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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence

FALKLAND ISLANDS
SITUATION REPORT #2

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Falkland Islands Situation Report, No. 2
Information as of 0930, 3 April 1982

Status of the Invasion Force

The Argentines continue to provision and reinforce their initial landing force.

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[Redacted]

[Redacted]

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[Redacted]

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Comment:

The British, who will lack a land base and probably face logistical problems, will be hard pressed to oust a force of the size anticipated. By claiming this size force, the Argentines could be hoping to convince the US to press the British to negotiate rather than try to retake the islands with force.

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Diplomatic Activity

Brazil, Bolivia, Peru, and Ecuador have given unqualified support to Argentina's claims, but have expressed hope for a peaceful resolution of the conflict. Venezuela, traditional supporters of Buenos Aires' claims, has thus far withheld open support and called for a negotiated settlement. The Chileans, now negotiating with Argentina for control of the Beagle Channel, refuse to support Argentine claims.

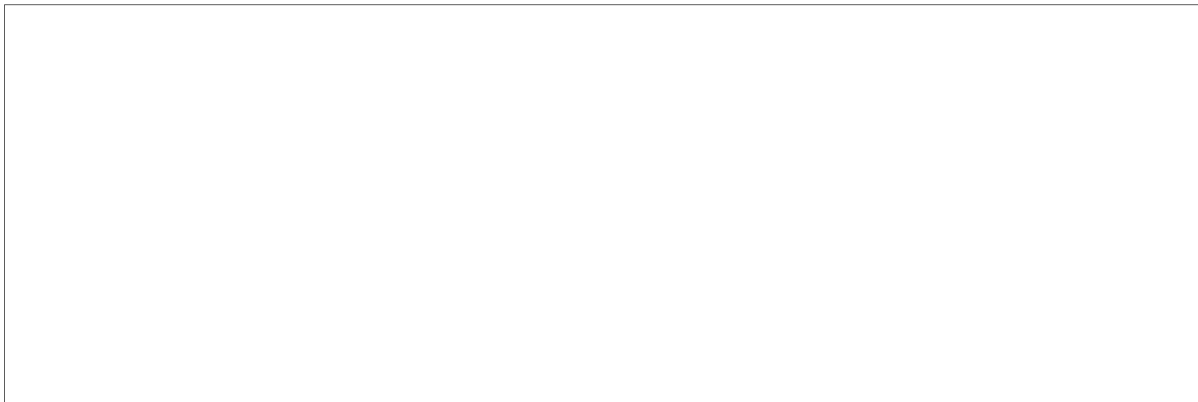
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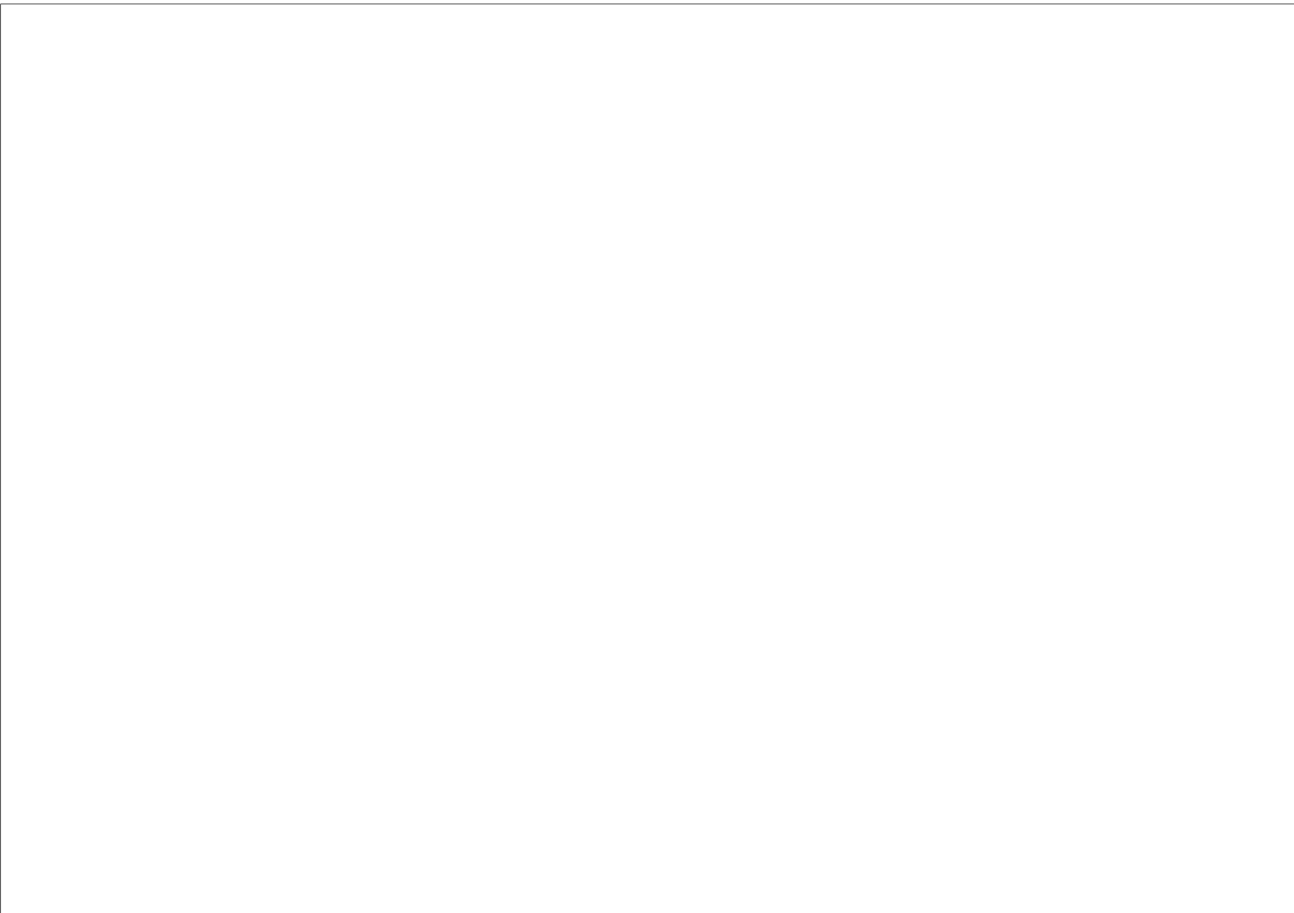
Most of the countries that have endorsed Argentine claims are also embroiled in long-standing, sometimes violent, territorial disputes, and probably hope that Argentina will return their support. These countries will also probably avoid setting a precedent for future border disputes

