The "Special Relationship": How much longer will it last?

Gustav Schmidt

"The coincidence of major British and American objectives in foreign policy and defense ... (is) the most important single fact of international life in the post-war world." [1]

Why debate an issue that for more than a decade has been said to be non-existent?[2] The joint military intervention in Iraq, preceded by parallel actions and common diplomatic resolutions as well as an unusual high turnout of cross-referential (albeit spoilt) secret service information, served as a reminder of the vitality of the *special relationship*; opponents of the warmongering attitude of the two governments frequently presented the special relationship in shape of a cartoon, portraying Britain's Prime Minister Tony Blair as a poodle listening to his master's – President G.W. Bush's – voice. Both the unrepentant stance of the leaderships and its caricature have one aspect in common: *Special* refers to high politics; it is concerned with the coincidence of policy objectives, concerted political actions, and (make-) belief in the high moral ground of the "Anglo-American" polity.

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1 23 May 1966, A 2843: "A view of US-UK Political Relations", Report of the American Embassy London, L.B. Johnson Papers, NSF Country, Box 209, folder UK Memoranda, VIII.

2 John Dickie, *'Special' No More: Anglo-American Relations: Rhetoric and Reality* (London 1994); Gideon Rachman, "Is the Anglo-American Relationship Still Special?", *The Washington Quarterly* 24,2 (2001); Alex Danchev, "Special Pleading", in: Kathleen Burk, Melvyn Stokes (eds.), *The U.S. and the European Alliance since 1945* (Oxford 1999), 271-88.

Anglo-American relations are, of course, in the news all the time,[3] but the statements about what makes them *special* and what the meaning of being *special* precisely is may not stand the test. Former Prime Minister Sir Edward Heath reports that he said in front of President Richard Nixon and in public on the lawn of the White House "that there is no such thing as a special relationship";[4] Secretary of State Henry Kissinger[5] like numerous US officials disliked and rejected British references to Winston Churchill's vision (and prescription) of the two English-speaking nations to run the world together. Churchill's assertion that the relations between America and Britain were special because each of the two is "special" and because these two have so much in common[6] is such that it provokes denial. According to Heath, assertions that "we have a special relationship" sound like "others do not have it and do not deserve it"; therefore, neither the Americans nor the British can afford to offend their many other partners. For scholars, *special* loses explanatory weight as a criterion if the same subtext – i.e. reference to language, etc. – serves to explain the distinctiveness of the US-UK relationship in some policy-arenas – e.g. nuclear strategy and nuclear diplomacy; intelligence and secret services[7] - but not in

3 Charles Grant, *Intimate Relations* (London: Centre for European Reform Working Papers, 2000); J.L. Harper, "The US-UK Alliance: Past, Present, Future", in: F. Funabashi (ed.), *Alliance Tomorrow: Security Arrangements after the Cold War* (Tokyo 2001); Alan P. Dobson, *The Politics of Anglo-American Economic Special Relationship* (New York 1988); idem, *Anglo-American Relations in the 20th Century: Of Friendship, Conflict, and the Rise and Decline of Superpowers* (London 1995); C.J. Bartlett, *Anglo-American Relations since 1945* (London 1992); David Reynolds, "A 'Special relationship'? America, Britain and the international order since the Second World War", *International Affairs* 62,1 (1985-86), 1-20; Raymond Dawson, Richard Rosecrance, "Theory and Reality in the Anglo-American Alliance", *World Politics* 19 (1966-67), 21-51.

4 Sir Edward Heath, 4 November 1992, Parliamentary Debates, House of Commons,

5 Henry A. Kissinger, "Reflections on a Partnership: British and American attitudes to postwar foreign policy", *International Affairs* 58 (1982), 571-87.

6 This includes: 'civic culture', language, personal ties, habits, and attitudes. As liberal democracies, the US and the UK are said to possess domestic norms and institutional structures ("rule of law"; "freedom of speech" etc.) that enable an Anglo-American community, which then constitutes the core of larger international society. Beatrice Heuser, *Transatlantic Relations: Sharing Ideals and Costs* (London 1996).

