delivers Trump’s letter”, *BBC News*, 12 March 2025, <https://www.bbc.co.uk/news/articles/c5y02jexjxxo>.

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Trump Administration designated the IRGC in this way in April 2019. The UK has already acknowledged in December 2022 that the IRGC occupies a central role in the Iranian regime’s command and control structure, with then-Foreign Secretary James Cleverly announcing that the IRGC was being sanctioned in its entirety. Since then, much further evidence has come to light about IRGC connections to Iranian operations in the UK, leading many to call for its formal proscription.<sup>62</sup> With the Labour Government having previously endorsed this idea in opposition,<sup>63</sup> it could take a very important step for UK national security – and simultaneously demonstrate a solidarity with the US which would once again reap diplomatic rewards – by moving forwards with IRGC proscription as soon as possible.

Absent such simple policy wins, the United Kingdom has thus far struggled to find a clear, post-Brexit course. A cost-of-living crisis following the Covid pandemic ended 14 years of Conservative Party rule. The UK did accede<sup>64</sup> to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) on 15 December 2024 and entered into AUKUS, a trilateral defence partnership with the United States and Australia in 2021. However, the UK’s Indo-Pacific tilt has not yet dramatically increased trade in the region, with the Economist Intelligence Unit forecasting the economic benefit of the UK’s membership in CPTPP will be “minimal”.<sup>65</sup>

## The UK’s Foreign Policy Dilemma in a Multipolar World

The Prime Minister has sought a “reset” with Brussels, while younger UK voters support a reversal of Brexit.<sup>66</sup> Foreign Secretary David Lammy has embraced “progressive realism”<sup>67</sup> which, he has written, “requires tough-minded honesty about the United Kingdom, the balance of power, and the state of the world.”

Remarkably, days after the US election and with the transatlantic partnership remaining a key priority, 10 Downing Street had yet to appoint a single foreign policy adviser. Patrick Maguire, a columnist for *The Times*, observed at the time, “The core team now running Downing Street is intensely political,” adding that one of his colleagues had noted: “You can’t talk to Trump about Lambeth council.”<sup>68</sup> This lack of strategic foreign policy counsel risked leaving the UK underprepared to adequately pursue collaborative opportunities with the incoming Trump Administration, particularly as geopolitical dynamics continue to shift. Since Trump’s victory, the Prime Minister has appointed former Tony Blair adviser Jonathan Powell.<sup>69</sup> However, with Powell serving as the chief UK negotiator for the Chagos Islands handover,<sup>70</sup> hawkish China

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<sup>62</sup> Elizabeth Samson, “A Duty to Protect: The Failure of UK Sanctions Against Iran and the Necessity of Proscribing the IRGC”, The Henry Jackson Society, 18th July 2023, <https://henryjacksonsociety.org/wp-content/uploads/2023/07/IRGC-2023-Report.pdf>.

<sup>63</sup> Ben Riley-Smith, “Labour ‘will change the law to officially declare Iran’s Revolutionary Guard a terrorist group’”, *The Telegraph*, 25 June 2024, <https://www.telegraph.co.uk/politics/2024/06/25/labour-proscribe-iran-revolutionary-guard-terrorist-group/>.

<sup>64</sup> “The UK and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)”, GOV.UK, 31 March 2023, <https://www.gov.uk/government/collections/the-uk-and-the-comprehensive-and-progressive-agreement-for-trans-pacific-partnershipcptpp>.

<sup>65</sup> “The UK is set to join CPTPP”, Economist Intelligence Unit, 5 September 2024, <https://www.eiu.com/n/the-uk-is-set-to-join-cptpp/>.

<sup>66</sup> Simon Walters, “Gen Z leads drive to reverse Brexit”, *The Independent*, 14 September 2024, <https://www.the-independent.com/news/uk/politics/brexit-reversal-gen-z-referendum-rejoin-eu-b2613403.html>.

<sup>67</sup> David Lammy, “The Case for Progressive Realism”, *Foreign Affairs*, 17 April 2024, <https://www.foreignaffairs.com/united-kingdom/case-progressive-realism-david-lammy>.

<sup>68</sup> Patrick Maguire, “Starmer finds world stage a law unto itself”, *The Times*, 28 November 2024, <https://www.thetimes.com/comment/columnists/article/starmer-finds-world-stage-a-law-unto-itself-jzxxw3bjp>.

<sup>69</sup> “Appointment of Jonathan Powell as National Security Adviser”, GOV.UK, 8 November 2024, <https://www.gov.uk/government/news/appointment-of-jonathan-powell-as-national-security-adviser>.

<sup>70</sup> Andrew Macaskill, “Britain names Jonathan Powell as national security adviser”, *Reuters*, 8 November 2024, <https://www.reuters.com/world/uk/britain-names-jonathan-powell-national-security-adviser-2024-11-08/>.

advisers within the Trump Administration may view the Prime Minister’s foreign policy stance with suspicion, despite the US president potentially giving Prime Minister Starmer approval to complete the deal.<sup>71</sup>

The Republican Party’s pivot away from interventionist neo-conservatism reflects a focus on countering China’s strategic challenges and a recognition that America’s status as the global hegemon has faded. As Secretary Rubio observed,<sup>72</sup> America’s era of unipolarity should have been considered an exception, not the rule. While this prioritisation in a multipolar world aligns with Elbridge Colby’s vision of “Asia First”<sup>73</sup> it is still largely rooted in President Reagan’s “peace through strength”<sup>74</sup> mantra.<sup>75</sup> Framing this shift as “declinism” risks creating fissures in transatlantic cooperation. As the Heritage Foundation argues,<sup>76</sup> finite US resources must be allocated strategically to deny PRC hegemony while supporting allied efforts to counter other global threats. Overextension of such resources, through pursuit of liberal interventionist policies, will lead to the very declinism that Washington and London must avoid.

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<sup>71</sup> Genevieve Holl-Allen and Samaan Lateef, “Chagos deal ‘to be sealed this week after Trump backing’”, *The Telegraph*, 2 March 2025, <https://www.telegraph.co.uk/politics/2025/03/02/kemi-badenoch-not-accept-chagos-islands-deal-trump-backs-it/>.

<sup>72</sup> Trita Parsi, “What Rubio said about multipolarity should get more attention”, *Responsible Statecraft*, 3 February 2025, <https://responsiblestatecraft.org/marco-rubio/>.

<sup>73</sup> Jacob Heilbrunn, “Elbridge Colby Wants to Finish What Donald Trump Started”, *Politico Magazine*, 11 April 2023, <https://www.politico.com/news/magazine/2023/04/11/tucker-carlson-eldridge-colby-00090211>.

<sup>74</sup> “Peace Through Strength”, Ronald Reagan Presidential Library, accessed March 4, 2025 <https://www.reaganlibrary.gov/permanent-exhibits/peace-through-strength>.

<sup>75</sup> Yukihiro Sakaguchi, “Trump pushes ‘peace through strength’ vision with defense picks”, *Nikkei Asia*, 14 November 2024, <https://asia.nikkei.com/Politics/U.S.-elections-2024/Trump-pushes-peace-through-strength-vision-with-defense-picks>.

<sup>76</sup> Alex Velez-Green and Robert Peters, “The Prioritization Imperative: A Strategy to Defend America’s Interests in a More Dangerous World”, The Heritage Foundation, 1 August 2024, <https://www.heritage.org/defense/report/the-prioritization-imperative-strategy-defend-americas-interests-more-dangerous>.

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## 6. Diplomatic Strains: Navigating Past Criticisms and Political Tensions

In 2018, while serving as a Labour backbencher, Foreign Secretary David Lammy referred to then-President Donald Trump as a “neo-Nazi-sympathising sociopath”.<sup>77</sup> Prior to Trump’s 2019 State Visit, Lammy, then an MP, also stated that the US President was “no friend of Britain”.<sup>78</sup> However, following President Trump’s second inauguration, the Foreign Secretary appeared to revise his stance, indicating that a pragmatic consensus is being reached within Labour’s foreign policy makers.

Foreign Secretary Lammy has also met with President Trump, describing him as “a very gracious host”.<sup>79</sup> However, Lammy’s past criticisms carry the risk of resurfacing and complicating bilateral relations. For instance, Kemi Badenoch MP, Leader of the Opposition, has urged the Prime Minister to disavow the Foreign Secretary’s earlier remarks.<sup>80</sup> Furthermore, Lammy’s current praise for President Trump – calling him “funny, friendly and warm” – has drawn criticism.<sup>81</sup>

Chancellor of the Duchy of Lancaster Pat McFadden believes President Trump will “look past” the earlier criticisms.<sup>82</sup> But reports<sup>83</sup> indicating that the Foreign Secretary did not initially recommend that HM King Charles III host the 47th US President and the First Lady for a state visit in 2025 could unnecessarily strain relations between the White House and 10 Downing Street. According to the Foreign Secretary, a Trump state visit, which the Foreign and Commonwealth Office would advise the King to extend, would be a “bit of a tall order”.<sup>84</sup> Since then, perhaps sensing the appreciation that the US President holds for the royal family, Prince William met with then President-elect Trump in Paris during the Notre Dame cathedral re-opening ceremony and King Charles III sent a congratulatory message following the January 20 inauguration. During Prime Minister Starmer’s meeting with President Trump, he presented the US leader with an invitation from King Charles III for an official state visit.<sup>85</sup> The Prime Minister later rejected calls from British politicians to delay President Trump’s state visit following the US president’s contentious February 2025 meeting with Ukrainian leader Volodymyr Zelenskyy.<sup>86</sup>

US-UK relations may not lie at the head of government level but rather with the close advisers to the US president. Before the US presidential election, Sofia Patel, the Labour Party’s head of operations, wrote on a social media posting, “I have nearly 100 Labour party staff, current and former, going to the US in the next few weeks, heading to North Carolina, Nevada, Pennsylvania

<sup>77</sup> Lucy Fisher and George Parker, “Lammy seeks to repair Trump relationship after ‘Nazi’ jibe”, *Financial Times*, 6 November 2024, <https://www.ft.com/content/2f23d94c-43f1-4524-9260-6662f13e7708>.

