

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

Washington, June 22, 1982

SUBJECT

UK after Port Stanley

Opinion is divided in the UK about the long-term impact of the Falklands crisis. Some, such as Julian Bullard, see the Falklands war as an ephemeral episode with little lasting significance. Others, including Sir Michael Palliser, suggest that victory in the South Atlantic has restored the confidence of the British people, ending the “little England” cycle of retreat from responsibility initiated by failure at Suez. Although the wish may be the father to the thought, we believe that Palliser & Co. are the closer to the mark.

¹ Source: Department of State, Bureau of Inter-American Affairs, Falklands Crisis Files of Luigi Einaudi, Lot 90D400, Falklands Crisis Consequences. Secret. Drafted by Campbell on June 21; cleared by Haass and Dobbins.

The Retreat from Isolation

A new cycle of British assertiveness dates from the 1979 election. Prime Minister Thatcher and the Conservative party promised higher defense budgets and greater emphasis on foreign affairs. Lord Carrington as Foreign Secretary became a media star, ending the Rhodesia embroglio. Diplomatic activism for the British public became fun again. The Thatcher government took on the EC—and won more than half a loaf on the budget question; it also played a leading role in Europe in orchestrating condemnation of the Soviet invasion of Afghanistan and meddling in Poland. The UK opted for the Trident II missile, guaranteeing membership in the nuclear club into the next century. The opposition Labor party moved in the opposite direction, toward unilateral nuclear disarmament with pacifist and isolationist overtones. This approach is now out of synch with the British public and contributes to the party's inability to capitalize on Thatcher's economic mistakes with the electorate.

The Falklands Factor:

For the time being, British Falklands policy is the creature of the Prime Minister. The influence of the FCO is likely to take some time to reassert itself; many in the Tory party regard the crisis as the result of FCO incompetence. For the Prime Minister, the FCO's cautious approach to the conduct of the war has been utterly discredited by the success—thus far—of her uncompromising stand.

Military victory in the South Atlantic is bound to reinforce her Tory activism. The UK is the only Western country to have won a real war since 1945. For the time being, the polls show the Thatcher government enjoying extraordinary public support. Gen. Galtieri may have secured a Tory victory in the next elections. The Falklands accomplishment—building on previous foreign policy successes—has the potential of confirming the new national assertiveness. But if the Prime Minister fails to win the peace and British forces become bogged down in a guerrilla war in the South Atlantic, there will be a resurgence of isolationism—to the benefit of the Labor party.

Predicting the Future

If the British victory in the Falklands holds, we expect:

- greater UK assertiveness vis-a-vis the EC;
- a slight cooling of the UK's relations with its European allies—though this process will be nuanced;
- greater diplomatic interest in the world outside Europe;
- no change in frosty UK/Soviet relations.

These developments will have minimal impact on our interests, though an increase of UK concern about non-European regions might

widen areas of US/UK cooperation in the Caribbean, the Persian Gulf or the Indian Ocean.

The Prime Minister is likely to judge the US role in the crisis as a vindication of the “special relationship”. Her frequent contact with the President, and her good relationship with him, may tempt her to approach the White House directly with greater frequency. The Prime Minister dealt with the South Atlantic crisis largely without our advice—or contrary to it. Thus, while she will continue to emphasize the trans-Atlantic connection, she may be more willing to pursue initiatives different from ours in the Middle East, Southern Africa and on international economic questions. But occasional differences would be a small price to pay for an outward looking UK prepared to advance general Western interests around the world.

Military Impact

If hostilities are not renewed, we expect in the short term:

- an upsurge of the military’s prestige within the UK;
- high levels of military spending becoming more politically acceptable but inhibited by economic weakness;
- enhanced recognition in political and military circles of the importance of forces in place to deter aggression, with perhaps a greater willingness to maintain a military presence in Belize or the Persian Gulf;
- a new defense debate, not over the pros and cons of levels of spending but over the most effective way the UK can allocate its resources.

The US Approach

Our ability to affect these diplomatic and military trends or UK defense planning is marginal because of the crucial role played by purely domestic factors.² The weak economy means that the UK probably cannot assume a substantially larger military out-of-area role, replace assets lost in the South Atlantic, and maintain normal force levels in Europe all at the same time. But in the short-term the UK could do much of significance in Third World areas with only a modest diversion of resources. Continuing to maintain a small force in Belize

² In telegram 13606 from London, June 22, the Embassy transmitted an analysis of the forthcoming announcement of the U.K. annual Defense White Paper: “In light of the Falklands, there is intense interest here in both the timing and substance of Defense Secretary Nott’s annual Defense White Paper which is being published June 22. It is basically the same paper that was drafted in the early months of 1982, for release in April, and held back because of the crisis. Publishing it now is seen as a daring move—one aimed at dampening pressures for early changes, while leaving room for some modifications after further reflection.” (Department of State, Central Foreign Policy File, D820325–0391)

would have a significant deterrent value, for example, and promote regional stability. The UK retreat from areas such as the Persian Gulf over the past two decades was due in part to a lack of political will. We should capitalize on the change of mood produced by the Falklands crisis to take such steps as:

- encourage the British not to withdraw their forces from Belize;
- urge them to maintain and enhance a naval presence in the Indian Ocean;
- ask them to provide more military training to friendly out-of-area countries.

In the longer term we are considering how we want to influence the upcoming UK defense debate, the nature of the British NATO defense commitment and their mix between conventional and nuclear weapons.