7 See the contributions of Beatrice Heuser and Wolfgang Krieger in this volume; Beatrice Heuser, "What Price Solidarity? European-American Nuclear Interdependence in NATO", in: Burk, Stokes (eds.), *The U.S. and the European Alliance*, 153-77; David Stafford, R. Jeffrey-Jones (eds.), *American-British-Canadian Intelligence Relations 1939-2000* (Cambridge, MA 2000); John Baylis, *Anglo-American Defence Relations 1939-1984: The Special Relationship* (Basingstoke 1984); W.M.R. Louis, Hedley Bull (eds.), *The Special Relationship* (Oxford 1986); Ritchie Ovendale, *Anglo-American Relations in the Twentieth Century* (London 1998); R.B. Manderson-Jones, *The Special Relationship: Anglo-American Relations and Western European Security, 1947-1958* (London 1972).

equally important other sectors, such as trade, finance / "money"[8], transport, or energy, where either the pursuit of national interests makes for disputes ("trouble") or that the relationships with other nations – like the Federal Republic of Germany or France – are rated as indispensable supportive actors to both the US and the UK.[9]

It could, however, be the case that these objections to the notion *special relationship* are themselves intrinsically self-defeating. Firstly, reference to "special relationship" does not necessarily imply that others are "nobodies" or that their relationship with either the US or the UK cannot be important, beneficial and well-grounded in common values and objectives. Secondly, the denial argument – "why should Britain side with the Americans in various crises, if there is no clear *quid quo pro* for doing so?"[10] – is in most cases accompanied by statements that the alignment with the US resulted in lost opportunities elsewhere; to some extent, this twinning argument reveals an undercurrent Anti-Americanism in British society. It can also be related to the general feature in British foreign politics, namely the search for the "just return": Did the US reward Britain for its solidarity?[11]

The question in reverse is seldom asked: Was it worth-while for Washington to pertain special treatment to Britain's ambitions rather than pursue a multilateral track or opt for another ally?[12] Focusing on the "give and take" on balance-sheets provides the stuff for caricatures and jokes, portraying British Prime Ministers as lieutenants of American presidents. Research has produced an arsenal of episodes demonstrating that the "Brits" did not get what the public expected in return for orchestrating support to the Americans; it is said that "cosiness" with Washington did not pay-off in terms of economic benefits to Britain. The argument is that Britain would be better off with options other than seeking influence in

8 See Heide–Irene Schmidt's contribution in this volume.

9 Simona Toschi, "Washington-London-Paris: An untenable Triangle", *Journal of European Integration History* 1,2 (1995), 81-109, 101 ff.

10 Mike Makovsky, in: Gillian Staerck, Michael D. Kandiah (eds.), *The Role of H.M. Embassy in Washington* (London 2002), 35.

11 Donald C. Watt, *Succeeding John Bull: America in Britain's Place 1900-1975* (Cambridge, MA 1984).

12 Gustav Schmidt, "Test of Strength: The United States, Germany and de Gaulle's "No" to Britain in Europe, 1958-1963", in: idem (ed.), *Zwischen Bündnissicherung und privilegierter Partnerschaft: Die deutsch–britischen Beziehungen und die Vereinigten Staaten von Amerika, 1955–1963*, ADEF–Bd. 33 (Bochum 1996), 281-348; idem, "Die sicherheitspolitischen und wirtschaftlichen Dimensionen der britisch–amerikanischen Beziehungen 1955-1967", *Militärgeschichtliche Mitteilungen*, II (1991), 107-42.

Washington, e.g. joining France to establish "Europe as Third Force".[13] The problem with this approach is that it cannot be tested. The British kept the issues separate: What they wanted to get from Washington for themselves was one set of priorities; it was not linked to the items which London might have promoted on behalf of 'third partners'.[14] The British were aware that if they should insist on concessions being made to France with respect, for instance, to upgrading her status in the Atlantic alliance, the Americans would confront them with a long list of French aspirations on which satisfaction had to come from London.

