

OK
AS-C 6/4.



Foreign and Commonwealth Office

London SW1A 2AH

23 August, 1982

Prime Minister

A candidate for the weekend box, but you may like to glance at the summary this week.

Dear John,

I enclose an advance copy of Sir Nicholas Henderson's valedictory despatch which is concerned almost exclusively with US conduct during the Falklands crisis. The chronology (Annex A) and the detailed account of the negotiations (Annex B) referred to in paragraph 16 are respectively 23 and 49 pages in length. I have not enclosed them but can easily send copies if you wish.

wh
23/8

Yours ever

John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
Private Secretary
10 Downing Street



US POLICY IN THE FALKLANDS CRISIS WITH SOME VALEDICTORY COMMENTS
ON US/UK RELATIONS

S U M M A R Y

1. Purpose of the despatch is to give a personal account of the involvement of the USA in the Falklands crisis; and to make some valedictory comments on the USA/UK relationship in the light of the outcome. (Paragraphs 1-3).
2. Far from exercising pressure at the end of March on the Argentinians over their illegal landings on South Georgia, as HMG asked them to do, the State Department counselled both governments to exercise restraint. Lord Carrington and I protested at this neutral stance. At this stage, ie. until the end of the month, neither the US intelligence community nor the JIC believed that the Argentine landings portended any serious challenge, let alone an invasion of the Falklands. (Paragraphs 4-8).
3. When intelligence had reached London of a clear intention to invade the Falklands, the Prime Minister sent the President a message on 31 March. This asked him to intervene urgently with President Galtieri. I saw Mr Haig on the evening of 31 March and gave him a summary of our intelligence. Despite scepticism from his own staff, Mr Haig immediately saw the danger and promised to act forthwith to try to forestall an Argentine invasion. (Paragraphs 9-11).
4. When President Reagan eventually spoke to President Galtieri

/on



on the evening of 1 April, the latter rejected his appeal and his offer to send Vice-President Bush to Buenos Aires to assist in a solution. On the morning of 2 April, when the invasion had occurred, the State Department issued a strong condemnatory statement. (Paragraphs 12-13).

5. The despatch then summarises the role and attitude of the USA up to invasion. It also discusses the question whether the previous pro-Argentine policy of the Reagan Administration had emboldened the Argentines to invade, and whether the US Government could have averted the invasion had they known Argentine intentions sooner. (Paragraphs 14-15).

6. An analysis is given of why the US Government became so intensely involved in negotiation: USA interests would be threatened by military conflict between Argentina and the UK. The Latin-lobby in the USA was influential, supported principally by Mrs Jeane Kirkpatrick and Mr Thomas Enders. But Mr Larry Eagleburger had no doubt about the need for the US Government to back HMG. (Paragraphs 16-22).

7. Reasons for the neutral stance adopted by the US Government until the end of April. (Paragraphs 23-25).

8. Assurances from Mr Haig that the US Government was not at heart impartial and that there would be no repeat of Suez. (Paragraphs 26-27).

9. An account of the gap between Buenos Aires and London that Mr Haig was trying to bridge in his shuttle, and of the weak points he saw in the two sides. Mr Haig came to judge the Argentines

/as



as irrational and intransigent. The US Government comes out in support of Britain on 30 April. (Paragraphs 28-33)

10. USA efforts to reach a peaceful solution become more intense with the approach of battle. You visit Washington for a second time. Various plans are exchanged. Other countries - Peru, Brazil - and the UN Secretary General, become involved. The President telephones the Prime Minister twice. HMG advances its own proposals. The Argentinians continue to prevaricate. Mr Haig becomes increasingly worried after British troops have relanded. He fears the consequences of Argentine military humiliation on Latin-American opinion already whipped up at a meeting of the Rio Treaty. (Paragraphs 34-53)

11. The ceaseless negotiations failed to produce a peaceful settlement, but they brought advantages for Britain. The US decision to come down on the British side and give support was never something that could be taken for granted; it flowed from and was sustained by the way we handled the negotiations in contrast to the Argentinians. Mr Haig took us at all times into his confidence. He was in touch with me daily. His was the decisive influence in the US Government despite the pressure of the pro-Latinos. He was variable and erratic but handled decisive events in a way that was favourable to British interests. Had he succeeded this would have made a great difference to him personally. Certain conclusions can be drawn about the negotiating phase. (Paragraphs 54-61)

/12.



12. Despite the high degree of USA interest in the Falklands, there was ignorance and wavering in public opinion. It was essential for the Embassy to launch a major public relations campaign, directed at press, TV and Congress, the details of which are described in the despatch. As the prospect of a bloody battle increased, uncertainties in public opinion tended to grow. Our campaign therefore had to be sustained throughout the 74 days. It aroused no resentment or complaint of interfering. (Paragraphs 62-71)

13. The despatch gives details of the practical support given by the US Government: facilities on Ascension Island, new military equipment and missiles, communications channels, intelligence, economic backing - without which the repossession of the Islands would have taken longer and been more costly. (Paragraphs 72-73)

14. The nature of the US/UK relationship is described and what it meant in the Falklands crisis. (Paragraph 74-75)

15. The outcome of the crisis has been favourable to British interests in the USA, countering long-held doubts about our national will. It also gave emphasis to certain current features of American government. (Paragraphs 76-81)

16. The fillip to our relations will be subject to various tensions and to the changing pattern as between the two sides of the Atlantic. Pointers are given to the changing transatlantic balance - economic and military. (Paragraphs 82-84)

17. In conclusion, the despatch underlines the particular nature of the US/UK relationship and suggests that there is no incompatibility between this and membership of the EC. (Paragraph 85)



BRITISH EMBASSY,
WASHINGTON, D.C. 20008
TELEPHONE: (202) 462-1340

FROM THE AMBASSADOR

27 July 1982

The Rt Hon Francis Pym MC MP
Secretary of State for Foreign
and Commonwealth Affairs
Foreign and Commonwealth Office
London SW1

Sir,

US POLICY IN THE FALKLANDS CRISIS WITH SOME VALEDICTORY
COMMENTS ON US/UK RELATIONS

1. The policy of the USA Government in the Falklands crisis was fluctuating, but their involvement was intense and of cardinal importance to British interests.

2. I should like in this despatch, which will be my valedictory one from this post, to try to describe the ups and downs through which we travelled between the Argentine invasion and surrender. It will not be my purpose to cover all aspects of the operation, but only those involving the USA which was, however, central throughout the crisis; and my account will be personal in nature; it will be as I saw it. Sir Anthony Parsons has already sent a despatch covering the Falklands crisis at the UN.

3. The relationship between the USA and the UK, so difficult to define, yet so evident and important to both countries, did, I think, considerably affect the outcome; and, no less interesting, the outcome will, for some time

/at



at any rate, exercise an influence on the relationship. I will conclude with some comments upon this.

PRELIMINARIES TO INVASION

4. On Sunday 28 March, when the Americans were preoccupied with El Salvador, Lord Carrington sent me a telegram saying that it was now clear that the Argentinians had no intention of removing from South Georgia the group of Argentinians whose illegal landing there had been reported on 19 March. He asked me to deliver urgently a message to Mr Haig. The message gave an account of the events since the illegal Argentine landing on South Georgia and our attempts to resolve the problem peacefully. Lord Carrington asked Mr Haig to consider taking the matter up with the Argentinians. If the latter maintained that they would not remove the men themselves and that they would resist any attempt by the British to do so, the use of a third country's ship might be a compromise they could accept. Lord Carrington concluded by saying "If we do not find a solution soon, I fear the gravest consequences".

