C. (58) 77
10th April, 1958

CABINET

ANGLO-AMERICAN RELATIONS

NOTE BY THE SECRETARY OF STATE FOR FOREIGN AFFAIRS

I circulate a paper on the effects of Anglo-American interdependence on the long-term interests of the United Kingdom, together with a summarised version (Annex), which has been prepared in my Department.

2. In view of the detailed references in the paper to the Joint Working Group machinery established at the time of the Prime Minister’s visit to Washington in October 1957, I would ask that this paper be handled with the utmost discretion and that its circulation be severely restricted.

3. I would not suggest that this paper should be placed on the Cabinet agenda or be the subject of any formal discussion by Ministers. If, however, any of my colleagues have any comments to make on the paper I should be very glad to receive them fairly soon, in order that I may take them into account in considering the action to be taken to implement the recommendations in paragraph 38 (a) and (c) of the paper.

S. L.

Foreign Office, S.W.1,
9th April, 1958.
The Effects of Anglo-American Interdependence on the Long-Term Interests of the United Kingdom

A.—Definition

Interdependence is both a fact and a policy. It is a fact not only in Anglo-American relations but in the mutual relations of all non-Communist countries. There are two sides to this. The first is that all sovereign States have always been to some extent interdependent, *e.g.*, in trade, and that the growing complexity of international life is rapidly diminishing the extent to which they can act without affecting and being affected by the actions of other Powers. The second is that the present Communist threat is such that all non-Communist countries are dependent upon each other's military, political and economic strength in order to resist it. The extent to which the second point is recognised varies from country to country, and, with it, the willingness of each Government to adopt interdependence as a policy. There are also, *e.g.*, in Europe, conscious and deliberate movements towards unity which are to some extent independent of these two factors.

2. To adopt interdependence as a policy is to recognise interdependence as a fact and to decide to promote it as the only means of progress and safety. It involves taking a process which is happening anyway and turning it to advantage by extending, accelerating and proclaiming it. It was this decision that the United States and the United Kingdom Governments took at the Washington talks in October 1957.

B.—Scope

3. The President and the Prime Minister intended this policy to be extended to their friends and allies and contemplated its ultimate extension to the entire free world. (*The countries of the Free World are interdependent and only in genuine partnership can progress and safety be found. . . . For our part we have agreed that our two countries will henceforth act in accordance with this principle. . . . We believe that the understandings we have reached will be increasingly effective as they become more widespread between the free nations.* Declaration of Common Purpose.) But the scope of this paper is confined to the consideration of Anglo-American interdependence. There are three reasons for this:

(a) Although the communiqué issued at the end of the NATO meeting in December endorsed the principle of interdependence, the United Kingdom has not yet undertaken any new commitments to NATO in pursuance of this principle. Some may emerge later, *e.g.*, in the pooling of scientific and technical resources for defence purposes, in the application of the doctrine of balanced collective forces and the introduction of a single Air Defence for Europe, but it is not yet possible to foresee their form and the implications for United Kingdom interests which they will carry. The same consideration applies with even greater force to our other alliances and connections.

(b) Whereas the policy of Anglo-American interdependence was immediately put into effect with the setting up of Working Parties in Washington, interdependence in the NATO sphere is still a principle rather than a programme. Because of this and because the Anglo-American declaration came first, there is an impression in some quarters in Europe that Anglo-American co-operation is more important to the United Kingdom than NATO co-operation and that we are detaching ourselves from the continent in order to become exclusively the first lieutenant of the United States. This development presents problems for United Kingdom policy which are a direct result of Anglo-American interdependence and need examination in that context.

(c) Anglo-American interdependence is likely to have more far-reaching effects on United Kingdom interests than any more general link-up.

Top Secret
for at least two reasons. First, where two parties alone are concerned, decisions can be taken secretly and quickly, and the process of interlocking can go ahead more rapidly and thoroughly than where a dozen or more national governments have to be persuaded or cajoled into agreement. Secondly, there already exists a longer tradition of association and a greater fund of mutual trust between the United States and the United Kingdom than between any other collection of States. In the intelligence field, in particular, the relations between our respective organisations have become increasingly close.