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Third World assistance to Argentina in the UN suggests that anti-colonial sentiments could damage British diplomatic initiatives.

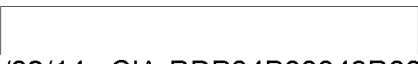
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Comment:

By telling US officials about the Soviet presence the Argentines could be trying to push the US into a more neutral position by suggesting that the potential for Soviet mischief could increase unless the dispute is settled. Buenos Aires could also be signaling to the US willingness to use their presence on the Falklands to monitor Soviet naval movements. [redacted]

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UK Reaction

Prime Minister Thatcher told Parliament this morning that a "large" task force--reported elsewhere to include 35 to 40 ships--will leave Monday for the Falklands. She also announced a freeze on Argentine assets in the UK and a suspension on future export credits for Argentina. In the ensuing debate, amid opposition calls for Thatcher's resignation, Labor leader Foot blamed the government for the "betrayal" of the Falklanders. Some Conservatives reportedly have called on Foreign Secretary Lord Carrington and Defense Minister Nott to resign. The British press is solidly behind military action, but is showing some impatience with the government's response. [redacted]

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[redacted]

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[redacted] The Argentine press reports that the nuclear-powered submarine Superb has been located 250 miles off the coast of the southern Argentine city of Mardel Plata.

Comment:

The government is already hard-pressed to defend its conduct in the crisis. Thatcher will have to move quickly to dispel the impression-- [redacted]

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of indecisiveness. The impossibility of a quick and decisive military response will complicate this task. [redacted]

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[redacted]

Spanish Position

The Spanish Government issued a statement this morning favoring decolonization of "the Malvinas Archipelago" through peaceful means. Madrid asserted that continued colonization is a cause of tension. [redacted]

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