5. The following day Mr Stoessel, the Deputy Secretary of State in the State Department, asked me to see him. He said that he would also be sending for the Argentine Ambassador and would be speaking to him on similar lines. His purpose was to counsel both the British and Argentine governments to exercise restraint. Mr Stoessel said that the US would not take sides.

/6.



6. My immediate response was to protest. The Americans could surely not be neutral in a case of illegal occupation of sovereign British territory. They would not accept the illegal occupation of their own territory; they should not condone such a thing happening in the American continent.

7. As soon as he received my account of this conversation, Lord Carrington spoke on the same lines to Mr Ed Streater of the US Embassy; and I followed it by calling on Judge Clark at the White House on the morning of 30 March. I left him in no doubt what we thought about a neutral stance by America when the Argentinians appeared to be occupying our territory. After all, we had helped the Americans in many ways that were not always to our advantage.

8. It should be noted, as a matter of historical fact, that when, on 19 March, it was first reported that the Argentinians had landed on South Georgia, and indeed for some twelve days after that, the US intelligence community did not believe, any more than did the JIC in London, that this portended any serious challenge by the Argentinians, let alone an invasion of the Falkland Islands.

9. It therefore came as a shock here when it was realised that an Argentine assault on the Falkland Islands was imminent. When intelligence had reached London clearly indicating an Argentine intention to invade the Falkland Islands themselves, the Prime Minister sent a message to President Reagan on Wednesday 31 March leaving him in no doubt about the seriousness of the situation. She said

/that



that "we could not acquiesce in any Argentine occupation". She asked the President to speak urgently to the Argentine President asking him for an immediate assurance that he would not authorise any landing, let alone any hostilities. At 1845 (local time) the same day, I saw Mr Haig on instructions and referred to the Prime Minister's message to the President. I went on to give him an account in some detail of the military threat to the Falkland Islands, outlining some of the intelligence upon which our fears about Argentine intentions were based. I also mentioned the negative response we had had from the Argentine Foreign Minister to the strong efforts we had made to discuss a diplomatic solution to the South Georgia issue. I gave Mr Haig a piece of paper setting out the evidence we had that pointed categorically to an Argentine intention to invade on the morning of 2 April.

10. Mr Haig's reaction to the information I had given him was electric. He said that he had not been vouchsafed by his own staff intelligence of the kind I had given him. On the basis of my information, it was obvious that the most urgent action was necessary. Later in London he told the Prime Minister that the summary of intelligence I had handed him that day was much better than anything that the US authorities had compiled. The latter had had the various pieces of intelligence but had not put them together to make the whole picture.

11. It is interesting to recall that the Assistant Secretary

/for



for Latin American Affairs in the State Department, Mr Thomas Enders, who was also present at this meeting, did his best to minimise the reality of the threat to which I had drawn attention. He said that the US Government had had an assurance from the Argentine Foreign Minister that the Argentinians were not contemplating confrontation with us; indeed they had had this assurance confirmed. I pointed out that the movements of the Argentine fleet refuted what he was saying. Mr Enders spoke of the help the Argentinians had given the Americans in El Salvador. But Mr Haig immediately saw the danger. There was no question about the need to support the British in the effort to stop the use of Argentine force. He would take the matter up urgently with the Argentinians. He undertook to do everything to ensure that President Reagan sent off a message to the Argentine President forthwith.

12. The next day, 1 April, the US Ambassador in Buenos Aires transmitted a message from President Reagan to President Galtieri, but the latter would not say what the Argentinians were going to do. He muttered some mumbo-jumbo, to use the State Department's phrase, about the need for the British to talk about relinquishing sovereignty. It was therefore decided that the President should telephone President Galtieri. Unfortunately he had to undergo a medical check-up during the day and it was not until the evening that he was able to ring President Galtieri. At first the latter refused to take the call. The Americans /persisted



persisted and President Reagan eventually spoke to him. His words and tone were forceful, urging the Argentinians not to take action against the Falklands. He left President Galtieri in no doubt of the consequences of such action upon Argentine/US relations. He said that the British would treat it as a casus belli. The Americans were ready to provide good offices to help in any way. He was prepared to send Vice President Bush immediately to Buenos Aires to assist in a solution. But the Argentine President rejected everything. He said that there was no point in sending the Vice President when this was a matter of colonialism.

13. It was about 2200 hours when Mr Haig reported all this to me. Vice President Bush happened to be dining with me that evening, and he had expected to have to leave the table early to fly off to Buenos Aires; but I was now able to tell him that President Galtieri would not receive him. Mr Haig also told me that the President and he were ready to do anything that we might want them to do in these very dangerous circumstances, but it looked to the Americans as though the Argentinians were bent on an invasion and nothing would stop them. After telephoning the Prime Minister and telling her of President Galtieri's negative response, I spoke to Mr Haig again expressing gratitude for US support and urging the US to come out with a strong condemnation of the Argentine action if, as looked inevitable, they were going to go through with their

/invasion



invasion the following morning. In fact the White House came out with a weasely statement early on the morning of 2 April, upon which the State Department, apologising that the White House spokesman had been inadequately prepared, made clear the US stance. This was to deplore the use of force to resolve the dispute and to call on Argentina immediately to cease hostilities and to withdraw its military forces from the Falkland Islands.

14. So far then - that is to say up to the time of the invasion - the role of the USA in the Falklands issue can be summarised as follows:

- (i) the US Government had been unaware of the imminence of an Argentine invasion of the Falklands until we produced clear evidence about it on the evening of Wednesday 31 March.
- (ii) As soon as Mr Haig was made aware of this he moved quickly to try to avert an Argentine invasion. He sent instructions to the US Ambassador in Buenos Aires. President Reagan made strenuous efforts to warn President Galtieri of the consequences of invasion and to dissuade him from doing so.
- (iii) Despite these efforts the US Government were extremely careful at the outset of the crisis, when it flared up over South Georgia, to adopt a neutral stance on the merits of the issue as between the British and the Argentinians. They were afraid of the impact of the crisis on relations

/between



between the US Government and the countries of Latin America and of the possible increase in Soviet influence.

15. Two questions arise:

- (a) Did the US Government by their pro-Argentine policy in the preceding months encourage the Argentinians to conclude that they could get away with aggression against the Falkland Islands without incurring American hostility? Mrs Jeane Kirkpatrick and Mr Thomas Enders had private talks with the Argentinians, and the latter visited Buenos Aires at this time. It is relevant that Mr William Casey, the head of the CIA, who was closely concerned in Cabinet discussion on this subject has implied to us privately that he thinks the Argentinians may well have been led up the wrong path: that they may have believed that their support for the USA in covert operations in Central America was more important to the USA than in fact it was and could be expected to earn them American acquiescence in a forward policy elsewhere. The Argentine military representative in Washington, General Miguel Gil, is known by the US Government to have advised Buenos Aires that Argentine backing for US anti-communist causes throughout Latin America would secure US acquiescence in Argentina's objectives. The fact that the US Chief of Naval Staff arrived for a long /planned



planned visit to Buenos Aires on 2 April illustrates the efforts the US Administration were making to get alongside the Argentine military. Mr Haig, I might interject, came to be convinced of Mr Costa Mendez's evil and influential role throughout: his personal involvement in the decision to invade and his misreading of both the US and UK reactions to invasion.

What can be said even in the absence of hard Argentine evidence, is that Buenos Aires might well have thought that the US Government was in such need of Argentine support in their crusade against communism in Central America that they might condone Argentine action that previous US Administrations would have denounced.

