

**240. Memorandum From the National Intelligence Officer for General Purpose Forces (Atkeson) to Director of Central Intelligence Casey and the Deputy Director of Central Intelligence (Inman)<sup>1</sup>**

DDI #3773-82

Washington, May 7, 1982

SUBJECT

What's Next in the Falklands?—(Part III) The Long View

1. The first battles are over; the two sides are licking their wounds and angling for political advantage among cease-fire proposals. The progression of the Falklands crisis from its comic operatic stage into the grim business of killing has sent shock waves throughout both governments and around the world. The immediate future rests on a knife's edge; war and peace seem equally likely.

2. The impressive celerity with which the British launched their response to the Argentinian challenge has proved that the UK is yet a military power with global reach. For their part, the Argentines have shown a readiness to stand up to the superior edge of the more modern force. Britain's strength lies primarily at sea, her opponent's on land; they overlap in the common environment of the air. The Argentines have a sizable air force, but the air is primarily the domain of high technology, and here the British have the edge, particularly in total systems integration. While the Argentines may be capable of mounting a spirited defense and perhaps a few surprises, they must face the very bitter probability of tactical defeat as the British bring additional force to bear in the area.

3. But tactical defeat may not be as conclusive an outcome as some observers suppose. The Falklands still lie a scant 300 miles from Argentina and 8,000 miles from the UK. The Argentines probably assess that the strategic imperatives operate on a different vector than those of the battles. Whatever course the military action may take, they have reason to believe that the key issue of sovereignty has been decided in advance by geography and reinforced by the momentum it has attained through worldwide notoriety. While the junta has undoubtedly been surprised by the vigor and scale of the British reaction, they may calculate that the opponent must eventually recall his fleet and

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<sup>1</sup> Source: Central Intelligence Agency, National Intelligence Council, Job 85T00757R: Chronological Files (1982-1983), Box 1, Folder 5: NIO/GPF Chrono May 82. Secret; [handling restriction not declassified]. Sent through Rowen. Copies were sent to Gorman and Howells. For Parts I and II of Atkeson's report, see Document 126 and footnote 1 thereto.

his ability to influence events along with it. If such is the case, they may feel that they have essentially won their war. They may have confidence that now that the issue of sovereignty has been so visibly drawn, it is not likely to sink back into the limbo of the past century, but will be decided in one manner or another between the contestants. Even in their worst-case scenario in which a “victorious” Britain undertakes to garrison the recaptured islands with something more formidable than the 80 marines who met the original invasion force, the junta may sense a certain inevitability to its cause.

4. Much now depends upon the political strength of the junta and the quality of its nerves. It must hold the support of the masses and maintain internal cohesion. The members probably recognize that if they crack visibly under pressures from within, or under the battering of the British, they jeopardize the best chance in a century and a half for fulfillment of an historic ambition of the nation. An awareness of this mission probably stiffens their resolve.

5. Barring a cease-fire, the prospect is for more fighting and increasing British tactical advantage. ([less than 1 line not declassified] most of their troop transports are at some distance from the Falklands, but the possibility of disinformation should not be discounted. [1 line not declassified])<sup>2</sup> The loss of the *General Belgrano* has been a severe psychological blow to the Argentines, and provides the stuff from which monumental hatreds are made. They have returned stinging blows upon the British, sinking the *Sheffield* and damaging other vessels. The action outside the 200 mile exclusion zone raises the danger that the war could widen to feature more actions outside the area, or perhaps additional participants or supporting players. Sentiment is running high in favor of the Argentines in Peru, Brazil, Panama and Venezuela. In addition, there is always the risk that the Soviets will find opportunities to play a complicating role.

