



International Relations and Defence Committee

Corrected oral evidence: The UK's future relationship with the US

Wednesday 19 November 2025

2.10 pm

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Members present: Lord De Mauley (The Chair); Baroness Blackstone; Lord Bruce of Bennachie; Baroness Coussins; Baroness Crawley; Lord Darroch of Kew; Baroness Fraser of Craigmaddie; Lord Grocott; Baroness Morris of Bolton; Lord Robertson of Port Ellen; Lord Soames of Fletching.

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Questions 214 - 226

Witnesses

I: Stephen Doughty MP, Minister of State, Foreign, Commonwealth and Development Office; James Hughes, Head, US and Canada Department, Foreign, Commonwealth and Development Office.

Examination of witnesses

Stephen Doughty and James Hughes.

Q214 **The Chair:** Minister, this is an oral evidence session in our inquiry into UK-US relations, as I know you are aware, covering various aspects of the relationship, including foreign policy, defence, economic ties and intelligence co-operation. The session will be streamed live on the Parliament website and a transcript will be taken. Once available, you will be sent a copy of that for corrections, if necessary. I remind members that, if they have any interests pertinent to their question, they should declare them. Minister, I understand that you would like to make some opening remarks.

Stephen Doughty: Thank you, Chair, and the committee, for inviting me to give evidence. I apologise for the state of my voice, but I will do my best to keep hydrated with water throughout. First, I am grateful for the expertise that this committee in particular brings to the UK-US relationship, particularly in those sectors you mention. I know that you will have some incisive questions for me and I will do my best to answer them. It is a privilege to be one of the ministerial team responsible for the bilateral relationship.

It is worth saying at the outset that at the heart of the UK-US relationship is the ability to deliver for our citizens, whether that is in terms of economic prosperity, our security or our deep and abiding historical and cultural ties, which are very much evident in my own family and background. Part of my family history goes back to Pennsylvania in the 1700s. My grandfather was a US soldier who came over to fight in the Second World War against tyranny in Europe. He originally hailed from New York. The story across our Atlantic is written in my own blood and history. I have also always had a deep and abiding interest in and friendship with people across the United States. I have visited 25 of the US states—and counting. I am struck each time I visit, whether officially or personally, by the huge respect, admiration and deep personal ties, regardless of politics and any individual issue and what our positions might be on that. There is something very deep in our relationship and I feel very much the same when we engage with our American friends here on British soil.

I remember a particularly special moment last summer when the statue of George Washington in Trafalgar Square was re-dedicated. It was an amazing effort. That was a gift from the state of Virginia. Washington allegedly vowed never to set foot on British ground. There may have been some Virginian soil in the statue, but the reality is that he stands there as a symbol of our friendship and ties despite that difficult history 250 years ago. I think we need to bear in mind, particularly as we approach those crucial anniversaries next year, that since that time we have grown together in mutual admiration, respect and connection. We have stood together for liberty, freedom, democracy, prosperity and a world that benefits all of our citizens. I think that underpins everything we do together.

Growth remains the priority for this Government and we will seize every opportunity we can to boost investment and create jobs. Our economic relationship with the United States, our single largest trading partner, supports this on both sides of the Atlantic. You will have seen that President Trump's state visit in September delivered record-breaking investment, including £150 billion into the UK. We signed the UK-US technology prosperity deal with £31 billion for British AI infrastructure from firms such as Microsoft and Google, and crucially we agreed new defence partnerships, including a £1.5 billion investment from Palantir and a £400 million Google Cloud contract for secure communications.

Our engagement is daily, on multiple levels and across multiple domains. Just last week, I met the Lieutenant Governor of California; a few weeks ago I was with the Governor of Idaho with multiple congressional delegations and officials coming through. I was with the US Ambassador last night and spoke to our chargé in Washington just yesterday to discuss a range of topics. Of course, the Prime Minister speaks to President Trump, Secretary Rubio, the Foreign Secretary, and others regularly. I want to commend particularly the President's efforts on peace and stability in his term. There is work being done in some of the less talked about conflicts and challenges, for example, in places such as the Caucasus, and the work being done there between Armenia and Azerbaijan, as well as his efforts on Ukraine and, of course, in relation to the Middle East and Gaza in recent weeks. We have been working closely with our American and European partners at the heart of all of that.

Of course, no relationship that deep and broad is without its differences. We know there are some areas where we do not always agree—for example, on climate policy, to name one. But, as our friends in the United States and we have said very often, we can have disagreements and still be the closest and deepest of partners. Our alliance is robust and strong enough for honest conversations. So we will continue absolutely to invest in this partnership and special relationship because we want all our citizens to feel that benefit, whether it is economic growth, security on our streets, or our ability to respond to the very serious and real threats that we face in changing geopolitical circumstances. I look forward to discussing this with you, and thank you for your time today.