- (b) Could the US Government, if they had been aware sooner of the Argentine intention to invade the Falklands, have exerted sufficient influence to deter them from doing so? Again, it is impossible now to give a categorical answer, but by the time the Americans did start to try in earnest to avert an invasion, it was very late for the Argentinians to take a decision to turn back, even if President Galtieri had wanted to do so.

NEGOTIATIONS

The First Rounds

16. I attach at Annex A a chronology of the main events in
/the



the crisis, seen from Washington; and at Annex B a detailed account of the negotiations and American initiatives which continued in one form or another until the Argentine surrender on 14 June.

17. Security Council Resolution 502, passed on 3 April by ten votes to one, though ignored by the Argentinians, was the starting-point for the negotiations. This Resolution demanded a ceasefire and the withdrawal of Argentine forces; it also called upon Argentina and the UK to seek a diplomatic solution to their differences.

18. The US Government voted for this Resolution but they were very careful to do nothing throughout the month of April that might be taken as reflecting on their impartiality and hence as impairing their role as a negotiator seeking a peaceful settlement between two sides. It was to bring about some agreement between Buenos Aires and London that could avert further military conflict that Mr Haig's efforts were almost exclusively devoted throughout the month and indeed through much of the next. He believed that if the British had to resort to military force to retake the Islands, this would involve considerable risks and heavy loss of life. At the outset, the US Government were afraid that we might get into military difficulties which could embroil the USA further than they wanted. It is worth recalling this because some seven weeks later, when we established a force successfully on the Falklands, the Americans came to worry, not that we would get into a military impasse, but

/that



that we would succeed so overwhelmingly as to humiliate the Argentinians. The Americans were always worried about a possible increase of Soviet or Peronist influence in Argentina and about the enhancement of Soviet influence throughout Latin America. They were concerned too that any overt tilt towards the UK would jeopardise US interests in Latin America and, to be sure, once they did plump for us they became as much the target for Latin obloquy as we did.

19. I am sure that much has been heard in London of the influence here of the Latino-lobby. We were very much aware of them and were ready to send up chaff to deflect their missiles, which we generally succeeded in doing except when Mr Haig was out of the country and they seized the opportunity to mobilize the White House. Mr Haig frequently assured me that, notwithstanding occasional equivocal statements, the President himself was a staunch supporter; some of those around him, however, were cautious and urged him to remember above all the importance of good hemispheric relations.

20. The power of the Latino-lobby was minimal in Congress, confined to pro-Irish fanatics and Hispanics in the House, Jesse Helms in the Senate, and mavericks like Senator Stevens who never miss a chance to get at the European members of NATO. The main pillars of the lobby were Mrs Jeane Kirkpatrick, US Ambassador to the UN and with Cabinet rank, and Mr Thomas Enders in the State Department. Comparing Mrs

/Kirkpatrick



Kirkpatrick with Mr Enders, it is difficult to improve on the apophthegm going the rounds of the State Department that whereas the latter is more fascist than fool, Mrs Kirkpatrick is more fool than fascist. She said publicly on TV on 11th April that she did not see a need for the USA to make a choice between Britain and Argentina. Nor did she think Argentina could fairly be accused of aggression because they were simply asserting a long-stated claim. She is not, so I am assured, anti-British, but she has made the intellectual discovery that authoritarian regimes are different from totalitarian regimes, and had made Argentina the prime exhibit in the first category. Seen from Washington, she appears to be one of America's most reliable own-goal scorers: tactless, wrong-headed, ineffective and a dubious tribute to the academic profession to which she misses no opportunity of expressing her allegiance.

21. Mr Enders is a mountain of a man, with an unflinching track record: he was notorious for his performance in Cambodia and has been an unswerving promoter of better relations between Washington and the right-wing dictatorships of Latin America. From the beginning of the Falklands crisis he pleaded loudly for Washington not to burn its bridges with the Latins. He invariably tended to give the Argentinians the benefit of the doubt and was able to exert some influence on Mr Haig and, more especially, on the White House.

22. While mentioning personalities, I should add that

/Mr Larry



Mr Larry Eagleburger, the Under Secretary in the State Department, was consistently resolute. He was always alive to the bearing of this issue on the health of the Alliance. On many occasions when, before the decision of 30 April to back us, US support had to be hugger-mugger, he did his best to help us. It was difficult to believe that he and Mr Enders could be operating under the same roof; and indeed the roof did at times look like flying off. We have reason to be thankful to Mr Eagleburger for his ebullient, out-spoken support.

23. The neutral US posture shown at this stage and maintained until the end of April was, I know, difficult for many people to understand on the other side of the Atlantic where it was thought that the US Government could not justifiably fail to stick by an ally, particularly when it was the victim of blatant aggression; and, to be sure, this was the instinct of much of the American public, judged by the press and the considerable volume of mail we started receiving in the Embassy. But the US Government felt it could not be quite so easily committed. For one thing, they were aware of the deep-seated psychosis in the American people about the danger of becoming involved in another Vietnam. To begin with, too, there seemed to be a touch of Gilbert and Sullivan about the idea of a military clash 8,000 miles away in the South Atlantic on behalf of a population of less than 2,000 sheep farmers inhabiting what the US President described as "that little ice-cold

/bunch



bunch of land down there".

24. There were other causes that made the Reagan Administration cautious about coming down too quickly or too emphatically on the British side. They feared the invocation of the Rio Treaty and a fermentation of "hemispheric solidarity" that could result in economic sanctions against Britain and hostility towards the USA. Since coming to office they had been making great efforts to improve relations with all regimes in Latin America, however authoritarian, provided they were anti-Communist. As a corollary, attempts had been made to mobilise such regimes in the fight against the spread of Communism in Central America, a prime task of the new Administration for which Argentina, in Washington's eyes, was the first in the line. By some process of historical and political adjustment, antiCommunism had come to be tacked on to anti-colonialism as the rationale for the most enduring of all expressions of US foreign policy, the Monroe Doctrine. I might interpolate here that Britain's occupation of the Falkland Islands in 1832 came a decade after the promulgation of the Monroe Doctrine and was considered then, as it has been ever since, as an exception to it.

25. I argued with Mr Haig and others at the beginning that none of this need inhibit them from making it bluntly plain to the Argentinians that for the US their act of outright aggression was entirely unacceptable and had to be reversed before progress could be made. I tried to

/convince



convince Mr Haig that his position would be strengthened rather than weakened by adopting such a posture, rather than retreating into impartiality. But the folk-lore about Latin American psychology was too strong for this argument to prevail.

26. Nonetheless, Mr Haig assured us that the US was not at heart impartial, that HMG had always supported the Reagan Administration in foreign policy, and that the US could not privately be evenhanded in anything involving their closest ally. But publicly their spokesmen said that the United States intended to steer a course "down the middle" and not to give any help either way. "It's a very difficult situation for the United States", President Reagan pleaded in answer to a press question on 6 April, "because we're friends with both of the countries engaged in this dispute...".

27. Mr Haig reassured me several times during the following weeks that there would be no repeat of Suez. Given the possible parallels, I do not think his assurances were otiose. The Falklands crisis touched on certain American nerves that had proved sensitive at Suez: the desire to prevent the use of force and promote a diplomatic solution; a recessive feeling about colonialism; concern that the British were expecting the USA eventually to pick up the cheque; worry about the Russians; a desire to remain neutral if at all possible; and the fear that what Britain was doing would rally other countries in the area against Western interests. But Mr Haig did not suffer from Dulles'

/"goodness"



"goodness" and, for reasons that will emerge in the following account, American inhibitions were overcome and there were no Suez-reflexes.