C.—THE RESULTS OF THE WASHINGTON TALKS

4. In the present world situation, the United States and the United Kingdom have in any case been dependent upon each other for some time. To some extent this dependence has been one-sided, for at bottom we have needed the United States more than they us, but the balance has been at least partially restored by Russian technological advances which have made American bases in Britain (and elsewhere) essential to the home defence of the United States and have perhaps also undermined American confidence in their technological self-sufficiency. Since interdependence was already so far advanced, what changes have the Washington talks in fact brought about?

5. The answer is, at least superficially, a greater recognition by the Americans of the fact of interdependence and a greater willingness to adopt it as a policy. The practical results have been:

(a) The establishment of the Working Groups, covering defence, political, economic and information problems. There now exists, for the first time since the Second World War, machinery for the continuous joint examination of certain international problems, which can be extended to deal with new problems as they arise (as has already been done in the case of Indonesia). Through it we should be able to ensure—

(i) in general, that we have a greater knowledge of what American policy on any major problem is, though the Far East and military strategy are likely to be exceptions and we cannot expect the Americans to be over-conscientious about keeping us informed;

(ii) that our views are known to them;

(iii) that we have a chance of influencing American policy at its formative stages.

(b) The drawing up of plans for the pooling of brains and resources in the field of defence and for the allocation of research and production tasks.

(c) The United States undertaking to seek certain amendments to the Atomic Energy Act.

(d) The engagement of United States interest in the defence of Hong Kong.

6. The above list shows that interdependence is by no means comprehensive as yet, either as an accomplishment or even an objective. Most of it is still a hope for the future, and there has been no pooling of defence resources yet. On the economic side we shall certainly want to aim at a greater degree of interdependence in future. While our economic relations with the United States are in many respects intimate and constructive, recent contacts with the present United States Administration have shown that there is a considerable gap between the thinking of those responsible for the direction of United States economic policy and the welfare of the sterling area.

7. There is at present no reason to doubt that the United States Government are sincere in their intention to make a success of interdependence. Provided therefore that the momentum is maintained (paragraph 10 below) we may expect consultation and co-ordination of policy to go on over an ever-increasing range of subjects, and our effort, particularly as regards defence, to become increasingly interlocked with that of the United States.
D.—THE IMPLICATIONS OF INTERDEPENDENCE

(a) The Advantages

8. There is no doubt that in the main the United Kingdom stands to gain greatly from this process:

(i) The United States is so much the most powerful nation in the Western camp that our ability to have our way in the world depends more than anything else upon our influence upon her to act in conformity with our interests. Against her opposition we can do very little (e.g., Suez) and our need for American support is a fact which we cannot ignore. It follows that our policy should certainly be to put ourselves in the position in which we can elicit from her the greatest possible support. The policy of Anglo-American interdependence is well designed to achieve this aim.

(ii) Our relationship with the United States plays a great part in our relationship with third countries. We stand to lose if we appear, to third countries, either to be a satellite or to be out of touch with the United States. Consequently interdependence, with agreement on both sides to differ on individual points, gives us the best position we can hope to have.

(iii) It is to the good that there should be an agreed Anglo-American policy in, e.g., the Middle East, instead of two policies pulling in different directions. This is true even if co-ordination means subordinating our own interests at least in non-essential matters; the force for stability and security which such a policy will provide is well worth minor sacrifices, though if an agreed policy is to have reality there will have to be American concessions too.

(iv) On the defence side, we stand to gain considerably from American technical information and resources.

(v) Interdependence in many cases means that the money we spend and the effort we make produce very much more valuable results. If we act alone our efforts and resources may not bring commensurate benefits. Acting with the United States we far more often get full value or even more for our efforts.

(b) Possible Disadvantages

9. There are however a number of possible and actual difficulties to be overcome. They may be divided into two classes:

The difficulties of keeping up the momentum of interdependence and the dangers of its abandonment by either side;

The dangers of becoming or seeming to become an American satellite.