The evidence presented to sustain the thesis of US ingratitude – which pretends, by the way, that the US got more out of the partnership with Britain than the Americans acknowledged and were willing to compensate – should not distract researchers from recording the recurrent endeavours by Conservative as well as Labour governments to exercise their influence on Washington with a view to receiving favours at the expense of other partners of the US.[15] There is no doubt that British governments volunteered to side with the US on many occasions, whereas the US in some – crucial – moments of history took exception and more or less actively opposed Britain's risk-taking approach.[16]

The usually neglected aspect in cold war and post-cold war history of British foreign policy is whether the UK seriously considered providing support to allies[17] without turning its mind first to whether Washington

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13 Ralph Dietl, "Kontinuität und Wandel: Zur Geschichte der europäischen Zusammenarbeit auf dem Gebiet der Sicherheits- und Verteidigungspolitik 1948-2003", in: Reinhard C. Meier-Walser (ed.), *Gemeinsam sicher? Vision und Realität europäischer Sicherheitspolitik* (Neuried 2004), 19–86. By contrast, Rees maintains that "Britain never supported a 'Third Force' movement", Rees, in: Croft et al. (eds.), *Britain and Defence*.

14 The Macmillan government, for instance, promised the French (Mollet) in March 1957 that it would urge Washington to accommodate French requests for sharing nuclear secrets with the 'Anglo-Saxons'; Macmillan did no more than mentioning that a problem existed, but took home a – secret – agreement that such knowledge must be restricted to the US and UK.

15 Gustav Schmidt, "Vom Nordatlantischen Dreieck: Großbritannien–USA–Kanada zum Trilateralismus: EG–USA–Japan. Der Strukturwandel der westlichen Welt und die politische Gestaltung der Dreiecksbeziehungen im Überblick", *Geschichte und Gegenwart* 7 (1988), 3-39.

16 The Suez crisis 1956 is the outstanding example; Gustav Schmidt, "Die Auswirkungen der internationalen Krisen 1956 auf die Strukturen des 'Kalten Kriegs'", in: Norbert Wiggershaus, Wilfried Heinemann (eds.), *Das internationale Krisenjahr 1956* (München 1999), 639–88.

17 "In the event of a conflict between the West and the Soviet Union and its allies, Britain had no intention of attempting to contribute to the defence of partners such as Pakistan and Thailand in SEATO, or Iran in CENTO," G. Wyn Rees, "British Strategic Thinking and Europe, 1964-1970", *Journal of European Integration History* 5,1 (1999), 61.

would commit US forces and resources. In the event of a looming conflict with the USSR and its allies, Britain did not volunteer to come to the rescue of formal partners; reversely, help from allies - other than the US – or any sort of 'third force', which could not draw on US facilities, was not considered sufficient for the defence of British interests. The point is that the US had options for 'supportive actors' other than Britain and could assemble them in multinational institutions, providing the US with sort of "drawing rights" on the good services and material, including military, resources of such partners as a means to sustain American 'hegemony' in the region (Western Europe; South-East Asia; Asia-Pacific); with a grain of salt it can even be stated that "the US preferred a multilateral security arrangement in Europe because it was consistent with US domestic order."[18] The question is whether the UK could foster a close relationship with others than the US. After all, post-world war II British governments wanted the western superpower to take care of the perennial problems of European security and tied its own European commitments to America's "entanglement" as an "European" power;[19] the British regarded the maintenance of US forces in Europe as the bedrock of Western defence.[20] To a large extent Britain's reluctance (and inability ?) to come to the rescue of third-parties is the fact(or) which gives the clue to understanding the imbalance between London's preference to looking for and after Washington's interest and America's lack of reciprocity. The more the United States could draw on their own accounts and other supportive actors like Germany and Japan, the less it occurred to them to return British 'favours'.

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18 C. Hemmer, Peter J. Katzenstein, "Why is there no NATO in Asia? Collective Identity, Regionalism, and the Origins of Multilateralism", *International Organization* 56,1 (2002), 575-607; Constantine A. Pagedas, *Anglo-American Strategic Relations and the French Problem, 1960-1963: A Troubled Partnership* (London 2000), 80 ff., 217 ff.