28. In the course of his shuttle between London, Buenos Aires and Washington, Mr Haig was trying to bridge a gap that may be described, at the risk of over-simplification, as follows. The Argentinians were not prepared to accept any settlement that did not provide either for negotiations on sovereignty, to be concluded in their favour within a specific time limit, or for an interim regime for the Islands, after the withdrawal of forces by both sides, that would promote the acquisition of sovereignty by administrative means, including population and economic transfers. The British Government insisted that sovereignty was theirs, that the traditional administration of the Islands must be restored and that there must be no infringement of the right of the islanders to decide their own future. Mr Haig believed that the weak point in the Argentine position, apart from their wrong-doing in invading the Islands, was their emphasis upon the transfer of sovereignty, regardless of the wishes of the population, something that was not in keeping with accepted principles or practice of de-colonisation or self-determination. The weakness of the British position, so he believed, lay in the prospect for them of having to contemplate a future for the Islands conducted in conflict with neighbouring Argentina, probably involving a considerable defence commitment in the South Atlantic for an indefinite

/time.



time. What therefore Mr Haig tried to do was to bring about some softening in the Argentine view on the transfer of sovereignty and some mitigation of the British contention that there could be no discussion about the future of the Islands or interim administration that advanced the prospect for Argentine sovereignty whatever the wishes of the islanders.

29. The bridge that Mr Haig tried to build between the British and Argentinians varied in construction with the changing military scene; but there were certain more or less constant features: the withdrawal of forces; the creation of some international interim administration after withdrawal; and commitment by both sides to discuss the future status of the Islands.

30. Throughout lengthy talks involving two visits by Mr Haig to London and Buenos Aires and one each by you and Mr Costa Mendez to Washington, HMG maintained unwaveringly that the Argentinians had to withdraw; that any interim administration must protect the rights of the Islanders; and that there could be no deadline for negotiations and no prejudgement of their outcome. But the Americans regarded HMG's attitude to the various American ideas as reasonable, particularly compared to the Argentine response. This was, according to the US view, intransigent and unacceptable. Mr Haig left President Galtieri in no doubt that if this intransigence persisted the US Government would come down on the British side.



31. As we put it to Mr Haig, if they could not succeed in extorting concessions on sovereignty the other motives of the Argentinians in this phase were evidently to spin out the negotiations so as to prolong the de facto occupation of the Islands, to try to postpone a British landing and to hope that, with the passage of time, Latin American and world opinion would veer increasingly to their side. But it would be wrong to give the impression that it was ever quite clear what they were up to. Mr Haig described to me the utter irrationality and chaotic nature of the Argentine leadership. There seemed to be about 50 people involved in the decisions, including various corps commanders. Later, by the end of May when we were back in the Islands in force, it came to look as though the junta, and the various corps commanders who exercised great influence behind them, would find it easier, given domestic instability and the rabble they had roused, to accept military defeat - for which scapegoats would be found - than to agree to a diplomatic compromise.

32. The Argentine reply to the US proposals worked out after these prolonged negotiations and put to them, as to the UK, on 27 April, amounted to a rejection; whereupon, Mr Haig made a statement on 30 April. Haig had been made aware of our own reservations but, greatly to our advantage, he turned a blind eye to these, focussing on the categorical objections of the Argentinians. He said that, while the US had reasons to hope that the UK would consider settlement

/on the



on the lines of the US proposals, Argentina had been unable to accept them.

33. He announced various economic measures against Argentina and, most important, he declared that the US would "respond positively to requests for materiel support for British forces".

From the US decision of 30 April to the Argentine surrender on 14 June

34. The US decision of 30 April to support Britain was a turning-point in our fortunes. But it did not put an end to negotiations or to America's part in them. On the contrary, the US Government's desire to bring off a peaceful settlement grew with the prospect of battle. Others too, the Peruvians, the Secretary General of the UN, and the Brazilians entered the diplomatic fray.

35. When you visited Washington a second time on 1-2 May, following a rough debate in the House of Commons, and coinciding with the first Vulcan attack on Port Stanley airfield, Mr Haig outlined a seven-point plan that had originated, he said, in a Peruvian initiative. This included: the setting up of a supervisory contact group comprising two Latin American countries, the FRG and the USA; and the laying down of a time limit - 30 April 1983 - by which a definitive agreement for the future of the Islands would have to be reached.

36. While the Prime Minister, you and other Ministers were considering this plan in London, Mr Haig was expressing

/great



great concern to me about

- (a) the latest Peruvian attitude after the sinking of the Belgrano on 3 May,
- (b) the deterioration in US and Western opinion that he feared would be likely to occur if Britain took further military action, and
- (c) the need for London to show an initiative in favour of peace by proposing a ceasefire to be followed by implementation of the seven-point plan.

He followed this up by asking me to transmit to London the text of his seven-point plan and the draft of a ceasefire statement to be made by HMG. It was the moment, he urged, for a magnanimous diplomatic move to be made by HMG when they had demonstrated their military dominance.

37. Mr Haig was extremely worked-up about the consequences of a prolongation of the fighting. He feared that we might look increasingly to the USA for support and that if opinion came to believe that we had missed the opportunity of peace, it would be difficult for the USA to stay in the supportive position that they had now adopted.

38. London replied to the US seven-point plan with certain amendments which I discussed with Mr Haig. He said that they would be rejected out of hand by Argentina. After a three-hour session Mr Haig produced a new set of points asking me to transmit them to London.

39. HMG accepted these latest proposals, though they presented considerable difficulties. The text was transmitted

/by the



by the US Government to the Peruvians for onward transmission to Argentina, who turned them down. The Argentine aim at this stage was to move to the UN. HMG let the Secretary General know that they could go along with his ideas for a framework, which, to be sure, were similar to those of the US/Peruvian plan.

40. Mr Haig's mood now changed. He told me on 7 May that he was full of admiration for the diplomatic stance HMG was now taking. He hoped "faint hearts" were not gaining ground in the UK. Two days later, however, he was arguing that Britain, while having to maintain maximum military pressure on the Falkland Islands, should avoid attacks on the mainland - a warning that we were to be given frequently in the days ahead.

41. He left the next day for a European tour. No sooner was he out of the country than Mrs Kirkpatrick got into the act. She managed to convince President Reagan that the Argentinians were ready to be forthcoming and persuaded him to telephone the Prime Minister, which he did on 13 May. In deciding to telephone Mrs Thatcher, President Reagan had also been influenced by a conversation he had just had with President Figueiredo of Brazil, who had expressed a readiness to do whatever he could to bring about a peaceful settlement. Discussing this telephone talk with Judge Clark afterwards, he told me how concerned President Reagan was about the worsening Falkland Islands situation. The US had already impaired its relations with the Latin American countries.

/There



There would be serious problems in the Alliance if hostilities became intensified and if there were feelings in the UK that the US was not being supportive enough.

42. I will not relate here, because Sir Anthony Parsons has done so in his despatch, the Secretary General's efforts during these weeks to promote a settlement and the US attitude towards them. Mr Haig was always somewhat suspicious of Mr Perez de Cuellar and was afraid that his activities would cut across what he was doing; it looked at times as though he was a little afraid of Mr Perez de Cuellar succeeding where he had failed, and this translated itself into private entreaties that we should not be more flexible with the Secretary General than we had been with him. But when his seven-point plan collapsed through Argentine intransigence he was resigned to the stream of negotiations continuing in New York.