(i) Keeping up the momentum

10. The policy of Anglo-American interdependence to some extent goes against the grain for both sides. Consultation is irksome and co-operation often inconvenient. The administrative machine in Washington is unused and ill-adapted in many respects to co-operation of any kind. We must moreover always be prepared for shocks and disappointments inherent in the highly personal nature of the United States administration; we can never assume that the American machine will work with a well-oiled cohesion and the operation of interdependence, therefore, may be subjected to annoying and apparently capricious interruptions for which sometimes there will be no immediate remedies. The natural tendency of all new initiatives, which involve extra work, to flag and then die will therefore be aggravated. It will be of the greatest importance to prevent this happening, because if it does we shall continue to incur the unpopularity which is bound to result in some quarters from the belief that we are in a special relationship with the United States, while ceasing to enjoy the benefits. We shall thus get the worst of both worlds.

11. How is this tendency to be overcome? The first way is to keep the machinery of consultation continuously fed with a constant flow of subjects for discussion and to make the fullest use of the normal channels of communication—i.e., Foreign Office, United States Embassy and British Embassy-State Department. When, for any reason, it is desired to bring in a wider circle of Departments on the British or American side, or when, for any other reason, these channels are not

TOP SECRET
appropriate, then full use should be made of the Working Group machinery. It is not however necessary or desirable to refer every problem to a Working Group. They are chiefly useful where Washington Departments other than the State Department (e.g., C.I.A. and Pentagon) are involved. Otherwise normal Embassy contacts are adequate and indeed quicker. It is also the case that, as soon as action is needed, any important decision has to be taken up and out of the Working Group level. But, since the continued existence of this particular machinery is for us an important end in itself, it will be desirable to let it deal with as many of the real crises as possible, and, where other treatment is necessary, to return the handling of the problem to it at the earliest possible moment. This involves foresight and planning.

12. The second way is to extend the machinery so as to make consultation a habitual reaction to any problem in the widest possible circle within both governmental machines. In particular it would be useful to do this in the case of Far Eastern questions, where the conflict between the two foreign policies towards China reduces effective co-operation (see paragraph 23 below). It will therefore be valuable to introduce new subjects for discussion, not only in order to co-ordinate policy upon them but also to introduce new people to consultation. In addition to civilian consultation between the Embassy and the State Department, it might be for consideration whether we should seek to introduce a measure of military consultation, which might in due course lead to improvements in the co-ordination of military plans. This is a subject on which there are gaps in our knowledge of United States thinking.

13. It will also be desirable to wind up working groups as soon as they stop being useful. We should ensure that the pattern of our consultation changes with the world situation.

14. We must, however, recognise that however hard we work to keep up the momentum, interdependence has certain limitations. In the last analysis, the policies of Her Majesty's Government and the United States Administration depend on the support of public and parliamentary (or congressional) opinion. This may limit the ability of the two Governments to formulate and pursue joint policies. It will be very difficult for the State Department to override objections in Congress in order to align their policy with ours. Nor would it be easy for Her Majesty's Government to be ready to defend a policy which ran counter to public opinion on the grounds that it was the necessary consequence of interdependence.

15. There is the related question of constitutional and legislative limitations. Interdependence is presumably limited to some extent by the United States Constitution and by possible difficulties both here and in the United States of enacting new legislation and repealing or modifying existing legislation (e.g., the MacMahon Act) where this is necessary to give practical expression to interdependence.

(ii) The Dangers of Abandonment

16. However firmly the present administrations of the United States and the United Kingdom are committed to the policy of interdependence, there is always a risk that their successors may wish to abandon it. It is not necessary here to consider the position of the United Kingdom if such a decision came from this side, for it would presumably only be taken if it were compatible with the national interest in the circumstances of the time. But it is possible that a United States Administration hostile or indifferent to this country might at some time come to power, or that the development of inter-continental missiles might conceivably lead the United States to adopt a policy of "Fortress America," or that a change of Government in this country might have a fundamental and dangerous result for the Anglo-American partnership. A United States withdrawal from Anglo-American co-operation would have serious consequences for this country.