19 Gustav Schmidt, *Strukturen des Kalten Krieges im Wandel, 1949-1956* (München 2003); idem, "Ost-West-Konflikt und Intra-West-Spannungen: Die Position und Rolle (West)Deutschlands und Japans in der Sicht der USA", in: idem (ed., with Charles F. Doran), *Amerikas Option für Deutschland und Japan: Die Position und Rolle Deutschlands und Japans in regionalen und internationalen Strukturen: Die 1950er und die 1990er Jahre im Vergleich* (1996), 3-97; G. Wyn Rees, *Anglo–American Approaches to Alliance Security* (London 1996); John Baylis, *Anglo–American Relations Since 1939: The Enduring Alliance* (Manchester 1987); Stuart Croft et al. (eds.), *Britain and Defence 1945-2000: A Policy of Re-evaluation* (London 2001).

20 "Much as Germans cannot tolerate a truly hostile Russia, so Britons are fearful of potentially absent Americans. If German security in the last resort is about managing the giant to the East, so British security – in British perspective – mainly is about managing the giant to the West", Colin S. Gray, "European Perspectives on U.S. Ballistic Missile Defense", *Comparative Strategy* 21,4 (2002), 291, 279-310.

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This Introduction to Part II shall state the gist of the case for upholding the disputed notion in straightforward terms.[21] It will focus on the bare bones of that creature *Anglo-American Special Relationship.* The emphasis is put on what the US-UK partnership did for and to the "world". After all, the US and the UK assumed leadership in 'institutionalized alliances'; this comprises NATO as well as the less successful CENTO, SEATO, but could refer also to their co-foundership of the United Nations and the Bretton Woods organisations (IMF & World Bank) and later on the OECD. Having resisted Britain's appeal to prolong the life of their bilateral "War Councils", US governments preached and practised "multilateralism", "internationalism."

> " [...] the breadth and diversity of multilateral arrangements across a broad array of issue-areas increased substantially after 1945. Quite naturally, therefore, one associates this change with the postwar posture of the U.S. [...] For American postwar planners, multilateralism served as foundational architectural principle on the basis of which to reconstruct the postwar world. [...] Even for the relatively more liberal United States, the international edifice of the open door had to accommodate the domestic interventionism of the New Deal [...] the move toward some form of collective security organization [...] had to (strip away) the Wilsonian aspiration that collective security somehow be substituted for balance-of-power politics [...] Instead, they sought to make the two compatible, so that the collective security mechanism would have a basis in the balance-of-power but also mute the more deleterious effects of balance-of-power politics."[22]

The US and the UK were willing to spend on the one hand their resources on backing up the credibility of the alliance, diplomatically and militarily,[23] whilst on the other remaining the dominant, at least the most influential voices in defining "Security of the West" / "Securing Peace in Europe". Successful institutions tend to be promoted by powerful states which regard these institutions as being in their interest. Because institutionalized alliances provide a variety of functions other than their primary function of defence, [24] the US and the UK wanted NATO to be accepted by their other allies and partners as a fact of life and were at the same time resolved to maintain their bilateral working relationship within the broader institutionalized alliance.

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21 When not stated otherwise, the general remarks refer to the period from the end of World War II until the early 1970s. The qualified remarks relate to the period from the late 1940s to the present.

22 John G. Ruggie, *Constructing the World Polity* (New York 1999), 123, 217 ff.

23 Michael Brenner, "The US, NATO, and East-West Relations", in: Gustav Schmidt (ed.), *A History of NATO*, vol. 2, 119.

24 R.B. McCalla, "NATO's persistence after the cold war", *International Organization* 50,3 (1996), 445-75, 463 f., 471.

Approaching the US-UK 'working alliance' in the context of "institutionalized alliances" is somewhat more complex than focusing on the interactions between these two partners. Both approaches should take "tensions" between 'allies' as natural; diverse sets of *motifs* do not rule out cooperation among states as long as negotiations, which could lead to meaningful and necessary compromises, are the preferred method of conflict resolution.[25] "Harmonious" is no *conditio sine qua non* of the definition of *special,* whereas the need to have regard to the partner's posture and exposure in the event-scenario and the willingness to test the chances for joint (or parallel) action or at least offering "good services" is central to the notion "special relationship".