<sup>78</sup> Chris Mason and Becky Morton, “Lammy dismisses past criticism of Trump as ‘old news’”, *BBC News*, 7 November 2024, <https://www.bbc.com/news/articles/cm2z1zm1pk3o>.

<sup>79</sup> Ibid.

<sup>80</sup> Amy Gibbons and Genevieve Holl-Allen, “Badenoch demands Starmer apologise to Trump in ‘punchy’ PMQs debut”, *The Telegraph*, 6 November 2024, <https://www.telegraph.co.uk/politics/2024/11/06/kemi-badenoch-keir-starmer-lammy-trump/>.

<sup>81</sup> Ross Clark, “Trump won’t respect David Lammy’s fawning”, *The Spectator*, 20 January 2025, <https://www.spectator.co.uk/article/trump-wont-respect-david-lammys-fawning/>.

<sup>82</sup> Eleni Courea, “Trump is able to ‘look past’ criticisms, says Labour minister”, *The Guardian*, 7 November 2024, <https://www.theguardian.com/politics/2024/nov/07/trump-is-able-to-look-past-things-people-have-said-about-him-says-labour-minister>.

<sup>83</sup> Michael Martins, “The Notebook: No state visit for President Trump? What a mistake”, *City AM*, 19 November 2024, <https://www.cityam.com/the-notebook-no-state-visit-for-president-trump-what-a-mistake/>.

<sup>84</sup> Ed Balls, “Lammy warns Trump against hurting allies with tariffs plan”, *The Telegraph*, 8 November 2024, <https://www.telegraph.co.uk/politics/2024/11/08/lammy-warns-trump-against-hurting-allies-with-tariffs-plan/>.

<sup>85</sup> Mark Landler, “With a Letter From King Charles, Starmer Was Welcomed Into Trump’s Court”, *The New York Times*, 28 February 2025 <https://www.nytimes.com/2025/02/28/world/europe/trump-starmer-king-charles.html>.

<sup>86</sup> Andrew Macaskill and Kate Holton, “UK PM Starmer dismisses calls for Trump’s state visit to be cancelled”, *Reuters*, 2 March 2025, <https://www.reuters.com/world/europe/uk-pm-starmer-dismisses-calls-trumps-state-visit-be-cancelled-2025-03-02/>.

and Virginia.”<sup>87</sup> Close Trump confidantes were incensed with what they viewed as foreign influence in the presidential election, with incoming counter-terrorism National Security Council official Sebastian Gorka labelling the volunteer campaigning “a bloody outrage”<sup>88</sup> and Reform Party leader Nigel Farage saying the effort was “direct election interference”.<sup>89</sup> As HJS Executive Director Alan Mendoza noted, Conservative support for George H.W. Bush in the 1992 US presidential election was viewed negatively by Bill Clinton and the “damage took 5 years to unwind”.<sup>90</sup>

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<sup>87</sup> Alexandra Rogers, “Labour staff helping on Kamala Harris campaign is ‘normal’, says minister”, *Sky News*, 18 October 2024, <https://news.sky.com/story/labour-staff-helping-on-kamala-harris-campaign-is-normal-says-minister-13235697>.

<sup>88</sup> Dominic Penna and Tony Diver, “Republicans ‘outraged’ as Labour sends 100 staff to help Harris”, *The Telegraph*, 17 October 2024, <https://www.telegraph.co.uk/politics/2024/10/17/labour-sends-staff-help-democrats-us-election-kamala-harris/>.

<sup>89</sup> Nigel Farage (@Nigel\_Farage), X post, 18 October 2024, 10:51am, [https://x.com/Nigel\\_Farage/status/1847213823188459919](https://x.com/Nigel_Farage/status/1847213823188459919).

<sup>90</sup> Alan Mendoza (@alanmendoza), X post, 23 October 2024, 10:06am, <https://x.com/alanmendoza/status/1849014534826086442>.

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## 7. Policy Divides: Trade, Security and the China Challenge

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In addition to politics, there is already disagreement between the two transatlantic partners on policy related to trade and national security. While Chancellor of the Exchequer Rachel Reeves has expressed the Government’s continued hope for securing a free trade agreement with the United States, the competing visions of pro-free trade Labour and an increasingly protectionist Washington could lead to friction.<sup>91</sup> UK exemptions to the 2018 Trump Administration Section 232 tariffs on steel and aluminium imports from the UK were recently removed by the White House, but the current Labour Government has wisely avoided any immediate retaliation against America, perhaps believing some bilateral agreements can be reached between Washington and London. Both President Trump and Prime Minister Starmer have indicated that a free trade pact could ultimately be agreed upon.<sup>92</sup>

In April 2025, the White House imposed a baseline 10 percent universal tariff on the United Kingdom under the authority of the International Emergency Economic Powers Act (IEEPA). This relatively low tariff – half the rate applied to European Union exports to the United States – may signal that President Trump remains optimistic about securing a free trade agreement with London. In exchange, the Trump Administration is likely seeking greater market access for US agriculture and the elimination of the UK digital services tax. Former United States Trade Representative Robert Lighthizer, who continues to wield influence over trade policy in the Trump Administration, has noted that between 2010 and 2021, the United States experienced goods trade surpluses with the United Kingdom in seven of those twelve years.<sup>93</sup> “That is how trade is supposed to work,” Lighthizer wrote, adding, “economically, we really do have a special relationship.”<sup>94</sup>

However, while both the Chancellor and the Foreign Secretary have also emphasised hopes of avoiding broader tariff impositions on the UK economy, the Minister of State for Food Security and Rural Affairs, Daniel Zeichner, dashed any expectations that the White House would secure greater market access for US agricultural exports to the United Kingdom.<sup>95</sup>

In a sign that the Government may seek to strengthen its ties with Brussels following the UK’s decoupling from the European Union after the 2016 Brexit referendum, Secretary of State for Business and Trade Jonathan Reynolds stated:

The US is a major and important trading partner for the UK, £300 billion of bilateral trade, but compared to the EU with over £800 billion of bilateral trade, clearly if there are things that we’re offered or asked to do that would result in an adverse relationship on the European side, we’d have to weigh the consequences of that.<sup>96</sup>

A key area of potential divergence between the Government and the White House is in their respective strategies toward China.

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<sup>91</sup> Archie Mitchell, “Rachel Reeves targets trade deal with Donald Trump as UK economy stalls”, *The Independent*, 15 November 2024 <https://www.the-independent.com/news/uk/uk-economy-gdp-reeves-latest-figures-b2647661.html>.

<sup>92</sup> George Parker and Felicia Schwartz, “US and UK in talks on trade deal that could spare Britain from tariffs”, *Financial Times*, 27 February 2025, <https://www.ft.com/content/9ecb43b3-4579-44df-bb9a-a27f35cc3e75>.

<sup>93</sup> Robert Lighthizer, *No Trade Is Free* (New York: HarperCollins Publishers, 2023), p.269.

<sup>94</sup> Ibid.

<sup>95</sup> Sophie Inge, “UK won’t weaken food standards to land a Trump trade deal, minister says”, *Politico*, 14 November 2024, <https://www.politico.eu/article/uk-wont-weaken-food-standards-to-land-a-trump-trade-deal-minister-says/>.

<sup>96</sup> Nina Lloyd, “UK would weigh consequences of US trade demands if adverse to EU ties – Reynolds”, *Evening Standard*, 18 November 2024, <https://www.standard.co.uk/news/politics/donald-trump-china-washington-government-brussels-b1194767.html>.