Q215 The Chair: Thank you, and thank you for yours. From what you said, it sounds like you are confident in the continued existence of the special relationship. We have heard that differences in our respective threat perceptions, in relation to China in their case and perhaps Russia in ours, are leading to a divergence in strategic priorities and this could lead to a rift in the relationship. To what extent do you agree with that assessment and, either way, what does this mean for the UK's approach?

Stephen Doughty: I do not think there is any rift in the relationship; I certainly do not see one on a day-to-day basis, and I say that with all genuineness to the committee. Our co-operation with the United States, particularly when it comes to defence, intelligence and security, as well as the economic and diplomatic ties, is evident to me every day in every piece of work that I do, and long may that continue—and long may it

continue to benefit our citizens mutually. We have a uniquely high level of co-operation when it comes to defence, intelligence sharing and global leadership. We are founding members of NATO; we are members of the G7; we share intelligence through Five Eyes and AUKUS. We have fought together in many major conflicts, including the First and Second World Wars—that was particularly recalled on the 80th anniversary—but we have also worked together in the Balkans, Bosnia and Kosovo.

I am conscious of the esteemed membership of this committee. Many of you have seen this work up close and first hand, and that continues. I certainly do not see any rifts. Of course, we have engaging, candid and rightly proper conversations around a whole series of threats and challenges. We are in different geographies in the world, but we share an ocean; we have a shared desire for liberty, freedom and democracy around the world, and to make sure that we work very closely together in that endeavour, so I do not see any challenges to the relationship in that regard.

The Chair: None the less, it has to be accepted that their focus is on China particularly. How do we address that given our concerns about eastern Europe and all that is happening there?

Stephen Doughty: I think there are two things to say. Naturally, the United States is a Pacific power as well; it has a strong interest in what is happening in the Pacific region. Of course, we have our interests and engagements there, too. I have just come back from visiting the Carrier Strike Group. I visited them in Greece, but of course they were returning from a months-long deployment in the Indo-Pacific, working with our partners, including the United States, in a huge range of locations there: off Japan, the Republic of Korea and Australia, and with other partners in the region, including India. Our co-operation, whether in training, understanding and core relationships, is there as well in the Indo-Pacific. The US maintains a very strong position in Europe with its own deployments, capabilities and commitments to NATO and Article 5. I see that on a daily basis. There are naturally geographic and other differences and nuances in what we focus on and how we engage, but we are working closely together in all parts of the globe.

Q216 **Lord Grocott:** You describe the closeness of the relationship very clearly. Among the various witnesses from whom we have heard, not surprisingly a number referred to the asymmetrical nature of the relationship, inevitably, between the United States and the United Kingdom. Bearing that in mind, in your judgment to what extent is that relationship reflected in the way that other countries in the world view the United Kingdom—in other words, maybe very much as an outrider of United States foreign policy, or as a testbed for foreign policy? Fill in as appropriate. Is it your position that the special relationship we have is all advantage, or are there times when maybe the British position is not seen as clearly as it might be because of this asymmetrical relationship?

Stephen Doughty: Obviously, size-wise and capability-wise we are different. We have our own independent foreign, defence and security

policy, but that is tied up with our obligations as a founding member of NATO with the United States as a member of the Security Council and as a partner in so many different endeavours, from AUKUS to unique trade partnerships. Clearly, there is mutual benefit in the relationship. We saw that with the trade deal done just a few months ago. I stood there in Lancaster House with a number of businesses that are hugely positive at a purely commercial level about the nature of the relationship and what it delivers for both economies and in terms of expertise, higher education and our advanced research.

Without going into things that the committee would not expect me to go into, there are mutually beneficial aspects to our intelligence relationship in particular and our close co-operation. One has to look only at the arguments I have been making, including before this committee, about the Diego Garcia Bill and our important close co-operation there, which is of mutual benefit to the security of the United States, the United Kingdom and a wide range of other allies. This is a relationship that works both ways, but of course we have different capabilities, we have different numbers of aircraft carriers and our economies are of different size.

Lord Grocott: I do not think anyone is in any doubt about the closeness of the relationship in those areas that you have described. I suppose the real question is: is the independence of UK foreign policy as clearly defined as the independence of most countries' foreign policies, given that we are seen as being so close to the United States that any distinctive features of our foreign policy tend to be subsumed in that close relationship?