One version of the notion *special* derives from the bedrock-statement in both American and British official assessments of their relationship: The coincidence of American and British major objectives in security and foreign policy facilitated close cooperation and induced one or the other partner or both to take the lead in 'institutionalized' policy areas. The equation of "foremost importance" with "special" is *expressis verbis* reserved to matters of "high politics", the realm of "Defense of the West":

- preventing third actors from acquiring or producing nuclear weapons (later on: weapons of mass destruction) (Non-Proliferation Policy);
- projecting Military Power into regional conflicts;
- protecting allies through maintaining effective deterrence.

Forging the security community in the context of the emergence of the cold war confrontation, the US and UK governments proceeded upon the assumption that the two western superpowers[26] must not repeat their mistakes in the inter-war period of mutual recriminations and diffidence. Rivalries, of course, persisted after the defeat of Nazi Germany and imperialist Japan. On the one hand, the US attempted to exploit its overwhelming strength for establishing a monopoly wherever possible – e.g. occupation power in Japan; acquisition of overseas military bases;[27] strategic weapons (nuclear bombs; long-range bombers; missiles); attempts to juggle the out-

25 Andrew Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics", *International Organization* 51,4 (1997), 513-53, 520.

26 William T.R. Fox, who coined the notion "superpower" in 1944, named the US, the UdSSR and Britain; Alan S. Milward argues that Britain had the advantages to consider itself a global power; see below.

27 Robert E. Harkavy, *Bases Abroad: The Global Foreign Military Presence* (Oxford 1989); idem, *Great Power Competition for Overseas Bases* (New York 1982); Melvyn P. Leffler, *A Preponderance of Power: National Security, the Truman Administration, and the Cold War* (Stanford 1992).

come of the civil war in China[28] – and to push Britain into accepting equal status with others in European economic and security affairs. Britain, on the other hand, stemming against the tide, aimed at protecting its spheres of interest – in Africa; Malaysia; Egypt/Jordan; Persian Gulf region – and using them as bargaining power in order to acquire American respect and dollars.

Milward sees six obvious advantages Britain had in comparison with other US partners in Europe: [29]

> "ability to build its own nuclear weapons with their independent delivery system; tariff preferences on extra-European Commonwealth markets; former importance, which it hoped to restore, of London as an international capital market; strategic usefulness to the USA as an offshore European naval- and air-base more secure against invasion than any other continental mainland; large colonial empire, which gave it political influence over extensive parts of Africa and the Caribbean; large armed forces, which were seen from the Pentagon as the only large and reliable force on which the USA could rely for help as an ally."

Milward's list comprises two sets of items – those generated by and in Britain itself (1,3,4 and 6) and those representing the legacy of the British Empire (2 and 5). The latter advantages were time-bound: The British government had to concede in the war-time and early post-war bilateral and international negotiations that imperial preference tariffs were not to be renewed or expanded; it was only a question of time when liberation movements in Africa or the Caribbean would succeed in pressing Whitehall to formally suspend colonial rule. The leading Dominion members of the Commonwealth, Australia and Canada, were in favour of self-rule but also looking after their own economic and financial interests. The strongest assets were dollar- and sterling-holdings owned by Egypt, India, and Malaysia, who already were keen on hedging their independence in every and all respects or on the verge of gaining their freedom of action.

Considering the overseas assets as a bargaining counter for attaining concessions from the US, Britain did not resolve to pursue the venue of pooling its resources with those of France / French-Africa with a view to promote and harness "Europe" as the third power next to the US and the USSR. Britain's indigenous set of power resources – consisting of its armed forces and military-industrial base – was bound to fall victim to "structural disarmament", i.e. the growing gap between the shrinking purchasing

28 One of the options was to arrange for a power–sharing agreement between Communists (other than Mao Zedong) and Kuomintang / Nationalists.

