

# Before the Political Marriage

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*The Initial Encounters Between Margaret Thatcher  
and Ronald Reagan*

Gillian Redman  
History Honors Thesis  
April 12, 2013

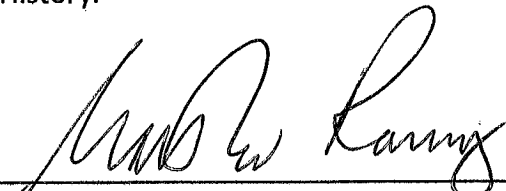
Before the Political Marriage: The Initial Encounters Between Margaret Thatcher and Ronald  
Reagan

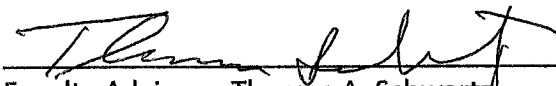
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On the basis of this thesis defended by the candidate on April 30, 2013  
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## KEY FIGURES

### **United Kingdom**

*John Biffen*: Secretary to the Treasury, 1979-1981 & Secretary of State for Trade, 1981-1982

*Lord Peter Carrington*: Secretary of State for Foreign and Commonwealth Affairs, 1979-1982

*Sir Nicholas Henderson*: Ambassador to the United States, 1979-1982

*John Hoskyns*: Policy Advisor, 1979-1982

*Sir Geoffrey Howe*: Chancellor of the Exchequer, 1979-1983

*Sir John Nott*: Secretary of State for Trade, 1979-1981 & Secretary of State for Defence, 1981-1983

*James “Jim” Prior*: Secretary of State for Employment, 1979-1981 & Secretary of State for Northern Ireland, 1981-1984

*Francis Pym*: Secretary of State for Defence, 1979-1981; Leader of the House of Commons, 1981-1982; & Secretary of State for Foreign and Commonwealth Affairs, 1982-1983

*Margaret Thatcher*: Prime Minister of the United Kingdom, 1979-1990

### **United States of America**

*Richard Allen*: National Security Advisor to the President, 1981-1982

*Martin Anderson*: Chief Domestic Policy Advisor to the President, 1981-1982

*James Brady*: White House Press Secretary, 1981

*Alexander Haig*: Secretary of State, 1981-1982

*Jeane Kirkpatrick*: Ambassador to the United Nations, 1981-1985

*Ronald Reagan*: President of the United States, 1981-1989

*Donald Regan*: Secretary of the Treasury, 1981-1985

*James “Jim” Rentschler*: Senior Staff of National Security Council, 1978-1982

*Charles Tyson*: Senior Staff of National Security Council, 1981-1983

*Caspar Weinberger*: Secretary of Defense, 1981-1987

“Mrs. T told me that she was a little worried by her forthcoming visit to Washington. She did not quite see how it would go. She admitted to being nervous about it. ... She didn't seem to want to leave the world ahead in which we had involved ourselves where she knew she would be unmolested, to return to the beleaguered state in which she lives in London at the present.”

*Nicholas Henderson, 02/18/1981, on Thatcher's behavior before the 1981 February Visit to Washington.*

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“But Thatcher, with barely concealed impatience, scotched the plan with a verbal explosion. Reagan could barely get a word in as the prime minister gushed out a torrent of dismissal. ‘I didn't lose some of my best ships and some of my finest lives, to leave quietly under a ceasefire without the Argentines withdrawing,’ she said. ... ‘Ron, I'm not handing over the island now.’”

*Ian Glover-James, 03/08/1992, account of a phone conversation between Reagan & Thatcher on 05/31/1982, during the Falklands War.*

The contrast between the nervous, “beleaguered” Margaret Thatcher of February 1981 and the combative, victorious Thatcher of May 1982 is stark. The first is a woman fearing for her future, fighting tooth and nail for her political survival. This Thatcher faced a stagnant British economy, rapidly rising unemployment, an imminent coal workers' strike, unveiling yet another unpopular budget, rising dissent from within her own party, and plunging approval ratings. The British populace and certain factions of Thatcher's own Conservative Party were dissatisfied with the failing monetarist experiment they believed Thatcher had forced upon them, calling forcefully for a change in policy. In comparison, newly elected American President Ronald Reagan was riding a wave of good feeling into his first year in office. Reagan proposed similar economic policies to those of Thatcher, as well as calling for American reinvestment in the North Atlantic Treaty Organization (NATO) and an increased American presence globally. In February of 1981, Margaret Thatcher was looking to bolster her global and domestic standing;

courting the American president and strengthening the Anglo-American “special relationship” (the traditionally close diplomatic ties between the United Kingdom and United States) quickly became her strategy.

By May of 1982, the circumstances were quite different. Thatcher’s personal popularity was higher than it had ever been as a result of her decisive actions during the Falklands War. This Thatcher had weathered the most dangerous challenge to her authority by defeating the internal coup within her party in July of 1981, the British economy was finally showing signs of recovery, and the stunning military victory she orchestrated in the Falklands had resulted in an outpouring of patriotic goodwill. This Thatcher had finally secured her political standing and would not negotiate nicely with her American counterpart when he presented unacceptable policy suggestions. On the other side of the Atlantic, President Reagan struggled with poor approval ratings as the American economy experienced many of the same issues that the British had already faced and dealt with the embarrassment of his administration’s diplomatic failures during the Falklands crisis. The Reagan Administration, which had once tried to hold unpopular Thatcher at arm’s length, now desired her friendship.

My project is focused on the political friendship between Margaret Thatcher and Ronald Reagan, a relationship that was far less amicable in reality than it is in remembrance. The connection between these two leaders began as a political alliance, not as a friendship, and the relationship itself was nearly destroyed in its infancy by the machinations of Reagan Administration aides and Thatcher’s enemies within the Tory party, the Wets. I argue that Thatcher cultivated close ties to Reagan in order to bolster her domestic political standing, but more importantly her position in Europe, until the Falklands War saved her career. Furthermore,

Reagan and his administration initially took Thatcher for granted as an ally, even attempting to distance themselves from her, before coming to appreciate her as an international partner in the aftermath of the Falklands War.

### *Linkages between International and Domestic Politics*

Before considering the Thatcher-Reagan relationship in depth, it is key to understand why such a relationship is important at all. Traditional international relations theory regards states as unitary actors with hierarchical domestic political systems, led by a single decision maker at the top; relations between nations are characterized by single-level negotiations between these unitary actors.<sup>1</sup> However, scholars over the past twenty years have begun to amend this position: domestic politics do play a significant role in international relations, especially in the diplomatic relationships and negotiations between democracies. The idea of a state as a single unit has fallen out of favor; instead, domestic systems are polyarchic, featuring many different groups with different policy preferences jockeying for influence.<sup>2</sup> Though there may be a single decision maker, that actor is constrained by the desire to retain power, which forces such actors to juggle the different groups within their domestic systems.<sup>3</sup> In democratic countries, the two most important groups are the executive and legislature; while the executive has direct control over foreign policy and international relations, the legislature controls ratification of agreements. Furthermore, cleavages within these two groups can complicate decision-making further, as illustrated by the conflicting views of Ronald Reagan's aides.<sup>4</sup>

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<sup>1</sup> Helen V. Milner, *Interests, Institutions, and Information: Domestic Politics and International Relations* (Princeton: Princeton University Press, 1997), 10.

<sup>2</sup> *Ibid.*, 16.

<sup>3</sup> *Ibid.*, 33.

<sup>4</sup> *Ibid.*, 43.

This changes the nature of international politics as well; the “game” now must be played on two levels. Political Scientist Robert D. Putnam describes the system as such,

“At the national level, domestic groups pursue their interests by pressuring the government to adopt favorable policies, and politicians seek power by constructing coalitions among those groups. At the international level, national governments seek to maximize their own ability to satisfy domestic pressures, while minimizing the adverse consequences of foreign developments. Neither of the two games can be ignored by central decision-makers.”<sup>5</sup>

In order to successfully play this game participants need information about their own political system and that of other nations in order to effectively negotiate within the preferences of the four groups (two domestic constituencies, two national governments) involved in securing international cooperation.<sup>6</sup> And while there has been significant study of the impact of international politics on the domestic sphere, there appears to be little scholarship on how domestic actors use international politics and relationships to strengthen their position of power at home.

Margaret Thatcher was attempting to do just that in her relationship with Reagan. Struggling with her polyarchic domestic system, Thatcher needed an ally who shared her policy interests and had a powerful political base from which to operate; she found that ally in Ronald Reagan. In a way, Thatcher was playing the game backwards. She sought international victories to protect her domestic position.

*Why did Thatcher choose Reagan?*

Thatcher wasn't building a relationship without a foundation when she began to court Reagan as an ally. Three things made him a desirable candidate. First, the existing Anglo-

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<sup>5</sup> Robert D. Putnam, “Diplomacy and Domestic Politics: The Logic of Two-Level Games,” *International Organization* 42 (1988): 434, <http://www.jstor.org/stable/2706785>.

<sup>6</sup> *Ibid.*, 435-436.



American “special relationship,” which Thatcher had already begun to advance under President Jimmy Carter; next, the political and economic ideological similarities between the two provided an opportunity for close collaboration that did not exist with other Western leaders. Finally, their early meetings made clear that the two did have some kind of affinity, though this aspect is certainly the least important of the three.

British Prime Ministers and American Presidents have shared close diplomatic relationships since the late 1930s and the onset of World War II. The United Kingdom and the United States shared strong economic and cultural ties before the conflict, which then resulted in important military connections.<sup>7</sup> Since this period, the United Kingdom has given the Anglo-American relationship a place of importance in its foreign policy, due in part to the British desire to serve as the American window to Europe and to maintain their global influence by preserving close ties to the world’s western superpower.<sup>8</sup> Yet this is not an equal relationship and the British are decidedly the junior partner; the Prime Minister has had a far greater need of the President than the President has of the Prime Minister. This would not change under Thatcher and Reagan, and indeed would influence their early dealings.

While the existing diplomatic ties between the United States and the United Kingdom certainly aided in the establishment of the relationship between the two leaders, their economic and political similarities would smooth the path of their alliance. Both were deeply conservative, considered to be radical by their own parties.<sup>9</sup> Politically, both advocated smaller government, military build up, and a more aggressive Western stance on the Soviets.<sup>10</sup> While their economic policies did have differences, their basic ideas were the same. Both advocated for tax cuts, lower

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<sup>7</sup> Alan Dobson, *Anglo-American Relations in the Twentieth Century* (London: Routledge, 1995), 3-7.

<sup>8</sup> *Ibid.*, 72.

<sup>9</sup> Geoffrey Smith, *Reagan and Thatcher* (New York: W.W. Norton, 1991), 9-10.

<sup>10</sup> Margaret Thatcher, *The Downing Street Years* (London: HarperCollins, 1993), 158-159.

government spending, tighter control of the money supply, and privatization of government enterprises.<sup>11</sup> These ideological similarities were heavily peddled to the British and American press, facilitating the portrayal of their pairing as natural, much to Thatcher's delight.

Finally, there was a strange personal affinity between these two very different personalities. The relationship began as a political alliance based on policy similarities and it certainly never lost that distinction, but the fact the Thatcher and Reagan got along well perhaps allowed them to deepen that alliance faster than expected. The letters and phone calls the two exchanged showcase their camaraderie, even in tense moments, like the Falklands War. Both mention their admiration and liking for the other in their autobiographies. Furthermore, aides on both sides observed that their leaders got along extraordinarily well, a stark contrast to the stunted relationships of the 1970s. Though this aspect of their relationship has been heavily focused on in the media in the aftermath of Thatcher's recent death (and indeed, just after Reagan's death as well), it was definitely the least important facet of their early dealings.

### *The Effect of Political Systems*

The ups and downs of the early relationship between Thatcher and Reagan were directly affected by their respective political standings at the time; this affected Thatcher more so than Reagan, given the nature of her system of government. The British parliamentary system is characterized by a winner-take-all voting mechanism, which can allow a party with only a plurality of the vote to have a large majority in parliament, and highly centralized parties with tight control over their Members of Parliament (MP), unlike the loose alliances that characterized American parties in Congress at the time. Furthermore, the Prime Minister is not voted on

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<sup>11</sup> Memo, Martin Anderson to Senior Staff, February 26, 2981, box CF 219, Edwin Meese Files, Ronald Reagan Library, provided by Margaret Thatcher Foundation, <http://www.margaretthatcher.org/document/45BF2F2C6FDB4BBCB4884A3C1E2E91F0.pdf>.

individually as in American elections, but is the leader of the majority party in the Parliament.<sup>12</sup> The Government, the party (or, rarely, parties) in power, also has complete control of the parliamentary timetable, allowing them to introduce and vote on whatever legislation they prefer, while blocking the opinions of the Opposition.<sup>13</sup> Furthermore, the government ministers appointed at this time as exclusively the MPs of the party in power, from both the House of Commons and the House of Lords. These appointments are largely based on the seniority of the candidate within the party, not just their connection to the Prime Minister, which had an interesting effect on Thatcher's first years in power.<sup>14</sup>

Within the Conservative Party, fellow party MPs elect their leader.<sup>15</sup> Indeed, Thatcher's path to power was actually quite unusual. She was elected as the Conservative Party, or Tory, leader in 1975 because of her willingness to challenge the increasingly unpopular Edward Heath; her right wing economic views made her a minority within her own party and she was "not elected primarily as a Thatcherite," a deep believer in monetarism and fiscal conservatism.<sup>16</sup> After the 1979 election, the cleavages within the Tories became clearer. Though Thatcher was the Prime Minister, she could not appoint a cabinet composed entirely of Thatcherites, lest she alienate the majority of the Conservative party. As such, the new Prime Minister was forced to fill key positions of her cabinet with men who opposed some of her most deeply held economic beliefs, including James Prior and Francis Pym.<sup>17</sup> To counteract this, Thatcher installed staunch allies in the four of the most important economic positions of the Cabinet (the Chancellor of the Exchequer, the Chief Secretary to the Treasury, the Secretary of State for Industry, and the

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<sup>12</sup> Anthony H. Birch, *The British System of Government* (London: Routledge, 1998), 58, <http://site.ebrary.com.proxy.library.vanderbilt.edu/lib/vanderbilt/docDetail.action?docID=10017222>.

<sup>13</sup> *Ibid.*, 137.

<sup>14</sup> *Ibid.*, 128-129.

<sup>15</sup> *Ibid.*, 61.

<sup>16</sup> Anthony S. King, *The British Prime Minister* (London: Macmillan Publishers LTD, 1985), 97.

<sup>17</sup> *Ibid.*, 103.

Secretary of State for Trade) and took advantage of her traditional ability as Prime Minister to set the agenda for her cabinet, placing economic affairs in the control of a small committee while limiting their discussion in large cabinet meetings.<sup>18</sup> Yet Thatcher was only so successful at manipulating her party in these early years and had to be careful not to overstep. Birch describes the situation well,

“On paper the powers of the leader are formidable....In practice, the Conservative leader has to be careful to retain the support of the majority within the party, and would therefore be unwise to ignore substantial currents of opinion among colleagues.”<sup>19</sup>

The realities of American government, and the power politics within its presidential system, are quite different from that of the British parliamentary system. By design, the President has far less power over the American Houses of Congress than the Prime Minister has over the Parliament, especially if his party does not control the legislature (or even just one house). Unlike Thatcher, Reagan came into office knowing that, within two years, his party would be facing midterm elections, which would affect his control of the legislature and thus, his policy agenda. In February of 1981, the Reagan administration was desperate to separate their policies from Thatcher's, which had become increasingly unpopular and were similar to those of their president.<sup>20</sup> Furthermore, the party system within the United States is significantly looser than that of the United Kingdom; American parties are loose alliances and cannot count on every single member of a caucus to vote for or against legislation. Indeed, Reagan himself was counting on the support of conservative congressional Democrats for his agenda, as his party controlled the Senate but not the House of Representatives.<sup>21</sup> However, Reagan's position as the leader, of both his party and his country, was significantly more secure than Thatcher's. Not only

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<sup>18</sup> King, *The British Prime Minister*, 103 & Birch, *The British System*, 132.

<sup>19</sup> Birch, *The British System*, 61.

<sup>20</sup> Richard Aldous, *Reagan and Thatcher: The Difficult Relationship* (New York: Random House, 2012), 36-37.

<sup>21</sup> John G. Geer, Wendy J. Schiller, and Jeffrey A. Segal, *Gateways to Democracy: Introduction to American Government* (Stamford: Wadsworth Publishing), 310.

was he assured a full four-year term, the American primary system and their preference for incumbent presidential nominees almost guaranteed that Reagan would run for a second term in 1984.<sup>22</sup> While Thatcher was fighting for political survival in 1981, Reagan was at his most politically secure.

The key to Thatcher retaining her position as Prime Minister did not rest on her personal popularity among the electorate; it rested on her ability to maintain control of her party.

Reagan's low popularity among British citizens did not matter, but the view that Thatcher had his ear and could possibly shape policy of the internationally powerful American President mattered to a Conservative Party that was somewhat leery of her domestic program. Thatcher did not fear midterm elections or losing an individual presidential election. Her real danger was losing power over the dissenters within her party, who had the power to depose her through internal mechanisms without calling for another election.

#### *Changing Political Fortunes from 1981-1982*

In 1981, Reagan arrived in power on a statistical landslide, winning 51% of the American popular vote, compared to Jimmy Carter's 41%. The difference is more striking when examining the electoral map: Reagan won 489 electoral votes to Carter's 49.<sup>23</sup> Furthermore, in the run up to the election, Reagan proved to be much more personally popular. In an American National Election Studies poll, 59% of respondents felt that Reagan could "quite well" or "extremely well" be characterized as a strong leader; only 36% of respondents said the same of Carter.<sup>24</sup> Thatcher did not inspire such confidence in the same period and was struggling

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<sup>22</sup> Ibid., 335.

<sup>23</sup> "Campaigns and Elections, The 1980 Presidential Election," The Miller Center, <http://millercenter.org/president/reagan/essays/biography/3>.