Stephen Doughty: I do not think so. Look at the work we have done on European defence capability and security in recent months, and our work around Ukraine in an attempt to find peace but also ensure that Ukraine has the ability to defend itself and deter future aggression. The UK and US will play different roles in that, as will other European partners. It is about finding the right balance and respective capabilities to respond to any particular challenge.

There are areas where we have differences of opinion. We have just taken the decision to recognise Palestine; we have obviously taken some different positions on issues related to the Middle East, but we are also full square behind President Trump's efforts to find peace and a lasting settlement there. I think we are very adept, after 250 years, at finding nuance in our relationship, but also at focusing on what it is that brings us together. I think that is viewed very positively by other partners. I certainly find that in engaging with European partners in our new relationship with the EU following the summit in May. There is certainly strong respect for that, particularly from all the European partners who equally value the transatlantic relationship. They see us as having unique capabilities. In particular, the way in which our military and intelligence services work together is respected and understood by other partners, too.

Lord Grocott: Can I finish after a very general question by asking you a very specific question: when will we get a new ambassador to Washington?

Stephen Doughty: The ambassador will be appointed in the usual way.

Q217 **Baroness Morris of Bolton:** Minister, I applaud your enthusiasm and clear enjoyment of your job. In your answers to Lord Grocott you touched on some of the shared values between us and our European friends, but do you detect any significant divergence of European and American values that might have a strategic significance for the UK? If so, what might we do?

Stephen Doughty: I do not think we have any fundamental divergence of values. We will have different perspectives on how to run our societies and economies, and on different topics, as has always been the case. Whether on the specificities of economic policy or our approach to climate change and energy, there will always be some differences. Yet when it comes to fundamental values, we believe in freedom, security, prosperity and defending our peoples against threats from wherever they come, whether it be hostile states or terrorists. In the end, I think that is fully understood, certainly among the European counterparts I engage with and particularly among those of us who are members of the NATO alliance. We are signed up to our collective defence and our obligations under Article 5, and our joint working. I think those who are part of our operations and engagements fully understand that and do everything they can to bolster and strengthen the relationship. Of course, it is only right that Europe paid and invested more in defence and capabilities. We naturally took a similar position to President Trump on that and have shown that in the commitments that the Defence Secretary, the Prime Minister and the Chancellor have made and in our SDR. We have worked closely with other European partners to ensure that that is understood and why it is necessary, particularly at a time when we face so many threats.

Baroness Blackstone: Can I pick up one thing? You have just said that there are very few important divergences in our values. I challenge that on the issue of green questions, net zero and climate change. I would have thought there was a big divergence in the values of the current UK Government and the current US Government on this subject.

Stephen Doughty: With respect, I might have taken this in the wrong way, but we are talking about fundamental values that underpin our societies and ways forward. Clearly, there are differences in our approach to international climate negotiations and institutions, and in the balance that we are making in different investments in energy, but there are also key areas where we do agree and engage. We are all committed to trying to find energy security for our populations, ensuring affordable energy and that that is not in the hands of those who can do ill to our countries or choke off supply chains, whether that is in natural resources and things like rare earths and minerals, things that will be crucial to energy technology going forward. We have a huge amount of shared ground, but

we share different perspectives on how we approach climate negotiations, targets and so on. It is perfectly acceptable to have those differences of opinion. We are very clear as a Government about our commitments on those areas, as has just been shown by the Prime Minister's attendance at COP and what he had to say there.

- Q218 **Lord Bruce of Bennachie:** I have a question in two parts. The US has stepped back and reoriented itself, especially in terms of aid and development in other places. The UK has done that as well. What can we do to fill the gap? We have a very clear position on Ukraine. To be blunt, the American Administration are anything but clear; they vary day by day. Similarly, we have a disaster in Sudan which we have stepped up to. What more can we do? There are other areas such as climate change, health and security. In sub-Saharan Africa, China and Russia are stepping in big time as we are stepping back. Is there any scope for discussion about how we consider or even reconsider our position there? The Russians and the Chinese make no secret of the fact that they are trying to line up these countries as their supporters in the United Nations against the UK and the US. Our response to that is to say, "Have a go. We're leaving". Is there scope for us to reassess that and indeed to partner with the Americans to try to counter that?

Stephen Doughty: We continue to work through the G7 on these issues. The decisions of the United States on USAID, spending and so on are for them to make, as are our own for us. We have seen changes in policy under different Administrations before on different areas of spending and priority. Sometimes the UK has chosen to continue to fund different initiatives where the United States or other donors have stepped out. You know, Lord Bruce, that we have engaged on these issues for many years, and where the UK has then stepped in and engaged. I agree with you about the challenges from Russia and China in other parts of the world, particularly in Africa. There is a very broad and shared understanding of that in both the UK and the United States, and indeed among other European partners. It is something that I have regularly discussed.