43. Following a weekend of consultations at Chequers attended by Sir Anthony Parsons and myself, a British plan was submitted to the Secretary General of the UN on 17 May and published on the 20th. The main features of this British proposal were:

1. the mutual and balanced withdrawal of forces,
2. the appointment of a UN Administrator to administer the Islands, in consultation with the elected representatives of the Islanders,
3. negotiations between Britain and Argentina on the future of the Islands.

/44.



44. The Argentine response to this proposal was to seek changes designed to pre-judge the outcome of the negotiations, so that they would lead inexorably to Argentine sovereignty and control, to set aside the elected representatives of the islanders, and to enable the Argentine authorities to flood the Islands with Argentinians. They were not prepared to accept language or arrangements which would ensure that the outcome of negotiations would not be pre-judged and that the wishes of the islanders would be respected. They were still prevaricating in order to consolidate their position on the Islands. Although the Argentine response to the British proposals was negative, Mr Haig and Judge Clark were still convinced that this was not the end of the negotiating road. Mr Haig expressed to me on 21 May, after our forces had landed on the Falklands, and on several occasions in the next day or two how anxious he was about the military outcome, his hope that the British would seize the first moment of military success to show a readiness to negotiate, his fears, otherwise, about the long-term bitterness in Latin America, and the opportunity that he saw for the Soviets to increase their influence there.

45. On Saturday evening, 22 May, he came to see me privately at the Embassy to underline the concern of the US Administration at likely developments: at the continued will to fight and the spirit of revanchism that would prevail in Buenos Aires whatever the government in power, unless this could be headed off by British readiness to negotiate now rather than

/to pursue



to pursue the conflict to a bitter conclusion. Haig reinforced these fears by a dire prediction of what Congress was about to do in calling for a ceasefire. The New York Times, incidentally, had that morning published defeatist stories based on official briefing.

46. On 24 May Mr Haig suggested to me a possible plan involving a ceasefire and withdrawal, a US/Brazilian interim administration (President Figueiredo had made a considerable impact on Washington thinking) and discussions about the future without prior commitment. All this reflected Mr Haig's anxiety about the impending meeting of the Rio Treaty which, he foresaw, would isolate the USA from its hemispheric neighbours. I told Mr Haig immediately, without reference to London, that these ideas would be unacceptable there in current circumstances. Later the same day Mr Haig, in another change of mood, telephoned to say that the President supported Britain solidly.

47. In order to try to keep the idea of a negotiation going, Mr Haig sent you a further message saying that the USA would be prepared to provide a battalion to ensure no violation of any interim agreement on the Falklands. He asked HMG to consider a scheme submitted by Brazil in New York for withdrawal and an interim administration, with the addition, so Mr Haig suggested, of a US/Brazilian peace-keeping force. He followed this up with a plea to London that when we had reached the highest point of military pressure we should offer a magnanimous proposal to bring

/military



military activity to an end. But by this time British forces had been engaged in hazardous operations and the bridgehead had been established at San Carlos. The heavy Argentine air attacks marking their national day on 25 May heightened the tension in Washington almost as acutely as in London. You replied to Mr Haig that people in Britain would no longer accept the idea of mutual withdrawal or an interim administration. A few days later I rubbed this home on instructions from the Prime Minister and you, saying that we were determined to repossess the Falklands, reinstate British administration and only thereafter consider future developments, though we acknowledged the desirability eventually to have some kind of international security arrangement involving the Americans.

48. Mr Haig was worried by the way the British political attitude seemed to be hardening pari passu with the progress in British military operations. He was greatly concerned about the impact of this on Latin America; and it is relevant to record that the Rio Treaty signatories had just been meeting in Washington and, as Mr Haig had foreseen, had delivered a venomous attack on the US calling upon them to cease supporting Britain. Mr Haig had made a stout speech to the meeting blaming Argentina and contesting the invocation of the Rio Treaty for the defence of aggression by one of its own members.

49. It was in this context that Mr Haig thereupon floated the idea of creating an international umbrella organisation

/to consider



to consider the ultimate status of the Islands. Shortly afterwards he formulated this in a new plan of 29 May in which the umbrella idea became crystallised in another contact group comprising the UK, the USA, Brazil and Argentina. It was an essential feature of this fresh USA initiative that it should be launched before the final defeat of the Argentine forces.

50. This mood of anxiety in Washington was reflected in the decision taken by the President to telephone the Prime Minister again. This call took place on 31 May. Mr Reagan's purpose seemed to be not only to register concern about Latin American opinion but to float the idea of yet another US peace initiative. The Prime Minister was emphatic in response. She followed it by telephoning me to ask me to see Judge Clark at the White House and ensure that the President and he understood the British attitude. Thereupon, on 1 June I called on Judge Clark and made clear, at the Prime Minister's request, that Britain, having negotiated in good faith for weeks, during which time the Argentinians showed no sign of being ready to talk business, were not prepared now, when we were back in the Islands after considerable sacrifice, simply to pull out and make way for a contact group including countries from Latin America.

51. I recall how at one moment in this machine-gun exchange of ideas Mr Haig sought to recruit Winston Churchill for the cause of flexibility. He spoke of Churchill's call for magnanimity, to which I rejoined that Churchill had

/not



not talked of magnanimity until after victory had been achieved. But nothing assuaged the American concern at this stage - that is to say at the end of May and the beginning of June - about the dire consequences that would flow from overwhelming military defeat inflicted on the Argentinians. This sentiment was reflected in a hand-wringing editorial in the Washington Post, an unfailing barometer of defeatist pressure. I conveyed to London as best I could the evidence of a growing gap between the resolute attitude in London and the mood in Washington favouring a soft line by us towards Argentina.

52. The prospect of a bloody battle for Port Stanley heightened tension at the UN where the Latinos managed to get a resolution introduced into the Security Council calling for an immediate ceasefire and withdrawal - an event that will be remembered only for the light it cast on the appalling relations between Mrs Kirkpatrick and Mr Haig.

53. The President and Mr Haig left Washington on 2 June for a European tour. With Summit and bilateral meetings there, and the Israel invasion of the Lebanon hitting the headlines, the diplomatic spotlight was momentarily off the Falklands where British forces were advancing for an assault on Port Stanley. Contrary to US fears of a major battle, this was avoided and the Argentine forces on the Islands surrendered on 14 June. That was the end of the ding-dong negotiating battle in Washington.

/The Significance ..



The Significance of the Negotiations seen in Retrospect and
Mr Haig's part in them

54. Undeniably, the ceaseless diplomatic efforts that the US had been making since early April had not achieved their main purpose, which was to bring about a settlement that avoided bloodshed and humiliation for either side. But from the British angle, these prolonged negotiations brought advantages. During the considerable time that elapsed between the despatch of the task force from the UK and its readiness to repossess the Islands, there was a need for something to fill the diplomatic vacuum. Anything would have been better than further interventions by the UN. There were positive advantages in Mr Haig's to-ings and fro-ings and frequent proposals. Without them, Argentine intransigence would not have been exposed, and without this exposure the US decision to give Britain support would probably not have come when it did or been so categorical. Mr Haig's insistence on even-handedness in public between London and Buenos Aires so long as he thought he could bring off a negotiated settlement was exasperating to the UK; it seemed at times too to conflict with the practical support the USA were providing us. Thus his statement on 14 April that "since the onset of the crisis, the United States had not acceded to requests that would go beyond the scope of customary patterns of cooperation based on bilateral agreements" did not reflect the realities of the help the US were affording. Equally tiresome to London was Mr Haig's

/view



view that US interests would best be served by keeping President Galtieri in power and saving his face. He tended to believe that just because war would not benefit either side, it should be possible to negotiate peace. As Mr Kissinger has pointed out, he was reflecting here a long-held American tradition: that all international disputes must inherently be susceptible to peaceful settlement by reasonable men and women.