<sup>24</sup> "Republican Presidential Candidate, Strong Leader 1980-2008," ANES Guide to Public Opinion and Electoral Behavior, [http://www.electionstudies.org/nesguide/toptable/tab7c\\_8.htm](http://www.electionstudies.org/nesguide/toptable/tab7c_8.htm) & "Democratic Presidential Candidate, Strong Leader 1980-2008," ANES, [http://www.electionstudies.org/nesguide/toptable/tab7c\\_4.htm](http://www.electionstudies.org/nesguide/toptable/tab7c_4.htm).

mightily in the polls. In January of 1981, 35% of the British electorate would have voted for the Tories, compared to 45% for Labour.<sup>25</sup> Thatcher's personal popularity was also suffering. Only 28% of respondents saw her as a capable leader and only 27% felt she understood the problems facing the United Kingdom in June of 1981.<sup>26</sup> In January of 1981, 66% of respondents were dissatisfied with the way the government was running the country; 61% were dissatisfied with Thatcher.<sup>27</sup>

The intervening year proved to be a busy one for both politicians. Reagan worked at persuading Congress and the nation to accept his economic reforms. After the attempt on his life on March 30 1981, only sixty-nine days into his administration, that job became much easier when Reagan's popularity spiked. The Economic Recovery Tax Act and the Omnibus Budget Reconciliation Act were both passed in August of 1981, a major legislative victory for Reagan.<sup>28</sup> Though economic problems were on the horizon, they did not impact Reagan until the very end of 1981. Thatcher was not enjoying similar success, weathering several crises at once. First, Thatcher debuted a wildly unpopular contractionary budget in March 1981. Next, a series of violent riots, caused by racial tensions but exacerbated by poor economic conditions, gripped the

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<sup>25</sup> "Voting Intentions in Great Britain: 1976-Present," Ipsos MORI, last modified 07/18/12, <http://www.ipsos-mori.com/researchpublications/researcharchive/poll.aspx?oItemId=103#1981>.

<sup>26</sup> "Conservative Leader Image: Mrs. Thatcher," Ipsos MORI, published 06/01/2010, <http://www.ipsos-mori.com/researchpublications/researcharchive/poll.aspx?oItemId=58> & "Labour Leader Image: Mr. Foot," Ipsos MORI, published 06/01/2010, <http://www.ipsos-mori.com/researchpublications/researcharchive/poll.aspx?oItemId=59&view=wide>.

<sup>27</sup> "Political Monitor – Satisfaction Ratings 1977-1987," Ipsos MORI, published 01/01/1988, <http://www.ipsos-mori.com/researchpublications/researcharchive/2437/Political-Monitor-Satisfaction-Ratings-19771987.aspx?view=wide>.

<sup>28</sup> John Ehrman, *The Eighties: America in the Age of Reagan* (New Haven: Yale University Press, 2005), 54-55.

United Kingdom throughout the summer.<sup>29</sup> By the end of the year, Thatcher had achieved a very unfortunate distinction, “the most unpopular prime minister since polling began.”<sup>30</sup>

Fast-forward to April 1982 and the Falklands War. The differences in the political standing of the two leaders is again stark, but this time Thatcher was on top. Reagan’s popularity had dropped significantly throughout 1981. After reaching a high of 68% in May 1981, after his assassination attempt, Reagan ended the year with an approval rating of 49%. This continued to drop in 1982, eventually reaching a low of 41% at the end of the year, but remaining in the mid-40% range for the period.<sup>31</sup> While many American presidents would have been grateful for such ratings, they were unusually low for likable, charming Reagan. American economic problems had taken their toll on the president’s initial popularity. In contrast, Thatcher experienced a rapid reversal of fortune. In May 1982, 52% of the British electorate would have voted for the Tories, while only 25% would have supported Labour.<sup>32</sup> Moreover, Thatcher’s personal popularity had also skyrocketed. In June of 1981, only 39% of respondents were dissatisfied with the performance of the government, while 59% were satisfied with Thatcher’s personal performance.<sup>33</sup> Though this seems low for wartime popularity spikes, this is a vast statistical shift for the British Conservatives, who habitually hovered in the 30-40% range.<sup>34</sup>

Certainly the Falklands War was a turning point for Thatcher, in both domestic and international politics. Her strong response boosted her personal popularity enough to head off more internal challenges to her rule, solidifying her political position. Furthermore, this acclaim

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<sup>29</sup> Aldous, *The Difficult Relationship*, 52.

<sup>30</sup> *Ibid.*, 57.

<sup>31</sup> “Ronald Reagan from the People’s Perspective: A Gallup Poll Review,” Gallup, published 06/07/2004, <http://www.gallup.com/poll/11887/ronald-reagan-from-peoples-perspective-gallup-poll-review.aspx>.

<sup>32</sup> “Voting Intentions in Great Britain: 1976-Present.”

<sup>33</sup> “Political Monitor – Satisfaction Ratings 1977-1987.”

<sup>34</sup> Helmut Norpoth, Michael S. Lewis Beck, and Jean Dominique Lafay, *Economics and Politics: The Calculus of Support* (Ann Arbor: University of Michigan Press, 1991), 146.

made her a much more palatable ally for the Reagan Administration, especially considering Reagan's own popularity problems in 1982. Both Thatcher and Reagan used their political relationship for domestic advantages, but Thatcher in particular depended on it.

I shall state my case in the following manner. First, I will begin with the history of the Anglo-American special relationship and the personal nature of this diplomatic connection. In this first chapter, I will also discuss the beginnings of Thatcher and Reagan's relationship, as well as Thatcher's political problems in the early 1980s (caused in part by her radical economic plan and the nature of her political system). Second, I will explore the foundations that the Thatcher-Reagan political friendship was built upon. Two meetings in 1981 played a particularly important role: Margaret Thatcher's February 1981 state visit to the United States and the July 1981 G7 Summit in Montebello, Canada. I will also examine the machinations of Reagan's aides, who initially desired to keep Thatcher at a distance. Third, I will address the Falklands War and its effect on Thatcher and Reagan's relationship, as well as how the conflict secured Thatcher's political future. Thatcher's gamble on the Falklands paid political dividends, both domestic and international; not only was her electoral future more assured, but her relationship with Reagan had been redefined.



## **“The Lady’s Not for Turning!”**

### **The “Special Relationship” and Margaret Thatcher’s Political Position in 1981**

Foreign policy is often overlooked in general elections, but diplomatic policy is one of the important features of a leader’s power in a democratic government. Despite the public nature of their dealings, the relationships between world leaders are often shrouded in secrecy. Images of presidents and prime ministers, smiling and shaking hands, are seen in newspapers everyday, but the actual substance of their conversations is often paraphrased by aides, allowing subtle nuances to be lost. The friendships that these men, and some women, form have a greater impact on policy and diplomatic relations than many would like to acknowledge; personal friendships can allow leaders to smooth over misunderstandings and expand institutional ties without involving bureaucracy or posturing on the international stage. One noted relationship of the twentieth century is the strong link between the United Kingdom and the United States of America, colloquially called the “special relationship.” In this chapter, I will explore the origins of the Anglo-American special relationship, as well as the beginnings of Ronald Reagan and Margaret Thatcher’s political friendship, before moving on to discuss Thatcher’s political position in the early 1980s and her desire to continue strengthening this diplomatic and personal relationship.

#### ***The Anglo-American Special Relationship***

##### ***The Origins of the Relationship***

The beginnings of the so-called “special relationship” can be traced to the friendship between British Prime Minister Winston Churchill and American President Franklin D. Roosevelt during World War II. They began corresponding in the early 1930s, in earnest in late

1939, and before Churchill became Prime Minister (though it was clear that he was next in line for the job).<sup>35</sup> The two men created a very personal kind of diplomacy; they corresponded at length about the war and often cajoled or coerced their subordinates into working together as well. While they worked together on multiple fronts during the war, one of their most famous actions was the partial integration of their nations' intelligence services. The depth of cooperation between the British and American intelligence units was practically unheard of. While this specific tie did diminish after the war, the foundations for close personal and institutional relations between the two nations were there.<sup>36</sup> The two men communicated often by letter, telegram, telephone, and met nine times over the course of the war; in all, they exchanged 1,949 written messages and each referred to the other as a friend.<sup>37</sup>

Yet, it is important to remember that this relationship was not without its tensions. By 1941, it had become clear that the United Kingdom would be the secondary partner in the relationship, no matter how Churchill exerted himself to maintain his position: the British became dependent on American money, materiel, and manpower to survive their isolation by Germany. This was first illustrated in their correspondence over Lend-Lease, the American legislation to supply the British with military goods; Churchill is basically forced to resort to begging and is forced to give Roosevelt significant concessions, including extending American leases on naval bases.<sup>38</sup> By 1942, there was a sense within the British Foreign Office that the United Kingdom was doomed to "second-class status" as a world power and would be a forced

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<sup>35</sup> Francis L. Loewenheim, Harold D. Langley, Manfred Jones, comp. *Roosevelt and Churchill: Their Secret Wartime Correspondence* (London: Barrie & Jenkins, 1975), 89.

<sup>36</sup> David Stafford, *Roosevelt and Churchill: Men of Secrets* (London: Little, Brown, and Company, 1999), 44 & 57.

<sup>37</sup> Dobson, *Anglo-American Relations*, 78.

<sup>38</sup> Warren Kimball, *Churchill and Roosevelt, the Complete Correspondence: Alliance Emerging* (Princeton: Princeton University Press, 1984), 68 & 101-102.

dependent of the United States.<sup>39</sup> Furthermore, Roosevelt and Churchill's personal dealings were not always warm. The two men disagreed on military strategy, particularly when and how to invade Europe proper. Churchill, who was far more heavily involved in British military strategy than Roosevelt was in the American plans, was eventually forced to acquiesce to American calls for a Channel invasion, in contrast to British desires to attack from the Mediterranean.<sup>40</sup> Churchill was also insecure in his relationship with the American president and constantly worried about Stalin's influence on Roosevelt, whose demands he saw as a threat to British interests. He was right to worry; by the 1943 Tehran Conference, Roosevelt had shifted his attention to the Soviet leader and allowed Stalin greater involvement in military strategy.<sup>41</sup> From the very outset, the British cultivated the Anglo-American diplomatic relationship more so than the Americans. Close personal relations between leaders, as well as bureaucratic and institutional ties, were important to the success of the relationship, even though those personal connections were often strained. Finally, the British were forced to accept that this was not an equal relationship, and that they occupied the position of junior partner.

The late 1950s and 1960s, after a brief period of cooling after the war and the diplomatic catastrophe of the Suez Crisis, proved to be a high point for the special relationship. The 1956 Suez Crisis, during which the British, French, and Israeli militaries invaded the Egyptian Sinai region to attempt to reverse the nationalization of the Suez Canal, angered American President Eisenhower, who had not been consulted. The invasion placed the American president in a difficult position; the action came on the eve of the American presidential election, but even more importantly, it coincided with the Soviet crackdown on a serious uprising in Hungary, which

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<sup>39</sup> C.J. Bartlett, *'The Special Relationship': A Political History of Anglo-American Relations since 1945* (New York: Longman Inc., 1992), 9.

<sup>40</sup> Dobson, *Anglo American Relations*, 77.

<sup>41</sup> Bartlett, 'The Special Relationship,' 7.

had attempted to reassert its sovereignty by withdrawing from the Warsaw Pact.<sup>42</sup> The British and French invasion of Egypt was popularly seen as aggressive imperialism and not unlike the actions of the Soviets. Eisenhower reacted by turning up the financial heat on the British. First, he blocked a British request for an International Monetary Fund loan, which would have halted the outflow of British financial resources. Soon after, he began selling off American reserves of the pound sterling, devaluing the British currency; both of these actions had the potential to destroy the British economy, still in the process of recovering from World War II.<sup>43</sup> This financial blackmail forced the British to agree to a ceasefire before even consulting with their French and Israeli allies.

As a result, Prime Minister Anthony Eden was forced from power to be replaced by Harold Macmillan. If Churchill was one of the creators of the relationship, then Macmillan was the man who cemented it. In the aftermath of Suez, Macmillan immediately capitalized on his personal ties to Eisenhower. The two had been friends since World War II, when they met in 1942 during the North Africa campaign; initially unimpressed by this British bureaucrat, once Macmillan informed the general that his mother had been born in Indiana, Eisenhower “regarded him as a kinsman.”<sup>44</sup> Eisenhower had preferred Macmillan to all the other prime ministerial candidates after Eden’s political demise and willingly assisted in rebuilding relations, allowing the Suez debacle to slip from the public consciousness.<sup>45</sup> Macmillan then vastly strengthened the nuclear ties between the two countries, first by allowing the Americans to place American Thor

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<sup>42</sup> Richardson, *When Allies Differ*, 83-84.

<sup>43</sup> *Ibid.*, 92-95 & Dumbrell, *A Special Relationship*, 46.

<sup>44</sup> D.R. Thorpe, *Supermac: The Life of Harold Macmillan* (London: Chatto & Windus, 2010), 167-168.

<sup>45</sup> *Ibid.*, 350 & 463.

missiles in the United Kingdom and later by convincing the Americans to help in developing British Blue Streak missiles.<sup>46</sup>

But Macmillan's largest contribution to the relationship was his friendship with President John F. Kennedy. Dobson quotes Ted Sorenson, one of Kennedy's advisors and most famous speechwriter, to describe their relationship, stating that Macmillan was "the Western leader whom [Kennedy] saw first, liked best, and saw most often."<sup>47</sup> Their connection was established early in Kennedy's presidency. In March 1961, Kennedy accelerated their first meeting by calling on Macmillan to advise him on a crisis in Laos. The meeting allowed Macmillan to establish himself as a useful ally and even as a "father figure," who counseled the president to trust his instincts in the face of Pentagon pressures and even offered Kennedy insights into Soviet leader Khrushchev, whom Kennedy was soon to meet.<sup>48</sup> This affinity proved especially beneficial for Macmillan. During the Cuban Missile Crisis, when NATO was largely shut out of the American decision making process, Macmillan's warm relationship with the President gave him an 'in' to the Executive Committee of the National Security Council (EXCOMM) that other Western leaders did not have.<sup>49</sup> While it appears that Kennedy did not formally consult with Macmillan during the Crisis, the President did telephone his British counterpart multiple times to keep him abreast of the events, as well as to ask for unofficial advice. During these calls, Macmillan did influence some of Kennedy's decisions; his suggestions to allow Moscow more leeway with the Quarantine perimeter, to publish photographs of the missile sites, and to exempt American troops in Europe from DEFCON 3 status were all adopted.<sup>50</sup>

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<sup>46</sup> Dumbrell, *A Special Relationship*, 48.

<sup>47</sup> Dobson, *Anglo-American Relations*, 124.

<sup>48</sup> Thorpe, *Supermac*, 492-494.

<sup>49</sup> Richard Aldous, "'A Family Affair': Macmillan and the Art of Personal Diplomacy," in *Harold Macmillan and Britain's World Role*, eds. Richard Aldous and Sabine Lee, eds. (London: Macmillan Press LTD, 1996), 28.

<sup>50</sup> *Ibid.*, 29 & Dumbrell, *A Special Relationship*, 56-58.

Again, it bears remembering that this special relationship lopsidedly favored the Americans. Britain spent the 1950s and 1960s struggling with economic problems at home, as well as the hectic, sometimes violent, and often expensive process of decolonization.<sup>51</sup> By the time that Macmillan left office in 1963, there was little chance of this dynamic changing and indeed, it colored the relationship throughout the twentieth century. By 1943, the Americans knew that the British needed them more than they needed the British; no close personal friendship between a president and a prime minister could change the fact that this was true.

### *The Nadir of the Relationship*

After a particularly productive period in the 1960s, the Anglo-American 'special' relationship faltered during the late '60s and 1970s. The downward spiral began with President Lyndon B. Johnson and Harold Wilson. The United Kingdom's poor economic situation and the plummeting value of the pound showcased their role as a less power internationally. Furthermore, Wilson's refusal to aid the Americans in Vietnam frustrated Johnson to no end and caused him to see Britain as unreliable.<sup>52</sup> However, the friction between President Richard Nixon and Prime Minister Edward Heath played a larger role in this change. While Nixon and his Secretary of State Henry Kissinger desired a close relationship with the United Kingdom, Heath placed less importance on Anglo-American relations. This lack of a personal friendship between leaders lessened the closeness of the special relationship and exposed the tension between the two nations. Heath ignored Nixon's awkward overtures in favor of forming closer European friendships, due in part to his desire for Great Britain to finally join the European Economic Community.<sup>53</sup> He also desired to deepen military ties with continental NATO

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<sup>51</sup> Dumbrell, *A Special Relationship*, 122.

<sup>52</sup> *Ibid.*, 69-71.

<sup>53</sup> *Ibid.*, 141-142.

members, particularly by pursuing a nuclear relationship with the French.<sup>54</sup> Nixon's 1973 "Year for Europe" was considered to be a blunder by Heath and other European leaders, who found the idea patronizing, a half-baked way to appease the Europeans after the United States had made headway in China and concluded the first Strategic Arms Limitation Talks (SALT I) negotiations with the Soviets, as neither Kissinger nor Nixon offered any specifics of what the Year was to include.<sup>55</sup> Furthermore, European NATO members felt that Nixon had attempted to lessen the American role in the alliance, at the cost of their security. As a result of this tension, Heath leaned closer to European policy; for example, the British refused to aid Israel and the United States during the 1973 Yom Kippur War, following European opinion.<sup>56</sup> To the horror of the Foreign Office, Heath also informed Nixon that all communications with the Americans would be pooled with the rest of the European Economic Community, an attempt to "avoid any whiff of Anglo-American collusion" in the United Kingdom's new relationship with the rest of Europe.<sup>57</sup>

While subsequent leaders did attempt to repair the damage, neither the leaders nor the timing were right. While Harold Wilson was able to establish a relationship with Gerald Ford, he was disappointed by the United States' unwillingness to act on the Turkish invasion of Cyprus, a former British possession in which the United Kingdom was still invested, as well as by derogatory comments made by Ford about the British economy.<sup>58</sup> James Callaghan experienced similar distress during Britain's 1976 monetary crisis; the Ford administration proved reluctant to prop up the British economy and currency, a role that the United States had more willingly filled in the 1960s.<sup>59</sup> Callaghan had better luck forming a friendship with Jimmy Carter. The British

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<sup>54</sup> John Campbell, *Edward Heath: A Biography* (London: Jonathan Cape, 1993), 341.

<sup>55</sup> *Ibid.*, 344-345.

<sup>56</sup> Dumbrell, *A Special Relationship*, 91-92.

<sup>57</sup> Campbell, *Edward Heath*, 345.

<sup>58</sup> Dumbrell, *A Special Relationship*, 96.

<sup>59</sup> Dobson, *Anglo-American Relations*, 144.