29 The following list is taken from Alan S. Milward, *The Rise and Fall of a National Strategy 1945 – 1963*, The United Kingdom and the European Community, vol. 1 (London 2002), 3.

power of available "capital" (money, raw materials, and man-power) and the accelerating costs of 'modern' weaponry. It was only a matter of time that the UK rescinded rearmament as a priority; there was no way to bring Britain close to the level at which the arms race between the two military superpowers was moving. The UK could and did, however, use the grant of basing rights – for US aircraft, missiles, and Polaris submarines, as well as troops – as a claim to receiving US technical and financial assistance for maintaining its so-called independent nuclear deterrent.[30] The US obliged to Britain's quest for sharing exclusively nuclear secrets (i.e. not extending the privileged to other NATO allies), even though Britain's "nuclearisation" of its defence posture occurred at the expense of Britain's conventional armed forces, which was what Washington wanted from London in the first place. The US paid the price for granting Britain the prize of status as third nuclear power[31] mainly because British armed forces were firstly deployed beyond Europe's boundaries ("out-of-NATO-area") and highly likely to be employed in local (!) conflicts, and secondly constituted the main *western* European input into NATO's defence posture. The consequence of the rapidly growing gap in power and influence between the US and the UK was that the UK advocated the presence of the US in regions of importance to the UK, whereas the US insisted that Britain must demonstrate its commitment to these areas by deploying its own means in order to sustain its special status as ally second to none, except the US itself.

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As long as the East-West conflict pre-occupied the official mind in London and in Washington, any division of the "free world" into US- and UK-led coalitions was considered self-defeating. Hence a reversal in world politics occurred that was twofold:

1. Britain as No 2 (in the western - "free" - world) did not wish to appear to align with 'third actors' against No 1, the US hegemon. There were many temptations and occasions for the UK to join forces with France

30 Gustav Schmidt, "Die politischen und sicherheitspolitischen Dimensionen der britischen Europa-Politik 1955/56 – 1963/64", in: idem (ed.), *Großbritannien und Europa – Großbritannien in Europa: Sicherheitsbelange und Wirtschaftsfragen in der britischen Europapolitik nach dem 2. Weltkrieg* (Bochum 1989), 169–252; Simon W. Duke, *US Defense Bases in the United Kingdom: A Matter for Joint Decision?* (London 1987).

31 By 1952, Britain possessed atomic weapons, by 1957-58 nuclear weapons. In view of France's resolve to attain Britain's status, the dispute – between the US and the UK and within each government – was whether to support France becoming fourth nuclear power or arrange for a NATO nuclear force.

and other European nations in developing an independent ("Gaullist") stance,[32] but the reasoning in favour of the Atlantic alliance prevailed. The two western 'superpowers' were determined to maintain their influence in steering international affairs and developments in core regions – Western Europe; Southeast Asia; 'larger' Middle East) – through formal and informal working agreements.

2. The US and the UK constituted international organizations as legitimising agencies. Both wanted to preserve and if possible expand their respective spheres of power and influence, but at the same time valued the chance for exercising sort of condominium or duopoly.[33] What they could accomplish jointly would have a more lasting impact on third actors and on international institutions.

The *rationale* of each side sounds convincing. First the British tenets:[34] (1) Because of its special ties with every continent, Britain could hardly avoid involvement if a conflict escalated. It seemed therefore better to give early thought to ways in which the UK might cooperate with the Americans and make full use of their own influence in the locality. (2) Britain had neither the economic nor the military resources and means to take a leading role on its own. Nonetheless, Britain could be of real value to the common cause because it would not shrink from sacrifice in conflicts. In order to be perceived by the Americans as "credible force for good", "proving an active, useful ally", the British asked themselves what they could do to assist American endeavours directly or indirectly to boost the morale and / or standing of that core partner: Putting British experience in counter-insurgency; cultural and financial 'penetration' of various societies; diplomatic skills, and creating a good image of America and American hegemony at the disposal of American operations 'overseas' were assets[35] which no other US partner could match. British governments felt committed to

32 Dietl, "Kontinuität und Wandel", 51 ff.; I also wish to thank Dietl for allowing me to read his draft book manuscript *Emanzipation und Kontrolle: Europa in der westlichen Sicherheitspolitik, 1948–1964*.

33 Ursula Lehmkuhl, *Pax Anglo–Americana: Machtstrukturelle Grundlagen anglo–amerikanischer Asien– und Fernostpolitik in den 1950er Jahren* (München 1999); Gustav Schmidt, "Vom Anglo–Amerikanischen Duopol zum Trilateralismus: Großbritannien – USA – Bundesrepublik, 1955–1967", *Amerikastudien* 39 (1994), 73-109.