55. There was no doubt too, and I said so several times to Mr Haig, that he exaggerated the degree of Latin American solidarity on this issue and the extent of long-term resentment that would be caused to the USA by support for Britain.

56. Both Mr Haig and Mr Weinberger made personal efforts to ensure that we received practical support of a highly important kind. This is described later in the despatch. Mr Haig saw the crisis as something nearly as crucial to the US as to the UK and as having a close bearing on the future of the Atlantic Alliance. He took us at all times into his confidence, even when this involved thinking aloud and revealing how changeable were his moods and ideas. Elsewhere I have described how suspicious Mr Haig is by nature: a ready victim for any Iago. But I am sure that he came to trust us completely: and I believe that we benefited from this, though strong nerves were needed at times to cope with it. Just to give you some idea of the extent to which Mr Haig consulted us from the beginning to

/the end



the end of this crisis, I should record that I had innumerable meetings with him, often alone, and practically no day went by without him telephoning me, frequently several times.

57. The obvious question arises how far US policy might have been different if Mr Haig had not been Secretary of State, or to put it another way, whether he was on balance helpful or harmful to British interests.

58. As I have already indicated, there were obvious advantages in having the US Government busy in negotiation during the long interval between Argentinian aggression and our return to the Islands; but it does not follow from this that Mr Haig's methods were the most effective way of filling the negotiating vacuum or were the most favourable from our point of view. Although he dominated the US negotiating scene he never succeeded in eliminating everyone from the wings where indeed there were plenty of people eager to get on to the stage and play a different role. The influence of these pro-Latinos may well have encouraged the Argentinians in their intransigence which was obviously damaging to us. Given the American system of government it would not have been possible on this issue, or indeed on any other, to have had one clear-cut and decisive fount of policy.

59. From our point of view, Mr Haig, as many people in London know, and as will be apparent from the above narrative, was variable in mood and erratic in judgement. The President did not give a strong lead and allowed the frictions in the decision-making process to continue. I am sure, though, that

/Mr Haig's



Mr Haig's was the decisive influence throughout: he wanted us to win and would have been horrified if the Argentinians had got away with it. He did, it is true, persuade us to accept ideas we did not like, but he never tried to get us to go against our judgement of our fundamental interests. He handled many turning points in a way that was beneficial to us and the value of this can only be realised if it is kept firmly in mind that US support was not something that could ever have been taken for granted.

60. Now that Mr Haig has resigned, I have found myself wondering what the bearing was of the whole affair on him personally. Of course, if he had succeeded it would have been regarded as a personal triumph a la Kissinger; his prestige would have been boosted and he might have begun to look indispensable, something that would have discomfited his many enemies in high places. Success, too, might have assuaged the tension within him and compensated for the great physical stress he had undergone. The failure of the negotiation was undoubtedly a set-back to him, both to his standing as Secretary of State and to his inner peace of mind. On the day he left the State Department he confided to his senior staff that one of his greatest regrets on leaving office was that he had been unable to bring about a peaceful settlement of the Falklands crisis.

61. My overall conclusions about the negotiating phase of the Falklands crisis are as follows:

(a) had the Argentinians accepted any of the many

/proposals



proposals offered them, they would have secured something and would have been much better off than they were by choosing the alternative outcome of military confrontation leading to surrender;

- (b) The prolonged negotiations caused HMG difficulties but they were on balance beneficial, because
- (c) The US decision to come down on the British side and support us was not something that was inevitable or could have been taken for granted. It might not have happened without US exasperation with Argentine intransigence.
- (d) The US decision to support us and the way they did so owed a lot to Mr Haig, though it is doubtful whether the outcome did him much good personally;
- (e) Media, Congressional and public opinion exercised an important influence, as I will now describe.

THE MEDIA, CONGRESS AND THE PUBLIC

62. For an issue not directly involving US territory or nationals, the Falklands crisis attracted unprecedented US media interest. From the Argentine invasion to the surrender at Port Stanley it was front page news, and the lead story for TV, every day. The level of interest, the novelty of the issue, and the impossibility of securing on-the-spot coverage combined to produce an exceptional demand for information on HMG's policies and on daily, even hourly developments.

63. Although from the start there was sympathy for our cause in the media, Congress and the public, this was not

/universal



universal and there was much wavering. As I have already indicated, there was a tendency early on to regard the whole thing as some sort of opera bouffe. Then emerged the widespread feeling that a small population so far away could surely not be worth the risk of war, particularly one between two of the USA's allies. Lord Carrington's resignation, which a considerable number of people confessed to me they could not understand, encouraged speculation here about divisions on policy within the British Government. Doubts began to be expressed by military experts, on television and in the press, about our capability to mount a successful military operation in the South Atlantic.

64. It seemed essential to launch a public relations effort throughout the USA to get at the US press, radio and television. Clearly in a matter of this kind affecting American interests, the US Government would be influenced in their decisions by public opinion.

65. We therefore set in hand a major campaign, conducted throughout the country by the Embassy, BIS New York and the Consulates General. Its specific aims were:

- (a) to persuade the Americans that this was an issue of principle bearing upon them directly; aggression had occurred and if the Argentinians were able to get away with it this could encourage instability in the whole American hemisphere, riddled, as it was, with territorial claims;
- (b) to answer the question why we were prepared to

/go to



go to such lengths for less than 2,000 people at the other end of the world, by pointing out how strongly the Americans had felt about 52 hostages in Iran, and that what was at stake was whether, in the American hemisphere, differences were going to be settled by force, or whether the principle of self-determination, which the USA had pioneered, was going to prevail;

- (c) to rebut the idea that it was a colonial issue, and to remind the Americans that since the end of World War Two we had given a quarter of the world's population independence, but had not transferred a single person against their will to a third power, least of all to a military dictatorship;
- (d) to remind them of the implications for the Alliance;
- (e) to give a warning of the advantages the Soviets could derive from an Argentine victory to which they might well claim they had contributed;
- (f) to make it clear that the UK had the will and ability to restore British administration of the Islands, by force if necessary.

66. We concentrated a lot of effort on television. I gave more than 60 interviews, appearing frequently on programmes seen all over the USA, such as the morning news networks, the McNeil-Lehrer show, ABC's Nightline and the Sunday morning news magazines. As regards radio, BIS New York

/placed



placed 120 items with the major radio networks, covering 7,000 stations.

67. Sympathy and public support could at no stage be assumed. As the prospect of a bloody battle became more likely, the uncertainties in public opinion tended to increase. The subject therefore required constant attention and our campaign continued throughout the 74 days.

68. We levelled a particular campaign at Capitol Hill. In the immediate aftermath of the invasion, I wrote to all members of the House Foreign Affairs and Senate Foreign Relations Committees, as well as the House and Senate leadership (some sixty Members of Congress in all) setting out our case. At the same time, I called on the 24 leading members of the House and Senate to brief them on our position and secure their support. The initial calls were made just before the Easter recess and were followed by other calls immediately after the recess finished. In addition, I and Embassy staff were in daily touch either with Members of Congress, particularly Committee Chairmen, or their staffs. We encouraged those members of the House and Senate who were keen to put down Resolutions in our support to do so and gave informal advice on the drafting.

69. The Administration was initially reluctant to see Congress express a strong view on the Falklands for fear that this would cut across their own efforts to negotiate a peaceful settlement to the dispute. In fact, the growing strength of feeling in Congress undoubtedly influenced the

/Administration



Administration in its decision to come down on our side. The Senate adopted a Resolution supporting Britain on 29 April (the day before the Administration announced its decision to support us actively). The House of Representatives adopted a similar Resolution a few days later.