Prime Minister desired to become a part of Carter's inner circle and did manage to have minor influence on American policy toward Israel, but his role was not significant.<sup>60</sup> While the two men got on well, often speaking informally on the telephone, Callaghan could not convince Carter that the United Kingdom was anything but a peripheral power, with intense domestic problems and relatively insignificant in world politics.<sup>61</sup> In his autobiography, Carter only discusses Callaghan in relation to Egyptian President Anwar Sadat, a relationship he was obviously much more interested in and at the cost of his friendship with Callaghan.<sup>62</sup>

*Carter & Thatcher: the Beginnings of Renewal*

In late 1970s and early, many nations were locked in recession, as well struggling with inflation and unemployment. Unsurprisingly, this combination led to massive political change. The United Kingdom was among the first to hold elections, in May 1979; Prime Minister James Callaghan and his Labour Party were replaced by the Conservatives, known as Tories, and Britain's first (and so far only) female Prime Minister, Margaret Thatcher. Thatcher came to power with a radically new economic policy, complete with a plan to "free" Britain from the failure of socialist policy.

With Thatcher as prime minister, the special relationship again underwent a shift. Carter was an increasingly beleaguered leader, facing economic recession and soon after, a hostage crisis in Iran. Thatcher did her best to stand by him on the world stage and "proved herself to be Washington's surest ally in relation to the crises of Jimmy Carter's final year in office."<sup>63</sup> Other European leaders found Carter to be indecisive and politically unfit to lead; his attempts to pressure brutal, right wing governments to accept civil and political rights were considered

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<sup>60</sup> Dumbrell, *A Special Relationship*, 97.

<sup>61</sup> Dobson, *Anglo-American Relations*, 146.

<sup>62</sup> Jimmy Carter, *Keeping Faith* (New York: Bantam Books, 1982), 300 & 307.

<sup>63</sup> Dumbrell, *A Special Relationship*, 110.



naïve.<sup>64</sup> Even Thatcher believed his foreign policy to be a mess, particularly his soft response to the spread of communism, commenting, “He was over-influenced by the doctrines then gaining ground in the Democratic Party that the threat from communism had been exaggerated and that US intervention in support of right-wing dictators was almost as culpable.”<sup>65</sup> He also proved unwilling to make sacrifices in Europe for Thatcher, as illustrated by his reluctance to secure new Trident nuclear missiles for the United Kingdom.<sup>66</sup>

For all his perceived faults, Thatcher did genuinely like Carter, though she found him to be out of his depth, as described in her autobiography,

“He was in some ways personally ill-suited to the presidency, agonizing over big decisions and too concerned with detail. Finally, he violated Napoleon’s rule that generals should be lucky. His presidency was dogged by bad luck from OPEC to Afghanistan. ... I repeat that I liked Jimmy Carter; he was a good friend to me and to Britain; and if he had come to power in the different circumstances of the post-Cold War world, his talents might have been more apposite.”<sup>67</sup>

In the final months of Carter’s presidency, he and Thatcher exchanged several personal letters, in which Carter thanked the Prime Minister for her support and sympathy, particularly concerning the Iranian hostage crisis. Though Thatcher is more formal in her replies, it is clear that she thought fondly of Carter and considered him a friend, political and economic differences aside.<sup>68</sup>

While Carter does not focus on his relationship with Thatcher in his memoirs, these private letters do show that he held her in high regard and appreciated her aid during a difficult time in his presidency. It is also key to remember that Thatcher did nothing during the American presidential campaign that would have jeopardized her relationship with Carter, though she

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<sup>64</sup> Donald Neuchterlein, “The Reagan Doctrine in Perspective,” *Perspectives on Political Science* 19 (1990): 45, <http://www.tandfonline.com/doi/pdf/10.1080/10457097.1990.9944457>.

<sup>65</sup> Margaret Thatcher, *The Downing Street Years* (London: HarperCollins, 1993), 69.

<sup>66</sup> “Margaret Thatcher’s files as Prime Minister, 1981: Nuclear Diplomacy,” Margaret Thatcher Foundation, [http://www.margaretthatcher.org/archive/1981\\_PREM19.asp](http://www.margaretthatcher.org/archive/1981_PREM19.asp).

<sup>67</sup> Thatcher, *Downing Street*, 68-69.

<sup>68</sup> Churchill College Archives Centre (CCAC): Margaret Thatcher Archive (MTA) THCR 1/2/6, Letter from Jimmy Carter, January 13 1981 & CCAC: MTA THCR 1/2/6 Letter from Margaret Thatcher, January 20 1981.

obviously hoped for a Reagan victory. Thatcher was more than willing to work with Carter, again illustrating the importance of the special relationship to British Prime Ministers.

*Reagan & Thatcher: First Impressions*

Margaret Thatcher and Ronald Reagan met in 1975 and 1978, before either of them had come to power in their respective governments. In her autobiography, Thatcher comments that she was impressed by Reagan and had been aware of him since the late 1960s. Indeed, between their meetings in 1975 and 1978, Thatcher had continued to monitor Reagan, reading his speeches and the fortnightly broadcasts that he made while governor of California. Some of these speeches were found in her papers and Thatcher obviously read them carefully, given the constant underlining and notations in the margins; they did share a lot of political ground and she agreed with many of his arguments on taxation and government spending.<sup>69</sup> But Thatcher was most impressed by the parallels between her and Reagan, as well as the strength of his ideological convictions;

“In the early years Ronald Reagan had been dismissed by much of the American political *elite*, though not by the American electorate, as a right wing maverick who could not be taken seriously. (I had heard that before somewhere.) Now he was seen by many thoughtful Republicans as their best ticket back to the White House. Whatever Ronald Reagan had gained in experience, he had not done so at the expense of his beliefs. I found them stronger than ever. When he left my study I reflected on how different things might look if such a man was President of the United States. But in November 1978 such a prospect seemed a long way off.”<sup>70</sup>

Reagan also discusses their first meeting in his memoirs, and his letters to Thatcher immediately after both meetings are warm and heartfelt. In his memoirs, *An American Life*, Reagan described his first meeting with Thatcher,

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<sup>69</sup> CCAC: MTA THCR 2/6/1/271: “Citizens for the Republic Luncheon,” 06/24/78.

<sup>70</sup> Margaret Thatcher, *The Path to Power* (London: HarperCollins, 1995), 372.

“I’d planned on spending only a few minutes with Margaret Thatcher but we ended up talking for almost two hours. I liked her immediately – she was warm, feminine, gracious, and intelligent – and it was evident from our first words that we were soul mates when it came to reducing government and expanding economic freedom. ...I’d been deeply impressed.”<sup>71</sup>

Furthermore, the letters that he wrote to Thatcher after both meetings were personal and sincere. The first is handwritten; Reagan praises Thatcher’s kindness and also comments, “I hope you’ll find it possible to accept your [California] speaking invitations. If you can Mrs. Reagan and I would like very much to return your hospitality.”<sup>72</sup> The second is just as personal as the last, with Reagan admiringly making mention of Thatcher’s strong comments on a 1978 strike, “By the way, I have been telling the story of the British bread strike and the admonition to works to ‘use your loaf.’ I find that even though the expression isn’t common here everyone gets the point very quickly.”<sup>73</sup> He also included a copy of a speech he had made in California after his trip to Europe, in which he discusses European defense. These early meetings and correspondence illustrate the immediate affinity between the two leaders; not only did they share political convictions, they honestly seemed to like each other, something Thatcher would be quick to take advantage of once Reagan took office.

## ***Thatcher in 1981***

### *1979-early 1980: Initial Success*

Thatcher came to power on May 4 1979, when her Conservative Party took a forty-four seat majority in the House of Commons, displacing Labour and Prime Minister James Callaghan. Labour had been weakened by the “Winter of Discontent” in 1978-1979, which had been beset

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<sup>71</sup> Ronald Reagan, *An American Life* (New York: Simon and Schuster, 1990), 204.

<sup>72</sup> Letter, Ronald Reagan to Margaret Thatcher, April 30, 1975, Thatcher MSS digital collection, provided by Margaret Thatcher Foundation, <http://www.margaretthatcher.org/archive/displaydocument.asp?docid=110357>.

<sup>73</sup> Letter, Ronald Reagan to Margaret Thatcher, December 29, 1978, CCAC: MTA THCR 2/2/1/27 Thatcher MSS digital collection, provided by Margaret Thatcher Foundation, <http://www.margaretthatcher.org/document/111687>.

by labor strikes caused by an unpopular pay restraint that had been designed to bring down inflation.<sup>74</sup> Thatcher herself described the country in 1979 as “a nation that had had the stuffing knocked out of it with progressively more severe belabourings over the previous hundred years.”<sup>75</sup> Her new economic plan was based in monetarist doctrine, a set of policies designed to limit the money supply within a country and in doing so, lower inflation. Thatcher also desired lower personal taxation, less powerful unions, more freedom for the private sector, and overall freer markets. Her social policy built on these ideas, encouraging independence and stronger individual rights.<sup>76</sup> To Thatcher, the great British experiment with socialism over the previous thirty years had been an unmitigated failure, and she saw the “debilitating effects of socialism” as one of her greatest inherited challenges.<sup>77</sup> The new Prime Minister wasted little time in forming her government. However, Thatcher was unable to completely staff her original government with Thatcher loyalists, as most lacked the experience to perform the duties of a cabinet member. As such, Thatcher appointed several “Wets” to her cabinet, Tories who did not agree with her economic policies. These notably included Lord Peter Carrington as Foreign Secretary, Francis Pym as Secretary of Defense, Peter Walker as Minister of Agriculture, and Jim Prior as Secretary of Employment.<sup>78</sup>

As a result of several campaign promises, some of Thatcher’s immediate actions were misleading as to her actual plans and opinions. First, Thatcher granted large pay raises to both the police and the military. Second, she was also forced to grant pay raises within the public sector to rectify anomalies between the public and private sectors.<sup>79</sup> Yet Thatcher did begin to

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<sup>74</sup> Eric J. Evans, *Thatcher and Thatcherism* (London: Routledge, 2004), 11-12.

<sup>75</sup> Thatcher, *Downing Street*, 5.

<sup>76</sup> Evans, *Thatcher and Thatcherism*, 3.

<sup>77</sup> Thatcher, *Downing Street*, 9.

<sup>78</sup> *Ibid.*, 27-28.

<sup>79</sup> Evans, *Thatcher and Thatcherism*, 19.

implement many of her new policies. First, she decreased personal taxation and instead raised the Value Added Tax (VAT), in order to help pay for the new increases in expenditures. Next, she raised interest rates, beginning her monetarist policies. Thatcher had also taken on the Civil Service and won, bullying the Treasury ministers into coming up with £1.4 billion in cuts during the pre-budget discussions in 1979.<sup>80</sup> Finally, the prime minister had pushed her cabinet into submission. Thatcher's first cabinet was heavily stocked with Wets, but she had assured that all Treasury related positions were occupied by her monetarist allies, allowing her to set policy in the face of heavy opposition. However, these cabinet disputes soon leaked to the public, much to Thatcher's chagrin.<sup>81</sup> For all her progress, the period from May 1979 to early 1980 was generally considered to be unproductive for Thatcher, and she was extremely frustrated by what she saw as a "Lost Year."<sup>82</sup> She would soon make up for it. The 1980 and 1981 budgets were "rigidly" deflationary and unsurprisingly, pushed Britain into a recession in the attempt to kill inflation.<sup>83</sup>

#### *Late 1980-1981: Struggling to Maintain Power*

The deep cuts that Thatcher desired to enact were wildly unpopular with the Labour Opposition and also with the Tory Wets. The results of her monetarist policy were also unappealing; unemployment was on the rise and the British manufacturing sector had been decimated.<sup>84</sup> Gross National Product from 1980 to 1981 had dropped by more than 3%, but taxes and public spending continued to rise, much to Thatcher's chagrin.<sup>85</sup> At this time, the Wets had come together to demand that Thatcher change her course and rethink her economic policies. Earlier that year, Thatcher had introduced the Medium Term Financial Strategy (MTFS), a new

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<sup>80</sup> Martin Holmes, *The First Thatcher Government, 1979-1983: Contemporary Conservatism and Economic Change* (Brighton: Wheatsheaf Books LTD, 1985), 29.

<sup>81</sup> *Ibid.*, 32-34.

<sup>82</sup> Evans, *Thatcher and Thatcherism*, 20.

<sup>83</sup> *Ibid.*, 21.

<sup>84</sup> Aldous, *The Difficult Relationship*, 37.

<sup>85</sup> Evans, *Thatcher and Thatcherism*, 21-22.

budgetary policy designed to bring down inflation and lessen the growth of the money supply, as well as curbing public borrowing, by announcing the target rates of growth of the money supply. Thatcher acknowledged that program initially faced many challenges, especially from the public sector, whose unions were still extremely powerful in the British economy and political sphere.<sup>86</sup> Soon after MTFS was introduced, Thatcher began her first fight with the powerful British unions. The resulting law, the 1980 Employment Act, was a disappointment to Thatcher. Notable Wet Jim Prior had been instrumental in preventing the Act from containing the strong stance that Thatcher desired. The legislation limited secondary picketing by unions by removing the immunities of pickets unless they were demonstrating at their specific place of work, but Thatcher (and many of her backbenchers) had wanted to add outlawing secondary striking altogether, as well as eliminating balloting on strike action. Prior had also attempted to negotiate with the Trades Union Congress (TUC) over the mild reforms, but was rejected outright, further cementing Thatcher's position on the obstinacy of unions.<sup>87</sup> Thatcher's frustration with her Cabinet Wets was building, but their privileged position within the Conservative Party forced her to tread carefully.<sup>88</sup>

The British media had picked up on the tensions within the ruling party in late 1979. In a profile of Thatcher in May 1980, a year after her electoral victory, *The Times* comments, "But what of the rumour of dissent between 'wets' and 'dry-hards' in the Cabinet room, of the need for an inner cabinet to monitor the implementation of policy, the incipient signs of back-bench revolt resulting from a large and too comfortable majority?"<sup>89</sup> *The Times* also spoke for ordinary

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<sup>86</sup> Holmes, *The First Thatcher Government*, 55.

<sup>87</sup> *Ibid.*, 132-134.

<sup>88</sup> Evans, *Thatcher and Thatcherism*, 20-21.

<sup>89</sup> Brian Connell, "A *Times* Profile: Mrs. Margaret Thatcher, One year after...Not a single principle have we gone back on and I hope there won't be," *The Times*, May 5, 1980, [http://infotrac.galegroup.com.proxy.library.vanderbilt.edu/itw/infomark/840/43/189873570w16/purl=rc1\\_TTDA\\_0\\_CS100894373&dyn=14!bmk\\_10\\_0\\_CS100894373&hst\\_1?sw\\_aep=nash87800](http://infotrac.galegroup.com.proxy.library.vanderbilt.edu/itw/infomark/840/43/189873570w16/purl=rc1_TTDA_0_CS100894373&dyn=14!bmk_10_0_CS100894373&hst_1?sw_aep=nash87800).

people in what was a time of great hardship, “Even so, the current 20 per cent inflation rate with many wage demands keeping pace, punitive interest and mortgage rates and a million and a half unemployed hardly make up the promised Conservative economic millennium.”<sup>90</sup>

The media was shocked that Thatcher’s personal popularity was higher than that of James Callaghan in May of 1980, given her political and economic problems.<sup>91</sup> Opinion poll data from the period had seen overall Tory popularity plummet. In January 1979, the Tories led Labour 55% to 36%; in May 1979, the general election, the Tories won 45% to Labour’s 38%. But by April 1980, the Tories trailed Labour, 39% to 44%.<sup>92</sup> The numbers would not improve throughout the year and instead, continued to drop. Thatcher continued to fend off criticism from former Tory leader Edward Heath, particularly over exchange rates and rising unemployment; lefts and moderates within the party pushed Thatcher for a “u-turn” and a return to previous policy as the British economy deflated.<sup>93</sup> But Thatcher would not be swayed. In her speech at the Conservative Party Conference in October of 1980, Thatcher made reference to the 1948 play *The Lady’s Not for Burning*, a romantic comedy concerning a woman accused of witchcraft, to strengthen Thatcherite resolve, “To those waiting with bated breath for that favourite media catchphrase, the ‘U-turn’, I have only one thing to say: ‘You turn if you want to. The lady’s not for turning.’”<sup>94</sup> Though Thatcher was determined to stay the course, her position was only becoming more precarious.

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<sup>90</sup> Ibid.

<sup>91</sup> Michael Hatfield, “Mrs. Thatcher ahead of Mr. Callaghan in public opinion poll,” *The Times*, July 5, 1980, [http://infotrac.galegroup.com.proxy.library.vanderbilt.edu/itw/infomark/840/43/189873570w16/purl=rc1\\_TTDA\\_0\\_CS33785573&dyn=14!bmk\\_11\\_0\\_CS33785573&hst\\_1?sw\\_aep=nash87800](http://infotrac.galegroup.com.proxy.library.vanderbilt.edu/itw/infomark/840/43/189873570w16/purl=rc1_TTDA_0_CS33785573&dyn=14!bmk_11_0_CS33785573&hst_1?sw_aep=nash87800).

<sup>92</sup> “Voting Intentions in Great Britain: 1976-Present.”

<sup>93</sup> Fred Emery, “Mrs. Thatcher rebuffs Heath attack and defends exchange rate,” *The Times*, December 01, 1980, [http://infotrac.galegroup.com.proxy.library.vanderbilt.edu/itw/infomark/384/38/189743151w16/purl=rc1\\_TTDA\\_0\\_CS17926017&dyn=19!bmk\\_4\\_0\\_CS17926017&hst\\_1?sw\\_aep=nash87800](http://infotrac.galegroup.com.proxy.library.vanderbilt.edu/itw/infomark/384/38/189743151w16/purl=rc1_TTDA_0_CS17926017&dyn=19!bmk_4_0_CS17926017&hst_1?sw_aep=nash87800).

<sup>94</sup> Speech, Margaret Thatcher to Conservative Party Conference, October 10, 1980, Thatcher MSS digital collection, provided by the Margaret Thatcher Foundation, <http://www.margaretthatcher.org/speeches/displaydocument.asp?docid=104431>.

## **An Unbalanced Relationship: Reagan's Ascendance and Thatcher's Struggles**

The second half of 1980 was politically bruising for Thatcher. Attacked by the press, the opposition, and certain factions within her own party, the Prime Minister badly needed some kind of good news. It arrived on November 4 1980, when Ronald Reagan defeated Jimmy Carter to take the White House. Reagan's election offered Thatcher a new hope to salvage her political career and economic plan. The first step toward using Reagan for her own means was her first official visit to the United States in the Reagan presidency, scheduled for February of 1981, during which Thatcher would present herself as Reagan's staunchest and most natural international ally.