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Trump Administration officials including Marco Rubio and Michael Waltz have criticised the UK’s decision to relinquish control of Chagos to Mauritius, with President Trump’s National Security Adviser writing, “I have no doubt China will take advantage of the resulting vacuum.”<sup>97</sup> The 58-island Chagos Archipelago is home to the joint UK-US Diego Garcia airbase. The Labour Government sought to push the handover of Chagos to the Mauritian administration during the transition between the Biden presidency and the Trump Administration, even agreeing to “frontload” several years of payments for the UK lease of Diego Garcia.<sup>98</sup> The Labour Government, apparently, has felt compelled to hand over sovereignty of the archipelagos to Mauritius following a non-binding, advisory ruling to do so by the International Court of Justice. Following London’s decision to delay the Chagos handover until President Trump was inaugurated, US Senator John Kennedy wrote in an op-ed in *The Telegraph*, “Fortunately, cooler – and perhaps wiser – heads prevailed. Prime Minister Starmer agreed to welcome President Trump to the negotiating table. This is great news. Friends don’t strike deals behind each other’s backs, especially when our shared security is on the line.”<sup>99</sup> Perhaps content to allow the UK to pay the reported £90m annual lease fee<sup>100</sup> to allow Washington and London to maintain Diego Garcia as a strategic military base, President Trump stated in February 2025 that he was “inclined to go along” with the Labour Government’s decision, which he reportedly agreed to in April 2025.<sup>101</sup>

### **High-Stakes Diplomacy: Lord Mandelson, Chagos and US Trust in London**

Following President Trump’s election, the Prime Minister quickly proposed sending Lord Peter Mandelson to Washington as the King’s envoy to the United States, with the objective of advancing trade negotiations between the two nations. Lord Mandelson had previously described President Trump as “little short of a white nationalist”.<sup>102</sup> Such political incidents, combined with the Labour Government’s planned Chagos deal – or possibly in addition, due to conflicting national interests – and Chancellor Reeves’s efforts to strengthen UK economic ties with China, resulted in President Trump’s initial suggestion that he might reject Lord Mandelson’s credentials.<sup>103</sup> Such a move would have been “unprecedented” in US-UK diplomatic relations and could have signalled the White House’s reluctance to engage constructively with the current Labour Government.<sup>104</sup>

Ultimately, the United States approved Mandelson’s “*agrément*” soon after President Trump’s inauguration, indicating that the White House would ultimately accept his “letter of credence”.<sup>105</sup> It had been speculated that the envoy could face “serious restrictions on his activities”,<sup>106</sup> likely

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<sup>97</sup> David Maddox, “Revealed: Donald Trump’s push to ‘veto Keir Starmer’s Chagos Islands deal’”, *The Independent*, 13 November 2024, <https://www.the-independent.com/news/uk/politics/trump-chagos-islands-diego-garcia-starmer-b2645580.html>.

<sup>98</sup> Lucy Fisher, “UK offers to frontload payments in Chagos Islands talks”, *Financial Times*, 8 January 2025, <https://www.ft.com/content/f4d70560-5ae6-4450-8e2d-dab5bb1b3487>.

<sup>99</sup> John Kennedy, “It’s time to ditch the Chagos Islands deal for good”, *The Telegraph*, 25 January 2025, <https://www.telegraph.co.uk/news/2025/01/25/its-time-to-ditch-chagos-islands-deal-for-good/>.

<sup>100</sup> “Trump tells Starmer ‘inclined’ to back Chagos deal”, *France 24*, 27 February 2025, <https://www.france24.com/en/live-news/20250227-trump-tells-starmer-inclined-to-back-chagos-deal>.

<sup>101</sup> Noah Keate and Dan Bloom, “Trump hints at US backing for Chagos Islands deal”, *Politico*, 27 February 2025, <https://www.politico.eu/article/donald-trump-chagos-island-us-uk-prime-minister-keir-starmer-agreement/>.

<sup>102</sup> Sam Francis and Malu Cursino, “Trump campaign adviser calls incoming UK ambassador to US a ‘moron’”, *BBC News*, 20 December 2024, <https://www.bbc.com/news/articles/clyx9kplge8o>.

<sup>103</sup> David Maddox, “Trump poised to reject Mandelson as ambassador to US unless serious restrictions placed on his activities”, *The Independent*, 20 January 2025, <https://www.independent.co.uk/news/uk/politics/lord-mandelson-donald-trump-ambassador-b2682863.html>.

<sup>104</sup> *Ibid.*

<sup>105</sup> Emilio Casalichio and Daniel Lippman, “Trump admin approves Peter Mandelson as UK’s DC ambassador”, *Politico*, 28 January 2025, <https://www.politico.eu/article/us-donald-trump-peter-mandelson-pick-uk-ambassador-dc/>.

<sup>106</sup> Maddox, “Trump poised to reject Mandelson”.

stemming from Lord Mandelson’s perceived pro-China stances.<sup>107</sup> Luke de Pulford, the executive director of the Interparliamentary Alliance on China (IPAC), called Mandelson’s appointment “incomprehensible”<sup>108</sup> and hinted that restrictions could include limits on intelligence sharing cooperation between Washington and London. IPAC later provided US senators with a dossier outlining Mandelson’s ties to China, which was subsequently forwarded to the US Department of Justice. The Prime Minister’s office denied the accusations outlined in the report.<sup>109</sup>

While the Labour Government was more ideologically aligned with Vice President Kamala Harris’s campaign platform, President Trump’s victory now presents pragmatic opportunities for London, including the potential for coordinated support for private sector-led reconstruction of Ukraine and strengthened national security capabilities for the United Kingdom.

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<sup>107</sup> Emilia Casalicchio, “Who Is Peter Mandelson, Britain’s ‘prince of darkness’ US ambassador pick?”, *Politico*, 20 December 2024, <https://www.politico.eu/article/peter-mandelson-britain-prince-of-darkness-us-ambassador/>.

<sup>108</sup> Luke de Pulford (@lukedepulford), X post, 19 December 2024, 7:30pm.

<sup>109</sup> Helen Corbett, “Downing Street defends Mandelson amid report ‘dossier’ passed to FBI”, *The Independent*, 28 January 2025, <https://www.the-independent.com/news/uk/peter-mandelson-downing-street-donald-trump-keir-starmer-fbi-b2687861.html>.

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## 8. Transatlantic National Security Challenges: Prioritisation or Primacy?

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The four years of the Biden presidency led to an intense debate over the foreign policy path of the Republican Party. As outlined by Jeremy Shapiro and Majda Ruge from the European Council on Foreign Relations,<sup>110</sup> the three Republican foreign policy “tribes” are composed of: the “restrainers” who advocate for a restrained US military presence abroad; the “prioritisers” who believe finite resources necessitate a prioritisation of America’s forward presence; and the “primacists” who believe in a strong US global leadership. With the restrainer, or isolationist, wing of the Republican Party wielding some, limited influence, the key struggle during the Trump transition – and likely over the next four years – will centre on a debate between “prioritisers” and “primacists”.

“Prioritisers” are typified by Elbridge Colby who favours a far stronger US deterrent presence in the Indo-Pacific to counter China’s economic ambitions. Colby has stated that Europeans must take greater responsibility for the defence of Ukraine<sup>111</sup> and this is demonstrated by Secretary Hegseth’s discussion that European troops would lead a “non-NATO mission”<sup>112</sup> to stabilise Ukraine during a ceasefire and the post-war reconstruction. This reflects the GOP belief that US security resources should be concentrated where they are most strategically necessary to protect US core interests – in the Indo-Pacific and elsewhere.

The “primacist” camp aligns closely with the perspective of Mike Pompeo, Secretary of State in the previous Trump Administration, who has advocated for a “revitalized NATO” and the removal of restrictions on the types of weaponry Washington permits Ukraine to use in strikes within Russia.<sup>113</sup> While Mike Pompeo and Nikki Haley, also a “primacist” and former Trump Administration official, will not join the second Trump White House, Pompeo’s influence was present during the post-election transition. Brian Hook, the first Trump White House’s special envoy for Iran, initially led the State Department’s transition. Hook, however, was unceremoniously removed from both the transition and his seat as a commissioner on the Wilson Center for Scholars.<sup>114</sup> Hook and Pompeo also had their security details removed, following reported threats against their lives.<sup>115</sup> These rapid changes likely indicate a dramatic shift in US foreign policy, with the “primacist” camp removed from most positions of influence at the outset of the second Trump presidency.

In response to the changing geopolitical landscape, Secretary of State Marco Rubio outlined in a memorandum to State Department employees that America will now refocus its foreign policy on “the realities of re-emerging great power rivalry” and pivot away from ideological mistakes that have led the United States to “misread the world, [miss] key trends, and [lose] ground internationally”.<sup>116</sup> London should interpret this, as well as Washington’s plans for post-

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<sup>110</sup> Majda Ruge and Jeremy Shapiro, “Polarised power: The three Republican ‘tribes’ that could define America’s relationship with the world”, European Council on Foreign Relations, 17 November 2022, <https://ecfr.eu/article/polarised-power-the-three-republican-tribes-that-could-define-americas-relationship-with-the-world/>.

<sup>111</sup> ElbridgeColby (@ElbridgeColby), Xpost, 16 December 2023, 7:32pm, <https://x.com/ElbridgeColby/status/1736107078387662942>.

<sup>112</sup> Pete Hegseth, “Opening Remarks by Secretary of Defense Pete Hegseth at Ukraine Defense Contact Group (As Delivered)”, US Department of Defense, 12 February 2025, <https://www.defense.gov/News/Speeches/Speech/Article/4064113/opening-remarks-by-secretary-of-defense-pete-hegseth-at-ukraine-defense-contact/>.

<sup>113</sup> David J. Urban and Mike Pompeo, “A Trump Peace Plan for Ukraine”, *The Wall Street Journal*, 25 July 2024, <https://www.wsj.com/articles/a-trump-peace-plan-for-ukraine-russia-foreign-policy-926348cf>.

<sup>114</sup> Eric Bazail-Eimil and Robbie Gramer, “Venezuela is now Trump’s problem to solve”, *Politico’s National Security Daily*, 10 January 2025, <https://www.politico.com/newsletters/national-security-daily/2025/01/10/venezuela-is-now-trumps-problem-to-solve-00195922>.

<sup>115</sup> Maggie Haberman, “Trump Revokes Security Detail for Pompeo and Others, Despite Threats From Iran”, *The New York Times*, 23 January 2025, <https://www.nytimes.com/2025/01/23/us/politics/trump-pompeo-security-iran.html>.