We had the G7 Foreign Ministers' meeting this week where a range of key topics were discussed. You can look at that as one of the key forums where we continue to engage with the United States and other partners on development issues and crises such as in Sudan, the Middle East and elsewhere. You heard what the Foreign Secretary said this week on Sudan, and she gave a Statement yesterday to the Commons about the appalling scenes that are coming out of El Fasher in particular and the risks over coming weeks. We will work with all partners globally, including the United States and others, to draw attention to what is happening and to attempt to persuade the warring parties to have a ceasefire, to get humanitarian aid in and to get accountability for some of the horrific things that we are seeing.

Lord Bruce of Bennachie: Even since we have taken those decisions this year, we have seen the expansion of Islamism across the Sahel to the extent that we are talking about the possibility of a jihadist republic being established in Africa right now against a backdrop of

disengagement by the United Kingdom and United States. I appreciate that decisions have been made, and I am not going to ask you to reverse the decision on aid per se, but what is your assessment of the impact and whether we need to at least revisit or reassess how we go about those arrangements in the light of rapidly changing circumstances?

Stephen Doughty: I can absolutely reassure you that, particularly when it comes to counterterrorism work and understanding different threats in different arenas across Africa and our near neighbourhood, that again is one of the areas where the United Kingdom and the United States work very closely together. I will not go into it any further than that. We work with other European partners and with partners in Africa, and north Africa and the Middle East, to ensure that we have a shared picture and can respond to those threats. I have not seen any change in that work together, but there have been cuts and changes to traditional development spending and otherwise. In the end, those decisions are for the United States to make, as we make our own tough decisions, but ones that are necessary given the kind of threats that we face.

Q219 **Baroness Blackstone:** Can we turn to multilateral settings? Where the US is either absent or has views about the issues that are being discussed in a multilateral setting that are very different from our own, how does that work? How much credibility and leverage do we retain in that kind of context?

Stephen Doughty: Which multilaterals are you specifically speaking about?

Baroness Blackstone: It might be the United Nations. It might be various trade multinational settings. There is a whole variety of them. Choose any that you think are interesting enough for you to have a view about.

Stephen Doughty: The truth is that there are different dynamics in different multilateral organisations. We continue to work with the United States very closely on the Security Council, as we have always done. Sometimes we will take different positions on issues, but more often than not we are working very closely together and indeed with the other P5 members such as France, with which we share a common view. We have some different engagement in other bodies such as the Human Rights Council and different perspectives about reviews, and on COP there are differences of opinion about the process, the level of attendance and engagements, and on policy. I can think of many bodies where we continue working closely together as we have always done, and then ones where there are differences.

Q220 **Baroness Coussins:** Minister, you talked in glowing terms about the historical and cultural ties between the US and the UK that make up the special relationship, but we have seen survey evidence showing quite a significant demographic split beginning to emerge, and that the younger generation of Americans do not have quite the same positive attitude towards the UK as their parents and grandparents did. They do not

necessarily see the UK as ally No. 1 any more. At the same time, we know that the British Council closed all its offices across the US, and that funding for the arts and academia is being cut. What steps are the UK Government taking, or might they take, in the light of those findings—which look quite statistically reliable—to try to sustain and reinforce the special relationship?

Having mentioned the British Council, for the record, I should declare an interest in that the British Council is one of the organisations that supports the APPG on Modern Languages that I co-chair.

Stephen Doughty: I have not seen the survey that you referred to. From my anecdotal experience, I have not detected that. In fact, it is the opposite. I spent time recently with Marshall scholars, of whom we continue to fund significant numbers, attending top UK institutions and building those very abiding and deep connections particularly with young people across a whole range of fields. They were one of the most inspiring groups of people I have met, who had a deep and abiding passion for the special relationship. They came from all parts of the United States and all sorts of disciplines. They are the future leaders on whom the relationship will be based. I point to that as a very strong piece.

Our links through sport remain very powerful. There is the popularity of the Premier League in the United States and the NFL being played over here in games. The Olympics are coming up in Los Angeles. The FIFA World Cup is taking place in the US as well. There is huge admiration in the sporting field and connections between our businesses. I was really struck, when meeting with the Governor of Virginia, by just how many British individuals were involved in Virginian companies and vice versa, which is just one state in the United States. That is before you get into the entertainment industry. Think about the US entertainment links in my constituency in Cardiff South and Penarth, with Netflix and other major productions and films being made, and young talent, on and off screen, coming together and working very closely.