### *The 1981 February Visit to Washington*

#### *Preparations*

Margaret Thatcher had much riding on her February 1981 official visit to Washington D.C. The Prime Minister had two and a half days in which to begin establishing a close and personal political relationship with the new American President. Thatcher was well aware of the challenges she faced within her own party, due to her economic policies, and knew that a friendship with Reagan could possibly be used to ward off some of her political troubles, as a close relationship with Reagan would not only boost her domestic standing, but also her place among her European allies.<sup>95</sup> Her political allies knew it too; Thatcher and her supporters began to court the Reagan administration immediately after the election in November of 1980. By

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<sup>95</sup> Aldous, *The Difficult Relationship*, 42.



December, it was agreed that Thatcher would be the first West European leader to officially visit Washington.<sup>96</sup>

The British Ambassador to the United States, Nicholas Henderson, a keen Thatcher supporter, was instrumental in organizing the visit. Henderson began by floating the idea of a state dinner at the British Embassy, to which Richard Allen acquiesced in theory; Henderson seized upon this as a formal acceptance and shrewdly began to plan the party and issue invitations before the Americans could react.<sup>97</sup> Belatedly consulted, the Protocol Department at the State Department said that the President should avoid setting a precedent of accepting return Embassy invitations after his own state dinners.<sup>98</sup> Reagan's aides almost immediately attempted to call off the dinner and memos within the administration betray a certain level of panic among the new staffers. Though Richard Allen had verbally agreed to the dinner, Charles Tyson and Jim Rentschler were forced to go back and forth between the British and the State Department to smooth the issue over, before finally ensuring that the dinner would indeed occur.<sup>99</sup> Henderson later reminisced that, "It had been quite delicate to secure all the items we wanted in the programme," implying just how involved the British had been in creating the schedule for the visit.<sup>100</sup> Thatcher's aides had taken the initiative and done their very best to set her up for a diplomatic victory, at the expense of the Reagan aides.

Thatcher took the hard work of her supporters seriously. She admitted to Henderson an uncharacteristic nervousness, as shown in this work's opening quotation, but also made it

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<sup>96</sup> Dumbrell, *A Special Relationship*, 106.

<sup>97</sup> Memo, Jim Rentschler to Chuck Tyson, January 27, 1981, folder "United Kingdom – Prime Minister Thatcher Visit, February 25-28, 1981 (1 of 2)," box RAC 1, Executive Secretariat: NSC VIP Visits Files, Ronald Reagan Library.

<sup>98</sup> Nicolas Henderson, *Mandarin: The Diaries of an Ambassador, 1969-1982* (London: Weidenfeld & Nicolson, 1994), 383.

<sup>99</sup> Memo, Charles P. Tyson to Richard V. Allen, January 29, 1981, ID #009261, CO167, WHORM: Subject File, Ronald Reagan Library.

<sup>100</sup> Henderson, *Mandarin*, 390.

apparent that she wanted to make the visit as personal as possible, “She was rather clear that she wanted to see him alone for a few moments, and then in a restricted meeting – the fewer the better.”<sup>101</sup> Thatcher was extremely concerned with reestablishing and strengthening the special relationship between the United States and the United Kingdom. When the Prime Minister learned that her toasts during the two state dinners were to be televised, she turned to tell Henderson, ““Then I shall have to think about them very carefully. I shall want all the best historical advice so as to get the allusions just right.””<sup>102</sup> Thatcher and her team prepared much more heavily for her meetings with Reagan than the Americans had thought to; her Briefing Book contained detailed economic information about the United States and the United Kingdom, as well as thorough descriptions of any other issue that the British thought Reagan might raise even in passing.<sup>103</sup> Thatcher was most definitely aware of the media opportunities that the visit offered, but she and the Foreign Office also hoped for the opportunity to hold substantive talks. Further seizing the moment, Thatcher insisted on multiple meetings with the president and his administration, beginning with a private meeting between the two of them; her assertiveness paid off. Charles Tyson found this schedule “cumbersome,” but assented to her terms as “I gather from State that she feels strongly about it.”<sup>104</sup>

In contrast, the American book largely contained summaries of the most pressing global issues and press guides; the Americans were obviously not preparing for the kind of intellectual discussion that Thatcher expected. Reagan’s aides were far more concerned with image and ‘diplomatic theatre’ than substance, as Richard Allen describes in one of the memos within the

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<sup>101</sup> Ibid, 385.

<sup>102</sup> Ibid, 385.

<sup>103</sup> Aldous, *The Difficult Relationship*, 40-41 & The National Archives (TNA): Public Records Office (PRO) CAB 164/1526, Briefing Book, February 25-28 1981.

<sup>104</sup> Memo, Charles P. Tyson to Richard V. Allen, February 23, 1981, folder “Official Working Visit of Prime Minister Thatcher of UK, 2/26/81 (5 of 8),” box 4, Charles Tyson Files, Ronald Reagan Library.

American Briefing Book: “The image which could most usefully emerge from these talks is of two like minded leaders...Sleeves-rolled-up, sobriety-with-optimism is the main message you should be getting across with this visit; politically it can prove an especially effective chord both at home and abroad.”<sup>105</sup> Jim Rentschler took many of the briefing materials offered by the State Department and “rejiggered” them, stating, “This material seems to me seriously deficient in that it fails to establish from the outset either a tone [emphasis by original author] to the meeting or a thematic context in which these two Western leaders of similar outlook and philosophical allegiances are talking.”<sup>106</sup>

### *The Visit*

For Thatcher, the visit was a raging public relations success from the very beginning. She was received with considerable pomp and circumstance upon her arrival at the White House, as she surely expected. President Reagan was immediately genial and his greeting was particularly warm, describing his admiration of Thatcher, “Your visit here renews the personal friendship we began in your country just before you took office. ... When we talked in London three years ago, I was impressed by the similar challenges our countries face, and your determination to meet those challenges.”<sup>107</sup> This was a blessing she had not counted on, but which was heavily reported in the American media.<sup>108</sup> The pair appeared to get on well from the outset; aides from both administrations commented in internal documents from various meetings

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<sup>105</sup> Memo, Richard V. Allen to the President, February 24, 1981, folder “United Kingdom – Prime Minister Thatcher Visit, February 25-28, 1981 (1 of 2),” box RAC 1, Executive Secretariat: NSC VIP Visits Files, Ronald Reagan Library.

<sup>106</sup> Memo, James M. Rentschler to Richard V. Allen, February 20, 1981, folder “Official Working Visit of Prime Minister Thatcher of UK, 2/26/81 (5 of 8),” box 4, Charles Tyson Files, Ronald Reagan Library.

<sup>107</sup> Speech Draft, Kenneth L. Khachigian, February 23, 1981, folder “Official Working Visit of Prime Minister Thatcher of UK, 2/26/81 (5 of 8),” box 4, Charles Tyson Files, Ronald Reagan Library.

<sup>108</sup> “Reagan-Thatcher Meeting/El Salvador,” *World News Tonight*, American Broadcasting Company (New York, NY: ABC, February 26 1981), Vanderbilt TV News Archive; “Reagan-Thatcher Meeting,” *Evening News*, CBS Broadcasting Inc. (New York, NY: CBS, February 26 1981), Vanderbilt TV News Archive; & “Reagan-Thatcher Meeting,” *Nightly News*, National Broadcasting Company (New York, NY: NBC, February 26 1981), Vanderbilt TV News Archive.

that the President and the Prime Minister shared not only the same political and economic ideology, but also a personal connection.<sup>109</sup> As Thatcher had wanted, most of the discussions focused on long term foreign policy issues, rather than specific domestic concerns; Thatcher was sensitive to questions about her seemingly failing economic policies and the widespread social unrest in the United Kingdom.<sup>110</sup>

While these formal, policy based meetings quite obviously went well, the state dinners were an important victory for Thatcher, particularly the protocol-breaking British Embassy dinner on February 27. The British aides had spent weeks preparing the evening, arranging for a live band and for California wine to be served.<sup>111</sup> Yet, it was the toasts that proved to be the most important. Henderson recalled that Thatcher mostly followed the text that had been prepared for her, full of historical allusions to British and American figures at her request. Yet, it was her biggest deviation that Reagan remembered most.

In her speech, Thatcher portrayed the pressures that every world leader faces and very eloquently described her faith in Reagan's ability to make choices that would affect the entire world for the better – high praise for a man who was often derided for a one-note foreign policy:

There will, of course, be times, Mr. President, when yours perhaps is the loneliest job in the world, times when you need what one of my great friends in politics [Airey Neave] once called “two o'clock in the morning courage.” There will be times when you go through rough water. There will be times when the unexpected happens. There will be times when only you can make a certain decision. It is at that time when you need the two o'clock in the morning courage. ... It requires a capacity to evaluate the varying advice that comes your way, the advice from those who say, “Yes, go on, go on, this is your great opportunity to prove what you're made of,” the advice which says, “This is the time to make a dignified retreat,” and only you can weigh up that advice. Only you can exercise that judgment and there's no one else, and it is the most lonely job. ... Those of

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<sup>109</sup> Meeting Notes, Thatcher-Reagan White House Meeting, February 26, 1981, TNA: PRO PREM 19/600 f29, Thatcher MSS digital collection, provided by the Margaret Thatcher Foundation, <http://www.margaretthatcher.org/document/7FCF1B7BF44E4DD799B642BE3822E186.pdf>.

<sup>110</sup> Henderson, *Mandarin*, 386.

<sup>111</sup> *Ibid*, 388.

us who are here realize what this two o'clock in the morning courage means, what a lonely job it is, and how in the end only one thing will sustain you, that you have total integrity and at the end of the day you have to live with the decision you have made.<sup>112</sup>

Thatcher was effusive in her praise, almost to the point of laying it on too thick; however, Reagan was extremely impressed by these words and admitted as much to his aides, one of whom later relayed the information to Nicolas Henderson.<sup>113</sup> The next day, Reagan scheduled an extra, casual meeting with Thatcher before she departed for New York. The British interpreted the move as a sign of Reagan's regard and a gesture of friendship, which certainly wasn't far from the mark; the notes that Allen prepared for Reagan on the meeting are very complimentary of Thatcher's performance during the visit and include several items on which Reagan was to consult with her, including Soviet leader Brezhnev.<sup>114</sup> Thatcher had successfully capitalized on her personal affinity with Reagan and was well on her way to developing a friendship with him that was not just political in nature. Henderson commented, "She is very good at rising to the occasion," and indeed she had been: Thatcher's main political goal for her visit had been to create a deeper relationship with Reagan than she had with Carter. Such a relationship would allow her to occupy a privileged position within the European political system as an extremely close and influential ally of the powerful American president, as well as a slightly stronger position within her own party as a leader who had Reagan's ear.<sup>115</sup>

### *The Media*

The British and American media had followed the visit closely and the overall outcome was another victory for Thatcher, particularly in American news sources: "Despite the UK's economic difficulties, the visit resulted in great exposure for Mrs. T, even more than planned,

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<sup>112</sup> TNA: PRO PREM 19/600: Exchange of Toasts, 02/27/1981.

<sup>113</sup> Henderson, *Mandarin*, 390.

<sup>114</sup> Briefing Paper, Richard V. Allen to the President, folder "Official Working Visit of Prime Minister Thatcher of UK, 2/26/81 (6 of 8)," box 4, Charles Tyson Files, Ronald Reagan Library.

<sup>115</sup> Henderson, *Mandarin*, 386.

and in more favorable media coverage for her and the UK than the circumstances really warranted.”<sup>116</sup> This was a direct shift from how Thatcher had been portrayed in the media before her arrival; in her memoirs, Thatcher specifically mentions a TIME Magazine article entitled “Embattled but Unbowed,” which had described her government as “beset with difficulties.”<sup>117</sup> The Prime Minister was a shrewd political operator, and while she lacked Reagan’s easygoing demeanor, her British charm fascinated the American media. She was well aware that her welcome back to the United Kingdom would not be nearly as warm, faced as she was with high unemployment, rising inflation, a stagnant economy and internal party challenges to her leadership. Henderson claimed that her image within the United States helped to keep her in power and in this, he is likely correct; the British media certainly focused on the few negative aspects of the visit, including some of the initial comments of the Reagan aides, which will be explored below, but could not explain away her sudden popularity abroad.<sup>118</sup>

Thatcher’s defense of her programs and attacks on her detractors led the American media to portray her as stronger than she probably was at that point in time.<sup>119</sup> Her second interview with Barbara Walters, the first following a meeting in 1979 during the Carter administration, did much to bolster that image of power. Thatcher shone in the interview, praising Reagan and his policies while defending her own and describing the economic differences between the United States and the United Kingdom, namely the socialist nature of the British economy. She also vaguely admitted that she was happy to meet with the new President early in his first term, as she would be introducing herself as a likeminded ally early on in his tenure. This would likely allow

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<sup>116</sup> Ibid, 390.

<sup>117</sup> Thatcher, *Downing Street*, 159.

<sup>118</sup> Henderson, *Mandarin*, 390.

<sup>119</sup> “Thatcher/United States Visit,” *Evening News* CBS Broadcasting Inc. (New York, NY: CBS, February 28 1981), Vanderbilt TV News Archive & “Thatcher/United States Visit,” *World News Tonight*, American Broadcasting Company (New York, NY: ABC, March 2 1981), Vanderbilt TV News Archive.

her to have some influence (however initially small) on his foreign policy toward Europe and possibly even the Soviets; she commented on the meeting's timing, "But it's very fortunate that this happened during a period when the American administration is formulating its policy. I think it will lead to better policy, completely thought out, and I think that will be of benefit both of the American people and the West."<sup>120</sup> Reagan also remarked privately on her tenacity, discussing her visit to the American Senate and the House of Representatives, "Went up to the hill and was literally an advocate for our ec. program. Some of the Sen's. tried to give her a bad time. She put them down firmly & with typical British courtesy."<sup>121</sup> From his comments, it is clear that Reagan had already developed a healthy respect for Thatcher and actually seemed to like her, something Thatcher used to her advantage at home. In her statement to the House of Commons on March 2 1981, Thatcher made reference to "the excellent understanding that President Reagan and I had established even before either of us assumed our present responsibilities," as well as to Reagan's assurances that he would personally remain in contact with her over several issues, including the Soviets, arms control, and Afghanistan.<sup>122</sup>

### *The Reagan Aides*

Thatcher was fully aware that while she had the President's friendship and personal support, she could not rely on his administration, which she clearly resented. In her memoirs, Thatcher alludes to some of the early bad blood between her and the Reagan bureaucracy, describing moments when the Reagan aides criticized her economic policies and attempted to distance them from Reagan's, "This in turn prompted some members of the administration – but never for a moment the President himself – to explain the alleged failures of the 'Thatcher

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<sup>120</sup> TNA: PRO PREM 19/600, Interview with Barbara Walters, 28/02/81.

<sup>121</sup> Ronald Reagan, *The Reagan Diaries* (New York: HarperCollins, 2007), 5.

<sup>122</sup> House of Commons Statement, Margaret Thatcher to House of Commons, March 2, 1981, Thatcher MSS digital collection, provided by the Margaret Thatcher Foundation, <http://www.margaretthatcher.org/document/104585>.

Experiment' stemmed from our failure to be sufficiently radical."<sup>123</sup> She specifically mentions some of the comments that Donald Regan made on February 27, toward the end of the visit, which were heavily circulated by the British media. Thatcher was particularly offended, as Regan then "[slipped] away to join a lunch at which I was the main guest."<sup>124</sup> The remarks themselves are quite harsh; Regan claims that Thatcherism is failing for multiple reasons, specifically that Thatcher's unwillingness to more drastically lower taxes and her increase of the Value Added Tax (VAT) resulted in a lack of incentive "...in her tax cuts to get her economy really started again," as well as the authorization of government wage increases, which he argued had "an explosive inflationary effect."<sup>125</sup>

Regan was not the only member of the Reagan administration to make such remarks. Other aides released information to the American press discussing the differences between Thatcherism and Reaganism; they obviously desired to draw a line between the two philosophies, one of which appeared to be failing. Regan was newly elected and none of his programs had made it through Congress at the time of Thatcher's visit. A memorandum from Regan's economic advisor Martin Anderson, on the apparently strict differences between Reaganism and Thatcherism, as well as the failure and stagnation of some of Thatcher's policies, was perhaps insensitively (though that may have been purposeful) released to the press on the first day of Thatcher's official visit. The memorandum contained several harsh comments, including, "The Thatcher government did propose to cut the projected expenditures for the '79-'89 budget by 2.4 percent. However, expenditures in fact overran its projections by just about that amount," and "[the government] did carry through with its plan to cut income tax rates... However, the

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<sup>123</sup> Thatcher, *Downing Street*, 159.

<sup>124</sup> *Ibid.*

<sup>125</sup> Letter, Kenneth Couzens to Beryl Sprinkel, March 3, 1981, CCAC: MTA THCR 1/10/26 f56 Thatcher MSS digital collection, provided by the Margaret Thatcher Foundation, <http://www.margaretthatcher.org/document/BD57C46B052B470E8A225F97C8BD1F44.pdf>.



Thatcher government simultaneously almost doubled [emphasis by original author] the Value Added Tax...and increased some other taxes.”<sup>126</sup>

James Brady, the White House Press Secretary, also condemned Thatcher for not acting conservatively enough in his press conference held shortly before the British Embassy dinner, specifically referring to her VAT increase.<sup>127</sup> However, by the end of visit and Thatcher’s departure for the United Kingdom on March 1, the Reagan aides were forced to distance themselves from some of their previous comments. Though their negative statements were circulated in the United Kingdom, the American media was enamored of Thatcher; Henderson mentions the sudden contrast, “Brady...said after the visit was over that it has been ‘difficult to prise them apart.’ This was fortunate.”<sup>128</sup> Richard Aldous also discusses this sudden discrepancy; while it was clear that Thatcher was struggling at home, she undoubtedly had “star power” abroad and her initial toxicity seemed less relevant once she had been fawned over in the American press.<sup>129</sup> While the Reagan administration was still worried about Thatcher’s future as a reliable ally, they were forced to accept her presence in their camp for the time being, especially given Reagan’s obvious regard for her.

### *The 1981 Ottawa G7 Summit*

#### *Reagan’s Performance and the American Media*

The Ottawa G7 Summit, the next step in the Reagan-Thatcher relationship, arrived in late July of 1981; the American media and administration had high hopes for President Reagan’s

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<sup>126</sup> Martin Anderson to Senior Staff, February 26, 1981.

