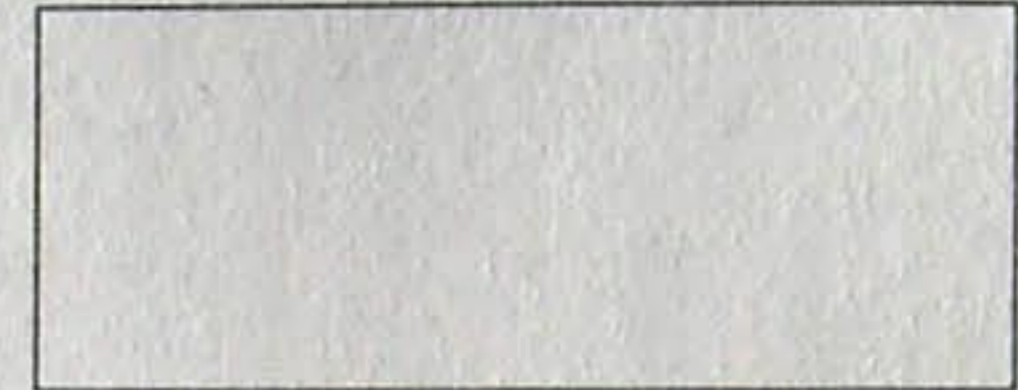




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SPECIAL ANALYSIS

UK: Defense Policy After the Falklands

[REDACTED]

//The British Government is trying to maintain an orderly approach to defense planning in the aftermath of the Falklands crisis. For the near term the British probably will be able to fund their major military programs, but financial considerations ultimately may force cutbacks in their conventional forces assigned to NATO in Western Europe or in their strategic nuclear forces.// [REDACTED]

//The annual white paper on defense, drafted before the Falklands war, emphasizes the primacy of the Soviet threat and outlines a strategy for the 1980s that includes deployment of the Trident missile system, an increase in forces protecting the homeland, and maintenance of British forces in West Germany at their current strength.// [REDACTED]

//Defense Secretary Nott and other spokesmen contend the reductions began last year in conventional forces--especially in the surface fleet--have not damaged the UK's ability to defend its interests outside NATO. To protect the existing budget, Nott has announced a separate \$1 billion program to replace much of the equipment lost in the Falklands.// [REDACTED]

//Purchases are to include Harrier jump-jets, helicopters and a frigate. Three destroyers marked for disposal will be retained.// [REDACTED]

//The British probably will cancel the sale of the carrier Invincible to Australia. It is not yet clear whether all of the four warships sunk by Argentina will be replaced.// [REDACTED]

Lessons and Pressures

//Nott told Parliament the lessons learned from the Falklands operation would be reflected in a white paper to be published in September. The delay will give the government time to develop tactics to resist more spending on conventional forces. Conservative backbenchers are likely to demand substantial improvements in the surface fleet.// [REDACTED]

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//Royal Navy advocates will point out that the UK has 13 dependencies around the globe--several similar in size to the Falklands--with a population of some 5.5 million. These advocates will argue that:

- Prime Minister Thatcher's program for reducing the size of the Navy by retaining only two Invincible-class carriers and by cutting back drastically on destroyers and frigates would make responses to aggression overseas impossible.
- The cuts also would restrict the UK's NATO mission to protect US convoys in the Atlantic.
- British ships have proven to be undergunned and lacking in modern surface-to-air missiles and radar systems.// [redacted]

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//The UK also will have to take into account other financial costs of the recent conflict, including maintaining about 3,000 troops in the Falklands as well as the operating cost of the war itself. Retaking the islands cost close to \$1 billion beyond equipment losses. Maintaining the current forces in the South Atlantic is costing about \$20-30 million per week.// [redacted]

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//In addition to the costs of the garrison, refurbishing and extending the airfield at Stanley and providing the necessary support facilities as well as radar and air defense systems could cost upwards of \$100 million. After the naval task force is withdrawn, the major costs will come from resupplying the islands, probably some \$10 million per month.// [redacted]

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//Lessons learned in the war will compound Nott's problems as he prepares for defense debates this fall. The anti-Trident lobby probably will grow in strength, supported by a variety of interest groups, some of which want to see the money spent on conventional forces and others who oppose nuclear weapons. A growing group in Parliament also will try to reduce the British force in West Germany on the grounds that it is consuming a disproportionate share of the defense budget.// [redacted]

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//The government may have to adjust some of its plans, but Thatcher seems determined to maintain the basic direction of her defense policy. She probably will be able to satisfy critics and relieve immediate pressure

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on the Trident and the British Army of the Rhine by agreeing to keep three tactical aircraft carriers and about 50 frigates and destroyers. This would require continued improvement in the economy, a larger budget deficit and perhaps a modest tax increase.// [redacted]

The Longer Term

//For the next two or three years the UK probably will be able to maintain its defense commitments to NATO, despite the need to protect the Falklands. The brief war with Argentina also has reinforced the Thatcher government's perception that the UK still has a significant ability to defend its interest outside the NATO area. This is likely, however, to reinforce the government's readiness to protect British interests elsewhere in the world.// [redacted]

//The experience in the Falklands may strengthen the spirit of activism and independence--a British version of "Gaullism"--increasingly manifested in political circles. This spirit characterized the early days of the Thatcher government and occasionally strained relations with its allies.// [redacted]

//Over the longer term, the strain on resources could make it difficult for the UK to fulfill the defense program as it is now outlined, particularly if the government maintains the Navy beyond currently planned levels. If funds cannot be found elsewhere, a decision may have to be made within a few years to cut conventional forces across the board, to a point where the effectiveness of all of them is seriously eroded, or to abandon one of the UK's major roles.// [redacted]

//Some Conservative Party members are discussing the possibilities of drastically reducing the UK's role in West Germany or abandoning the strategic nuclear commitment. Either program would have to be gutted to effect significant savings, and the political cost of eliminating them would be great.// [redacted]

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[redacted]