<sup>116</sup> Robbie Gramer and Eric Bazail-Eimil, “Rubio’s Trumpian plans for State”, *Politico’s National Security Daily*, 22 January 2025, <https://www.politico.com/newsletters/national-security-daily/2025/01/22/rubios-trumpian-plans-for-state-00195922>.

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war Ukraine and the review and restructuring of the United States Agency for International Development (USAID), as further evidence of America’s shift away from democracy-building initiatives and interventionist policies and toward a strategy centred on great power competition and realpolitik tactics.

However, as competition intensifies between the transatlantic partners and their strategic competitors – China, Russia and Iran – the United States will likely not retreat from a global security role and embrace isolationist policies, instead refocusing US efforts on the Indo-Pacific and America’s hemisphere as outlined by the policy team at the Pentagon.

Recent analysis suggests that the Republican Party is moving away from “decades of dominant interventionist and Reaganite thinking”.<sup>117</sup> This shift differs from the neoconservative ideology of nation-building and global policing, focusing instead on the strategic prioritisation of China as a “profound and existential”<sup>118</sup> challenge to the United States.

Matthew Kroenig of the Atlantic Council describes this pivot as a “Trump-Reagan fusion” on foreign policy<sup>119</sup> – one that maintains a strong national defence while addressing economic dependencies related to China and securing critical supply chains. Given this realignment, the United Kingdom should reassess its defence posture to ensure it can both deter threats and, if necessary, take on a greater role as Europe’s primary security guarantor within NATO. However, this will entail a greater commitment to defence spending and recruitment to the UK’s armed forces.

## **The UK’s Role in Ukraine’s Future Security and Reconstruction**

Following the new US foreign policy narrative, should Russia and Ukraine reach a political settlement, the United Kingdom, through its existing partnership with Kyiv, could play a pivotal role in Ukraine’s post-war reconstruction and security. However, given the sensitivities surrounding America’s nuclear umbrella guarantee through NATO, US negotiators, following Trump’s new political policy, will be hesitant to permit a large international peacekeeping force – potentially composed of the UK and other European nations forming a “coalition of the willing”<sup>120</sup> – to enforce any line of demarcation between Ukrainian-controlled territory west of the line and Russian-controlled territory to the east. Already, Secretary Hegseth has announced a peacekeeping force will operate without the protection of NATO’s Article Five collective defence commitments. Confidence-building measures must be established between Kyiv, Moscow, Washington, London, Brussels and other governments to ensure that, should all sides ultimately agree to the deployment of peacekeeping troops, their presence does not inadvertently escalate hostilities.

Both the United States and the United Kingdom can support Ukraine’s reconstruction by leveraging private equity from Wall Street and the City of London. Infrastructure projects should focus not only on rebuilding Ukraine’s damaged ports, railways and roads but also on strengthening infrastructure in neighbouring countries to enhance connectivity for Ukraine throughout Central and Eastern Europe. These initiatives should prioritise employing local Ukrainians to reduce reliance on social benefits from the US and UK, while also incentivising Ukrainian men who are living abroad to return home for stable, well-paying reconstruction jobs, mitigating the human capital drain Ukraine has faced since 2022. This, in turn, will ease

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<sup>117</sup> Heilbrunn, “Elbridge Colby Wants to Finish What Donald Trump Started”.

<sup>118</sup> Ruge and Shapiro, “Polarised power”.

<sup>119</sup> Matthew Kroenig and Dan Negrea, “Republicans Are More United on Foreign Policy Than It Seems”, *Foreign Policy*, 13 April 2024, <https://foreignpolicy.com/2024/04/13/republican-foreign-policy-ukraine-aid-congress-trump-reagan/>.

<sup>120</sup> Alex Wickham and Irina Anghel, “European Leaders Seek ‘Coalition of Willing’ to Secure Ukraine”, *Bloomberg*, 2 March 2025, <https://www.bloomberg.com/news/articles/2025-03-02/starmer-says-uk-working-with-france-ukraine-on-plan-to-end-war>.

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the burden on host countries that have absorbed Ukrainian refugees. Ultimately, strategic investment in Ukraine will generate economic benefits for both the US and UK by channelling capital into Central and Eastern Europe and creating job opportunities for American and British workers.

### **The UK’s Indo-Pacific Strategy and the Chagos Islands Dilemma**

Meanwhile, the UK’s planned transfer of sovereignty of the Chagos Islands to Mauritius has raised concerns in Washington, particularly among those in the Trump Administration who view Mauritius as aligned with China’s geopolitical interests. Former Tory leader Sir Iain Duncan Smith has described Mauritius as a “pro-China” government, raising alarms over potential Chinese influence in a region of strategic importance to both the US and UK.<sup>121</sup> The Chagos Archipelago is home to the Diego Garcia airbase, a critical US military facility in the Indo-Pacific.

The Trump Administration likely sees London’s contribution to the Indo-Pacific through a lens similar to that of the UK Defence Committee in 2023,<sup>122</sup> which concluded that the UK’s Indo-Pacific strategy remains underdeveloped. The Committee’s report stated, “With only a modest presence compared to allies, little to no fighting force in the region, and little by way of regular activity, UK Defence’s tilt to the Indo-Pacific is far from being achieved.”

If the UK aspires to play a significant role in the Indo-Pacific, a major commitment of resources – both financial and military – will be required. The US may call upon the UK to bolster its naval and economic presence in the region to counter Chinese influence, but it cannot do so without significant personnel recruiting and reindustrialisation. The Royal Navy’s two remaining amphibious assault ships and the Type 23 frigate *Northumberland* will be decommissioned in the spring and recruitment into the UK’s armed forces has fallen to such levels that Gen. Sir Patrick Sanders last year urged politicians to take “preparatory steps to enable placing our societies on a war footing”.<sup>123</sup>

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<sup>121</sup> Iain Duncan Smith MP Chingford & Woodford Green, @MPlainDS, X post, 4 October 2024, <https://x.com/MPlainDS/status/1842112520015818799>.

<sup>122</sup> “UK Defence and the Indo-Pacific: Eleventh Report of Session 2022–23”, House of Commons Defence Committee, UK Parliament, 17 October 2023, <https://committees.parliament.uk/publications/41808/documents/207298/default/>.

<sup>123</sup> Dan Sabbagh, “Morality and reality: the key problems facing UK military recruiters”, *The Guardian*, 26 January 2024, <https://www.theguardian.com/uk-news/2024/jan/26/morality-and-reality-the-key-problems-facing-uk-military-recruiters>.

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## 9. US-UK Economic Ties

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US President Trump has long championed the use of tariffs as a core tenet of his trade agenda, famously stating that “tariffs are the greatest thing ever invented”.<sup>124</sup> As noted by the Atlantic Council’s Josh Lipsky, tariffs remain one of Trump’s most consistent policy positions. However, for London and other US trading partners, the critical question is not whether tariffs will be used but rather how they will be deployed and to what strategic end.<sup>125</sup>

The Trump Administration’s approach to tariffs could serve multiple objectives, each with distinct implications for transatlantic trade and economic cooperation. Treasury Secretary-designate Scott Bessent has suggested that tariffs may function as a tool for foreign policy leverage, influencing trade partners’ strategic decisions.<sup>126</sup> Meanwhile, US Secretary of Commerce Howard Lutnick has characterised them as a bargaining chip for negotiating more favourable trade terms. Others within the Administration, including members of the White House economic team, view tariffs as a mechanism for addressing America’s persistent trade deficit.

Recent actions highlight the complexity of this approach. A Truth Social post on 25 November 2024 revealed the president-elect’s intention to impose a 25% tariff on Mexico and Canada, which was ultimately enacted on 4 March 2025, citing concerns over uncontrolled immigration flows and the trafficking of illegal drugs. The decision to impose these tariffs under IEEPA – a statute granting the President broad authority to address international economic emergencies – signals a willingness to link trade policy directly to national security concerns. While the Administration ultimately paused the tariffs for 30 days to allow for renegotiation, this dispute illustrates the likelihood of protracted and contentious discussions as the US-Mexico-Canada Agreement (USMCA) undergoes its scheduled review in the coming year.

The baseline reciprocal US tariffs, imposed on much of the world in April 2025, could serve as a starting point for further negotiations between the White House and US trading partners. These talks may focus on reducing or eliminating tariff rates in exchange for expanded market access for US goods, commitments to increase purchases of US exports, or the removal of other trade barriers such as subsidies, currency manipulation, or intellectual property theft.

Future US tariff measures could be implemented through either United States Trade Representative (USTR)-led Section 301 investigations or the Commerce Department-driven Section 232 national security reviews. The Trump Administration’s trade policy is expected to be shaped by four primary objectives:

1. **Reducing the Trade Deficit** – A longstanding priority for President Trump, aimed at addressing what he perceives as an imbalance in US trade relationships.
2. **Weakening Chinese Economic Influence in North America** – Ensuring that US economic policy supports strategic decoupling from Beijing’s supply chains and technological dominance.
3. **Maintaining the US Dollar as the Global Reserve Currency** – A goal complicated by protectionist policies that could prompt trade partners to diversify away from dollar-denominated transactions.

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<sup>124</sup> Zachary Basu, “‘The greatest thing ever invented’: Tariffs become Trump’s miracle cure”, *Axios*, 25 September 2024, <https://www.axios.com/2024/09/25/trump-tariffs-economic-policies-harris>.

<sup>125</sup> Josh Lipsky and Mrugank Bhusari, “The United States has trade leverage with China, but not as much as Washington thinks”, *Atlantic Council Sinographs*, 22 November 2024, <https://www.atlanticcouncil.org/blogs/econographics/sinographs/the-united-states-has-trade-leverage-with-china-but-not-as-much-as-washington-thinks/>.