<sup>127</sup> Press Briefing, James Brady to Press, February 26, 1981, TNA:PRO PREM 19/600 f223 Thatcher MSS digital collection, provided by the Margaret Thatcher Foundation, 15-16, <http://www.margaretthatcher.org/document/83B4815BA7D94D8FB08C40C4CD3B07FD.pdf>.

<sup>128</sup> Henderson, *Mandarin*, 387.

<sup>129</sup> Aldous, *The Difficult Relationship*, 44.

performance at his first international summit. The summit also marked Reagan's first meetings with French President François Mitterrand and German Chancellor Helmut Schmidt, both of whom were critical of Reagan's economic policies. Here was the moment for Prime Minister Thatcher to prove her worth as an ally and she did not disappoint. During the conference, Thatcher not only protected Reagan from the sniping of the other European leaders with some choice comments of her own, but she also defended him in the European media. Schmidt and Mitterrand had both arrived at the summit intending to challenge Reagan on high American interest rates, which were deflating their currencies and causing other economic problems in the region.<sup>130</sup> While Thatcher privately agreed that American interest rates needed to come down, this was only touched on in the American media as she vigorously came to Reagan's aid.<sup>131</sup>

Other European leaders perceived Reagan as inexperienced and even ignorant; his genial personality and lingering weakness from his March 1981 assassination attempt particularly drew the ire of Schmidt.<sup>132</sup> But Thatcher did her best to dismantle Reagan's critics and to follow his lead during the sessions; at one point, when Canadian Prime Minister Pierre Trudeau was vociferously challenging Reagan on his economic policy, Thatcher scornfully interjected, "Pierre, you're being obnoxious. Stop acting like a naughty schoolboy!"<sup>133</sup> She confronted Reagan about interest rates only during a private meeting, for political and personal reasons. Thatcher's goal was to establish herself as the natural liaison between the United States and Europe, as well as a personal and irreplaceable ally of Reagan.<sup>134</sup> Thatcher was well aware of what it was like to be shut out: she herself had been on the outside of the Franco-German relationship since she

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<sup>130</sup> "Ottawa Summit," *Evening News*, CBS Broadcasting Inc. (New York, NY: CBS, July 20 1981), Vanderbilt TV News Archive & "Israel/Lebanon Raids/Economy Conference," *Nightly News*, National Broadcasting Company (New York, NY: NBC, July 20 1981), Vanderbilt TV News Archive.

<sup>131</sup> "Ottawa Summit," *World News Tonight*, American Broadcasting Company (New York, NY: ABC, July 19 1981), Vanderbilt TV News Archive & Aldous, *The Difficult Relationship*, 48-51.

<sup>132</sup> Aldous, *The Difficult Relationship*, 48.

<sup>133</sup> *Ibid.*, 50.

<sup>134</sup> Thatcher, *Downing Street*, 166.

came to power. This approach paid off, at least in private; Reagan pledged to support Thatcher's actions in Northern Ireland, as well as address some of Britain's economic concerns.<sup>135</sup> The pair also agreed on some of the language they wished to be removed from the final communiqué, to be issued at the end of the summit.<sup>136</sup>

Moreover, in her media appearances, Thatcher stayed away from comments on economic issues, choosing to focus on international defense and the personal relationships between the leaders. The week of the summit was not a particularly good one for Thatcher. She was facing race rioting in London, Liverpool, and Birmingham, as well as hunger strikes among prisoners in Northern Ireland; this was coupled with the release of high unemployment figures.<sup>137</sup> At the end of the summit, she discussed the G7's decisions on Soviet policy and the defense of Europe, steering well away from economic and domestic issues, which other leaders had addressed. She also mentioned her visit to the United States quite often in her other interviews, stressing her regard for Reagan, in both the American and European media.<sup>138</sup> During these public appearances, Thatcher was quick to bolster the President and praise his performance at the summit; she was clearly trying to prove to the American administration that she was an essential ally.

#### *The American Media and Reagan Administration Response*

The public portrayal of Thatcher's efforts on Reagan's behalf in the American media was subtler: they were barely noticed. Reagan made positive comments about Thatcher to the European and Canadian media, and in his private diaries described her as "a tower of strength

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<sup>135</sup> Ibid, 166.

<sup>136</sup> TNA: PRO PREM 19/446 7, Record of Plenary Session, 21/07/81.

<sup>137</sup> "Ottawa Summit," *World News Tonight*, American Broadcasting Company (New York, NY: ABC, July 21 1981), Vanderbilt TV News Archive.

<sup>138</sup> TNA: PRO PREM 19/446 7, BBC TV Interview, 21/07/81.

and a solid friend of the U.S.”<sup>139</sup> But the American media instead focused on Reagan’s apparent snub of Thatcher when he declined to be photographed next to her in the official portraits from the summit, perhaps to draw attention to the new connections he had made with Mitterand and Schmidt.<sup>140</sup> Furthermore, the American people were significantly less interested in Thatcher at this point. While she had been the center of attention in February, Reagan was in the spotlight now; the American media was extremely concerned by Reagan’s performance and international image. The administration feared that they would be forced to make unpalatable concessions to the Europeans and Japanese, or else become isolated among their allies.<sup>141</sup> So why didn’t they want to rely on Thatcher? Unsurprisingly, Thatcher’s position at the summit was considered dangerously frail. ABC described her situation as such: “The conservative British government is probably the most compatible with Washington. However, given Britain’s sagging economy and the unprecedented British riots, Mrs. Thatcher is in a weak position to be very supportive.”<sup>142</sup> Most other mentions of Thatcher on American television contained phrases like “economic problems” or “poor economic position.”<sup>143</sup> The Reagan administration made a concentrated effort to distance Thatcher from their President.

In contrast, the media were obsessed with Schmidt and Mitterand, whom they logically marked as power players at the summit. The Reagan aides were on the same page; they organized individual meetings for Reagan with both Schmidt and Mitterand before any meeting with Thatcher, perhaps as a way to limit her influence on Reagan or to prevent her unpopularity from rubbing off on him. On July 31, within a week of the summit, Richard Allen sent out an

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<sup>139</sup> CCAC: MTA THCR 1/10/26, “Reagan Cites Rapport of 7 as Key at Ottawa” & Reagan, *Reagan Diaries*, 32.

<sup>140</sup> “Ottawa Summit,” *Evening News*, CBS Broadcasting Inc. (New York, NY: CBS, July 21 1981), Vanderbilt TV News Archive.

<sup>141</sup> Aldous, *The Difficult Relationship*, 50.

<sup>142</sup> *World News Tonight*, July 19 1981.

<sup>143</sup> *Ibid.* & *World News Tonight*, July 21 1981.

internal memorandum claiming that Thatcher had “lost her grip on the political rudder” and faced increasingly serious challenges from within her own party.<sup>144</sup> This undoubtedly sheds light on the aides’ conscious decision to focus Reagan’s attention on the French and the Germans, both of whom had been extremely critical of Reagan’s policies, instead of continuing to cultivate his ally, Thatcher. Thatcher was seen as increasingly politically toxic, a figure that could possibly harm Reagan’s reputation and programs if she fell from power. The French and Germans, while aggressive in their dislike of certain economic policies, were seen as less risky bets.

### *Effects for Thatcher*

While Thatcher undoubtedly desired to publicize her actions on Reagan’s behalf and continued to present herself as the only person in her party who could foster such a close relationship with the American president, she was distracted by her domestic problems during the summit. The Northern Ireland hunger strike crisis was likely foremost in her mind; she was briefed on the situation immediately before the summit, as well as just after.<sup>145</sup> The British media was certainly more concerned with these events than their American counterparts. In an interview with the BBC, Thatcher did comment on the rioting and unrest in cities like London and Liverpool, but she claimed that it had not been discussed during the summit, “We addressed one or two sentences to [President Reagan], but didn’t go into it deeply. He and Mr. Haig have previously stated that this was a matter for the United Kingdom.”<sup>146</sup>

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<sup>144</sup> Memo, Richard V. Allen to the President, July 31, 1981, ID#598002, CO167, WHORM: Subject File, Ronald Reagan Library, provided by the Margaret Thatcher Foundation, <http://www.margaretthatcher.org/document/56BE025F382E4911A99A24759251B3AC.pdf>.

<sup>145</sup> Letter, Prime Minister’s Office to Northern Ireland Office, July 18, 1981, Thatcher MSS digital collection, provided by the Margaret Thatcher Foundation, <http://www.margaretthatcher.org/document/111767>.

<sup>146</sup> TNA: PRO PREM 19/446, BBC Radio 4 Interview with the Prime Minister at Ottawa Summit, 07/21/81.

Furthermore, the immediate positive effects of the summit on Thatcher's domestic popularity were countered by the attempted coup within her party only a few days after she left Montebello. After an intense budget disagreement within her cabinet on July 23, just prior to the government's summer recess, Thatcher was nearly left high and dry by almost all of her supporters during "one of the bitterest arguments on the economy, or any subject, that I ever recall taking place at Cabinet during my premiership."<sup>147</sup> Geoffrey Howe, the Chancellor of the Exchequer and author of the paper outlining the controversial spending cuts, attributed the argument to the poor employment figures released the day before and the continued rioting in urban centers.<sup>148</sup> Thatcher herself appears to have expected that matters were coming to a head, but she was blindsided by the evident betrayal of men like John Nott and John Biffen, who had previously been dependable supporters.

She survived the challenge less because of her relationship with Reagan than of her own political ruthlessness. When the rebellious Wets were unwilling to threaten mass resignation, Thatcher was able to regain the upper hand.<sup>149</sup> After the recess, Thatcher reshuffled her cabinet in September 1981 and many key Wets were either fired or reassigned, replaced with loyal Thatcherites. The Lord Privy Seal, Ian Gilmour, who "had long been writing his own death warrant," was sacked outright, as were Christopher Soames, the Lord President of the Council, and Mark Carlisle, the Secretary of State for Education.<sup>150</sup> The most notable reassignment was of James Prior, the Secretary of State for Employment, who had been a thorn in Thatcher's side

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<sup>147</sup> Thatcher, *Downing Street*, 148.

<sup>148</sup> Geoffrey Howe, *Conflict of Loyalty* (London: Macmillan London, 1994), 222-223.

<sup>149</sup> Aldous, *The Difficult Relationship*, 52-53.

<sup>150</sup> Howe, *Conflict*, 224.

almost since the moment she appointed him; he was made Secretary of State for Northern Ireland and replaced Norman Tebbit, who would later lead the charge against British trade unions.<sup>151</sup>

But the uncertainty over her political future continued even after the battle was, at least temporarily, won. Only a few days later, the minutes of one of her cabinet meetings wondered, “Is time running out?” for their economic program.<sup>152</sup> Furthermore, the lack of American support and publicity also took its toll; Reagan administration confidence in Thatcher was at an all time low, as evidenced by Allen’s memo. While the summit might have offered Thatcher a bump in the polls, this positive effect was likely counteracted by the dramatics within her party. Opinion poll data shows that while Thatcher did not lose any support from July to August, she didn’t gain any either; contrast this with Labour’s three-point gain over the Conservatives. At this time, the Conservative party had been experiencing negative changes in support from May to July, while Labour support remained largely constant over the same period.<sup>153</sup>

### ***A Strong Foundation?***

#### *Thatcher’s Domestic Standing*

Margaret Thatcher had several goals in the immediate aftermath of Reagan’s election, all connected to her domestic troubles. While it is possible that Thatcher desired to create a close relationship with Reagan to forestall criticism from within her own party, she was obviously more focused on cementing her position as Reagan’s best ambassador to Europe, placing the United Kingdom in a position of prestige among its European neighbors. Her actions during the February visit and the Ottawa Summit were consistent with these ideas, but what was the

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<sup>151</sup> Thatcher, *Downing Street*, 151.

<sup>152</sup> Meeting Notes, Thatcher-1922 Executive Committee Meeting, July 30, 1981, CCAC: MTA THCR 2/6/2/114 part 3 f4 Thatcher MSS digital collection, provided by the Margaret Thatcher Foundation, <http://www.margareththatcher.org/document/E53BCB1F22904E49800B173C126F150E.pdf>.

<sup>153</sup> “Voting Intentions in Great Britain: 1976-Present.”

outcome? Certainly the February visit was a key success at a difficult moment for Thatcher. It was organized just before her likely to be unpopular budget was to be publicized and as she was starting to lose control within her own party; while most argue that Thatcher merely desired to meet with Reagan early, an impression she corroborated, was the timing of the budget release also a conscious choice? Henderson certainly believed so, stating in his diaries that the American visit protected Thatcher from political harm.<sup>154</sup> Excerpts from the diary of one of Thatcher's policy advisors, John Hoskyns, are less effusive on this point. In his diary, Hoskyns describes the discontent within the ordinary ranks of Thatcher's party immediately after the visit and the reaction of the press to her budget a week or so later,

“5 March 1981: Very enjoyable dinner at CPS with Alfred, Elizabeth Cotterell, Cecil Parkinson, Norman Lamont, Alan Walters and myself. Quite unprompted, Norman and Cecil...started straight off saying how appalled they were by the state of the Government, the miners surrender, the "all piss and wind" mood about MT - and they are really loyal supporters.”<sup>155</sup>

“15 March 1981: Despite sensible treatment of the Budget in *FT* and even Hamish Macrae in *Guardian* and reasonable leaders in *Times* and also *Economist* (and good in *Spectator*, with Ferdy as perceptive as ever) the *Observer* and *Sunday Times* have gone stark staring berserk. "Mrs Thatcher's wasteland", Tory party revolt, cabinet conspiracies to have her out and so on.”<sup>156</sup>

It does appear that Thatcher received at least a slight bump in confidence within her party immediately after the visit, possibly due to the favorable attention of the American media. The view of the public was less ambivalent: opinion polls from late March 1981 show that the Conservatives were down five percentage points from February, from 33% right before the visit

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<sup>154</sup> Henderson, *Mandarin*, 390.

<sup>155</sup> Diary Entry, John Hoskyns, March 5, 1981, Hoskyns MSS, provided by the Margaret Thatcher Foundation, <http://www.margaretthatcher.org/document/113025>.

<sup>156</sup> Diary Entry, John Hoskyns, March 15, 1981, Hoskyns MSS, provided by the Margaret Thatcher Foundation, <http://www.margaretthatcher.org/document/113023>.



to 28% a month later.<sup>157</sup> It is possible that these numbers would have been worse without the press from the visit, and indeed, Labour also experienced a drop of three percentage points within the same period, from 41% to 38%, though the popular opinion of Labour was far more secure than that of the Tories.<sup>158</sup> However, establishing a close relationship with Reagan did little for her domestically in the short term.

Thatcher was in a much more precarious position within her party by July of 1981. While polling data shows no change in support for the Conservatives in July (and it was actually higher than support had been in March), Thatcher was faced with widespread ministerial issues, as discussed earlier.<sup>159</sup> However, her time at the summit was overshadowed first by the crisis in Northern Ireland and later by the violence in Israel and Lebanon. The American media focused quite heavily on the latter only a few days into the summit and continued to mention those events throughout her time in Canada.<sup>160</sup> The Israeli air strike distracted the international media from Thatcher's problems, allowing her to focus on closely on the dissidents within her party. In the end, Thatcher survived the challenge to her leadership; while her privileged position with Reagan didn't specifically help her, it certainly didn't diminish her standing either.

#### *Position of the Reagan Aides*

The Reagan administration experienced a nearly continual change in position on Thatcher, beginning with the February visit. Directly before the visit, and even during it, the Reagan aides did their very best to distance Reagan and his policies from Thatcher's apparent failures. James Brady, Donald Regan, and Martin Anderson all made comments or drafted press releases that

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<sup>157</sup> "Voting Intentions in Great Britain: 1976-Present."

<sup>158</sup> Ibid.

<sup>159</sup> Ibid.

<sup>160</sup> *Evening News*, July 19 1981 & *World News Tonight*, July 21 1981.

portrayed Thatcher in a negative light and separated her from Reagan.<sup>161</sup> The administration also attempted to cancel the British Embassy dinner, which they argued was a breach in protocol; this episode instead highlighted their inexperience. Yet within the next few days, the administration was forced to take a different tack. Thatcher had been accepted by the American press, which was spinning tales of a political love affair by the first day of the visit.<sup>162</sup> The aides were forced to capitulate; Brady even confided in the press that the two were inseparable.<sup>163</sup> The press was not the only party exerting pressure on the administration; President Reagan was not quite on board with his aides' rhetoric. Reagan made no negative comments about Thatcher to the press and in his private diaries he praised her politics and her personality.<sup>164</sup>

By the Ottawa Summit in July, the administration was back to pushing Thatcher away. The problems within her party had become too large to ignore and her increasingly beleaguered economic program was a worry for them. The administration arranged meetings with Mitterrand and Schmidt before any meeting with Thatcher. They also played into the American fascination with the French and Germans, whom the media had heavily focused on in the weeks leading up to the summit; in their interviews, they did not comment on the interaction between Thatcher and Reagan, but between Mitterrand and Reagan, or Schmidt and Reagan, even Japanese Prime Minister Suzuki and Reagan.<sup>165</sup> And finally, even Reagan seemed to get the memo, declining to be photographed next to Thatcher in the official portraits; again, probably to point to his new relationships with the French and Germans (as well as continuing to capitalize on his post-assassination attempt popularity), as his private papers give no indication that he was specifically

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<sup>161</sup> Kenneth Couzens to Beryl Sprinkel, March 3, 1981; Martin Anderson to Senior Staff, February 26, 1981; & James Brady to Press, February 26, 1981, 15-16.

<sup>162</sup> *World News Tonight*, February 26 1981.

<sup>163</sup> Henderson, *Mandarin*, 387.

<sup>164</sup> Reagan, *Reagan Diaries*, 6.

<sup>165</sup> *World News Tonight*, July 21 1981 & *Evening News*, July 21 1981.

on the outs with Thatcher.<sup>166</sup> Within just a few days, private memos from the administration describe the aides' opinions on Thatcher's future as a political leader and her disappointing economic results; Reagan's Economic Recovery Tax Act would not be passed in the Congress until after the summit and Reagan's aides did not want to jeopardize the future of the bill by reminding the public of its similarities to Thatcher's policies.<sup>167</sup> While the aides were undoubtedly aware of the role that Thatcher played during the summit, defending Reagan from her fellow Europeans, they were keen to prevent those actions largely under wraps.