17. They would be particularly serious in the field of nuclear co-operation, if, for example, the Americans withdrew from their present policy of collaborating on questions concerning the nuclear side of disarmament and nuclear tests. It is highly important to us that the Americans, who are far ahead on weapon development, should not agree to the cessation of tests unless they have meanwhile so revised the Atomic Energy Act that they can and will give us the fruits of all their development work so far.
18. There are two sides to this question. On the one hand, the further the process of interlocking had gone, particularly in the fields of defence and the protection of our essential interests overseas, the more American withdrawal would leave us helpless. It must be recognised that in a partnership between two Powers of very unequal strength, it is far more serious for the weaker than for the stronger if the partnership comes to an end. Although the Americans as well as we stand to gain a good deal from interdependence in technical and other fields, the United States can, so to speak, underwrite the commitment which co-operation with us represents for them, while the United Kingdom cannot. Further, it appears at present that the United States will not in fact, to any significant degree, carry through the joint allotment of tasks to the point at which any important task is our sole responsibility; they are likely to maintain the full apparatus required by an independent country. The United Kingdom in all probability cannot afford to do this—indeed one of the principal advantages of interdependence from our point of view is that we shall not have to. But this means that the abandonment of the present policy of interdependence would have far more serious consequences for us than for the Americans.

19. On the other hand, the further the process of interlocking goes, the less probable American withdrawal will become. If interdependence is to become real, the risk is one we must accept, but the more real it becomes, the more the risk will diminish. In the first place the Americans, given their generally decent way of thinking, would be less likely to withdraw if they realised that by doing so they would put us in a hopelessly dangerous position. Secondly, as long as the world situation remains more or less as it is at present, it would clearly be against the United States' own interest to let us be seriously weakened. Thirdly, in spite of the considerations outlined in the last paragraph it should be possible for us to engage the United States so deeply in interdependence that withdrawal would be seriously inconvenient for them, and the more this is done, the smaller the danger will be. If on the other hand we try to guard against it by making reservations to our policy of interdependence and by seeking not to compromise our essential interests, we shall endanger the policy itself.

20. The conclusion to be drawn from this is that there is no half-way house between a degree of interdependence so slight as not to be really interdependence at all, and involving ourselves so closely with the Americans that withdrawal on either side will in fact cease to be practical policy. While both courses have their dangers, the latter seems to be the only possible one to choose.

(iii) The dangers of becoming an American Satellite

21. The United Kingdom, in its relatively weak position, is already greatly dependent upon United States support. It would be surprising if the United States did not exact a price for this support, and to some extent she does so. The policy of interdependence will necessarily increase the extent to which the United States can make us pay for this support, for the more we rely upon them, the more we shall be hurt if they withhold it.

22. Too much need not be made of this since it does not seem at present that there are many important fields in which American and British policies conflict and in which we might be forced to give way. Indeed, if there had been many such cases, the Declaration of Common Purpose could hardly have been issued, but the question may arise, e.g., over Buraimi.

23. There is also the conflict of British and American policies over China. While we could bring our policy into line with that of the Americans, to do so would cause political difficulties at home, prolong the stalemate over China and diminish United States respect by making it appear that we were willing to sacrifice our firmly-held views in order to obtain their favour. We must therefore face the fact that while we should consult fully over China, agreement cannot at present be reached and that this must limit the extent of the co-operation in the Far East.

24. This aspect of Anglo-American relations will require careful watching. But there is no reason to doubt that we should be able to hold our own when Anglo-American interests diverge, provided that we make clear to the United States, when necessary, that although interdependence is the cornerstone of our policy, we cannot be expected to sacrifice all our other interests to it.
The danger of exclusive Anglo-American interdependence

25. Since our interests and those of the United States do not in fact much diverge, there is relatively little danger of a situation arising in which we have to choose between breaking away and becoming an American satellite. But the danger of (i) seeming to become one, and (ii) seeming to try to set up an exclusive Anglo-American relationship, is greater. If we give this impression we shall suffer on two counts:

(a) we shall damage our relations with our other friends, particularly the Europeans;
(b) we shall lose influence with the Americans themselves, because this depends upon the extent of our influence elsewhere.

