

Postwar, June 15, 1982–November 6, 1984

343. Telegram From the Embassy in the United Kingdom to the Department of State¹

London, June 15, 1982, 1314Z

13122. Subj: Falklands Dispute: Securing the Peace.

1. S–Entire text.

2. Thatcher is triumphant and revelling in victory. Public support for her leadership is firm and overwhelming. The shock of the early war losses has long since worn off. The public, reconciled to casualties, credits her boldness that they were not greater. Critics inside and outside the Tory Party are at bay. Parliament, even the Opposition, is paying tribute.

3. She knows, however, that letdown will follow euphoria, and that to consolidate her political base she must secure peace. She wants, above all, to be Prime Minister for a full ten years, and she knows, despite her patriotic myopia, that protracted conflict in the South Atlantic sooner or later will undercut her.

4. Yet the current aim of British policy is to hold the Falklands for Britain. Thatcher and her closest advisers have argued that it is wrong to contemplate any Argentine participation in the future of the Islands; recent official statements have hardened public opinion on this theme. British casualties are cited, and the costs of war are said to dictate the terms of peace. On the issue of keeping the Falklands British, Thatcher is confident she can defeat any dissenters: buoyed by military success and outraged at Argentine aggression, she is optimistic that the political and military costs of restored British rule can be kept in bounds.

5. For all her rhetoric, Thatcher, we believe, will not be inflexible—particularly on tactics. But she will be swayed less by advice than by experience and her sense of the possible. Just as retaking the Islands has led her narrowly to want to hold them, the experience of keeping them will shape her later policy.

6. The immediate British objective will be to lead Argentina to accept that hostilities are over. Recent ideas include:

¹ Source: Reagan Library, Executive Secretariat, NSC Cable File, Falkland File 06/15/1982 (2). Secret; Sensitive; Immediate; Nodis. Printed from a copy that was received in the White House Situation Room.

—Offering to negotiate a non-use-of-force pledge, which Argentina would likely turn down, but with detriment to its international support; and

—Delaying prisoner return pending Argentine affirmation that it will end hostilities, though this of course could backfire on Britain.

These ideas may be dropped as Britain seeks to handle the surrender with some generosity, in ways it hopes will help make the armistice stick.

7. Meanwhile, in the medium term, Britain also will seek to force Argentina to accommodate to British victory through:

—Substantial garrisoning of the Islands; and

—Winning allied backing (including sanctions, if necessary) and Latin American support for self-governing Falklands, with fewer colonial trappings.

Officials here seem confident that they can afford a period of economic and political consolidation, including consultations with the Falklanders; that the costs of a British garrison are sustainable; and that relations with the Latin Americans will improve as they become bored with an Argentina that will be increasingly isolated if it remains recalcitrant.

8. While Thatcher will not calibrate her policies toward promoting a favorable evolution in Argentina, she in due course will likely make some gestures towards Argentina to gain international support that also might be developed toward genuine accommodation. Certainly, the FCO will press her in that direction, just as Pym carefully—for it is risky given Thatcher's mood—has left room in recent statements for possible Argentine involvement in the Falklands' future. But the FCO is cowed now by her contempt and will be in no position to make its views prevail. Various approaches may be tested and dropped, as was the notion of a peacekeeping force patterned on MFO.

9. If, on the other hand, Argentina digs in for a crusade, Thatcher's options shift. As Argentina lashes out militarily, Thatcher will strike back.

10. U.S. aims parallel those of Britain in seeking a definitive end to hostilities. But beyond that we may diverge. Thatcher wants our and allied support for some sort of non-Argentine future for the Islands and will be willing for Britain to skew its future if necessary to achieve that end. We, by contrast, will want Britain to be responsive to Argentine and Latin American aspirations and to work for a situation in which our hemispheric relations do not suffer and Britain returns to its primary North Atlantic concerns.

11. We also will continue to be plagued by competing loyalties. We can best ease these tensions by encouraging Thatcher to begin a

dynamic process of involving interested countries rather than stonewalling. To this end, she could offer to discuss the Falklands' future with any interested parties, especially Latin Americans. Should the Argentines refuse the bait, they would appear intransigent and lose support for their militancy.

12. In dealing with Thatcher, we should bear in mind that in a while she will be testing her options not only with us, but also against the political mood at home, among other allies and Latin Americans, and in Argentina. We probably should not press her too hard now, since she will show flexibility only to the degree she sees it in Britain's interest. And she will want gestures of moderation to seem to spring from her.

13. More effective now, we believe, would be for us to make an offer directly to her personally while she is in New York for the UNSSOD of general U.S. support in working closely with Britain to find ways to abort Argentine hostility and restore British and U.S. relations with Latin America. It may take months to work through the post-Stanley phase. In this period, the U.S. can be most effective through a sustained dialogue to edge Thatcher gradually toward a settlement with Argentina. The way to begin will be in private consultations directly with Thatcher herself, if possible, where she and we can explore the options and the realities obscured by battle.

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