34 The following notions are paraphrases of statements from official documents which reappear in roughly fixed terms; John Dumbrell, *A Special Relationship: Anglo-American Relations in the Cold War and after* (Basingstoke, London 2001).

35 Such assets are embraced in the notion "soft power". Peter Busch, *All the Way with JFK. Britain, the US, and the Vietnam War* (Oxford 2003), presents a wealth of evidence on British support to US policies in Vietnam, notwithstanding the dissociation and criticism in public.

maintain British military presence in different parts of the globe and to strengthen those strongholds of Britain's role which the US regarded as means to safeguard and promote the "Security of the West". (3) The US treated the UK according to its usefulness in any special case either as just another country or as an ally in a special and unique category. The experience in the early post-world war II-period of the US cancelling status agreements such as the Québec accords on nuclear power sharing, converting "Lend-Lease" into reconstruction aid, etc., induced British governments to get a hold on Washington's treatment of America's various allies around the globe. Instead of lamenting the uncertainty of American policy towards Britain, London resolved to push for meetings with Washington in order to emphasize that the fundamental interests of the two were identical. The US would then realize that Britain's views and experience comprised most of the points which the Americans had taken into their consideration. (4) In view of the growing gap between America's and Britain's resources, London had to fear that the US could 'beat' them in any competition for gaining favours from 'third' partners. Hence it was deemed better to coordinate policies and steps with Washington; together, they were more likely to urge 'third partners' to move towards meeting UK (US) requests, the more so, as 'third partners' would prefer joint US-UK-guarantees.

From the perspective of Washington, the *mature partnership* with Britain rested mainly on three propositions: (1) For the US, moving into Britain's place as security-guarantor in Western & Central Europe and as sort of central bank (*lender of last resort),* it was deemed more convenient and beneficial to assure Britain of being consulted first rather than risk the annoyance of the still globally present predecessor. The flip side of this arrangement was, of course, that Britain had to live with the 'stigma' of serving as America's *lieutenant.* (2) The US viewed the bipartisan mood in Britain's foreign policy[36] as a safety-valve that this ally would always be able to 'deliver'. Hence bolstering and boosting Britain's *special* position among America's many other supportive actors would promise higher returns on the investment than could be expected from the divided societies of France, Germany, or Japan. (3) The US conceded Britain's claim to sort of being present at the creation of the cold war order – that the US should become "Europe's pacifier"[37] and install "control over

36 The assumption was that even though the party in opposition did criticize the governing party for being too 'soft' on US demands, it would keep arrangements after coming into power.

37 Josef Joffe, " Europe's American Pacifier", *Foreign Policy* 54 (1984), 64-82.

(West)Germany's reliability" –, because Britain went on with constructively duplicating US strategic, economic and psychological priorities.

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The *liaison* between the Anglo-Saxon powers resulted in producing a contradictory posture between the willingness to generate international regimes and institutions and the option for operating bilaterally. For Britain, the bilateral approach was advantageous, even vital: Britain preferred bilateral agreements with the US to collective decision-making because the first would better guarantee Whitehall's control of any British involvement; the latter tended to 'push' Britain into accepting equality of status with the other European partners. Although regional and international organisations were very important to the British with regard to their status in NATO and OECD as well as in the UN-Security Council, the IMF / World Bank, etc., these institutions were regarded as a means to stay in close touch with the Americans and influence their policy as far as possible.

The preference for a bilateral approach was mutual, notwithstanding their interest in establishing multinational institutions. This implies that both the US and the UK wanted to preserve to themselves the privilege of agenda-setting and the central stages of negotiations about international standards (principles, norms, rules, decision-making procedures). This was sometimes necessarily at the expense or neglect of claims of 'third actors', but sometimes it became advantageous for the Americans to engage other supportive actors, increasingly the Federal Republic of Germany since the early 1960s, to help "bail-out' the British. The special relationship was converted into trilateral settings. But since Bonn wanted to get – or keep – France and the European (Economic) Community on board, Washington's call on the "good services" of third actors provided the occasion for endorsing the role of multilateral (G-10; OECD) or international organisations (World Bank, IMF) in the attempt to juggle competing claims and promote the willingness of the member states to develop rules of conduct for the process of adjusting to changing circumstances in world finance,[38] trade, investment, but also various threats to domestic and international security.