We cannot take any of that for granted, and you are absolutely right to raise it as a challenge. There will be some unique opportunities next year with the 250th anniversary, and that is why we are engaged closely with the United States on planning to make the most of that. There will be some commemoration of some tricky periods in our history, but it will be very much about looking to the future and where we are working across the US. Also, the collaboration that I have seen between our young Armed Forces personnel on so many occasions is incredibly inspiring. They get to know one another, and their careers and lives will intersect for years ahead. Tourism numbers between the UK and US continue to be very high, particularly after Covid, when things went back up. I feel more optimistic. I will certainly take a look at the survey evidence that you have. This is something that we cannot take for granted.

Baroness Fraser of Craigmaddie: Building on Baroness Coussins's point and your very optimistic response, which is great, I want to

challenge you a bit. There have been issues in a number of areas. Let us take academia, where the funding of research projects has been paused. There have been issues around visas for British researchers and students. Even in the SME world of defence industries, you have to be located in the US to trade. That has been an issue. You mentioned film. I declare an interest as I am a board member of Creative Scotland, which includes Screen Scotland. We are very worried about the potential for tariffs on the production industry. Those are three different areas where there are current challenges. Could you comment on the route map out of that back into your sunny optimistic uplands?

Stephen Doughty: Fifteen of the world's top universities are in the US and the UK combined, and we know that the level of collaboration is huge. The current stats are that about 20,000 US students study at UK universities and about 10,000 UK students study in the US. When concerns that affect UK nationals studying in the United States come up, we raise those with the US authorities and the US Administration, and we did so in relation to some of the issues to which you referred. We have clear views about how our education works in this country and the principles around it. There is a robust debate about the academic environment more generally, not only in the United States but also in the United Kingdom and many other countries. These debates are live and are never going to go away, and have never gone away. They have always been present in the robust societies that we have.

Baroness Fraser of Cragmaddie: Yes, but currently there are research projects that are being halted. There is a current crisis.

Stephen Doughty: Sure, but I cannot speak to any one individual project and the reasons for that being halted. Many research projects between the UK and European Union countries were halted when the previous Government did not keep us in Horizon. That is something that we got back into, thankfully, and we are rebuilding those linkages. I have seen the impacts in the university sector in Wales. There are huge collaborations, particularly when it comes to advanced technological research, energy fusion and AI. Many of those were celebrated at the heart of the deal that we did in May. I am positive about the overall landscape. I cannot speak to any individual project and why that is or is not continuing.

If I may, I will come back to you on the question about the tariffs and get my friends in the DBT to come back to you on that specifically in relation to the film industry, because I do not want to misinform the committee on that.

Baroness Crawley: I just have a comment. We are worried about any complacency that might set in because of the huge connection in the special relationship. If we think of the Second World War and your own family, that really was a very close connection. As the generations go on, there will not be that same reference back to both the First and Second World Wars. How in future can we make that refreshed? Baroness Fraser and Baroness Coussins made the point that we are very worried about

the creative industries and the problem of freedom of expression with our US partners as far as creative industries are concerned.

Stephen Doughty: In terms of the connection that was born out of the Second World War, and indeed the First World War, it is not at the same scale because, thankfully, we are not involved in a global conflict of that scale, and that is understandable. It is not going to touch every community and family in the way that those conflicts did, but, as I mentioned, we have been side by side in a whole series of other operations and engagements over the past decades, and we will continue to be. As to the number of UK military personnel who are training, active and embedded in United States training establishments and vice versa, you see these relationships every day. I am confident that, with the scale of the operations and engagements that we are doing, and the training and deployments, it remains very strong and powerful. There is a tier 1 level of respect between the UK and the US Armed Forces and capabilities, obviously respecting their different sizes and assets. As I mentioned, the Carrier Strike Group has been a perfect example of that with its deployments in the last few months and engagement with not only the United States but also other NATO partners as a part of that.

I understand the concerns in the creative industries. I would look on the optimistic side, whether it is in our music or TV and film sectors. They are very powerful issues. In both our countries, complex debates are going on about the other issues that you mentioned. We have different constitutional and legal settlements, and some people have some slightly different views on that. I understand that. But that has always been the nature of the relationship.

Q221 **Lord Robertson of Port Ellen:** I declare an interest because I am a senior counsellor with the Cohen Group based in Washington.

I want to ask you about America's retrenchment and pulling back from the defence of Europe. Yesterday, the American ambassador to NATO was in Berlin and suggested that Germany should take over the position of SACEUR. That position has always been held by a senior American. The first one was General Eisenhower, who was appointed as SACEUR before it even had a Secretary-General. What do you think that this signals for the future of NATO and the defence of Europe?