While Thatcher had achieved some of her American political goals by late 1981, she was continually locked in a battle with the President's administration. For their part, Reagan's aides made every attempt to swat down parallels to Thatcher's economic reforms and keep Thatcher at arms length as an ally. Both Thatcher and the aides were forced to make some concessions, depending on their level of strength at the time, but the personal power dynamic within this political relationship had still not significantly shifted; Reagan still set their agenda and his dominated their conversations. It would not do so until early 1982, when the Falklands War propelled Thatcher to the greatest heights of her career, while Reagan was in the middle of dealing with the same economic issues that had plagued his British counterpart.

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<sup>166</sup> *Evening News*, July 21 1981.

<sup>167</sup> Aldous, *The Difficult Relationship*, 54.

## **“The Empire Strikes Back”**

### **The Effect of the Falklands War on the Thatcher and Reagan Relationship**

Thirty years on, it seems unfathomable that the United Kingdom might not have won the Falklands War and that Margaret Thatcher might not have been definitively reelected within a year. In 1982, this was not the case; a British victory in the Falklands was not a forgone conclusion and Conservative Party’s electoral prospects in early 1982 were not comforting for its members. But if 1982 showcases anything, it is that much can change in a year. Within the special relationship, if 1981 had been the year of Reagan, 1982 was the year of Thatcher. Reagan now found himself in a place similar to Thatcher’s unenviable position in 1981, while Thatcher was now ascending to new heights of political popularity and gratefully witnessing the first hints of economic recovery. Though Thatcher’s relationship with Reagan did not “save” her political career in 1981, their closeness and her ability to work her way into his confidence certainly allowed her to power through her troubles until the Falklands War provided the boost in popularity that she required to remain leader of her party and leader of her country. Furthermore, the conflict also saw a significant change in the relationship between Thatcher and Reagan; though the Americans were disproportionately powerful, Reagan learned that he could not longer take Thatcher for granted as an ally and finally accepted her as a force in her own right.

#### ***Reagan’s South American Policy***

In order to understand initial American reluctance to support the United Kingdom during the Falklands crisis, it is important to consider Reagan’s Central and South American policy in the early 1980s. Reagan saw the threat of communist insurgency and government in the Americas as the last remaining battle of the Cold War; Latin American leftists were agents of

Soviet and Cuban expansion.<sup>168</sup> His policy was heavily shaped by the ideas of Georgetown political science professor Jeane Kirkpatrick, whose Kirkpatrick Doctrine was first established in her November 1979 article, "Dictatorships and Double Standards." The article heavily criticized the foreign policy of the Carter administration, particularly Carter's practice of treating all dictatorships as the same and refusing American support to both communist totalitarians and capitalist autocrats.<sup>169</sup>

Kirkpatrick argued that the Carter administration had attempted to force the liberalization of traditional autocracies, but had done nothing to prevent those nations from then establishing anti-American communist governments in their place, which posed a threat to the security of the United States within its own hemisphere. She concluded that the United States should not treat all dictatorships as the same. Traditional autocrats were preferable to revolutionary totalitarians, foremost for their pro-American and pro-capitalist stance, but also for their systematic differences: "Generally speaking, traditional autocrats tolerate social inequities, brutality, and poverty while revolutionary autocracies create them."<sup>170</sup> These ideas famously influenced American funding of the Nicaraguan anti-communist Contras, as well as diplomatic and military support for El Salvador's authoritarian, but capitalist government.

Furthermore, the Reagan administration had attempted to strengthen relations with other Latin American authoritarian regimes, including Argentina. Argentina was strictly anti-communist and played an important role in the American Nicaragua strategy; Argentine military officers were key to the training and even recruitment of the Nicaraguan contras, whom they had

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<sup>168</sup> Joseph Smith, *The United States and Latin America: A History of American Diplomacy, 1776-2000* (New York: Routledge, 2005), 150.

<sup>169</sup> Jeane J. Kirkpatrick, "Dictatorships & Double Standards," *Commentary Magazine*, November 1979, <http://www.commentarymagazine.com/article/dictatorships-double-standards/>.

<sup>170</sup> *Ibid.*

supported since the fall of the Samoza regime in 1979.<sup>171</sup> The CIA quietly began funding the Argentines in exchange for continued training.<sup>172</sup> Overall, these policies were unpopular at home and abroad, for their heavy-handed and undemocratic nature. But on the eve of the Falklands crisis, the United States found itself in a unique and unenviable position in their foreign policy: two of their most important allies were preparing to go to war with each other, and each nation was demanding American support. Moreover, the Americans were largely baffled by the reasoning behind the conflict; Reagan's single minded focus on his foreign policy blinded him to the domestic forces at play in both the United Kingdom and Argentina.

### ***The Falklands War***

In late March of 1982, Margaret Thatcher was still struggling for her political survival, as she had been since late 1980. Her economic and social policies, already unpopular with the British public, were also increasingly disliked within her own party; furthermore, Conservative approval ratings stayed stubbornly low. In January of 1982, only 29% of British citizens said that they would vote for the Conservative party if elections were called immediately; in March, the last poll before the Falklands conflict, only 34% would vote for the Tories.<sup>173</sup> As for Thatcher personally, 32% of respondents felt that she was “doing her job as Prime Minister [well]” in January of 1982; in March, that number had risen to 36%, but these are still dismal numbers. The news from the Falklands on March 31, that the Argentines planned to invade the islands on April 2, would not have been a welcome distraction. Yet, within just a few months, what once

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<sup>171</sup> Smith, *The United State and Latin America*, 156 & Michael Grow, *U.S. Presidents and Latin American Interventions: Pursuing Regime Change in the Cold War* (Lawrence: University Press of Kansas, 2008), 133.

<sup>172</sup> Grow, *Latin American Interventions*, 134.

<sup>173</sup> “Voting Intentions in Great Britain: 1976-Present.”

seemed like a fiasco in the making, and perhaps the death knell of Thatcher's political career, had become her saving grace.

### *Argentine Aggression and the British Response*

The Falklands War was not a struggle that came out of nowhere. Called the Malvinas by Argentina, the islands had been a point of contention in British-Argentine relations since the 1800s as a result of competing British and Spanish claims to the islands, beginning in the late 1600s.<sup>174</sup> The conflict in 1982 had complicated origins. The idea for an invasion first came to the Argentines after the British decision to cut back on their military spending, particularly the scrapping of aircraft carriers and the choice to retire the only British naval ship stationed in the Falklands, the HMS *Endurance*.<sup>175</sup> These changes to British defense plans made the ability of the United Kingdom to protect the Falklands weaker than ever before, something that the military junta ruling in Argentina decided to take advantage of. The Argentine junta was also facing domestic political problems, caused by continued poor economic performance and the unresolved issue of the disappearances of dissidents, as well as ordinary citizens, during the Argentine Dirty War in the 1970s; the decision to invade the Falklands was a desperate (and early on, quite successful) attempt to boost their popularity by playing on Argentine patriotism.<sup>176</sup> Misjudgments abounded on both sides. The British did not consider this domestic angle to be important, when it was actually one of the junta's paramount reasons for instigating the conflict, while the Argentines assumed that the United Kingdom would not make a military effort to regain the islands and also expected full American support for their invasion.<sup>177</sup>

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<sup>174</sup> Gabriel Marcella, "The Malvinas/Falklands War of 1982: Lessons for the United States and Latin America," (Strategic Issues Research Memorandum, US Army War College Strategic Studies Institute, 1983), 2-3.

<sup>175</sup> Lawrence Freedman, *The Official History of the Falklands Campaign: Vol. II: War and Diplomacy* (Abingdon: Psychology Press, 2005), 20.

<sup>176</sup> Marcella, "The Malvinas/Falklands War," 6.

<sup>177</sup> *Ibid.*, 6-7.

The junta had been planning the invasion for quite some time, perhaps encouraged by the inflammatory Argentine media, which had been speculating on and encouraging an assault since late 1981.<sup>178</sup> The initial attack on April 2 1982 was quick and decisive. Within twenty-four hours of invasion, Argentina had taken the island of South Georgia and Stanley, the capital of the Falklands Islands.<sup>179</sup> British forces in the area were small and unprepared; the *Endurance*, the lone British ship in the islands, had been heading toward South Georgia with a small contingent of Royal Marines when Stanley also came under attack. All in all, the British forces numbered around one hundred, while the Argentines sent in over a thousand to East Falkland and Stanley alone.<sup>180</sup>

Immediately after the news arrived in London, Thatcher rallied her cabinet and directed the military to send a naval force to retake the islands, which soon came to be called the Task Force. It cannot be understated how big a gamble this move was for Thatcher. The islands were “a piece of distant land of limited value,” attacked in the midst of economic troubles and unrelenting unpopularity for the Conservative party, making the invasion poorly timed as well as poorly located.<sup>181</sup> Thatcher was also forced to reshuffle her cabinet almost immediately, as experienced Foreign Secretary Lord Peter Carrington, a notable but relatively benign Wet, resigned in the aftermath. He was replaced by Defense Minister Francis Pym, now one of the few Wets remaining in the Cabinet.<sup>182</sup> Though Pym did have the requisite experience, he was not one of Thatcher’s allies and she implies in her autobiography that she found him weak willed and defeatist at this time.<sup>183</sup>

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<sup>178</sup> Ibid., 7.

<sup>179</sup> Duncan Anderson, *The Falklands War 1982* (Oxford: Osprey Publishing LTD, 2002), 7.

<sup>180</sup> Freedman, *The Official History*, 3-4 & 6.

<sup>181</sup> Ibid., 13

<sup>182</sup> Anderson, *The Falklands War*, 8.

<sup>183</sup> Thatcher, *Downing Street*, 205-206.



### *American Negotiation Attempts*

The British Task Force was well on its way to the Falklands on April 7, when President Reagan approved the peace mission proposed by Secretary of State Alexander Haig. Haig would fly back and forth between London, Washington, and Buenos Aires for the better part of the month of April as he attempted to mediate a settlement between the Argentines and the British. Aldous sums up the attitude in the White House at the time, "In truth the mood inside the White House was one of bemusement more than anger. No one could quite understand why Britain and Argentina were getting so worked up about a few scattered islands in the South Atlantic."<sup>184</sup> This view certainly contributed to Haig's lack of success in negotiation. Neither side particularly welcomed American attempts to intervene, as the Americans had vastly underestimated the domestic political angle of the conflict. For both Thatcher and Argentine President Galtieri, the war was a way to boost their domestic popularity and any agreement which favored the enemy would probably result in their speedy fall from grace. Thatcher in particular felt betrayed by the lack of instant support for the British. Jim Rentschler described the British and Argentine positions in a diary he kept during the crisis; he seemed particularly impressed by Thatcher's angry protestations:

"As I say, Maggie is having none of it. Her position – strongly supported by Defense Minister John Nott and Admiral of the Fleet Lord Terry Lewin, somewhat less so by Francis Pym – calls for the status quo ante, period. High color is in her cheeks, a note of rising indignation in her voice, she leans across the polished table and flatly rejects what she calls the "woolliness" of our second- stage formulation, conceived in our view as a traditional face-saving ploy for Galtieri: 'I am pledged before the House of Commons, the Defense Minister is pledged, the Foreign Secretary is pledged to restore British administration. I did not dispatch a fleet to install some nebulous arrangement which would have no authority whatsoever. Interim authority! – to do *what?* I beg you, I beg you to remember that in 1938 Neville Chamberlain sat at this same table discussing an arrangement which sounds very much like the one you are asking me to accept; and were

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<sup>184</sup> Aldous, *The Difficult Relationship*, 80.

I to do so, I would be censured in the House of Commons – and properly so! We in Britain simply refuse to reward aggression – that is the lesson we have learned from 1938.’ Tough lady.”<sup>185</sup>

Thatcher was not appreciative of Alexander Haig’s efforts, having correctly guessed that Haig favored the Argentine perspective.<sup>186</sup> She preferred to again use her personal ties to Reagan to her advantage, calling on Reagan to speak with the Argentine leaders multiple times throughout the crisis, including immediately before the initial invasion. Though Reagan was not successful at persuading the Argentines to back down, he did make an honest attempt and impressed upon Thatcher his own sense that Galtieri did not have as much control over the rest of the junta as the man liked to claim.<sup>187</sup> However, Reagan was not heavily involved in Haig’s mediation; though he did have final approval on all of Haig’s proposals, the president largely left his Secretary of State to his own devices, as seen in their telegram exchange below. In Haig’s April 9 1982 telegram, he described to Reagan Thatcher’s most pressing worries and his current solutions,

“7. The Prime Minister is convinced she will fall if she concedes on any of three basic points, to which she is committed to Parliament:

- A. Immediate withdrawal of Argentine forces;
- B. Restoration of British administration on the islands;
- C. Preservation of their position that the islanders must be able to exercise self-determination.

8. We focused on three elements of a solution, which I argued would meet her needs:

- A. Withdrawal of Argentine forces;
- B. An interim arrangement involving an international presence (e.g., U.S., Canada, and two Latin American countries) to provide an umbrella for the restoration of British administration.
- C. Swift resumption of negotiations.

...

11. I will arrive in Buenos Aires late Friday. I will convey a picture of total British resolve, and see what I can draw from the Argentines along lines we discussed in London,

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<sup>185</sup> Diary, James Rentschler, April 1-June 25 1982, James Rentschler MSS, provided by the Margaret Thatcher Foundation, April 8 1982, <http://www.margaretthatcher.org/archive/arcdocs/Rentschler.pdf>.

<sup>186</sup> Aldous, *The Difficult Relationship*, 90.

<sup>187</sup> Reagan, *Reagan Diaries*, 77.

without giving any hint that the British are prepared for any give-and-take.

12. If the Argentines give me something to work with, I plan to return to London over the weekend. ... I cannot presently offer my optimism, even if I get enough in Buenos Aires to justify a return to London. This is clearly a very steep uphill struggle, but essential, given the enormous stakes.”<sup>188</sup>

Reagan responded,

“1. The report of your discussions in London makes clear how difficult it will be to foster a compromise that gives Maggie enough to carry on and at the same time meets the test of “equity” with our Latin neighbors. As you expected there isn't much room for maneuver in the British position. How much this “going-in” position can be influenced is unclear although London headlines give little basis for optimism. Point B looks to be the crux and I'd be interested in your further thinking on how a multinational presence might be made more appealing in London. It's my guess from the different British stance that any compromise on Thatcher's part will take time.

...

4. On the press line you propose with respect to the Falklands, I agree. We are saying nothing from here to color expectations.

5. As you proceed to Buenos Aires, I'm very conscious of the enormity of the task. I'd appreciate a call on the secure line when you have a chance to discuss where things might lead in the days ahead.”<sup>189</sup>

The main reason for Reagan's detachment was that he was busy on a state visit to several Caribbean nations in the midst of the mediation. Yet this also allowed him to make Haig the target of Thatcher's frustrations, rather than himself. Indeed, Thatcher became increasingly fed up with Haig's seemingly naïve efforts and apparent Argentine duplicity, wondering on April 14, “Had there been a genuine change of heart on the part of the Argentinians, or was it just wishful thinking on [Haig's] part?”<sup>190</sup>

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<sup>188</sup> Telegram, Alexander Haig to the President, April 9, 1982, folder “Falklands War (04/09/1982-04/15/1982),” box RAC 30, Executive Secretariat: NSC Country Files (Falklands War), Ronald Reagan Library, provided by the Margaret Thatcher Foundation, <http://www.margarethatcher.org/document/109216>.

<sup>189</sup> Telegram, the President to Alexander Haig, April 9, 1982, folder “Falklands War (04/09/1982-04/15/1982),” box RAC 30, Executive Secretariat: NSC Country Files (Falklands War), Ronald Reagan Library, provided by the Margaret Thatcher Foundation, <http://www.margarethatcher.org/document/109219>.

<sup>190</sup> Thatcher, *Downing Street*, 199.

As April wore on, Thatcher grew impatient with the American mediation, which she felt the Argentines were using as a way to prevent Britain from attacking while the Argentine forces continued their build up. Furthermore, Haig's proposals were, to her, "full of holes," as well as completely unacceptable, since the Argentines refused to budge on the issue of Falklands sovereignty, which they demanded be turned over to them.<sup>191</sup> Eventually, Thatcher decided that this "wooliness" was not for her and by the end of April, she decided that the American mediation had not only failed, but had been detrimental to her cause. It came to the point where Thatcher no longer catered to Haig or his many peace plans, telling him on April 21<sup>th</sup> that the British would be retaking South Georgia, "We were informing, not consulting him."<sup>192</sup>

A few days later, Thatcher took another gamble. Haig had returned to London with the final deal brokered between him and Pym, which Thatcher immediately abhorred. However, she was persuaded by her cabinet to agree to place the offer before Parliament...if the Argentines agreed to the plan first.<sup>193</sup> The plan called for a total British withdrawal within seven days and dissolution of the Task Force within fifteen, the abandonment of British economic sanctions on Argentina, and representation for the Argentines in the Islands' government. The Argentines were also expected to withdraw, though not as far as the British were required. Thatcher claimed later that the plan had been anathema to her as soon as she finished reading it and, had it been accepted, she would have resigned in protest.<sup>194</sup> However, this marked the end of Haig's negotiation attempts. Though the British had been willing to make some concessions in the early days of the conflict, the Argentines had refused every proposal Haig placed before them. This final plan would be no different; "As throughout the conflict, the Argentines could always be

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<sup>191</sup> Ibid., 195.

<sup>192</sup> Ibid., 204.

<sup>193</sup> Ibid., 207-208.

<sup>194</sup> Ibid., 208.

relied upon to look an American gift horse in the mouth. On April 29, they informed Haig that his plan was unacceptable.”<sup>195</sup> A combination of Argentine intransigence and deft political maneuvering by the British signaled the end of negotiations.

