

337. Information Memorandum From the Director of the Bureau of Politico-Military Affairs (Howe) to Secretary of State Haig¹

Washington, June 12, 1982

SUBJECT

The Other War: Growing Political-Military Problems for the United Kingdom

Summary

Even before their losses at Fitzroy Bay,² the British were facing military problems in their Falklands operations. Recent evidence suggests that those problems will continue. Nonetheless, there is no public sign that these difficulties are being translated by London into increased diplomatic flexibility on the long-term status of the Falklands.

The Military Damage to Date

Precise cost estimates of what the British are spending on the Falklands are not yet available, probably even to HMG, because orders are being placed for procurement as required, with *bills following later*. British press speculation places the cost to date *in excess of \$3 billion*.

The greatest financial cost will be for the repair and replacement of surface combatants. The British have not shared with us the extent of damage to ships that remain operational, but we have seen repeated reports of ships being hit by Argentine attacks. We have reports of four destroyers, two frigates, and two Logistic Landing Ships being damaged. Some have already been forced to leave the area of operations for repair.

A list of RN ships lost to date, in addition to the commercial Atlantic Conveyor, is attached. As a result of these losses, the RN will probably keep in service many of the older ships that were scheduled to be "paid off." We also can anticipate a major HMG review to decide how to replace rapidly the ships which have been lost. Some in London probably will take the opportunity to suggest the crisis proves a need

¹ Source: Department of State, Executive Secretariat, S/S Special Handling Restrictions Memos 1979-1983, Lot 96D262, ES Sensitive June 8-16 1982. Secret; Sensitive. Drafted by Clarke and Beers on June 11; cleared by Kanter and Williams (INR) and in substance by Blackwill.

² Reference is to the June 8 Argentine air attack on the British Logistic Landing Ships RFA *Sir Galahad* and RFA *Sir Tristram* during British amphibious operations near the settlements of Fitzroy and Bluff Cove. For a detailed account of the attack from the British perspective, see Freedman, *Official History*, vol. II, pp. 604-609.

for more conventional naval power. Increased pressure on the Trident program seems inevitable.

Continuing War of Attrition

The Argentines, of course, have suffered substantial losses and continue to confront serious military problems. Less well appreciated, however, are the difficulties which the British are experiencing and which may increase in the future.

In our earlier memo to you we predicted that the Argentines probably would continue the war—and damage to UK forces—even after they had lost Stanley, and would require the British to maintain a large presence on the islands (possibly including US-provided air defense equipment).³ Recent events have given further credence to that analysis:

- While the UK decision to attempt a landing without air cover is uncharacteristic and difficult to understand, sinkings at Fitzroy demonstrated the need for earlier alerting of air raids (such as could be provided by airborne early warning or a network of mountain top radars). They also showed the need for longer range SAMs, such as I-Hawk.

- Those few RN ships which have modern and effective air defense have been badly attrited by the Argentine Air Force. Major ships have been sunk, others damaged, and the supply of surface-to-air missiles greatly reduced.

- Argentine efforts to acquire additional aircraft and missiles are beginning to meet with success.

- Slow British advance during the last ten days underscores their logistical problems and may reflect an awareness of their “thin edge.” Recent low levels of Harrier sorties also may indicate damage to the INVINCIBLE, which, in any case, is now standing off the Falklands an additional 50–75 miles.

- Attack on the tanker 400 miles north of the Falklands may be the beginning of Argentine raids against the British SLOC.

- Public statements and private discussions have indicated that the Argentines are planning a continuing war after Stanley. There is also evidence that they are considering a 2000 man reinforcement of the West Falklands.

HMG Consideration of the Military Problem

Although we continue to receive British requests for assistance, they have not yet formally sought additional air defense equipment. Recent intelligence indicates, however, that they are beginning to look

³ See Document 318.

at the long-term garrison requirements (including a naval task force, land-based F-4s, a brigade, and other forces).

Despite these demanding military requirements (and without knowing the results of your discussions with Pym and Thatcher), we can see little indication that HMG is showing any sign of diplomatic flexibility. Indeed, sentiment within Commons and the Cabinet seems to be hardening around a prolonged period of UK control in one guise or another.

If our assessment of the military situation is correct and the long term political, military, and economic consequences gradually dawn on the British, their willingness to reach an accommodation and end of hostilities may increase. The possibility of more dramatic actions (e.g., attacks against the Argentine mainland, refusing to repatriate Argentine prisoners), however, cannot be ruled out.

The British probably are hoping that the growing pressure on the GOA resulting from political disarray, economic crisis, and declining military morale will cause the Argentines to yield on the Falklands issue soon after Port Stanley falls. As our analysis indicates, however, the British also will face increasing political, economic, and military costs. The relative ability of the two protagonists to sustain a prolonged, low level war of attrition is likely to be a primary factor which determines the evolution of the Falklands crisis and the environment for US diplomacy following the battle for Port Stanley.

Attachment

Paper Prepared in the Department of State⁴

Washington, undated

Cost of RN Ships Lost to Date

<u>Name</u>	<u>Type</u>	<u>Age</u>	<u>Replacement Cost (\$ 82)</u>
Sheffield	Destroyer	1975	\$202 M
Coventry	Destroyer	1978	\$202 M
Antelope	Frigate	1975	\$ 86 M
Ardent	Frigate	1977	\$ 86 M
Sir Galahad	Logistic Landing Ship	1966	?

⁴ Secret; Sensitive.