Stephen Doughty: First, we just have to start on first principles, which is that the President and the Administration have been very clear about their commitment to NATO and their commitment to Article 5. Any individual lay-down of operations and personnel is ultimately a matter for the United States about whether it chooses to meet its NATO obligations, just as we do in our changing deployments at different times and capabilities.

In terms of the need more broadly—I am not going to speak about a specific position—for Europe to invest more, to deploy more, to develop new capabilities and its ability to respond, that is absolutely crucial, and it is something on which all of us on this committee and indeed generally

across both Houses strongly agree. I do not detect any fundamental shift in the US commitment at all to Europe or to Article 5. What is clear is that, with challenges in other parts of the world and other theatres, any US Administration will engage more and ensure that they have their capabilities in other parts of the world, too. We make a contribution to those as well, as you know. I would encourage people not to get too focused on any one individual position or deployment because that can skew a wider picture, which remains firm and solid.

Lord Robertson of Port Ellen: Are you not concerned that the American ambassador to NATO, who is a close friend of the President, is going around now talking about Europe taking over the position of SACEUR? Does that not give a pretty strong signal?

Stephen Doughty: SACEUR is a crucially important position, but, as I said, I would not focus in on any one individual position or deployment. It is what we are doing collectively. Can we meet our obligations? Are we committed to Article 5? Are we committed to developing the capabilities that we need to defend the alliance into the future? On all those, I am very confident.

Q222 **Lord Robertson of Port Ellen:** Let me ask another question. Reports are coming out of Washington today that Mr Witkoff, President Donald Trump's special envoy to Russia, has been engaged with the Russians without the Ukrainians and is talking about a 26-point peace plan à la Gaza in order to stop the war in Ukraine and essentially hand over parts of Ukraine. Do you know about that? Could you comment on that?

Stephen Doughty: I am not going to get into commenting about any individual official or indeed part of different discussions and engagements that are or may have been going on at any point. The thing that we are clear about is that Ukraine needs to be supported. Our support and that of other partners is ironclad, with the work that we have been doing through the coalition of the willing for a multinational force, and all the support that we are giving to Ukraine in terms of equipment, money and diplomatically, and crucially in ensuring that Ukraine's own armed forces and capabilities have the ability to deter into the future and defend their country. We work very closely with the US Administration on trying to find a way forward for a peaceful settlement that is just and sustainable.

At the moment, one party refuses to come to the table, and that is President Putin. If you see what the United States has done in recent weeks on just the sanctions front alone, with sanctions on Rosneft and Lukoil, and President Trump's comments over the past few weeks, that is a very clear position. You have seen the President's engagements with President Zelensky and others in recent weeks. For obvious reasons, I am not going to get into a running commentary on any individual conversation that may or may not be going on.

Lord Robertson of Port Ellen: Do you know about these discussions that are being reported today? I was asked on the "World at One" about them, so they are out and about.

Stephen Doughty: It is a matter of public record that President Trump met President Putin in Alaska and that there has been contact between the two presidents, and at all levels. President Trump is trying to find a way forward to bring all parties to the negotiating table. The reality is that at the moment one party is willing to come to the table and have a serious discussion, and that is Ukraine and President Zelensky. They are committed to finding a peaceful solution. There is another party that continues to fire missiles and rockets. In the last few days, 32 civilians were killed and over 800 drones and missiles were fired at Ukraine. That sends a very clear signal to me. We continue to work for a peaceful settlement, but it has to be one that is based on sustainability.

Lord Robertson of Port Ellen: Do you know about these specific discussions that are going on?

Stephen Doughty: I am not going to get into commentary on any individual conversation or officials that may or may not have been happening.

Q223 **Lord Darroch of Kew:** Minister, can I move you on to the economic relationship and specifically the Economic Prosperity Deal? On the face of it, that is a good deal for which our negotiators deserve credit. The 10% baseline tariff is pretty much the lowest of anyone's, but there is some important stuff in the detail. I would be interested in your comments on three aspects. First, there is still a tariff of 25% on steel, which is very damaging to UK industry. I understand we are still trying to get that down. Is there anything that you can say about whether we are making progress on that or what the prospects are? Secondly, there is a risk of new tariffs. Baroness Fraser mentioned the tariff on films not made in Hollywood. There is a threat of tariffs on pharmaceuticals. Can you tell us anything about those, where they are going and whether there is a prospect of this coming up to bite us in the future? Thirdly, more generally, the justification for a lot of these US tariffs is big trade imbalances with countries such as South Korea, Japan and Germany. According to US figures, it runs a trade surplus with us. That sort of suggests that there is really no justification at all for US tariffs on us and that the whole thing is both unfair and unjustified. How would you characterise it?