<sup>126</sup> Scott Bessent, “Let’s talk tariffs. It’s time to revitalize Alexander Hamilton’s favorite tool”, *Fox News*, 15 November 2024, <https://www.foxnews.com/opinion/scott-bessent-talk-tariffs-its-time-revitalize-alexander-hamiltons-favorite-tool>.

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4. **Enhancing Export Competitiveness Through Dollar Adjustment** – While a weaker dollar could support US exports, such a move may also encourage de-dollarisation efforts among global trade partners.

These policy objectives present challenges for the United Kingdom, which must assess how to navigate its economic relationship with the US within this evolving trade framework. The UK Government’s response to recent tariff adjustments – choosing not to retaliate after the US removed its exemptions from the 2018 Section 232 steel and aluminium tariffs – suggests a strategic patience that may facilitate bilateral negotiations.

A key question for London is whether the Trump Administration will reinstate discussions on a formal US-UK Free Trade Agreement (FTA), an initiative that gained traction during Trump’s first term but stalled under the Biden Administration. Any renewed negotiations would likely focus on US demands for greater market access, particularly in agriculture and industrial goods, while the UK would seek to mitigate regulatory divergence with its European partners.

An alternative path, explored by some US trade policy analysts, is for the UK to pursue accession to the USMCA as an extension of its existing trade ties with Canada and Mexico.<sup>127</sup> This approach, while politically complex, could offer economic benefits by integrating the UK into a North American trade bloc aligned with Washington’s strategic objectives.

Ultimately, the UK’s approach to trade with the Trump Administration must balance economic pragmatism with broader geopolitical considerations. As tariffs become increasingly intertwined with national security and foreign policy, London will need to maintain flexibility in negotiations while safeguarding its core economic interests. Whether through direct bilateral agreements or participation in broader trade realignments, the coming years will test the resilience of the US-UK economic partnership.

The United Kingdom should seek to better understand the objectives of the Trump Administration as it negotiates trade policy with the White House. London’s decision not to retaliate against the Administration’s removal of the UK’s exemption from the 2018 Section 232 tariffs on steel and aluminium provides an opportunity for UK trade negotiators to explore multiple pathways toward stronger trade relations with the US.

First, London can pursue a free trade agreement with Washington, with the long-term goal of expanding the North American trade bloc – USMCA – to eventually include the UK.

The first Trump Administration sought a free trade pact with the United Kingdom, but efforts stalled during the Biden presidency.<sup>128</sup> At the time, US trade negotiators sought greater market access and the removal of tariff and non-tariff barriers on US industrial goods, remanufactured goods and agricultural products, while also advocating for stronger rules of origin. With the US threatening reciprocal tariffs against trading partners that impose tariff or non-tariff barriers on American exports, the UK would benefit from deepening commercial ties with the US and pivoting away from the heavily regulated European Union, which remains the preferred economic partner of the Labour Party.<sup>129</sup>

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<sup>127</sup> Andrew Hale, “A U.S.–U.K. Free Trade Agreement Is Long Overdue. It’s Win-Win for Both Nations”, The Heritage Foundation, 22 October 2024, <https://www.heritage.org/trade/commentary/us-uk-free-trade-agreement-long-overdue-its-win-win-both-nations>.

<sup>128</sup> Graham Lanktree, “Biden quietly shelves trade pact with UK before 2024 elections”, *Politico*, 18 December 2023, <https://www.politico.eu/article/us-president-joe-biden-shelves-trade-pact-with-uk-2024-election/>.

<sup>129</sup> Joël Reland, “Labour’s regulatory EU-turn”, UK in a Changing Europe, 13 November 2024, <https://ukandeu.ac.uk/labours-regulatory-eu-turn/>.

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Trump campaign economic adviser Steve Moore stated:

The UK really has to choose between the Europe economic model of more socialism and the US model, which is more based on a free enterprise system. I think the UK is kind of caught in the middle of these two forms of an economic model. I believe that Britain would be better off moving towards more of the American model of economic freedom.<sup>130</sup>

Sam Lowe, a visiting fellow at the Policy Institute, believes a free trade pact could include increased UK purchases from the US defence sector, London agreeing to reduce or eliminate existing tariffs on targeted US exports and increased cooperation on Trump Administration initiatives vis-à-vis China.<sup>131</sup> This would not only help increase trade between the two trading partners but remove the UK from further threat of reciprocal or universal tariffs.

Likely complicating UK-US trade negotiations, however, is the departure of Crawford Falconer, the Department for Business and Trade’s lead negotiator in previous free trade talks with the United States, who did not have his contract renewed by the new Government.<sup>132</sup> Shadow business and trade secretary Andrew Griffiths called the non-renewal of Falconer’s contract “staggering”<sup>133</sup> while former Secretary Sir Jacob Rees-Mogg said losing the chief trade negotiator “shows how inadequate this Government is”.<sup>134</sup> According to Labour MP Justin Madders, there are no plans to name another chief trade negotiations adviser at the Permanent Secretary level.<sup>135</sup>

While President Trump has previously favoured bilateral trade negotiations over multilateral agreements, there is both potential and precedent for the United Kingdom to remove existing trade barriers with the United States through North America’s existing free trade pact, USMCA.<sup>136</sup> According to the Heritage Foundation’s Andrew Hale, the advantage for the United Kingdom in applying to join USMCA is “little need for negotiation for admission to [the trade pact]. The U.K. could simply apply to join USMCA as it applied to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership in the Pacific.”<sup>137</sup> With the USMCA set for review in 2026, the Government could advise the USTR of its interest in joining the free trade pact with the United States and use the upcoming negotiations between the US, Mexico and Canada to negotiate its own membership. The upcoming review is likely to focus on issues related to market access, non-tariff barriers and PRC investment into North America, all of which factor into transatlantic national security decision making.

Second, the United Kingdom could endear itself to the White House by minimising its commercial dependency on the PRC rather than deepening it, as the Government has pursued. As the Trump Administration is prioritising policies that accelerate decoupling from China, the United Kingdom should be cautious of adopting policies that could be perceived by

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<sup>130</sup> Sammy Gecsoyler, “UK must pick between US economic model or EU’s ‘socialism’, says Trump adviser”, *The Guardian*, 16 November 2024, <https://www.theguardian.com/politics/2024/nov/16/trump-adviser-says-uk-needs-free-enterprise-model-to-aid-us-trade-deal>.

<sup>131</sup> Sam Lowe, “A UK-US Free Trade Agreement?”, *Most Favoured Nation*, Substack, 15 November 2024, <https://mostfavourednation.substack.com/p/a-uk-us-free-trade-agreement>.

<sup>132</sup> Greg Heffer, “Keir Starmer accused of ‘staggering self-harm’ as he loses UK’s chief trade negotiator who worked on deal with last Trump administration”, *Daily Mail*, 15 November 2024, <https://www.dailymail.co.uk/news/article-14086687/Keir-Starmer-accused-staggering-self-harm-axes-UKs-chief-trade-negotiator-worked-deal-Trump-administration.html>.

<sup>133</sup> Ibid.

<sup>134</sup> Ibid.

<sup>135</sup> Andrew Griffith, “Written Question 14818: Parliamentary Inquiry Response”, 18 November 2024, <https://questions-statements.parliament.uk/written-questions/detail/2024-11-18/14818/>.

<sup>136</sup> William Mauldin, “Trump’s Big Gamble: Luring Countries Into One-on-One Trade Deals”, *The Wall Street Journal*, 27 January 2017 <https://www.wsj.com/articles/trumps-big-gamble-luring-countries-into-one-on-one-trade-deals-1485483628>.

<sup>137</sup> “US-UK Free Trade Agreement Long Overdue: It’s a Win-Win for Both Nations”, *The Heritage Foundation*.

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Washington as counterproductive. For example, in July 2024, Senator Marco Rubio wrote<sup>138</sup> to then-Chancellor of the Exchequer Jeremy Hunt, expressing concerns about the London Stock Exchange’s negotiations with SHEIN, a Chinese-owned apparel company that Rubio has accused of human rights abuses and exploitation of trade loopholes. In 2020, Senator Rubio, along with other US senators, expressed their displeasure with the decision of Boris Johnson’s Government to integrate Huawei Technologies, a Chinese telecommunications company, into the UK’s 5G network.<sup>139</sup>

Third, should the Trump Administration pursue a currency accord to devalue the US dollar, the United Kingdom can support US efforts through two policies:

### 1. Diplomatic Engagement with Key Trade Partners

- o London can work with governments that the US Treasury Department has identified as currency manipulators and that rank among the top 10 countries with which the US has large trade deficits. These include China, Japan, South Korea, Taiwan and Vietnam.
- o The UK can leverage its diplomatic influence and soft power to encourage these governments to participate in negotiations.

### 2. Countering De-Dollarisation Efforts

- o Should China or another major economy attempt de-dollarisation – an effort that could undermine coordinated transatlantic strategies that rely on the US dollar for economic leverage – London can collaborate with Washington to safeguard the dollar’s role in global financial markets.
- o This is particularly crucial in maintaining the effectiveness of dollar-based sanctions as a tool for advancing US and UK national interests.

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<sup>138</sup> Demetri Sevastopulo and Laura Onita, “US senator urges UK to investigate Shein’s labour practices ahead of IPO”, *Financial Times*, 11 June 2024, <https://www.ft.com/content/b82ae9e2-0aa8-4e7d-9d7e-3068169830b0>.