The United Kingdom and Her Other Friends

26. Our relations with our friends may be considered under three heads:

The Commonwealth

27. Here the problem is not acute. So long as we continue full consultation and co-operation with them, the Canadians are not likely to think of us in this light or worry overmuch about this possibility. Their anxiety is the reverse—that the United States and the United Kingdom might one day diverge so far that Canada had to choose between them. The same applies to Australia and New Zealand. In general for all three the closer the United Kingdom is to the United States, the better. South Africa is probably not interested. Pakistan welcomes Anglo-American solidarity. With India, Ceylon and probably also Ghana and Malaya, the position is rather different. Part of the United Kingdom’s strength in South and South-East Asia derives from the fact that we are not regarded there as identified with the United States. The United States are widely regarded as brash, bellicose and domineering, and there is a tendency (marked at the time of the Indo-China crisis in 1954) to respect the United Kingdom for not sharing these qualities. India and Ceylon at least are likely to reserve judgment over Anglo-American interdependence, to like it if it seems that we are increasing our influence over the Americans and to dislike it if it seems that they are increasing their influence over us.

Western Europe

28. Here the problem is much more serious, in that there is already a widespread feeling in Europe that there are two alternative policies for the United Kingdom, to enter Europe and to stand outside it in an “Anglo-Saxon” clique, and that, by adopting the policy of interdependence, we have plumped for the second. It is not so much that we are regarded as having opted to become an American satellite; the Europeans could accept this even if they regretted it. What they resent is the impression that we are trying to stand apart from both America and Europe and to profit at the expense of both by arrogating to ourselves a special position in American eyes by virtue of our world position. This is a misconception of “interdependence” which was invented as an expanding rather than as an exclusive idea, but there are good reasons for its appearance. The suspicion that Britain is standing aloof from Europe and is indifferent or even hostile to European unity is an old one. The fact that we, alone of the Western European Powers, have made the hydrogen bomb, joined the American nuclear directorate and are now seeking to prevent any “fourth country” from possessing it, means to many Europeans, especially the French, that we are seeking to establish and maintain a two-level Power system in the free world, with Britain and America in command and the rest in the ranks. There is also the suspicion that the United Kingdom is trying to edgewise out of her commitment to maintain troops on the Continent. Finally, the first major act of Anglo-American co-operation after the Washington talks was to supply arms to Tunisia, an action in which we appeared to be over-riding the wishes and undermining the interests of the French. These, and other factors, have unfortunately added up to create the impression at the present time in many influential quarters in Europe that interdependence is a euphemism for an exclusive Anglo-American line-up invented for our own private convenience, and that talk of its expansion is hypocrisy.
29. Although suspicions of too close Anglo-United States solidarity will probably always exist, especially in France, the present extreme manifestation of this feeling may prove to be comparatively shortlived, provided we recognise its dangers and act accordingly. For it would indeed be dangerous for the United Kingdom and for the Western world as a whole if this impression were allowed to grow and to persist. As far as the United Kingdom is concerned, we cannot afford to build up a position as the First Lieutenant of the United States in a way which severely damages our position in Europe. The emergence of the Six-Power community makes this danger more acute. Playing our proper part in Europe, we should be an invaluable ally to the United States. Isolated from Europe, our value, and therefore our influence, would fall away very greatly. Unless we are careful, it is possible that a situation might arise in which, if Britain were isolated from the political leadership of Europe, the United States might, in spite of inter-dependence, deal direct with Europe over our heads.

The Rest

30. Slightly different considerations apply to our other friends, e.g., the members of the Baghdad Pact, since here the danger is the more straightforward one of seeming to be an American satellite. While they are glad to see the United Kingdom and the United States pulling together they would be sorry to see the United States in complete control. But in such a situation they would certainly transfer their allegiance wholly to the United States and in any consequent arrangements between them and the Americans, United Kingdom interests might be ignored.