Stephen Doughty: The Prime Minister originally said that we perhaps have a different philosophical approach when it comes to the issue of tariffs in a general way. The good news is that, thanks to the engagement that we have had with the Administration, particularly between the Prime Minister and the President but also between our excellent teams in Washington and elsewhere, we were able to secure the deal that you referred to, and that is a very powerful deal. I mentioned the headline figures, which are substantial. It is going to lead to thousands of jobs and binding economic relationships there.

I will come to the specific sections that you mentioned, but British car and aerospace manufacturers benefit from the tariff reductions that we secured. The car export tariffs went down from 27.5% to 10%. We have

seen tariffs removed on goods such as engines and aircraft parts, and that will benefit companies such as Rolls-Royce.

You mentioned steel. We will always stand up for our steel industry and what is required there. Of course, we came down from the global tariff of 50% to 25% on steel and aluminium products. While we opened up access for UK beef farmers to the US market, we did not compromise our SPS standards in regard to those agricultural products. We achieved a very strong deal, one that will deliver investment, growth and jobs, and, as you say, it is very favourable compared to others. Is it going to continue? We are looking at non-tariff barriers as well, how we can increase digital and services trade, and a whole series of others. I will come back specifically on the issue of films.

You asked about pharmaceuticals specifically. We have ambitions as a country on our life sciences, with economic plans more broadly and £2 billion-worth of government funding over that period. We are going to continue to engage with the US on securing preferential tariff treatment under Section 232 investigations, including on pharmaceuticals, as agreed under the general terms of the EPD. We will always prioritise the needs of NHS patients and the ability to get the pharmaceuticals and reforms that we need. Investing in the newest medicines is a crucial part of that. We will continue to fight for the best deal we can with all partners, not just the United States but other pharmaceutical suppliers as well.

Yes, there are some challenges. Of course, you will always be in a world where you would prefer different amounts on certain tariffs, but we got a very strong deal, and that was because of the efforts, the engagement and the mutual respect that exists. The Commerce Secretary was at the Lancaster House reception during the state visit and made clear very effusively why the US sees the UK as its primary partner and why therefore we were going to get such a good deal with the President and the Administration.

Q224 Lord Soames of Fletching: Minister, what do you assess to be the key current and future economic relationships and interests that depend on a strong relationship with America? Now that America is clearly becoming more protectionist, what steps are you taking to secure the interests in those areas?

Stephen Doughty: There are many different sectors that I could talk about, but I would highlight particularly the tech sector and AI, which is one of the reasons that was at the heart of the deal that was done. We are natural partners. We have trillion-dollar tech sectors. We have some of the most advanced academic research, closely allied with industry. We can all see where both the opportunities and the challenges lie in relation to the application of AI. Our tech sector is the third largest globally by investment after the US and China. For the UK and the US, this is a very natural area to go forward on, particularly in the way that our academic sector is linked to innovation in products and new developments. That is why that was at the heart of the deal.

It has to be not just around AI but also around quantum, nuclear and other areas as well as the energy that we are using to power these technological advancements, whether it is in data centres or other areas. We are going to look at our advanced research bodies and the work that UKRI, NSF, ARPA and others do and at building the best engagements. The other day I read a fascinating paper on quantum and the opportunities and challenges that that will create. The UK and the US have to be at the forefront of all this, otherwise we could rapidly fall behind other competitors or open up weaknesses in our economies and societies, particularly in defence and security.

Baroness Crawley: Minister, you just talked in answer to Lord Soames about AI, quantum and the technologies of the future. Our report is about the special relationship and how it can be sustained into the long term. What are the key areas beyond AI and quantum that you would pinpoint to ensure that by the end of this century we are still closely involved with the US?

Stephen Doughty: First and foremost, our defence and intelligence relationship—our capability, intent, training and adaptation of new technologies in the defence and security sector, and intelligence in space and other areas—is absolutely critical. That is not just in the traditional military sense but in terms of civilian applications. The ability for the UK and US to work together in space technology and other areas, as indeed with the UK and Europe on these technologies as well, is absolutely crucial to our everyday life, from our mobile phones to positioning and timing services, and the ability to understand what is going on in the world around us and to protect us. That goes without saying.

Particularly when it comes to energy security, we might have different perspectives on investments in renewable and positions on climate change, but we are aimed at the same thing, which is security for our citizens at an affordable level without weaknesses in our supply chain, whether that is for nuclear fuel or in a critical mineral that goes into a battery technology, or an AI processing unit that enables the efficient distribution of power around a grid. We need to be at the forefront of those initiatives.