70. We continued to explain our case daily to Members of Congress to correct misapprehensions and to ensure that Members of Congress understood at each stage the steps we were obliged to take. When the British Government published its proposals for a peaceful settlement on 20 May, I wrote again to all the key Members of Congress sending them the text of our proposals and explaining the reasons why a negotiated settlement had proved impossible. One of the notable features of Congressional support was the extent to which those who are often critical of us over Northern Ireland eg. Senators Kennedy and Moynihan and Speaker O'Neill publicly backed us on the Falklands.

71. British readers may wonder whether such blatant canvassing of Congress might not have been counter-productive as it would have been mutatis mutandis with the House of Commons. But it is one of the facts of American public life that make it so different from ours, that no resentment is aroused there if foreigners try to sell their diplomatic wares, exert pressure, and indeed interfere in their deliberations. On the contrary any inhibition to do so would be regarded as a sign of lack of conviction.

/US SUPPORT



US SUPPORT

72. I think it is worth describing what in practice the offer of US support meant to us. Apart from the obvious political implications, it had far-reaching practical benefits, as follows:

(a) Facilities on Ascension Island

The use of the US Air Force Base on Ascension Island was of course of crucial importance to our whole operation. The Americans could not have denied us the use of this base without infringing the terms of the agreement under which it had been set up. But nothing in the agreement bound them to be as cooperative as they were over the use of the base. They supplied additional accommodation and water purification plants and made available at short notice and as a result of diversion from their own supplies 12.5 million gallons of aviation fuel without which the build-up, surveillance, air-drop and bombing missions supported by tanker aircraft into the South Atlantic could not have taken place.

(b) Military Equipment

The Americans supplied a wealth of important equipment: for instance, the latest version of the Sidewinder air-to-air missile, vital for the Harriers; Harpoon and Shrike missiles; 4,700 tons of airfield matting for the rapid reconstruction of Port Stanley airport; helicopter engines, submarine detection /devices,



devices, and many other important items of equipment. The Stinger missile, used for the first time in combat, was particularly effective. These supplies were paid for. Many major items of equipment were supplied from the US inventory, often at 24 hours' notice; flexibility was shown over the financial arrangements, and US readiness to meet requests as quickly and helpfully as possible was remarkable. Prior to 30 April some of the officials and military personnel with whom we had dealings showed signs of nervousness. But after that date all reservations disappeared, and those concerned worked night and day processing our requests. Some decisions were taken at the highest level to supply us with equipment out of existing stocks at the expense of US operational requirements. I was in frequent touch with Mr Weinberger, and on the few occasions Pentagon officials queried our requests, he over-ruled them. These equipment supplies were supplemented by technical advice on such matters as fitting missiles to aircraft in service in the South Atlantic, electronic counter-measures, dealing with unexploded bombs in frigates and scattered mines left by the Argentinians.

(c) Communications

Communications between the task force and the UK
/were



were greatly facilitated by the provision of additional channels on US communications satellites. Inevitably some of the channels made available to us in this way were lost to the Americans. Our submarines and other forces could not have operated in the way they did without the use of US satellite communications, enabling us to bottle up the Argentine fleet and maintain the essential secure command and control links for the task force.

(d) Intelligence

American help in this area was significantly in excess of "customary cooperation in accordance with long-standing agreements" which was how the Americans described publicly the nature of these links. The Americans made real sacrifices on our behalf; and what they provided made an important contribution to the conduct of operations. Their readiness to help stemmed in part from an automatic instinct but also was the product of the intelligence relationship which had been nurtured since the Second World War. If the Argentines hoped that their support for US covert activities in Central America would influence US policy in their favour in this intelligence area, they were totally disappointed.

(e) Economic

Up to 30 April, the Americans held back from the economic sanctions imposed by our European and old
/Commonwealth



Commonwealth allies. Thereafter they imposed limited sanctions (suspension of credits etc) which had a limited economic effect, but served as a demonstration of overall support.

(f) Denial of Military Equipment to Argentina

Initially, the Americans sought to restrict the supply of military equipment to Argentina by stepping up the implementation of the restrictions which had been imposed, on human rights grounds, in 1978. We were able to demonstrate that there were important loopholes in the existing embargo. The Administration closed these as quickly and effectively as it could. After 30 April all military exports to Argentina were suspended and certification of Argentine eligibility for military sales was withheld. In addition, the Americans made representations in support of our own approaches to third governments involved in the supply of military equipment to Argentina.

73. Some measure of the significance of US support for Britain over the Falklands is provided by:

- (i) the resentment it caused the Argentinians;
- (ii) an assessment of what would have happened without it; and
- (iii) the precedent of Suez.

I am speaking here, of course, of political as well as materiel support. It would be going too far to say that

/had



had the US remained on the side-lines and not given us the help they did, we could not have repossessed the Islands. But such a US stance would have heartened the Argentinians and exacerbated our problems. We would have taken longer to accomplish the task and suffered greater losses; there would have been considerable damage to US/UK relations and to the Alliance generally.

THE IMPORTANCE OF THE ISSUE FOR US/UK RELATIONS

74. The Falklands crisis was the most important single test of US/UK relations certainly since Suez and possibly since the end of World War Two; and, unlike Suez, the relationship was of great benefit to us in the crisis and has been enhanced by it.

The Way the Closeness of Relations Helped

75. The way in which the relationship helped us over the Falklands illustrates some of its main features:

- (a) (i) The US has special relationships with many countries (eg. FRG, Israel, France); what distinguishes the British connection now, though it has not always been so, and perhaps only for the past 40 years, is collaboration on defence, including nuclear weapons technology, equipment, intelligence, communications, and inter-service exchanges. Some idea of the scale of this intermingling is shown by the fact that at present we have 295 officers and NCOs on liaison, exchanges or projects with the US forces and industry in

/the US.



the US. It is a two-way relationship, particularly in weapon-research and development.

(ii) In the 40-year timescale I am speaking of, the degree of nuclear weapons cooperation has been a sensitive barometer of the relationship: and at the present time, with the Trident project agreed to and the US Government attaching great importance to Britain as a continuing nuclear partner, the barometer is reading high. The Americans are well aware that the future of the Trident programme will turn on the next election in Britain; but few of them find it conceivable that we should choose to abandon nuclear weapons at a time when others - including Argentina - seem so clearly bent on acquiring them.

(iii) This defence connection brought us direct and immediate advantage as soon as the Falklands crisis broke. In the previous section of this despatch I have given some account of the specific support given. We would not have got it in the way we did without that established relationship. The same, of course, applies to the intelligence relationship.

(b) (i) The other main attribute of the relationship has been the common cultural, demographic and democratic foundation. This subject, a staple of all transatlantic gatherings, has been talked to

/death;



death; but it only needs an issue to arise affecting the interests and sentiments of the two countries, as it did over the Falklands, for it to show its vitality.

(ii) Unlike the Israelis or the Irish or the Greeks, or many other nationalities, there is no organised British lobby in the United States. We have nothing, for instance, to match The Friends of Ireland, a bi-partisan group of Senators and Representatives on the Hill. But whenever I have grumbled about this to my diplomatic colleagues, they have found it laughable, asserting that the whole country is our lobby except for a few dissidents; somewhat on a par with Mrs Kirkpatrick's complaint that the State Department are "Brits in American clothing".