THE UNITED KINGDOM AND THE UNITED STATES

31. It follows from this that our influence with the Americans will among other things depend upon the extent of our influence elsewhere and that we shall escape appearing to become a satellite only by putting ourselves in a position to increase it. Such a position on our part, moreover, would surely be welcome to the United States. Indeed the Americans have always welcomed moves designed to draw the United Kingdom closer to Europe, and would have liked them to have been more numerous and far-reaching than has been possible hitherto. The dangers of Anglo-American exclusiveness indeed do not derive from the American attitude to interdependence at all. Provided they are convinced that our desire is genuinely to bring the free world together along agreed Anglo-American lines, and to improve our own position by playing off our various friends against each other, they are likely to welcome any moves which will enhance our general prestige and influence and thus enable us to make a distinctive contribution to the unity of the free world.

(e) Conclusion

32. If the above analysis is broadly accepted, it appears that one of the United Kingdom’s principal problems in the context of interdependence, both in the long and in the short term, is to avoid the appearance of seeking to set up an exclusive Anglo-American relationship or of becoming an American satellite, and to strengthen rather than weaken our ties with our other friends—i.e., to play an active part in the widening of interdependence. How is this to be done?

33. The immediate and perhaps the main problem is in Europe. We have to convince the Europeans, and particularly the French, that we are not tiptoeing out of Europe, and that we are not proposing to desert their interests in order to consolidate our position as America’s exclusive partner. The two principal bones of contention at present are the withdrawal of forces from Germany and the Free Trade Area. It is difficult to assess their comparative importance in European eyes, but it seems clear that it is necessary to examine what concessions the United Kingdom can afford to make in order to strengthen a position in Europe which has deteriorated badly over the last few months. It is fair to say that the maintenance of British forces on the Continent and a firm attitude towards Russian proposals for the neutralisation of Europe, together with our willingness to meet the interests of the Six in the Free Trade Area negotiations are the touchstone by which our attitude to Europe will be tested in European eyes during the next few months. In the immediate future, however, we shall have to press on with the Free Trade Area negotiations, despite French desires for delay—and concessions will have to be made on both sides before we can establish a right relation with Europe in the long term.
34. The question also arises: is it always in the best interests of the United States and the United Kingdom together that we should speak and act in concert? Cases may arise in the future in which our joint interests may be better served by one or the other acting individually. If, for example, the cohesion of the Atlantic Community is in question, there may well be occasions on which it will be better preserved if the United Kingdom behaves as a European rather than as an "Anglo-Saxon" member. Similarly, in South and South-East Asia the West as a whole may gain if the United States and the United Kingdom, as circumstances dictate, adopt a divergent tone. Provided that the United Kingdom and the United States remain fundamentally in partnership, it may be better that sincere disagreement should be publicly reflected than that one side should drop its own view in the cause of unbroken unity.

35. Such divergence should only be allowed to happen after consultation, and, if possible, by agreement. It may seem difficult to allow for it while preserving full co-operation over the long term. But it may be observed that both sides are in any case already playing this game. The United States abstained from voting in the United Nations debate over Cyprus, presumably in order to maintain their position in the eyes of Greece and of the anti-Colonial Powers; the debate took place after the Washington talks. Similarly we adopt a divergent line over China and strategic controls. It is highly desirable, both in our own private interests, and in those of the United Kingdom and the United States together, that we should continue to reserve the right to speak and act independently on occasion. By doing so we may be able to do much towards preserving and promoting our prestige as a Power in our own right.

36. In conclusion, it must be stated that the policy of interdependence probably cannot, if the United Kingdom's essential interests are to be preserved, produce great savings in money. While we hope in the long term that the concept of interdependence will bring us certain economies through the sharing of burdens which are too heavy for us to carry alone, it will necessarily involve us in making contributions towards the execution of agreed policies if we are to maintain any substantial influence over the Americans and our other friends in areas where we have important interests.

37. This is not to say that the United Kingdom cannot afford interdependence. On the contrary, it is perhaps the only policy to hold out hopes of the stability and security without which we cannot prosper. It is a necessary investment and though it will not be cheap or easy to make, it could if we play it right bring us great benefits.

E.—RECOMMENDATIONS

38. It is recommended that:

(a) A study should be made of ways and means of extending Anglo-American interlocking in the field of policy planning, with special reference to the possibility of extending political consultation to Far Eastern problems, though full agreement cannot be reached over China (paragraphs 11, 12 and 23).

