

## 87. Special National Intelligence Estimate<sup>1</sup>

SNIE 21/91-82

Washington, April 9, 1982

### THE FALKLAND ISLANDS CRISIS

[Omitted here are the Scope Note and the Table of Contents.]

#### KEY JUDGMENTS

A peaceful resolution of the Falkland Islands crisis will depend on a willingness to make concessions that are not yet evident in either

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<sup>1</sup> Source: Reagan Library, Executive Secretariat, NSC Country File, Latin America/Central, Falklands War (04/09/1982-04/15/1982). Secret; [*handling restriction not declassified*]. The estimate was issued by the Director of Central Intelligence with the concurrence of the National Foreign Intelligence Board. The estimate was prepared with the participation of the Central Intelligence Agency, the Defense Intelligence Agency, [*text not declassified*], and the intelligence organizations of the Department of State and the Department of the Treasury. The Assistant Chief of Staff for Intelligence, Department of the Army; the Director of Naval Intelligence, Department of the Navy; the Assistant Chief of Staff, Intelligence, Department of the Air Force; and the Director of Intelligence, Headquarters, Marine Corps, also participated in the preparation of the estimate.

London or Buenos Aires. The negotiating flexibility of both the UK and Argentina will diminish as the British task force nears the Falklands. Even now there is little or no flexibility on the key imperatives of either party: sovereignty now or in the finite future for Argentina, or the removal of all Argentine military forces and the restoration of British control for London.

Only a negotiated settlement achieved before hostilities, or following an extremely limited military engagement, however, is likely to leave US interests relatively unscathed. In the event of extensive armed conflict, the United States will be increasingly pressured to “choose” between Britain and Argentina, and by extension between Latin America and the US-European alliance. A clear-cut British victory would avoid the negative consequences for UK-US relations that could result from such an invidious comparison.

We believe that the British task force could undertake the following categories of military operations after arriving in the vicinity of the Falklands. In order of increasing cost to the British, they are:

- Enforce a naval exclusion zone.
- Engage in a high seas naval confrontation.
- Prevent air resupply of the Islands.
- Assault the Falklands in an attempt to retake them.

A British defeat would not only result in the fall of the Thatcher government but would also deal a severe political blow to Britain’s standing as a major European power and key NATO member. It would have a demoralizing effect within the Alliance and would dampen the prospect of British cooperation with the United States in such areas as strategic nuclear planning and the Persian Gulf.

Argentina’s defeat would result in the fall of the Galtieri regime and probably usher in a period of weaker, less stable governments. An Argentine loss would diminish Buenos Aires’ current willingness to cooperate with US policy initiatives in Central America. On the other hand, even an Argentine victory would evoke mixed reactions in Latin America, especially because this outcome would seem to justify reliance on force to resolve territorial disputes.

A standoff after limited combat would create more promising circumstances for negotiations than now exist. Growing awareness of military vulnerabilities might generate more concerns about the debilitating consequences of full-scale conflict, and thus allow exploitation of diplomatic options.

The opening for negotiations could be relatively brief, because both governments might come under strong pressure to reengage in order to avoid an attrition of capabilities—the British concerned about sustaining the distant military effort, and the Argentines susceptible to

growing economic difficulties and isolation. If full-scale but inconclusive hostilities ensue, the respective allies and hoped-for supporters of each side would be increasingly entreated to take stronger actions.

The Soviets are unlikely to become directly involved militarily in the dispute, although they probably will secretly provide Argentina with information on UK military deployments.

[Omitted here are the Discussion section of the estimate and an Annex illustrating the Balance of Forces.]