<sup>139</sup> Mark Landler and Stephen Castle, “Johnson Risks a Rift with Trump by Granting New Access to Huawei”, *The New York Times*, 28 January 2020, <https://www.nytimes.com/2020/01/28/world/europe/johnson-trump-huawei-rift.html>.

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## 10. Development Finance

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As noted by the Munich Security Conference, multipolarity presents opportunities.<sup>140</sup> Amongst these is the opportunity for the United States and United Kingdom to shift their focus away from the Biden Administration’s development finance aimed at net-zero climate goals toward policies which further transatlantic economic security.

Economic security is national security. Without secure, resilient supply chains, there can be no economic security. Over the past five years, the United Kingdom and its closest trading partners have learned the high cost of continued commercial dependence on strategic competitors, through the pandemic, global conflicts and geopolitical leverage. The Bank of England reported that “China is now the largest individual-country supplier to over half of UK manufacturing sectors [and] most of this exposure comes through indirect, ie unobserved/hidden, channels, implying that the UK’s direct trade partners are also exposed to China.”<sup>141</sup>

For example, China has controlled up to 70% of global rare earth mining and up to 90% of global rare earth element processing.<sup>142</sup> These critical minerals are used in everything from semiconductors<sup>143</sup> and consumer electronics to defence manufacturing.<sup>144</sup> However, China’s dominance of mining and processing these rare earths has been used as an economic cudgel, with Beijing restricting exports of germanium, gallium<sup>145</sup> and antimony.<sup>146</sup> Mitigating risks related to US and UK dependence on China’s rare earths supply chain, however, is just one of the steps needed to expand the transatlantic partnership’s infrastructure development finance policies.

Securing supply chains requires connectivity and cooperation, including engaging private sector capital for critical infrastructure projects and strengthening commercial ties with key global partners. The UK and US cannot expect to compete with China’s Belt and Road Initiative (BRI) through governmental support alone. A collaborative public-private sector effort is necessary. During the first Trump presidency, the launch of the Blue Dot Network and the reorganisation of America’s development finance institutions were initial steps toward countering the CCP’s global infrastructure ambitions. This will require an expansion of the reach of British International Investment (BII) and the US Development Finance Corporation (DFC) into regions seeking Western investment, including Central Asia, the South Caucasus and Central and Eastern Europe.

Wall Street and the City of London must be incentivised to redirect outbound capital flows away from China, which funds the CCP’s military-civil fusion program, modernises its armed

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<sup>140</sup> “Multipolarization: Munich Security Report 2025”, Munich Security Conference, February 2025, <https://securityconference.org/en/publications/munich-security-report-2025/>.

<sup>141</sup> Rebecca Freeman, et al., “A portrait of the UK’s global supply chain exposure”, Bank of England Quarterly Bulletin, 30 September 2024, <https://www.bankofengland.co.uk/quarterly-bulletin/2024/2024/a-portrait-of-the-uks-global-supply-chain-exposure>.

<sup>142</sup> Philip Andrews-Speed and Anders Hove, “China’s rare earths dominance and policy responses”, The Oxford Institute for Energy Studies, 17 May 2023, <https://www.oxfordenergy.org/publications/chinas-rare-earths-dominance-and-policy-responses/>.

<sup>143</sup> Huileng Tan and Katherine Tangelakis-Lippert, “The US-China tech race is moving from chips to the raw materials they’re made of”, *Business Insider*, 14 November 2024, <https://www.businessinsider.com/rare-earths-tech-war-explainer-chips-ai-china-us-2024-11>.

<sup>144</sup> C. Todd Lopez, “DOD Looks to Establish ‘Mine-to-Magnet’ Supply Chain for Rare Earth Materials”, US Department of Defense, 11 March 2024, <https://www.defense.gov/News/News-Stories/Article/Article/3700059/dod-looks-to-establish-mine-to-magnet-supply-chain-for-rare-earth-materials/>.

<sup>145</sup> Keith Bradsher, “China Tightens Its Hold on Minerals Needed to Make Computer Chips”, *The New York Times*, 26 October 2024, <https://www.nytimes.com/2024/10/26/business/china-critical-minerals-semiconductors.html>.

<sup>146</sup> Gracelin Baskaran and Meredith Schwartz, “China Imposes Its Most Stringent Critical Minerals Export Restrictions Yet Amidst Escalating U.S.-China Tech War”, Center for Strategic & International Studies, 4 December 2024, <https://www.csis.org/analysis/china-imposes-its-most-stringent-critical-minerals-export-restrictions-yet-amidst>.

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forces and ultimately supports the CCP’s global influence campaigns. This will require more than mere lip service to Foreign Secretary Lammy’s vision of progressive realism. London must demonstrate it is willing to support investments into these regions, some of which are perceived to have less than democratic governments, in order to advance UK national interests. Even Secretary of State Marco Rubio, known for his human rights advocacy as a US senator, believes that US foreign policy must be grounded in pragmatism.<sup>147</sup>

One must wonder why London appears eager to expand economic ties with China – a country widely criticised for its human rights record – while the UK’s development finance institution has been less inclined to support international infrastructure development or mining projects in other regions.

While the US and the UK will likely always prioritise deepening commercial ties with partners who share transatlantic values of democracy, human rights and freedom, it is increasingly likely they will need to strengthen partnerships with countries they have previously criticised. The alternative is continued reliance on strategic competitors who not only oppose Western values but actively seek to undermine the Western system.

With China restricting the export of rare earth elements, and existing transport corridors between China and Europe facing the threat of sanctions or geopolitical leverage, US and UK development finance initiatives are crucial. As noted by economist Philip Pilkington, the recent PRC restrictions on the export of germanium and gallium have created significant disruptions in global supply chains, particularly in industries reliant on these critical materials for advanced technologies such as semiconductors, electronics and renewable energy. Pilkington wrote: “They are not easily replaceable either. The elements are produced as by-products to zinc production and the refining of bauxite ore into aluminium. Without a large-scale zinc and aluminium industry, it seems unlikely that these elements can be produced on the scale needed to replace Chinese exports.”<sup>148</sup>

Strategic priorities for transatlantic supply chain resiliency policies should include:

**1. Promote “Transatlantic Economic Realism”**

- Focus on leveraging soft-power trade and private sector investment initiatives to strengthen economic resilience and competitiveness.

**2. Mobilize the Private Sector for Strategic Investment**

- Engage Wall Street and the City of London to diversify investments across key regions and sectors.
- Incentivise divestment from strategic competitors and encourage investment in reindustrialisation, infrastructure development in key regions and critical industries.

**3. Enhance Development Finance Support**

- Advocate for institutions such as the DFC and BII to expand their support for potential investors.
- Facilitate access to debt financing, investment risk insurance and equity investment to mitigate risks and attract private capital.

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<sup>147</sup> Amy Mackinnon, “Trump’s China Hawks Are Also Uyghur Advocates”, *Foreign Policy*, 15 November 2024, <https://foreignpolicy.com/2024/11/15/rubio-waltz-china-xinjiang-uyghurs-human-rights/>.

<sup>148</sup> Philip Pilkington, “Trump could be planning a return to peace and prosperity”, *The Telegraph*, 17 December 2024, <https://www.telegraph.co.uk/business/2024/12/17/trump-could-be-planning-a-return-to-peace-and-prosperity/>.

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**4. Refocus the Blue Dot Network’s Priorities**

- Align infrastructure investments with national strategic interests.
- Foster public-private partnerships to compete with China’s development finance programs.

**5. Establish Regional Development Banks**

- Develop a framework for long-term financing of infrastructure projects in strategic sectors.
- Prioritise investments in rare earth and critical mineral mining, energy and industrial development.

**6. Shift Away from “Us vs Them” Ultimatums**

- Move beyond rigid transatlantic trade policies by fostering economic competition with the Global South and Central and Eastern Europe.
- Provide viable alternatives to China’s trade and investment strategies to strengthen economic partnerships.

## 11. Conclusion / Recommendations

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As the United Kingdom shapes its policies during ongoing geopolitical turbulence, the Trump Administration and, by extension, the composition of the President’s appointments to key national security and trade posts, presents both challenges and opportunities for strengthening the transatlantic partnership. To ensure that the UK is well-positioned to maintain strong diplomatic and economic ties with the United States, it is crucial for the Prime Minister and his Government to address both past points of tension and future priorities.

Mark Sabah, UK Director at the Committee for Freedom in Hong Kong Foundation, noted the significance of the “Special Relationship” and the potential for strengthening London’s ties with Washington during the second Trump presidency, stating: “The UK-US relationship has always been of tantamount importance to the UK, but perhaps less so to the US. This is probably truer now than at any time over the last thirty years. A Trump/Starmer friendship would be the most unlikely of tales, but stranger things have happened.”<sup>149</sup>

London should shape its national security and economic policies to bolster transatlantic ties and to further the national interests of the British people. President Trump, the Republicans and populists elsewhere should not be viewed by the Government as responsible for breaking rules-based systems. Rather, President Trump’s election and the growing popularity of economic nationalists globally reflects a societal response to systemic failures within the system. These politicians were elected based on the recognition that the existing rules-based system is not functioning effectively and that reforms – particularly in trade and defence – are necessary. Henry Kissinger observed such in 2018, when he stated “...Trump may be one of those figures in history who appears from time to time to mark the end of an era and to force it to give up its old pretences.”<sup>150</sup>

A commonsense approach is needed, rather than blind adherence to “norms” simply for the sake of preserving them. Any system that, for example, deems it acceptable to transfer a strategically critical island – key to US and UK defence – to a government closely aligned with the very power seeking to supplant the US as the global hegemon demands serious reconsideration or, at a minimum, careful deliberation with all partners impacted by the decision-making. The same applies to a financial system in which private capital from the US and UK, along with a steady stream of dollars and pounds from import purchases, fuels the very government – the Chinese Communist Party – that aims to reshape the world in its own image. Likewise, a defence alliance in which the largest contributor requests that its treaty partners increase their defence spending as a percentage of GDP so it can better allocate resources to other strategic priorities must be re-examined to ensure burden-sharing is fair and effective.