(b) The possibility might also be considered of introducing a measure of military consultation (paragraph 12).

(c) A study should be made of possible initiatives which the United Kingdom could take in order to strengthen her position in the rest of the world and to increase her influence as an "interdependent," with special reference to Europe (paragraphs 32 and 33).
ANNEX
THE EFFECTS OF ANGLO-AMERICAN INTERDEPENDENCE ON THE LONG-TERM INTERESTS OF THE UNITED KINGDOM: SUMMARY

A.—Definition
To adopt interdependence as a policy is to recognise interdependence as a fact and to decide to promote it as the only means of progress and safety. It involves taking a process which is happening anyway and turning it to advantage by extending, accelerating and proclaiming it. It was this decision that the United States and United Kingdom Governments took at the Washington talks in October, 1957.

B.—Scope
2. The President and the Prime Minister conceived interdependence as extending to the entire free world. But the scope of this paper is confined to Anglo-American interdependence because:
   (a) we have so far undertaken no new commitments as part of the policy of interdependence, except with the Americans;
   (b) Anglo-American interdependence has already created problems for United Kingdom policy in relation to Europe;
   (c) Anglo-American interdependence is likely to affect the United Kingdom more than any more general link-up.

C.—The Results of the Washington Talks
3. The Washington talks have apparently brought about a greater recognition by the Americans of interdependence as a fact and a greater willingness to adopt it as a policy. The practical results have been:
   (a) The establishment of the Working Groups. There now exists, for the first time since the Second World War, machinery for the continuous joint examination of international problems.
   (b) The drawing up of plans for the pooling of brains and resources for defence.
   (c) The United States undertaking to seek certain amendments to the Atomic Energy Act.
   (d) The engagement of United States interest in the defence of Hong Kong.
4. Although most of the above is still a hope for the future, and economic co-operation falls far short of the ideal, there seems no reason to doubt United States sincerity. Provided the momentum is maintained (paragraph 10 below) we may expect consultation and co-ordination of policy to grow and our effort, particularly as regards defence, to become increasingly interlocked with that of the United States.

D.—The Advantages of Interdependence
5. The United States occupies a position of such power, that we need to put ourselves in a position to elicit from her the greatest possible support. The policy of interdependence is well designed to achieve this aim.
6. Visible Anglo-American co-operation enhances our influence, provided that we continue to uphold our own divergent view on occasion.
7. It is only to the good that there should be a joint Anglo-American policy, e.g., in the Middle East, rather than two policies pulling in different directions. Even from a purely national point of view unity is worth minor sacrifices.
8. On the defence side we stand to gain from American knowledge and resources.
9. Joint efforts will produce greater value for money.
E.—Possible Disadvantages

(a) The difficulty of keeping up the momentum

10. Consultation is irksome and co-operation often inconvenient. The administrative machine in Washington is ill-adapted to interdependence, particularly because of its highly personal nature. There is thus a danger that this new initiative will flag. If it does we shall cease to get the benefits of close co-operation while still incurring odium, e.g., in Europe, because of the belief that it exists (see paragraph 17 below).

11. To prevent this we must do three things: —

(i) Keep the machinery of consultation constantly fed with a flow of subjects for discussion making full use of normal Embassy contacts, and, where appropriate, of the Working Groups;

(ii) Extend the machinery so as to make consultation a habitual practice in the widest possible circles in Washington (in particular it would be useful to do this over Far Eastern problems and perhaps military consultation);

(iii) Wind up Working Groups as soon as they stop being useful.

12. But we must recognise that there are limits to the possible extent of policy co-ordination. Public opinion on both sides and constitutional difficulties in the United States are limiting factors. It would not be easy for Her Majesty's Government to defend an unpopular policy as a necessary consequence of interdependence.

(b) The dangers of abandonment

13. There is always a risk that a future United States Administration may wish to withdraw from interdependence. This would have far more serious consequences for the United Kingdom, particularly in the nuclear field, than for the United States.

14. But the further interlocking goes, the less likely such a withdrawal will become. The Americans would probably not willingly put us in a hopelessly dangerous situation by abandoning us; it would not be in their own interest to do so; and, in spite of the disparity of our resources, we should be able to engage the United States so deeply in interdependence that withdrawal would be at least seriously inconvenient for them.

