

283. Information Memorandum From the Assistant Secretary of State-Designate for European Affairs (Burt) to Secretary of State Haig¹

Washington, May 21, 1982

SUBJECT

The UK—Alone

As the UK enters a bloody phase of the Falklands crisis, Margaret Thatcher's government will be increasingly isolated diplomatically as other governments calculate the damage to their interests of continued support.

—The EC is unlikely to renew economic sanctions against Argentina when they expire next week.

—The UK also faces estrangement from its EC allies on the economic front because of the breakdown this week over agricultural prices and hardening divisions over the EC budget.

—The UK faces excoriation from Latin America and the neutral and non-aligned in the UN, the OAS and other international fora. The Soviets and Cubans will try to use the rising tide of anti-Western sentiment.

—Cancellation of the Pope's visit—a high visibility event—remains possible despite British Catholic and HMG efforts to keep it on track.

Thus far, the Prime Minister's domestic political position has been strong, with the public approving her policy of negotiation while building up British military strength in the South Atlantic. The popular media continues to be bellicose. But her support is probably softer than it looks and could erode quickly if British casualties are high or fighting is protracted. The suspension of efforts to achieve a diplomatic solution may tempt the Labor party to oppose the Prime Minister's South Atlantic policy in the House of Commons. A dramatic set-back—the sinking of the *QEII* or the *Canberra*²—or a prolonged stalemate could lead Tories to replace her as head of government, perhaps by Francis Pym.

¹ Source: Department of State, Executive Secretariat, S/S Special Handling Restrictions Memos 1979–1983, Lot 96D262, ES Sensitive May 19–24 1982. Secret; Sensitive. Drafted by J. Campbell (EUR/NE) on May 21; cleared by Blackwill, R. Morris (EUR/NE), and Smith. Campbell initialed for the clearing officials. Bremer's stamped initials appear on the first page of the memorandum. The memorandum bears an erroneous stamped date of March 21. Burt had been nominated Assistant Secretary on May 10, although his nomination was not yet acted upon by the Senate. He would not formally enter on duty until February 18, 1983.

² The passenger ships *Queen Elizabeth II* and *Canberra* had been requisitioned by the British military and deployed to the South Atlantic for use as troop transports.

Convinced that her moral position is unassailable and her policy right, the Prime Minister initially is likely to be less flexible and more dependent on her right-wing allies in the cabinet as the war heats up. The influence of Francis Pym and the FCO will decline with the MOD on center stage. Her likely response to early reverses will be to intensify UK military actions in the South Atlantic. She will ask the US for more political and materiel support, seeking our greater involvement as an ally. The support of the US will assume heightened domestic political importance to her as international isolation deepens.

If the British do not achieve a quick victory, this will be a dangerous period for US/UK relations:

—The right-wing Conservative backbench mood will be that the US is not doing enough and therefore shares the blame for UK reverses. (The Prime Minister will do her best to fight this.)

—The Labor opposition and international opinion will call for immediate negotiations and a cease-fire, seizing on peace initiatives as a means of attacking the Prime Minister's war,

—The President, in London June 7–9,³ will be the focus for increasing British ambivalence about the US/UK relationship if victory has eluded HMG. The Prime Minister may present him with a "shopping list" of military and political measures while the public's mood could be increasingly critical of the US.

In these circumstances, a US peace plan might provide HMG with the framework for diplomacy even while it continued military action. Indeed, it might make fighting more politically acceptable at home while reducing international pressure on the UK for a cease-fire. But the timing of a new US diplomatic initiative would be crucial:

—US moves should not accelerate any softening of UK domestic support for the Thatcher government.

—We must be aware of British sensitivities to a UN or OAS role, which they will perceive as weighted against them.

—In any event, we should think carefully about initiating a new diplomatic round without specific HMG agreement. To do so would risk a historic rupture in US/UK relations.

At stake is much more than the fate of a UK government which has proved more supportive of US policies than any of its recent predecessors or likely successors. Anglo-American relations revived relatively quickly from the trauma of Suez. British national self-confidence did not. The Thatcher government's primary achievement has been to

³ Reagan was scheduled to visit London as part of a European trip that would take him to France, Italy, and West Germany.

reverse the thirty-year trend of British withdrawal from global responsibility. Failure in the Falklands will undo all that the Rhodesian settlement has done to revive UK national pride. It will leave us with no ally, save France, willing to share the risks and pay the price needed to protect global western interests.