Below are several recommendations aimed at enhancing the UK’s strategic position, protecting its own and its closest partner’s national interests and building a closer relationship with the Trump Administration. These recommendations aim to bridge any existing gaps between the two countries, strengthen transatlantic national security and promote greater cooperation across various sectors.

Now that Lord Mandelson is firmly established in Washington and the risk of petty political insults disrupting the “Special Relationship” seems to have abated, it is time to get down to brass tacks.

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<sup>149</sup> Mark Sabah, email to author, 17 December 2024.

<sup>150</sup> Edward Luce, “Henry Kissinger: ‘We are in a very, very grave period’”, *Financial Times*, 20 July 2018, <https://www.ft.com/content/926a66b0-8b49-11e8-bf9e-8771d5404543>.

1. Chancellor Reeves should reverse course on any threats of a tariff response against the United States and work to address Washington’s concerns in hopes of striking a free trade accord. The United Kingdom is neither a monopolist nor a monopsonist, and the US can more easily find alternative trading partners should a trade war unfold with the UK. The Trump Administration has, according to commentators, indicated it is inclined to seek a “preferential trade deal” with London.<sup>151</sup> The Government should seek to bridge differences between Washington and London on market access concerns and, through the Department for Business and Trade, encourage the USTR to launch negotiations for a US-UK Free Trade Agreement.
2. As the United Kingdom continues to develop its post-Brexit trade agenda, the Government should reappoint a chief trade negotiation adviser at the Permanent Secretary level. Replacing the responsibilities of the Department of Business and Trade’s principal trade adviser with junior staff, as reported, is unserious and will likely not result in substantial market access breakthroughs with seasoned trade negotiators in the Office of the United States Trade Representative.<sup>152</sup> Particularly as the United States enters any market access negotiations with seasoned diplomats and experienced financiers, Washington is likely to wield significant leverage over London.
3. As the United States continues to address concerns about foreign influence in its elections, UK political parties should refrain from sending staff to campaign on behalf of any US candidates, whether Republican or Democrat. They should also collaborate with the US Embassy in the UK and the US State Department’s Bureau of European and Eurasian Affairs to arrange a briefing for Whitehall and Westminster staff, emphasising the potential harm to America’s democratic system if Government or parliamentary personnel are perceived as supporting a specific candidate.
4. Once the Trump Administration develops its national security strategy through 2029, with an anticipated shift in US military focus toward countering PRC hegemony in the Indo-Pacific, UK Defence Ministry officials should present options to their Pentagon counterparts to propose policies for the British Armed Forces to reinforce any potentially diminished US troop presence in Europe. This will require greater recruitment policies and the re-evaluation of existing domestic budget allocation to attract increased recruits.
5. As noted by former NATO Secretary Jens Stoltenberg during a press conference prior to the 2022 Summit, “two percent [defence spending as a percentage of GDP] is increasingly considered a floor, not a ceiling”.<sup>153</sup> As one of only 11 of the 30 NATO member nations spending 2% of its GDP on defence, Sir Keir Starmer has admirably established a timeline through 2027 to match former Prime Minister Rishi Sunak’s pledge of allocating 2.5% of GDP to defence. Should the Government hope to establish the United Kingdom as a leader for European defence, a plan for additional defence budgeting beyond this 2.5% benchmark is needed. Additionally, the UK should encourage other NATO members to adopt similar goals while developing a realistic long-term strategy to increase its own defence budget closer to a 5% threshold. This

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<sup>151</sup> Millie Cooke, “Trump to target EU over UK in trade war as he wants to see ‘successful Brexit’, former staffer claims”, *The Independent*, 10 November 2024, <https://www.the-independent.com/news/uk/politics/donald-trump-reeves-free-trade-tariffs-b2644505.html>.

<sup>152</sup> Oliver Wright, “Andrew Bailey: The UK must rebuild relations with EU”, *The Times*, 14 November 2024, <https://www.thetimes.com/article/1dadf196-a293-4665-a960-599a218dbf6e>.

<sup>153</sup> David Hutt, “How European countries stand on 2% of GDP defence spending”, *Euronews*, 20 July 2022, <https://www.euronews.com/my-europe/2022/07/20/how-european-countries-stand-on-2-of-gdp-defence-spending>.

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author has previously suggested increasing the UK defence budget to Cold War levels,<sup>154</sup> which hovered around 5% of GDP in the 1980s.<sup>155</sup> This will require austerity measures, but is necessary should the UK expect to have a global role on national security issues.

The US and UK should also jointly increase diplomatic pressure on its Five Eyes (FVEY) partner Canada to rapidly increase spending from its current level of 1.37% of GDP and increasingly express disapproval of Ottawa’s plan to increase defence spending to only 1.76% of GDP by 2030.<sup>156</sup> Finally, the UK should lead efforts of non-US NATO members to present a plan and timetable for America’s ally partners to reach a defence spending budget of 5%, as President Trump has called for.<sup>157</sup>

6. The Prime Minister, alongside the Royal Family, should prioritise strengthening the “Special Relationship” and addressing any strains caused by past diplomatic missteps. To that end, the British Government should ensure there are no delays to the invitation for a state visit for President Trump.
7. Given Iran’s repeated intransigence on the nuclear weapons issue, and its continued support for terrorism overseas, the UK should punish Iran by finally snapping back sanctions under the terms of the JCPOA deal and by proscribing the IRGC. This will have the added dimension of bringing UK policy on Iran in sync with the position of the first Trump Administration – which has since extended into the second Trump Administration – and would be a cost-free gesture by the UK that will not only assist UK national security and international security, but will also be viewed favourably by President Trump and senior US figures. These moves would strengthen London’s credibility as a principal actor in shaping European policy toward Tehran, reinforcing its position as Washington’s most reliable security partner in the region.
8. The National Security and Investment Act (NSIA) should be more closely aligned with the Committee on Foreign Investment in the United States to impose stricter restrictions on the acquisition of strategic assets by investors from transatlantic strategic competitors, including China. Additionally, this author has previously recommended<sup>158</sup> amending the NSIA to include the review of any acquisition or investment in UK agricultural land.
9. British International Investment and the US Development Finance Corporation should collaborate on establishing regional offices in strategic regions, including Central Asia, the South Caucasus and Central and Eastern Europe. This alignment would enable coordinated transatlantic efforts to develop resilient infrastructure and transportation corridors, while securing alternative supply chains for energy, rare earth elements and other critical natural resources.
10. The development finance institutions of the United States and the United Kingdom should fund a research institution dedicated to advancing policies for transatlantic supply chain resiliency. This institution should collaborate with think tanks and other

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<sup>154</sup> Darren G. Spinck, “Stronger Together: How US-UK collaboration can answer China’s growing geopolitical ambition”, Henry Jackson Society, May 2023, <https://henryjacksonsociety.org/wp-content/uploads/2023/05/HJS-Stronger-Together-DESIGNED-FINAL.pdf>.

<sup>155</sup> UK Parliament, *Flexible Response? An SDSR Checklist of Potential Threats and Vulnerabilities*, Defence Committee, House of Commons, March 2016, <https://publications.parliament.uk/pa/cm201516/cmselect/cmdfence/494/49404.htm>.

<sup>156</sup> Laura Kelly, “Canada’s defense minister: Help us speed up spending under Trump”, *The Hill*, 25 November 2024, <https://thehill.com/policy/defense/5008501-canada-defense-spending-trump/>.

<sup>157</sup> Joshua Posaner, et al., “Europe splits on Trump’s call to dramatically boost defense spending”, *Politico*, 8 January 2025, <https://www.politico.eu/article/donald-trump-tells-allies-spend-5-percent-gdp-defense-nato/>.

<sup>158</sup> Darren G. Spinck, 2024, “Supply Chain Security is National Security”, In *Living with the Dragon: What does a coherent UK policy towards China look like?*, edited by Robert Seely and Robert Clark, 25-36 (London: Civitas), <https://www.civitas.org.uk/content/files/Living-with-the-Dragon-v5.pdf>.

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organisations in key regions, facilitating Track 1.5 and Track 2.0 diplomacy. Such efforts would enhance understanding of the infrastructure and resource development needs of regional partners aligned with Washington and London.