6. The British employment of Vulcan bombers from Ascension Island is reminiscent of American basing of B-52 bombers on Guam in the early phases of the Vietnam conflict. There will be temptations for the Argentines to request third party early warning services (for

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<sup>2</sup> In a May 8 report prepared for [name not declassified], [name not declassified] concluded: “British task force momentum has slowed and the British appear to have blinked at the prospect of an early assault on the Falklands. Should diplomatic efforts not yield withdrawal of Argentines from the Falklands during the next 7–10 days, however, we currently see the British proceeding with their assault plans both to satisfy British objectives for the Falkland Islands and to facilitate an honorable return of the task force. In the meantime, the task force will take prudent measures to enforce the Total Exclusion Zone and to bolster its capabilities for assaulting the Islands.” The Department transmitted to Enders the complete text of the report in telegram 125472 to San Jose, May 8. (Department of State, Central Foreign Policy File, D820242-0134)

both bomber and troop ship sailings), through the stationing of AGI intelligence ships or other suitably equipped vessels in the vicinity of Ascension, and perhaps on the periphery of the exclusion zone as well. [2 lines not declassified] Alternatively, other Latin American navies could play a role. The British would have to decide how they would want to deal with such indirect intervention. Of course, an Argentine initiative, such as the sinking of a British ship outside the exclusion zone—a merchant vessel, for instance—or the extensive employment of high performance aircraft by the Argentines from the mainland which would tempt the British to strike back, could accelerate any trend toward a wider war.

7. Over the longer term, the danger is that the war will have lasting unfavorable impact upon Pan-American relations. With the United States abandonment of its neutral stance and open support for the British cause, there is high likelihood that the animosities engendered in the current conflict will extend to English-speaking peoples in decades to come. In Argentinian eyes, and perhaps others' as well, UK tactical success may demonstrate British war-making potency and their ability to humble the Latins, but it is likely to evacuate any serious basis for amicability in international affairs. The full extent of the damage is almost impossible to foresee. Whether the matter will be remembered only in a sullen Argentina, or throughout an outraged South American continent, the totality of the impact will unfold only with time.

8. There are other matters which are likely to be affected by the experience of the Falklands war. Some of these are:

- Third World appetite for sophisticated weaponry.
- The shape and form of power projection weapons systems.
- Intelligence priorities and collection capabilities.

9. For many years an important concern of US foreign policy has been the magnitude of the international arms trade, particularly in sophisticated weaponry. The appetite of many Third World countries for showpieces of high technology is legendary. The effect of the Falklands war may well be interpreted as a vindication of those (in many cases impoverished) states which have opted for such dangerous instruments. We can probably expect an added impetus to the market of modern weapons in coming years.

10. Also for a number of years, major western powers have been debating the elimination of costly old weapons systems from their arsenals. The British carrier *Hermes*, for example, was scheduled for removal from service before being committed to the South Atlantic expedition. We can expect that the Falklands experience will give many countries reason to reexamine their force structure, perhaps to decide in favor of retaining some of the older systems. The US may find new

enthusiasm for reviving the battleships as a result of the apparent shortage and small caliber of naval guns in the British task force. Missiles do not make good substitutes for shore bombardment, and other inadequacies may yet come to light.

11. [4 lines not declassified] the Falklands episode should give us some understanding of the need for balance in our collection programs and a glimpse of the magnitude of the uncertainties which can evolve in a crisis when it occurs in an area which has been chronically left off of the priorities lists.

12. In sum, there is much that will be different when the war is over. Barring a crack in the junta, the Argentines are likely to get the sovereignty they seek over the Falklands in one form or another. Our Latin American affairs will be more complex and difficult, and the Soviets may have gained certain inroads if they have played an active part in assisting the Argentines. The Third World arms market is likely to grow more intense as countries realize their vulnerabilities to major power attack. In advanced countries, requirements for maintenance of a full spectrum of traditional and modern weaponry will probably be more clearly defined. And in the US and UK we are likely to recognize an increased need to balance our intelligence efforts. There will be other changes, some undoubtedly of considerable import. These will be revealed as events take their course.

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