(iii) There have been major changes since the War in the ethnic composition of the American population which have had an important impact on national attitudes. The recent influx of Hispanic people has rivalled the great European migrations of the nineteenth century. The Hispanic population of America has almost doubled in a decade (illegal immigrants alone totalling some 10 million) and could overtake blacks as the largest minority group by the end of the century. The East coast Establishment no longer runs the country. Texans

/and



and Californians, who are very conscious of the USA as a Pacific power and of Mexico and Central America to the South, wield great influence. But the basic identity of the country remains an Anglo-Saxon one, with the English language and Anglo-Saxon traditions continuing to provide the pattern to which recent arrivals seek to conform, and our relations with those responsible for the conduct of public affairs have remained just as close as in the past. In fact, oddly enough, it is the Wasps of the Eastern seaboard, such as Franklin D Roosevelt and John Foster Dulles rather than the Kissingers or Brzezinskis, who have tended to scoff at the emotional baggage of the special relationship, seeing in it an impediment to the hard calculation of America's interest.

(iv) This does not mean that an anti-British seam does not run through American life, made up of many elements. But when the crunch comes, as it did over the Falklands, there is bedrock to fall back upon. An example came my way when I was talking at the height of the crisis to a member of the Senate Foreign Relations Committee. In response to my view that the issue was about aggression, and whether it should be tolerated in the Western hemisphere, the Senator demurred. Do you think, he asked rhetorically, that if the Falkland Islands had

/belonged



belonged to Brazil rather than to you, and Argentina had invaded them, the US would have reacted in the way they have done? It is because you are British, with all that that means in this country, that we have supported you.

The Effect of the Falklands Outcome on the Relationship

76. If you look at the other side of the coin and see what the Falklands outcome has done to the relationship between the two countries, the conclusion may look slightly different from opposite sides of the Atlantic. Seen from Britain, there may be doubts about the US role, at least in the early stages. Their initial impartiality was regarded by many in Britain as weak, and by some as disloyal to an ally. Their obsessive concern with Latin American relationships and their apparent readiness to put these ahead of, or at least on a par with, their European relationships, seemed incomprehensible to many at home. The twists and turns of US policy through the crisis left more than a shadow on the reputation of the Reagan Administration and brought more sharply home than anything else had done that in terms of coherence in foreign policy there was little to choose between it and its predecessor. These impressions were particularly strong among those who could not know about the substantial materiel help the Americans had been giving us behind the scenes from the outset.

77. The crisis also gave emphasis to the diffuse US decision-making process: the post-Vietnam-Watergate weakening of

/the



the executive; and the struggle for influence between the different branches of the executive. I doubt whether there is going to be any early remedy for this; there is certainly no easy prescription for foreign governments in dealing with it. But let us not depress ourselves into thinking that we are facing a new problem. I have come across a report from the US Embassy in London of 7 January 1950, that according to the US Archives was read with great interest by President Truman, containing the following as one of the main causes for the strain in US/UK relations: "The British have never really understood how policy is arrived at in US, and are often disconcerted by the confusion which appears to surround American foreign policy making. They are therefore often unduly worried ...".

78. Judged from this side of the Atlantic, the outcome was favourable to our interests. For a long time Britain has been identified with decline in the American press and in the mind's eye of many people here - a deterioration not just in industrial output but in national will, in the essential dash and doggedness that were regarded by Americans as a hallmark of the British character. Well, the Falklands have corrected that. They have shown that we are prepared to stand up for our rights and for certain beliefs, even at the risk of human life; and that we have the will and professionalism needed for success. In the early days of the operation so many wiseacres here were expressing, in private and public, advice as grave as it was expert,

/about



about the hazards of undertaking a reoccupation of the Islands. The results demonstrated how they had underestimated contemporary Britain. This will have left a mark.

79. I should interject here that if we are to derive due benefit from the successful outcome, we must as soon as possible and in the fullest manner let the US authorities have an account of the lessons of the whole military operation - to include everything from command and control, tactics, communications and logistics to weapons performance. This will be to our interest, not simply for the increased sales of military equipment that may follow, but in terms of the overall defence connection.

80. On our role as a defence partner, which, as I have suggested, is the rock upon which the relationship is founded, the Falklands outcome has made a particular impact. The Americans do not take naturally to the role of world policeman and were distressed when we ceased to be alongside them in this task. As Henry Kissinger said in his recent lecture in Chatham House:

"It is beyond the psychological resources of the United States - not only the physical - to be the sole or even the principal centre of initiative and responsibility in the non-Communist world. (This is one reason why I always favored the independent British and French nuclear deterrents.)"

81. I do not want to suggest that through our Falklands
/operation



operation the Americans hope that we are showing a readiness to play a world role once again but in their eyes there is a good deal that can be done "out of area" that does not necessarily imply a full global responsibility. They believe that by our successful operation 8,000 miles away from the home base we have shown a capability that is both relevant to their own tasks with the Rapid Deployment Force and to the partnership between us for the defence of Western security.

The Future

82. The Falklands have given a fillip to our relations. How long it lasts will depend on what happens in many areas, and in particular on how the current trans-Atlantic tensions are handled on both sides. Differences of view and of interest on major economic issues, eg. steel, economic relations with the Soviet bloc and protectionism, could affect the gains from the Falklands. We have also to bear in mind the unequal balance and the changing pattern, economic and political, as between us and the USA.

83. The Americans are little aware of these changes. Few realise that in the past 25 years there has been a complete reversal in the relative economic strength of the USA and the Ten. In 1955 the ten countries that now make up the Community had a gross domestic product that was only about half that of the USA; by 1980 it was already larger. Moreover - a significant pointer to the future development of their respective economic strength - the Ten already invest more than the United States, and they are increasing their

/investment



investment at a faster rate. Above all, the USA is now much more dependent on foreign trade than even a decade ago. Today about one job in eight in the USA depends on exports: exports of agricultural products and raw materials have increased six times in the last ten years. In the same period American assets abroad have increased five times. Even those Americans that understand these trends have not yet fully thought through the implications that they will have for the future of the Transatlantic relationship.

84. Within this broad picture, our own national wealth, though it has grown, is now less than that of France and of the Federal German Republic. This weakness, though it is only comparative, has a bearing on the USA's attitude to us as an ally. But we still have far larger direct investments in the USA than any of our trading partners; and we now provide the Americans with nearly 10% of their crude oil imports. In addition we spend as much on defence as any other of America's allies (except perhaps the Germans) and decidedly more in relation to our national wealth. These are positive assets to balance the others.

CONCLUSION

85. From my two tours in Washington, spread over 35 years, and from the intense experience of the Falklands crisis, I am convinced that there is something particular about our relationship that transcends matters of immediate economic and military concern. This does not mean that we do not have conflicts of interests or disputes. But it is not

/like



like dealing with any other foreign power. We can and do discuss problems without fear of offence and in a spirit that seeks compromise rather than confrontation. There is nothing to match it in our relations with any other major country. Membership of the EC has not weakened our bilateral political relationship with the USA, whatever the initial fears, but it does mean that we are members of a club that has even more economic weight than the USA. I am in no doubt about the compulsion of our membership of the European Community; but now, after three years in Washington, I do not consider, any more than I did before, that it is incompatible with our close bilateral relations with the USA.

86. I am sending copies of this despatch (without enclosures) to the Home Secretary, the Secretary of State for Defence, the Chief of the Defence Staff, the Secretary of the Cabinet, and Her Majesty's Representatives at all EC posts, UKMis New York and UKDel NATO.

I have the honour to be,
Sir,
Your obedient Servant

Nicholas Henderson.

Nicholas Henderson