11. As religious freedom may eventually take on greater significance in the Trump Administration’s foreign policy agenda, London should consider adopting policy recommendations previously proposed by the Henry Jackson Society.<sup>159</sup> These include creating a dedicated Office of Religious Freedom within the Foreign, Commonwealth and Development Office and appointing a religious freedom adviser to the National Security Council. Religious freedom should focus on protecting the rights of persecuted Christians, Jews and other minorities, while not lecturing other governments on steps taken to protect against destabilising religious extremists. Furthermore, religious freedom should not be used as an extrajudicial policy to attempt to support political opposition groups in hopes of effecting regime change, but as a policy to protect people of faith.
12. While recent public opinion polling has shown British support for rejoining the European Union,<sup>160</sup> the UK’s ambassador to the United States, Lord Peter Mandelson, has acknowledged that any possible negotiations to reverse Brexit are still a decade away.<sup>161</sup> Therefore, the Prime Minister should clearly articulate that the UK’s current trade path is aligned with closer trade ties wherever there is an opportunity for the UK to benefit.
13. The Prime Minister and the Cabinet of the United Kingdom should call for a summit just prior to the 250th anniversary of US independence in 2026, with the President of the United States and the White House Cabinet. This summit would serve as an opportunity to address the additional concerns outlined in the International Relations and Defence Committee’s inquiry into the UK’s relationship with the US. Steps that both Washington and London should undertake to strengthen the “Special Relationship” include ensuring the UK remains America’s closest ally through transitions from one presidential administration to the next, steps to strengthen trade and open market access for both countries and aligning foreign and national security interests to ensure continuity of FVEY intelligence sharing through changes in government.
14. While the US is considering revoking China’s permanent normalised trade relations, the UK should reconsider its recent “reengagement with China”<sup>162</sup> a move which will help to ease the CCP’s access to UK capital markets.<sup>163</sup> The £600 million investment commitment from China through 2030 pales in comparison to the annual inward foreign direct investment from the United States to the United Kingdom, which totalled £702.5 billion in 2022.<sup>164</sup> “China Shock”<sup>165</sup> researchers at the US National

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<sup>159</sup> Marc Sidwell, “Securing Religious Freedom”, Henry Jackson Society, October 2023, <https://henryjacksonsociety.org/wp-content/uploads/2023/10/FoRB-Report.pdf>.

<sup>160</sup> Noah Keate, “Brits would vote to rejoin EU in new referendum, poll finds”, *Politico*, 13 August 2024, <https://www.politico.eu/article/uk-poll-vote-rejoin-eu-brexit-new-referendum-pm-keir-starmer/>.

<sup>161</sup> Severin Carrell, “Talks on UK rejoining EU could start in 10 years’ time, says Peter Mandelson”, *The Guardian*, 11 October 2024, <https://www.theguardian.com/politics/2024/oct/11/uk-talks-rejoining-eu-could-10-years-peter-mandelson-brexit>.

<sup>162</sup> Jones Hayden, “‘Reengagement with China’ to boost British economy by up to £1B, Reeves says in Beijing”, *Politico*, 11 January 2025, <https://www.politico.eu/article/reeves-says-reengagement-with-china-to-boost-uk-economy-by-up-to-1b/>.

<sup>163</sup> “Chancellor marks £600m of secure growth for UK economy in Beijing”, HM Treasury, 11 January 2025, <https://www.gov.uk/government/news/chancellor-marks-600m-of-secure-growth-for-uk-economy-in-beijing>.

<sup>164</sup> “Trade and Investment Factsheets: United States”, UK Government, 21 February 2025, <https://assets.publishing.service.gov.uk/media/67b6f8efbd116e3d7b1cf310/united-states-trade-and-investment-factsheet-2025-02-21.pdf>.

<sup>165</sup> David H. Autor, David Dorn and Gordon H. Hanson, “The China Shock: Learning from Labor Market Adjustment to Large Changes in Trade”, National Bureau of Economic Research, January 2016, [https://www.nber.org/system/files/working\\_papers/w21906/w21906.pdf](https://www.nber.org/system/files/working_papers/w21906/w21906.pdf).

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Bureau of Economic Research have found free trade with China has led to higher unemployment, wage decline and increased need for social welfare programs.<sup>166</sup>

Instead of seeking to strengthen commercial ties with the PRC, the UK should collaborate with the US and other major partners to press China to eliminate its most damaging market distortions and begin to balance trade in favour of working-class Americans and Britons. These “destabilizing”<sup>167</sup> PRC industrial policies include subsidies, market-access restrictions, labour laws that artificially suppress wages and currency manipulation. Additionally, the UK could participate as an impartial third party if the Trump Administration moves forward with a potential currency accord<sup>168</sup> which is intended to address America’s nearly \$1 trillion annual trade deficit by devaluing the currencies of trading partners with significant trade surpluses with the US or those on the US Department of the Treasury’s currency “Monitoring List”, with China as the primary focus. This role would allow the UK to help negotiate concerns and, if in its national interest, consider signing onto the accord if invited to do so.<sup>169</sup>

15. The US Foreign Agents Registration Act does not distinguish between allies and adversaries. Any lobbyist, public relations executive or representative advocating or lobbying on behalf of a foreign government or political party – or working to shape public opinion for such an entity – must register with the US Department of Justice and disclose their activities and funding.

In contrast, the UK’s Foreign Influence Registration Scheme (FIRS), introduced in the July 2023 National Security Act, has yet to be implemented and is reportedly set to exempt China from its strictest requirements. A multi-tiered system creates excessive loopholes, particularly for strategic competitors like China, which can readily exploit these weaknesses. Amendments to FIRS should eliminate tiered distinctions based on a country’s relationship with the UK and require all foreign entities attempting to influence UK public opinion or legislation to register under the same standards.<sup>170</sup>

16. Should the US secure mining rights for rare earth elements in Ukraine in exchange for continued military or financial aid, London, through its partnership agreement with Kyiv, should invest in infrastructure to facilitate the secure export of these resources for midstream processing elsewhere – critical materials that the United Kingdom will rely on to strengthen its defence industrial base. The UK and its partners should also consider establishing a secure rare earths depot for storing upstream, unprocessed rare earths and/or mid-stream processed materials before their transit to downstream manufacturers. The UK could play a key role in developing and securing such depots in strategic regions, including Central and Eastern Europe, Central Asia, the South Caucasus and the Indo-Pacific.
17. With the US announcing its intention to pause the criminal prosecution of most bribery investigations under the Foreign Corrupt Practices Act (FCPA), the United Kingdom continues to uphold one of the world’s strongest anti-corruption laws.

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<sup>166</sup> Greg Rosalsky, “Why economists got free trade with China so wrong”, *NPR*, 11 February 2025, <https://www.npr.org/2025/02/11/g-s1-47352/why-economists-got-free-trade-with-china-so-wrong>.

<sup>167</sup> Robert E. Lighthizer, “Want Free Trade? May I Introduce You to the Tariff”, *The New York Times*, 6 February 2025, <https://www.nytimes.com/2025/02/06/opinion/tariff-free-trade-new-system.html>.

<sup>168</sup> Robert B. Zoellick, “Scott Bessent Can Walk the Trade Tightrope”, *The Wall Street Journal*, 26 January 2025, <https://www.wsj.com/opinion/scott-bessent-can-walk-the-trade-tightrope-policy-economy-treasury-dfa140df>.

<sup>169</sup> “Macroeconomic and Foreign Exchange Policies of Major Trading Partners of the United States”, US Department of the Treasury, November 2024, <https://home.treasury.gov/system/files/136/November-2024-FX-Report.pdf>.

<sup>170</sup> Jane Dalton, “Starmer ‘set to exempt Chinese spies from toughest national security law’”, *The Independent*, 31 January 2025, <https://www.independent.co.uk/news/uk/politics/starmer-china-spies-foreign-security-law-b2690161.html>.

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President Trump argued that “overexpansive” FCPA investigations have hindered the competitiveness of US businesses and executives.<sup>171</sup> His concerns have some merit, as China and India – two of the world’s five largest economies by GDP – along with Singapore, are not signatories to the Organisation for Economic Co-operation and Development’s (OECD) Anti-Corruption Convention.

The UK can leverage its diplomatic soft power, particularly with its two Commonwealth members, India and Singapore, to encourage them to join the OECD Convention. In addition, the UK and its partners should apply further diplomatic pressure on China to do the same, helping to address legitimate US concerns about the need for a more level playing field in global commerce.

18. The Government should reverse its demand for “backdoor” access to encrypted cloud files from US Big Tech companies.<sup>172</sup> This requirement, which would compel Apple and Google to grant the UK access to encrypted files for all users worldwide – not just British citizens – risks a direct clash between the US and UK Governments. Data privacy enjoys broad, bipartisan support in the US, with Senator Ron Wyden, a Democrat on the Senate Intelligence Committee, warning that “Trump and American tech companies letting foreign governments secretly spy on Americans would be unconscionable and an unmitigated disaster for Americans’ privacy and our national security”.<sup>173</sup>

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<sup>171</sup> “Pausing Foreign Corrupt Practices Act Enforcement to Further American Economic and National Security”, The White House, 10 February 2025, <https://www.whitehouse.gov/presidential-actions/2025/02/pausing-foreign-corrupt-practices-act-enforcement-to-further-american-economic-and-national-security/>.

<sup>172</sup> Carly Page, “UK’s secret Apple iCloud backdoor order is a global emergency, say critics”, *TechCrunch*, 10 February 2025, <https://techcrunch.com/2025/02/10/uks-secret-apple-icloud-backdoor-order-is-a-global-emergency-say-critics/?guccounter=1>.

<sup>173</sup> Coseph Menn, “U.K. orders Apple to let it spy on users’ encrypted accounts”, *The Washington Post*, 7 February 2025, <https://www.washingtonpost.com/technology/2025/02/07/apple-encryption-backdoor-uk/>.

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