We clearly need to be at the forefront of health and pharmaceutical innovation, as we often have been in history. That fusing of biotech expertise and traditional health expertise will be key in that as well. I also hope that in that wider cultural space, in our music, film, TV and literature, we can push the boundaries in all those areas as we have always done. That dynamic between London and LA, between Cardiff and LA, and Scotland and Northern Ireland, is incredibly powerful. There are a lot of other areas that I could go into, but I pick out some of those because they are so fundamental to where we go as peoples into the future.

The Chair: Minister, thank you very much indeed. Sorry, you have one more question.

Lord Grocott: Do we have any more time?

The Chair: It is up to the Minister.

Stephen Doughty: Yes, five minutes.

Q225 **Lord Grocott:** I want to pick up on something when you pointed to one or two differences in foreign policy between the UK and US. One big difference that you referred to was the recognition of Palestine. Could you spell out for us from a Foreign Office perspective what practical developments there will be as a result of that quite dramatic statement? On a day-to-day basis, how does that affect our relationship with the Palestinians and with the now new Palestinian ambassador?

Stephen Doughty: I saw the new Palestinian ambassador last night at Windsor Castle. It was very good to see him. We have been very clear about our position on Gaza, the West Bank, on a two-state solution and the need for a secure and recognised Palestine alongside a secure and sovereign Israel. That has always been the case. We took that very significant decision. We did so alongside others. Obviously, there are others who have not taken that decision, including the United States. We have just had passed the important Security Council resolution 2803, where, following the Sharm el-Sheikh summit, the Security Council endorsed President Trump's 20-point plan for lasting peace. We now need to work together to secure its implementation. It has not just been the United States playing a critical role there but also Qatar, Türkiye, Egypt and many other parties as well. It is fragile, as the Foreign Secretary said yesterday. All of us now have to get behind that and support the deployment of an international stabilisation force, keep the ceasefire, ensure that humanitarian support gets in and find a credible pathway to that two-state solution. In that regard, we are engaged on a very regular basis with our colleagues in the United States, as we are with partners in the region.

Lord Grocott: We could have said most of that, could we not, prior to the recognition of a Palestinian state? What, if anything, has changed in the level of activity that we commit to our policy in respect of Israel and Palestine, and the extent to which we seek allies? In this respect, I suppose that cannot be the United States because of its fundamental difference in the recognition of a Palestinian state. How would you characterise any differences that have resulted from the declaration?

Stephen Doughty: In and of itself, this process at the UN stands under its own steam in terms of what it has achieved, and we all have to work together on that. On that, we are working very closely on the side of the United States and others, and will continue to do so. We have taken our own decision about how to engage with Palestine, one that is shared by a number of European and other global partners. Our aim is fundamentally for peace, security and stability across the whole region, not just in Gaza but on the West Bank as well. We have been very vocal in speaking out about where we think the actions of the Israeli Government on a number

of things, including settlement plans and others, are totally wrong and would be totally against the ability to find a way to that solution.

We engage a huge amount of diplomatic and other effort in this every day. That is mostly my colleagues, Minister Falconer, the Foreign Secretary and others. It is a key priority for this Government, including in our ODA spending. Lord Bruce has gone now, but Gaza has remained one of our top priorities for ODA spending despite the difficult cuts that we had to make.

Q226 Lord Robertson of Port Ellen: You have articulated a very strong case for the connection between the United States and this country. Is it not a serious embarrassment that we still do not have an ambassador to Washington?

Stephen Doughty: We have an excellent chargé in Washington, and I spoke to him yesterday. He is doing a great job, as is the whole team. The process will be announced and delivered in due course, and we will update the House about that.

Lord Robertson of Port Ellen: He is a chargé. He is not the ambassador.

Stephen Doughty: He is doing an absolutely excellent job. I had detailed conversations with him yesterday about a range of priorities.

Lord Robertson of Port Ellen: You know what I mean. We do not have His Majesty's ambassador in place for a key ally. Surely, that must be an embarrassment.

Stephen Doughty: No. We did not have an ambassador in place. The ambassador had been withdrawn by the time of the state visit, and we had an incredibly successful state visit with the economic deals that we described, let alone very successful events at Windsor and elsewhere. I am entirely confident—you will know this, Lord Robertson—that our diplomatic service and capabilities go beyond any one individual. We have a brilliant team in Washington and in King Charles Street, including James, who is sitting next to me. They are more than capable of delivering on our objectives with the United States.

The Chair: Thank you, Minister. We will make sure you get a copy of the transcript.