### *British Victory*

After Haig’s mediation attempts had failed, the British ratcheted up their involvement in the conflict. The month of May proved to be decisive. Though the British lost several ships, most notably the HMS *Sheffield*, the British military sank the ARA *General Belgrano*, destroyed Argentine airfields and aircraft stationed on the islands, and successfully invaded the main Falklands Islands by May 21. The Argentines surrendered on June 14 1982, a day after Stanley was recaptured by British forces.<sup>196</sup> In the end, the British achieved both air and naval superiority, an astounding feat considering that the United Kingdom is eight thousand miles away from the Falklands, severely limiting their available naval and air power.<sup>197</sup>

During this period, Thatcher continued to fend off American attempts to create a peace settlement. Haig had pushed Reagan throughout April to apply pressure to Thatcher and force her to accept an agreement, but Reagan largely ignored this advice until mid-May.<sup>198</sup> Thatcher, however, refused to be pushed, recognizing that her position at this point was superior to that of the Argentines, and she desired to press her advantage. In her memoirs, Thatcher recalls a phone call with Reagan on May 31, when she again refused to agree to a settlement, stating, “What would have been quite wrong was to snatch diplomatic defeat out of the jaws of military victory – as I had to tell President Reagan.”<sup>199</sup> In the end, Reagan was just as unsuccessful as Haig at pushing Thatcher toward an agreement, permitting her to end the war on her terms and unite her

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<sup>195</sup> Aldous, *The Difficult Relationship*, 91.

<sup>196</sup> Anderson, *The Falklands War*, 9-10.

<sup>197</sup> Freedman, *The Official History*, i.

<sup>198</sup> Alexander Haig to the President, April 9, 1982.

<sup>199</sup> Thatcher, *Downing Street*, 230.

nation, by “[allowing] Thatcher to demonstrate her blend of decisiveness and perseverance. ... In ordering the military recapture of the Falklands, Thatcher could even count on broad support from the opposition benches.”<sup>200</sup>

### *The Aftermath for Thatcher at Home*

The Falklands War proved to be a defining moment in Thatcher’s political career, rather than the end of it, as she had feared early on in the conflict. Not only did the war allow her to cement her position as leader of the Conservative party, Thatcher also experienced a dramatic upturn in personal popularity and a stronger position in her political relationship with Reagan, now that she no longer seemed to be hanging onto power by a thread.

### *The Wets Lose Traction*

One of the immediate results of the Argentine invasion of the Islands was the resignation of Lord Peter Carrington, the British Foreign Secretary. Though a Wet, Carrington was still respected by Thatcher and she was sad to see him go, even as she recognized the public’s need for a scapegoat.<sup>201</sup> Carrington was soon replaced by Francis Pym, formerly the Defense Minister, whom Thatcher probably would have preferred to be rid of. However, Pym’s actions during the later half of the Falklands War, particularly his inability to stand up to Haig, weakened his place within the cabinet. The final agreement that he presented to Thatcher was immensely unpopular with the Prime Minister and her already poor opinion of him plunged after this act. A series of other political missteps ensured that he would be sacked within a year, but Pym’s move to the

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<sup>200</sup> Helmut Norpoth, “Guns and Butter and Government Popularity in Britain,” *The American Political Science Review* 81 (1987): 957, <http://www.jstor.org/stable/1962685>.

<sup>201</sup> Thatcher, *Downing Street*, 185-186.

diplomatic branch of the British government, which Thatcher had a notoriously low opinion of, precipitated his fall.<sup>202</sup>

### *Popularity Gains*

In a drastic change, Thatcher's popularity ratings soared in the aftermath of the Falklands War (or least, went as high as a Tory's approval rating could go). In March of 1982, only 36% of respondents stated that they were satisfied by Thatcher's performance as Prime Minister; 57% were dissatisfied. In June of 1982, after the Falklands War had been decisively won, 59% approved of Thatcher's job performance, while 36% were dissatisfied.<sup>203</sup> Furthermore, Thatcher's strength helped her party. At the lowest point of the conflict in mid-April, only 33% of respondents would have voted for the Tories had elections been called immediately, compared with 34% for Labour and 30% for the upstart Social Democratic Party. At the beginning of June, those numbers had changed dramatically: 51%, 24%, and 23% respectively.<sup>204</sup>

While the Falklands War was extremely important for Thatcher's sudden popularity, a minor economic turnaround had also assisted. In the months before the war, overall spending in the British economy had been rising while interest rates were falling, the first signals of economic recovery.<sup>205</sup> Furthermore, the 1982 budget introduced in March had been less rigidly deflationary than the government's previous efforts, which inspired some consumer confidence.<sup>206</sup> Most importantly, inflation had finally begun to reach controllable levels. However, continuing high unemployment largely offset this gain. A falling rate of inflation, while important for an economy, is not normally enough to balance out the effect that high

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<sup>202</sup> Ibid., 207-208 & Evans, *Thatcher and Thatcherism*, 79-80.

<sup>203</sup> "Political Monitor – Satisfaction Ratings 1977-1987."

<sup>204</sup> "The Falklands War – Panel Survey," Ipsos MORI, published June 1982, <http://www.ipsos-mori.com/researchpublications/researcharchive/poll.aspx?oItemId=49>.

<sup>205</sup> David Sanders et. al., "Government Popularity and the Falklands War: A Reassessment," *British Journal of Political Science* 17 (1987): 305, <http://www.jstor.org/stable/193822>.

<sup>206</sup> Ibid., 305 & 308.

unemployment has on popular satisfaction with a government.<sup>207</sup> Combined with the extenuating circumstances of the Falklands War, it was enough to boost Thatcher for the months to come.

This spike in personal and party popularity was as much a defining moment for Thatcher as her actions during the Falklands War itself. Thatcher's approval rating had hovered in the low 30% range up to this point in her premiership; this massive boost gave her the power to shut down further internal party challenges and also carried through to the 1983 election, ensuring her landslide victory at the polls.

### *A Stronger Thatcher?*

Thatcher's political position in June of 1982 was drastically different than it had been in January 1981, or even January 1982. Thatcher no longer feared the influence of the Wets within her government or her personal unpopularity. Both of these threats had been nullified by her actions during the Falklands War. During the crisis, she managed to convince all major parties in Parliament to support her decisions. Not only was she presenting a united front important for British morale and ensuring a smoothly run war (if such a thing exists), she also greatly enhanced her personal standing and briefly made herself a less divisive figure politically.<sup>208</sup>

But more than just her domestic position had changed by this time. Thatcher's relationship with Reagan had also undergone a shift. Though her public declarations of friendship between the Americans and the British had not changed, her dealings with Reagan most definitely had. The nervous Thatcher of February 1981 and the supportive Thatcher of July 1981 had been replaced by a leader who now expected her closest ally to return her favors; when he did not do so to her satisfaction, Thatcher was not in the least passive about it. She had not appreciated Haig's interference, which Haig made clear to Reagan in the telegram sent on April

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<sup>207</sup> Norpoth, "Guns and Butter," 953-954.

<sup>208</sup> Aldous, *The Difficult Relationship*, 87.



9.<sup>209</sup> Furthermore, Thatcher did not hold back in her own conversations with Reagan. Though the transcript of their phone call on May 31 is largely redacted, it is easy to understand why this would be the last time Reagan attempted to push Thatcher to accept a ceasefire. Reagan could barely get a word in edgewise; his contribution to the call is largely one-line sentences, separated by large blocks of text signifying Thatcher's furious responses to his peace pressures.<sup>210</sup>

This explosion of righteous indignation seems to have finally made Reagan realize that Thatcher was not willing to compromise her victory for the sake of Argentine-American relations. During his economic summit European tour in June 1982, Reagan stopped in the United Kingdom from June 7 to June 9, just at the close of the Falklands War. In his toast at the official luncheon hosted by Thatcher on June 8, Reagan attempted damage control;

“When you were our guests in Washington last year, Madam Prime Minister, you said you had come across the Atlantic with a message. ‘Britain,’ you said, ‘stands with America. When America looks for friends, Britain will be there.’ Well, your words touched the hearts of our people. We were very grateful. So let me tell you that we, too, have crossed the ocean with a message: America stands with Britain, and I mean that.”<sup>211</sup>

Thatcher undoubtedly appreciated the sentiment, as well as the fact that this was the only, and very oblique, reference Reagan made to the Falklands War during his time in Europe, preferring instead to focus on economic issues and western relations with the Soviet Union. In late June, Reagan again took this tack in a telegram to Thatcher, obviously glad that the crisis had come to a close and that the two could begin to focus on other, less personally divisive issues, “The news of your victory in the South Atlantic is most welcome. I look forward to working with you on a

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<sup>209</sup> Alexander Haig to the President, April 9, 1982.

<sup>210</sup> Telephone Call, Ronald Reagan to Margaret Thatcher, May 31, 1982, box 20, Executive Secretariat: NSC Country File (UK), Ronald Reagan Library, provided by the Margaret Thatcher Foundation, <http://www.margaretthatcher.org/document/DB4758AC4534447BAE94E85490601F65.pdf>.

<sup>211</sup> “Toasts of the President and British Prime Minister Margaret Thatcher at a Luncheon Honoring the President in London, June 8, 1982,” *Public Papers of President Ronald Reagan*, Ronald Reagan Presidential Library, <http://www.reagan.utexas.edu/archives/speeches/1982/60882b.htm>.

lasting solution to the situation there, and to cooperation on the many other tough challenges facing the West.”<sup>212</sup>

### ***The Aftermath for the Special Relationship***

#### *A New Role for Reagan*

Ronald Reagan’s position during the Falklands War was not an easy one. Argentina was an important Cold War ally in South America, a stalwart foe of communism and regional powerhouse. However, Reagan’s personal relationship with Thatcher and his awareness of the historical special relationship proved to outweigh his Argentine commitments in the end, even if it was a significant blow to his South American policy goals.<sup>213</sup> Reagan’s initial public neutrality was extremely offensive to Thatcher and very nearly derailed their political friendship; “Thatcher might have expected Reagan’s view to have been firmly behind his self-styled ‘closest ally.’ In fact, he was noncommittal,” as he showed by latching on to Haig’s desire to mediate almost immediately after the Argentine invasion.<sup>214</sup> Reagan claimed that this initial stance was not due to a reluctance to support the British, but rather out of a desire to create a peaceful settlement, “Publicly, however, I decided it was wisest to mute our reaction while extending the good offices of the United States to see if we could help settle the dispute between mutual friends.”<sup>215</sup> Whatever the reason, Thatcher was incensed. Neutrality also managed to infuriate congressional leaders, who pressured Reagan to side with the British. While the Senate was the more effusive, several members of the House also sent Reagan letters demanding that he support “a long-standing friend like Great Britain” over a “cruel, authoritarian military dictatorship like

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<sup>212</sup> Telegram, Ronald Reagan to Margaret Thatcher, June 22, 1982, folder “United Kingdom Prime Minister Thatcher Cables (1),” box 34, Executive Secretariat: NSC Head of State Files, Ronald Reagan Library.

<sup>213</sup> Marcella, “The Malvinas/Falklands War,” 8-9.

<sup>214</sup> Aldous, *The Difficult Relationship*, 83.

<sup>215</sup> Reagan, *An American Life*, 359.

Argentina.”<sup>216</sup> Reagan and his administration were quickly learning that impartiality was an extremely unpopular move.

Though Reagan’s public actions early on were most certainly neutral, his private thoughts and actions were decidedly less so. In a telegram to Thatcher on March 30, in which he told her that he is interceding with the “highest levels” of the Argentine government, he does say, “I want you to know how we have valued your cooperation on the challenges we both face in many different parts of the world. We will do what we can to assist you here.”<sup>217</sup> Moreover, in his diary entry of April 19 1982, Reagan admits his place in Thatcher’s camp, writing, “I don’t think Margaret Thatcher should be asked to concede anymore.”<sup>218</sup> The most telling evidence of Reagan’s pro-British sympathies are in his communications with both sides. His discussions and cables with Thatcher are warm and supportive; again, diplomatic language is most certainly present, but Reagan’s willingness to call Galtieri personally (initially as a favor to Thatcher) and to report on those conversations to the British goes beyond normal diplomatic ties. This is compounded by the stark contrast of his communication with the Argentines. Reagan spoke with Galtieri sparingly, preferring to leave such conversations to Secretary Haig. Furthermore, the president definitely held Galtieri at arm’s length. Though the Argentine dictator asked for “the assistance of your government” and continually mentioned the “very good relationship” between their two administrations, Reagan was very formal and noncommittal in his responses.<sup>219</sup> Eventually, Reagan’s public actions caught up with his private leanings, after Haig’s final attempt at negotiation had failed.

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<sup>216</sup> Letter, Bob Shamansky to Ronald Reagan, April 28, 1982, ID# 074829, ND015, WHORM: Subject File, Ronald Reagan Library.

<sup>217</sup> Telegram, Ronald Reagan to Margaret Thatcher, March 31, 1982, folder “United Kingdom Prime Minister Thatcher Cables (1),” box 34, Executive Secretariat: NSC Head of State Files, Ronald Reagan Library.

<sup>218</sup> Reagan, *Reagan Diaries*, 80.

<sup>219</sup> Telegram, White House to American Embassy Buenos Aires, April 15, 1982, folder “Falklands Crisis 1982,” box RAC 5, Dennis Blair Files, Ronald Reagan Library.

Finally, throughout the month of May and at the beginning of June, Reagan was also preoccupied with other, more pressing issues, namely the Israeli invasion of Lebanon on June 6 1982. Reagan weathered accusations from Soviet leader Leonid Brezhnev that the Americans had possibly been complicit in the attacks, further troubling an already stormy relationship.<sup>220</sup> While Thatcher was demanding American support for Britain in the United Nations, Reagan was busy juggling the Israelis and the Soviets. Lebanon was far more important strategically than the Falklands and Reagan worried that renewed violence could damage the uneasy peace that had been established between Israel and Egypt. Israel had returned the Sinai to Egyptian control on April 25 1982, only a few weeks before their invasion of Lebanon, and Reagan feared that the Israeli actions against the Palestinian Liberation Organization (PLO) there would alienate the Egyptians and result in a Soviet intervention in the region.<sup>221</sup> Reagan did want to help Thatcher, but the Falklands were low on his list of priorities by June 1982, offering another reason as to why he largely acquiesced to her demands without complaint.

### *The Reagan Administration*

Many within Reagan's administration had made no secret of their pro-Argentine stance. Their most vocal supporter was Jeane Kirkpatrick, the American Ambassador to the UN and a key player in Reagan's South American policy. As a committed Americanist, Kirkpatrick worried that the United States had not addressed "the deterioration of the U.S. position in the hemisphere."<sup>222</sup> Her actions during the crisis spoke to her opinions, notably that the consequences of abandoning Argentina would be the "loss of support for U.S. Central American policy by the states of South America, and an end to the diplomatic isolation of Cuba's Fidel

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<sup>220</sup> Reagan, *An American Life*, 422.

<sup>221</sup> *Ibid.*, 420-421.

<sup>222</sup> Allan Gerson, *The Kirkpatrick Mission: Diplomacy Without Apology, America at the United Nations 1981-1985* (New York: The Free Press, 1991), 114.

Castro.”<sup>223</sup> On April 1, when it became clear that an invasion was imminent, British UN Ambassador Anthony Parsons contacted the Security Council President to call for an emergency session to discuss the building crisis and possibly vote on a British-prepared resolution; upon hearing of this, Kirkpatrick threatened to “block” any such session. In the end, she was forced to back down when Parsons warned that he would make the entire situation public, “She would have to oppose me on the vote, in public, underneath the television cameras and the rest of it.”<sup>224</sup>

Beyond this initial hostile move, Kirkpatrick also refused to cancel her attendance at a dinner party held at the Argentine embassy on the night of the invasion. British Ambassador Henderson described this act as offensive as if “he had joined the Iranians for tea on the day that fifty-two Americans were taken hostage in Iran.”<sup>225</sup> Later in the conflict, Kirkpatrick lobbied heavily for the United States to abstain from a vote on a possible ceasefire, rather than voting with Britain; she argued that an American veto was superfluous, since the British would certainly exercise theirs, and that it was “unnecessarily costly” to Latin American relations. Furthermore, the British had always “pursued its own interests at the United Nations... and the United States owed it no debt.”<sup>226</sup> She lamented to Allen Gerson, her Senior Counsel, “if we lose the support of Argentina, our Central American policy will be in shambles.”<sup>227</sup> In the end, Kirkpatrick was made to support the British, along with the rest of the American administration, though it was a bitter pill for her to swallow, due in part to what she saw as the machinations of Haig.

Alexander Haig, the American Secretary of State, was subtler in his support of the Argentine cause, but he was loath to “suffer a major setback to our policies in this

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<sup>223</sup> Ibid., 117.

<sup>224</sup> Freedman, *The Official*, 35.

<sup>225</sup> Aldous, *The Difficult Relationship*, 80.

<sup>226</sup> Gerson, *The Kirkpatrick Mission*, 127.

<sup>227</sup> Ibid., 119.

hemisphere.”<sup>228</sup> Though he was warmly greeted when he arrived in London on April 8, Haig’s status as a negotiator, rather than a supporter, was not acceptable to Thatcher. She obstinately declared that he “was not being received in London as a mediator but as a friend ally, here to discuss ways in which the United States could most effectively support us in our efforts to secure Argentine withdrawal from the Falklands.”<sup>229</sup> But Haig was too concerned about the fate of the administration’s South American policy to even hint at supporting the British, stating in a memo to Reagan, “we should act before we are placed in an untenable position of having to compromise our impartiality if we are to be responsive to escalating British requests for assistance.”<sup>230</sup> Haig also wrote to Reagan during his shuttle diplomacy, asking the president to use his personal influence over Thatcher to convince her to compromise and accept his proposed settlement,

“The Prime Minister has the bit in her teeth, owing to the politics of a unified nation and an angry Parliament, as well as her own convictions about the principles at stake. She is clearly prepared to use force, though she admits a preference for a diplomatic solution. ... If the Argentines give me something to work with, I plan to return to London over the weekend. It may then be necessary for me to ask you to apply unusual pressure on Thatcher.”<sup>231</sup>

Haig also miscalculated when he attempted to prevent the British from using American military facilities on Ascension Island, an island in the South Atlantic used as the staging ground for the British counter-invasion. This move induced Thatcher to write off Haig as a useful ally by April 14, after she upbraided him for his action, pointing out that the island was in fact a British possession.<sup>232</sup> The Secretary of State had grossly underestimated Thatcher’s political position; her determination to hold onto the islands was not just personal, but intensely political and the

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<sup>228</sup> Memo, Alexander Haig to the President, April 6, 1982, folder “Falklands Crisis 1982,” box RAC 5, Dennis Blair Files, Ronald Reagan Library.

<sup>229</sup> Thatcher, *Downing Street*, 192.

<sup>230</sup> Alexander Haig to the President, April 6, 1982.

<sup>231</sup> Aldous, *The Difficult Relationship*, 85-86.