38 See Heide-Irene Schmidt's contribution to this volume.

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Even though Britain's relatively declining military and monetary (sterling's purchasing) power made the asymmetry between No 1 and No 2 ever more obvious, the UK maintained its outstanding importance as America's mature (special) partner in leadership. In some cases this was due to a shift of importance from one aspect to another of possessing advantages within the same issue-area:

- Britain's nuclear deterrent became negligible as the UK dropped out of the missile arms race. The move towards rapid deployment forces, however, vouchsafed the UK's inter-operability with US forces structures and qualified Britain's military as 'mature' partner in out-of-NATO-area- and post-1990- scenarios.
- Sterling lost rank 2 (to the DM, later on the EURO), but this was compensated by the fact that the position of the City of London attained functional equality with New York, thanks for example to the evolution of the *Eurodollar* market and the invention of new financial market instruments (hedge funds; derivatives; etc.), whose employment was facilitated by British government regulations and legislation.
- In other instances, the parallel development of political devices and guiding principles, e.g. in the banking sector[39] or in telecommunications,[40] induced Washington and London to take the lead in negotiating standards for international regime-making and for Britain to urge the EC/EU to adopt to the Anglo-Saxon's favourite patterns.
- The US and the UK still share the world's largest investment partnership: In 1999, US investment in Britain was $ 213.1 billion, British investment in the US amounted to $ 183 billion.[41] For US firms, the UK is

39 Both "Basle I" and "Basle II" originated with US-UK accords.

40 Maria Krogias, *Regulative Politik im Spannungsfeld von Globalisierung und Regionalisierung: EU, NAFTA, und WTO: Eine empirische Analyse der Regelsetzung im Telekommunikationssektor* (Phil. diss. Ruhr-Universität Bochum, 2004), 145, 247, 318; Peter F. Cowhey, "FCC Benchmarks and the Reform of the International Telecommunications Market", *Telecommunication Policy* 22,11 (1998), 899-911; William J. Drake, "The Rise and Decline of the International Telecommunications Regime", in: Christopher T. Marsden (ed.), *Regulating the Global Information Service* (2000), 124-77; Philipp Genschel, Raymond Werle, "Koordination durch Standards: Von hierarchischer Steuerung zur internationalen Standardisierung von Telekommunikationstechnik", in: Patrick Kenis, Volker Schneider (eds.), *Organisation und Netzwerk: Institutionelle Steuerung in Wirtschaft und Politik* (1996), 387–421; Friedrich Schwandt, *Internationale Telekommunikation: Der Übergang vom Monopol zum Wettbewerb* (1996).

41 Alasdair Blair, "Bridging the gap: the UK between the US and the EU", *European Political Science* (Autumn 2002), 12.

the hub for operations in the Euro zone and in EU markets. Over 40 percent of US investment in Europe is placed in Britain. "Britain is the most important market for corporate America. U.S. assets in Britain – roughly $1.4 trillion in 2001 – were more than 50 percent larger than the entire U.S. asset base in Asia."[42] If one can speak of an EU-US "alliance for prosperity", the UK is – once again – in its centre.

To conclude: Notwithstanding the need to account for the strains in the bilateral relationship and the discrepancies in the balance of costs and benefits, it still makes sense to employ the notion *special*, particularly with a view to what the US and the UK do for and to world politics and international economics. Being first in terms of time (and timing) and in duplicating US strategies and instruments in important policy-arenas such as defence, intelligence, banking & finance, information and communication technologies, the UK made sure that it could inter-operate or at least proceed in parallel with the US. Supporting "institutionalized alliances" or at least "coalitions of the willing" in words, if not always in deed, the US had good reasons to endorse Britain's privileged access to the 'top table' in Washington.

42 Bertie Ahearn, "An alliance for prosperity", *IHT*, June 25, 2004.