15. We should therefore seek to involve ourselves so closely with the Americans that withdrawal on either side ceases to be practical policy.

(c) The danger of becoming an American Satellite

16. Although interdependence will increase the effectiveness of the pressure America can exert on us if she wishes, the danger of having to sacrifice our interests to hers is not great. The interests of the two countries do not greatly diverge and we should be able to make clear that, while interdependence is indeed fundamental to our policy, we cannot be expected to sacrifice all our other interests to it.

(d) The danger of exclusive Anglo-American interdependence

17. If we give the impression that we are becoming an American satellite or trying to set up an exclusive Anglo-American relationship, we shall damage our relations with our other friends, particularly the Europeans, and therefore lose influence with the Americans themselves. As far as our other friends are concerned:

(i) The "old" Commonwealth would not be unduly worried about this, so long as we continued full consultation and co-operation with them. In their view, the closer we are to the United States, the better. Our relations with the "new" Commonwealth however would suffer if they thought that American influence over us had grown more than our influence over the United States.

(ii) Western Europe would not object so much to our seeming to become an American satellite as to our claiming a special place as America's principal ally by virtue of our world position. There is already a widespread suspicion that we are "tip-toeing" out of Europe in order to do this; our nuclear policy, the withdrawal of some United Kingdom
forces from Germany and arms for Tunisia have contributed to it. This is dangerous, since, isolated from Europe, our value to the United States would fall away very greatly and we might find the Americans, in spite of interdependence, dealing direct with Europe over our heads.

(iii) The rest of our friends, e.g., the members of the Baghdad Pact, are not very sensitive about our claiming a special position. But if they thought the Americans to be in complete control, they would transfer their allegiance wholly to the United States and our interests might consequently be ignored.

18. It follows from paragraph 17 above that our influence with the Americans largely depends upon our influence elsewhere. On the whole, any increase in the latter will be welcome to the Americans. They have always urged us to draw closer to Europe. Indeed the dangers of Anglo-American exclusiveness do not arise from the American attitude at all, and they would welcome any moves which will improve our general prestige and influence.

F.—Conclusions

19. Our problems are:—

(a) to maintain and extend the machinery of consultation;
(b) to engage the Americans so deeply in interdependence that withdrawal ceases to be practical policy;
(c) to avoid the appearance of becoming an American satellite and, more particularly, of seeking to establish an exclusive Anglo-American relationship.

20. (c) above is perhaps the most immediate problem. It amounts to balancing our closer relationship with the United States by a closer relationship with our other friends, i.e., playing an active part in the widening of interdependence. It applies particularly to Europe where we are at present under a cloud. The two principal bones of contention are the Free Trade Area and the withdrawal of forces from Germany, and we need to examine what concessions we can afford to make (while maintaining our drive to get the Free Trade Area established as quickly as possible) in order to strengthen our position.

21. We should also continue to maintain our own viewpoint where British and American policies diverge on important questions. While minor sacrifices are worthwhile in the cause of unity (paragraph 7 above) it is in our joint interest that both sides should speak and act independently on occasion.

22. The policy of interdependence is unlikely to result in large savings of money. While we hope that it will bring us economies through the sharing of burdens which are too heavy for us to bear alone, we must contribute to the execution of joint policies if we are to maintain any substantial influence over the Americans and our other friends in areas where we have important interests.

23. Interdependence is perhaps the only policy to hold out hopes of the stability and prosperity without which we cannot prosper. It will not be cheap or easy, but if we play it right, it can bring us great benefits.

G.—Recommendations

24. It is recommended that:—

(a) A study should be made of ways and means of extending Anglo-American interlocking in the field of policy planning, with special reference to the possibility of extending political consultation to Far Eastern problems.
(b) The possibility might also be considered of introducing a measure of military consultation (paragraph 11).
(c) A study should be made of possible initiatives which the United Kingdom could take in order to strengthen her position in the rest of the world and to increase her influence as an “interdependent,” with special reference to Europe (paragraph 20).