<sup>232</sup> *Ibid.*, 88 & Thatcher, *Downing Street*, 200.

dividends of popularity her stance provided her were invaluable.<sup>233</sup> Furthermore, the uncooperative Argentines gave him so little to offer Thatcher that she decided a military gamble was worth the risk, again embarrassing Haig.<sup>234</sup>

The intense rivalry between Haig and Kirkpatrick also harmed administrative support for the Argentines. An uneasy relationship from the very beginning, Kirkpatrick's biographer Peter Collier claims that Haig "had always believed that Jeane's appointment represented a coup by 'right-wing activists,' and he resented her unwillingness to play second lieutenant to his brigade commander."<sup>235</sup> Haig himself mentions Kirkpatrick only a few times in his autobiography, odd considering how often they would have worked together; indeed, his second mention of her describes her complaints with "her office, her personal staff, her limousine, and her security detail."<sup>236</sup> Kirkpatrick had not been fond of Haig from the beginning, finding his Euro-centric worldview disappointing.<sup>237</sup> Even Reagan commented on their obvious dislike in a diary entry from May 31 1982, "Back to the office to meet Jeanne [sic] Kirkpatrick. She and Al H. have been at each other's throats."<sup>238</sup> Things came to a head during the Falklands conflict, most notably on June 4 1982, when the Falklands ceasefire came to a vote at the United Nations. Kirkpatrick wanted to abstain, but Haig refused to change his instruction to veto; within minutes of Kirkpatrick casting the 'no' vote, she received a communication from Haig that she abstain. Though informed that the vote had been taken, Haig repeatedly instructed Kirkpatrick to publically announce that she had actually been instructed to abstain. A seething Kirkpatrick

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<sup>233</sup> Aldous, *The Difficult Relationship*, 86 & Alexander Haig to the President, April 9, 1982.

<sup>234</sup> James Rentschler Diary, April 8, 1982; James Rentschler Diary, April 10, 1982; & James Rentschler Diary, April 30 1982.

<sup>235</sup> Peter Collier, *Political Woman: The Big Little Life of Jeane Kirkpatrick* (New York: Encounter Books, 2012), 133.

<sup>236</sup> Alexander Haig, *Caveat: Realism, Reagan, and Foreign Policy* (New York: Macmillan Publishing Company, 1984), 69.

<sup>237</sup> Gerson, *The Kirkpatrick Mission*, 114.

<sup>238</sup> Reagan, *Reagan Diaries*, 87.

eventually did as bade, “convinced that she was being set up by Haig to look incompetent, disorganized, and downright silly.”<sup>239</sup>

Not everyone within the Reagan administration attempted to sideline the special relationship in favor of an ally in their hemisphere. The most notable advocate of the British cause was Secretary of Defense Caspar Weinberger, who firmly established his department as supporters of the United Kingdom. Another rival of Haig, Weinberger did not support the Secretary of State’s mediation attempts, which endeared him to Thatcher.<sup>240</sup> In her autobiography, she was obviously grateful for his help in this difficult time, “from the first Caspar Weinberger, US Defense Secretary, was in touch with our ambassador emphasizing that America could not put a NATO ally and long-standing friend on the same level as Argentina. ... America never had a wiser patriot, nor Britain a truer friend.”<sup>241</sup> Weinberger himself admits to being an “unabashed Anglophile;” he was later granted an honorary knighthood for his support during the war.<sup>242</sup>

In the end, the turning point for Reagan and his administration came on April 30, a day after the Argentines had rejected Haig’s final peace plan. Though the ‘tilt toward Britain’ was modest in public, the memo that came out of the National Security Council meeting held that day was anything but. The memo first called for a press statement “which summarizes the U.S. position in the South Atlantic crisis, is supportive of the UK position and includes the announcement of concrete steps underscoring the U.S. determination not to condone the unlawful use of force to resolve disputes.” It went on to suspend all military exports to Argentina, as well as several bank loans and froze a portion of Argentine assets in the United

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<sup>239</sup> Gerson, *The Kirkpatrick Mission*, 129.

<sup>240</sup> Caspar Weinberger and Gretchen Roberts, *In the Arena: A Memoir of the 20<sup>th</sup> Century* (Washington DC: Regnery Publishing Inc., 2001), 374-375.

<sup>241</sup> Thatcher, *Downing Street*, 188.

<sup>242</sup> Weinberger, *In the Arena*, 374.



States. Most importantly, the memo also contained this threat: “a private warning to Argentina that the measures announced do not encompass the full range of economic sanctions which the U.S. has at its disposal.”<sup>243</sup> Thatcher had finally gotten the support she wanted.

Within two months, the Falklands War was over. Though there was still tension between the two administrations, due mainly to their disagreements over what actions should be taken within the United Nations, Thatcher and Reagan had weathered the most serious challenge to their relationship that they would ever face. The Falklands War had proved to the world that Thatcher had political staying power and that her Iron Lady epithet was not unearned. The conflict also drew attention to the cleavages within the Reagan administration, which threatened the Anglo-American relationship as well as administrative cohesion. Though the war was overall a British victory, Thatcher was the real winner of the conflict. Her relationship with Reagan had seen a significant change. She was no longer the troubled, easily dismissed politician Reagan had met with in February 1981, but a leader who had stood firm in the face of adversity, willing to challenge even the world’s most powerful man.

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<sup>243</sup> Briefing Paper, National Security Council to the President, May 14, 1982, folder “NSDD 43 [South Atlantic Crisis],” box 2, Executive Secretariat: NSC NSDD Files, Ronald Reagan Library.

## Epilogue

Ronald Reagan's first year and a half in office proved to be a tumultuous one, for both Reagan and Thatcher. But it created the foundations for a solid political alliance (and even a friendship) that would last throughout the rest of the 1980s, until the end of Reagan's second term in office in January 1989. This in no way means that this relationship was uneventful. The pair faced myriad challenges over the next decade, in both foreign and domestic arenas.

The war may have been over by June 1982, but controversy over the Falklands War was prolonged within the United Nations. In a letter from November 2 1982, Reagan attempted to placate Thatcher, who was enraged by the continuous Argentine demands for negotiation over the sovereignty of the islands. Reagan did his best to convince Thatcher to accept a Brazilian resolution and its call to refrain from the use of force, though he did tread carefully with her, commenting, "We have no intention to press you – or see you be pressed – into negotiations before you are ready," and later "I am truly sorry that we disagree on this matter and for my part will do everything in my power to make sure this resolution is not abused."<sup>244</sup> Issues over the Falklands would continue into 1983. In some ways, that would prove to be a boon for Thatcher; the relevance of the issue and the enormous burst in popularity that the Tories received afterward led them to a resounding electoral victory in June 1983. Thatcher was extremely pleased by the result, stating, "We had won a majority of 144: the largest of any party since 1945."<sup>245</sup>

But before 1983, there was another hiccup in the special relationship: the American invasion of Grenada, a former colony and now member of the British Commonwealth. The Marxist Prime Minister, Maurice Bishop, had been deposed on October 19 1983 by fellow

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<sup>244</sup> Telegram, Ronald Reagan to Margaret Thatcher, November 2, 1982, folder "United Kingdom Prime Minister Thatcher Cables (1)," box 34, Executive Secretariat: NSC Head of State Files, Ronald Reagan Library.

<sup>245</sup> Thatcher, *Downing Street*, 304.

communists, sparking American fears of Soviet interference; within days, the United States planned an intervention that largely took the British by surprise. Reagan sent Thatcher a flurry of letters over a twenty-four hour period before the invasion began on October 26, first describing the possibility of intervention and, soon after, the actual plan for an invasion. The events embarrassed Thatcher, who had been unable to persuade her American allies not to interfere in a Commonwealth country. Years later, in her autobiography, Thatcher states sarcastically, “But as I had always pointed out to the Americans afterwards...Grenada was not transformed from a democratic island paradise into a Soviet surrogate overnight in October 1983.”<sup>246</sup> Reagan did apologize to Thatcher in a personal phone call on the day of the invasion, “As I say, I’m sorry for any embarrassment that we caused you, but please understand that it was just our fear of our own weakness over here with regard to secrecy.”<sup>247</sup> Reagan’s tone in the call is a bit odd; he is very apologetic and appears to be trying to explain himself to her, rather than just informing her of what was happening, as he would have before the Falklands War.

The year 1984 proved to be better for their relationship, once the Grenada issue and violence in Lebanon had been resolved. The pair got along well at the London G7 Summit in June 1984, handling the protests of Pierre Trudeau and Francois Mitterand brilliantly, leading Reagan to say in his diary, “There was blood on the floor – but not ours.”<sup>248</sup> Within months, Reagan would be swept back into office with “49 states, 59% of the vote, & 525 electoral votes. ... The press is now trying to prove it wasn’t a landslide or should I say a mandate?”<sup>249</sup> In addition to Reagan’s political survival, only a few weeks before, on October 12 1984, Thatcher

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<sup>246</sup> Ibid., 328.

<sup>247</sup> Telephone Call, Ronald Reagan to Margaret Thatcher, October 26, 1983, Executive Secretariat: NSC Country Files (UK), provided by the Margaret Thatcher Foundation, <http://www.margareththatcher.org/document/109426>.

<sup>248</sup> Reagan, *The Reagan Diaries*, 246.

<sup>249</sup> Ibid., 277.

personally survived of the most serious attempt on her life during her time in office, the Provisional IRA bombing of the Grand Hotel in Brighton, strengthening her position yet again.

The end of the 1984 proved to be a lucky time for both of them, not least due to electoral victory and failed assassination attempts, but also because of the new player gaining power in the Soviet Union, Mikhail Gorbachev. After meeting with Gorbachev on a visit to London in December 1984, Thatcher gave an interview to the BBC describing her reaction to him, “I am cautiously optimistic. I like Mr. Gorbachev. We can do business together.”<sup>250</sup> Though Thatcher was not a major player in the American-Soviet relationship, it mattered greatly to her and her autobiography indicates her support for Reagan during his dealings with Gorbachev, as well as her disappointment at her own lack of access to the negotiating table. This is particularly clear in her section on the Reykjavik Summit and the revolutionary arms agreement that nearly came from it; “My own reaction when I heard how far the Americans had been prepared to go was as if there had been an earthquake beneath my feet.”<sup>251</sup>

Eventually, Thatcher’s feelings were assuaged, enough that during her visit to Washington in November 1986, she was willing to stand up for Reagan in the midst of the Iran-Contra scandal, support she continued throughout 1987. At one point of the visit, angry with the “downbeat” view of American journalists toward the scandal, she scolded them, “Why are you doing your level best to put the worst foot forward? Why?” Later, when asked if the president was “down,” Thatcher dismissed the question imperiously, “No. The President is fine! ... He is President of the United States!”<sup>252</sup> Their last years in power together proved to be significantly less eventful than they had been previously; the pair discussed arms control, met with Gorbachev,

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<sup>250</sup> Interview, Margaret Thatcher interview with BBC TV, December 17, 1984, Thatcher MSS digital collection, provided by the Margaret Thatcher Foundation, <http://www.margaretthatcher.org/document/105592>.

<sup>251</sup> Thatcher, *Downing Street*, 471.

<sup>252</sup> Aldous, *The Difficult Relationship*, 255.

and continued to deal with economic ups and downs. After Reagan left office in 1989, Thatcher was a bit adrift on the American front. She had never had a close relationship with George H.W. Bush and their relationship was merely cordial, rather than friendly.<sup>253</sup>

Thatcher and Reagan remained friendly after Thatcher left government in 1990; Thatcher attended the dedication of Reagan's Presidential Library in Simi Valley, California in 1993.<sup>254</sup> But neither was spared the ravages of age. Reagan retired fully from public life in 1993, after announcing that he was in the initial stages of Alzheimer's disease; Thatcher too had left politics almost completely by 2001 and her own battle with dementia was confirmed by her daughter in 2008. After Reagan's death on June 5 2004, Thatcher recorded a touching eulogy for his funeral and was the only non-family member to accompany his body from Washington D.C. to the private service in Simi Valley.<sup>255</sup>

With Thatcher's recent death on April 8 2013, the international media has seized upon the relationship between these two leaders. The majority of these articles have focused on their personal relationship and political similarities, but many have downplayed their disagreements, portraying their "political marriage" as powerful and infallible. More valuable journalism has drawn attention to their significant differences, but has also addressed why both leaders could put problems aside: "Both Thatcher and Reagan recognized that their agreement on fundamental issues was more important than their occasional differences. This was true on domestic policies as well as foreign ones."<sup>256</sup> At the end of it all, Thatcher and Reagan's relationship was not a perfect one. But both were aware that they worked better together than separately.

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<sup>253</sup> Thatcher, *Downing Street*, 783.

<sup>254</sup> Aldous, *The Difficult Relationship*, 283.

<sup>255</sup> Nicholas Wapshott, "Inside Margaret Thatcher's Extraordinary 'Political Marriage' to Ronald Reagan," *The Daily Mail*, April 8 2013, <http://www.dailymail.co.uk/news/article-2305870/Inside-Margaret-Thatchers-extraordinary-political-marriage-Ronald-Reagan.html>.

<sup>256</sup> Lou Cannon, "Margaret Thatcher: Reagan's Most Resolute Ally," *RealClearPolitics*, April 9 2013, [http://www.realclearpolitics.com/articles/2013/04/09/margaret\\_thatcher\\_reagans\\_most\\_resolute\\_ally\\_\\_117862.html](http://www.realclearpolitics.com/articles/2013/04/09/margaret_thatcher_reagans_most_resolute_ally__117862.html)

## Conclusion

Throughout this work, I have attempted to showcase the unusual diplomatic relationship between the United States and the United Kingdom, particularly through the complex political friendship between President Ronald Reagan and Prime Minister Margaret Thatcher. Their connection illustrates the strengths and the tensions that underlie the Special Relationship, as well as the essential political core that these friendships between world leaders must possess. Thatcher met Reagan in 1981 determined to position herself, not just Britain, as the Americans' most natural and most supportive ally. British Prime Ministers have created friendships with American presidents since World War II, partially in an effort to remain relevant globally, but also as a way to exert their dominance in Europe and to show that their influence on American foreign policy. Facing myriad domestic problems, both popularly and within her party, Thatcher desired a close relationship with Reagan in order to prevent her detractors from replacing her. She did this by painting herself as the only person in the British government who could connect with and influence Reagan.

Yet Thatcher's initial attempts to strengthen the ties between the United States and Britain were rebuffed by many within the Reagan administration. Many of Reagan's most powerful aides and cabinet members, including Alexander Haig, Donald Regan, Martin Anderson, Richard Allen, and James Brady saw Thatcher as a threat to Reagan's post-election popularity, beset as she was by economic woes, social ills, and challengers within her own party. Throughout 1981, these men tried to keep Thatcher at a distance, but at times were forced to accept her overtures. By July of 1981, Thatcher had proven herself to Reagan as a valuable ally, but he and his aides continued to view her as only temporary because of her domestic problems.

The Falklands War not only changed Thatcher's political fortunes at home, it distinctly altered her image abroad, especially within the Reagan administration. Reagan now occupied what once had been Thatcher's shoes: a leader dealing with economic downturn, rising unemployment, unpopular policies, and constant opposition challenges. Thatcher, on the other hand, was on top of the world, flush with the rewards of military and political victory. This period marked a shift within the Thatcher-Reagan relationship; Thatcher no longer felt the need to cater to Reagan for little return. She began to demand his respect and eventually, though grudgingly on the part of his administration, received it. Administration attempts to downgrade Britain's diplomatic relationship with the United States had not only failed, but were now being actively overturned. Furthermore, the rivalries within the Reagan administration had damaged their ability to challenge Thatcher's position with Reagan, giving Thatcher another victory.

Neither Thatcher nor Reagan wielded power in a vacuum, but the inexperienced Reagan administration often ignored the new cardinal rule of international politics during their first years in office: "No political leader can afford to ignore domestic politics – at home or abroad – when contemplating foreign policy choices."<sup>257</sup> Thatcher proved herself to be an expert player of the "game" that occurs at the very top of international politics and well aware of the tensions between domestic and foreign policy decisions. Indeed, she liked to play the game backward, using international victories (like her visit to Washington in February 1981 and the Falklands War) to protect herself domestically. Yet, this tension came to a head for the Americans during the Falklands War, when the Reagan administration's misunderstanding of the domestic causes behind the conflict proved damaging for their foreign policy. Both leaders used each other for their domestic political goals, mainly as evidence of international strength. Thatcher capitalized on her February visit in Parliament, reminding her rebellious backbenchers of "the excellent

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<sup>257</sup> Milner, *Interests, Institutions, and Information*, 261.

understanding that President Reagan and I had established.”<sup>258</sup> For his part, Reagan used the same visit to show his people the support his policies abroad and his ability to capably lead the West in the midst of the Cold War.

But what does this say about the relationship between Reagan and Thatcher? In spite of what the media seems to believe, this political friendship was not always friendly and it did not have its foundations in mutual admiration. Instead, it was based on ideological similarity and more importantly on political necessity, especially for Thatcher. Margaret Thatcher needed Ronald Reagan in 1981 when she was struggling domestically and internationally: the deeper her relationship with the American president, the better her position within her party and the European Community. Thatcher did her very best to show Reagan why she was indispensable. During the 1981 February visit, she made sure to defend his proposed policies and draw favorable press coverage for him at home; at Ottawa in July 1981, Thatcher dispatched Reagan’s European critics with cutting remarks and illustrated how unwavering her support could be. After the Falklands War, Reagan finally realized how valuable of an ally Thatcher really was when he was faced with her famous determination and was forced to override his own foreign policy in order to accommodate her demands.

The years of 1981 and 1982 proved to be highly transformative for a formerly stagnant special relationship. Not only was the former closeness between British and American heads of state rekindled, the position of the Prime Minister, though still the junior partner, had improved. Through Margaret Thatcher’s political machinations and despite Reagan’s cabinet’s initial rebuffs, closer international alliance developed alongside a personal friendship that would pay dividends to both parties. The United States was finally forced to appreciate the nation that billed itself as the Americans’ best ally and perhaps accept the truth of that statement, as well.

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<sup>258</sup> Margaret Thatcher to House of Commons, March 2, 1981.



The relationship was not without its problems, but Thatcher and Reagan were both aware that they were stronger when working together on the international stage than when they were estranged. In the end, their political marriage has become mythologized for its closeness and duration, but it is important to remember that it did not start out that way. Their personal affinity made that working relationship even easier, but that was not the foundation of their alliance. The real basis of their connection comes from a political alliance at its most powerful: ideological similarity at the domestic and international level. It may not always have been rosy, but the powerful legacy of this relationship endures in spite of its shaky beginnings.

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