The Falkland Islands War: Then and...?

According to unconfirmed media reports, Russia recently agreed to lease Argentina twelve Su-24 long-range strike aircraft, in return for grain and meat. Buenos Aires was previously shopping around for such capabilities, from Brazil among others. There seems to be only one logical purpose for such aircraft: to augment Argentina’s ability to use force to assert its claim over the Falkland Islands (or as the Argentines would have it, the Malvinas), a British Overseas Territory. Indeed, Argentine President Cristina Kirchner has renewed demands for talks over the sovereignty of the islands, and has otherwise harassed its residents. Defense analysts speculate that Argentina is putting itself in a position to threaten the islands before Britain introduces two new modern aircraft carriers into its fleet in the early 2020s. London, meanwhile, is said to be preparing major improvements to its ground-based air defenses in the Falklands.

Whether Argentina would actually undertake an attack on the Falklands—renewing the war it lost in 1982—or is merely engaging in coercive diplomacy (while distracting attention from its domestic and economic troubles), is open to debate. Russian motives are equally complex. There is undoubtedly an economic factor, as well as the chance to promote Russian arms exports more generally. It gives Vladimir Putin reason to claim that Russia remains a player on the international stage, and to show that the West has not succeeded in isolating him over actions in Ukraine. It may also be reflective of larger Russian geopolitical ambitions. Last year, the Russian defense minister was quoted as saying that Russia was seeking to negotiate air and naval access rights to facilities in Cuba, Venezuela, Nicaragua, Algeria, Cyprus, the Seychelles, Vietnam, and Singapore.

The defense minister’s remark is perhaps only a bit of Cold War nostalgia. Still, the news about the Su-24s offers an opportunity for students of strategy to reflect on the 1982 Falklands War, and on how conflicts in seemingly inconsequential places can have significant effects on the global strategic environment. Further, as an exercise in learning (and humility), it is useful to compare what one thought at the time, with the way events actually turned out. With such an exercise in mind, I have resurrected in this essay some of my notes and writings from 1982.

First, a bit of background. As argued in an earlier NSS (“The Falklands Factor,” April 2013), for British Prime Minister Margaret Thatcher the Falklands War was a critical, albeit unplanned, moral and strategic step in the recovery of Britain and the West from the deadly malaise into which they had fallen. It was meant to serve as a pointed lesson to all the dictators and would-be aggressors who seemed on the ascendency at the beginning of the 1980s: “We fought to show that aggression does not pay and that the robber cannot be allowed to get away with his swag.” The Falklands may have been a small, distant object but, as Thatcher saw things, the essence of the affair went to the moral heart of the great conflict between the democracies and the dictatorships. That matter was self-determination, rightly understood, and the imperative to resist aggression. In using force to seize territory in violation of international law, the right-wing Argentine dictatorship was riding the wave of Communist-led aggression and intimidation that had been building for well over a decade. The Falklands, in Thatcher’s view, was a place where that wave could begin to be broken—an honorable cause for Britain, with larger ramifications for international security.

The United States saw things rather differently. There was a diversity of opinions within the Reagan Administration, ranging from Defense Secretary Caspar Weinberger (decidedly pro-British) to U.N. Ambassador Jeane Kirkpatrick (if not pro-Argentine, then certainly opposed to supporting London on this matter). The official American reaction—represented by Secretary of State Alexander Haig—can be generalized as follows: Mrs. Thatcher was making one of the basic mistakes of strategy, taking her eye off the ball and becoming distracted by peripheral matters. The “ball” was the Soviet Union and the threat of Communist aggression and coercion. One of the central fronts in the conflict with Soviet Communism was in the Western Hemisphere, where the Kremlin, and its surrogate, Cuba, were actively engaged in subversion and military aggression (e.g., Nicaragua, El Salvador). The geopolitical tide could be turned only if the non-Communist world came together diplomatically and rearmed itself sufficiently to halt and eventually reverse Soviet gains. Argentina, historically one of the most anti-American nations in South America, was quietly cooperating with the United States in fighting Communist activities throughout the hemisphere, especially in Central America. Argentina signaled privately to Washington that it might turn to the Soviets if the United States backed Britain. Other Latin American states, although no allies of Argentina, might also be swept up in an anti-colonial fever and reject the U.S. effort to construct a united, anti-Communist front. Haig therefore felt that the correct course for London was to exercise diplomatic sophistication and forbearance and to look for a face-saving solution, not resort (immediately) to military action.

Mrs. Thatcher, of course, did just that, and the British won a surprisingly quick victory. (The United States, while remaining formally out of the fight, did swing behind Britain, and offered overt and covert support.)
How did things seem at the time, and how do they appear in retrospect? Writing in 1982, I emphasized the high stakes that were being played in the run-up to the war. This was a regional war that had global ramifications. Before the British committed to a military response I argued: “The British government, which is friendly to the United States and to the defense of the Atlantic Alliance, is on very shaky ground. Its replacement, should it fall, would probably be a Labour Party intent upon unilateral nuclear disarmament and virtual withdrawal from NATO.”

If Britain lost the war outright, or could not bring the war to a quick and decisive conclusion, I thought that public opinion would very likely turn against Thatcher, already in serious political difficulty for domestic reasons, and bring about a change in government. The NATO allies were engaged in an intense diplomatic struggle over whether they should counter the USSR’s deployment of SS-20 intermediate-range nuclear missiles with the deployment of American Pershing and Ground-Launched Cruise Missiles, coupled with negotiations to address the problem of such intermediate-range nuclear forces (INF) through mutual reductions. The highly popular alternative was for NATO to forbear such deployments and take unilateral measures to “stop the nuclear arms race.” The opposition Labour Party under Michael Foot was among the most radical proponents of the anti-nuclear movement. Had Labour come to power and taken such a position, NATO’s already shaky determination to deploy its INF systems would collapse. The anti-nuclear West German Social Democratic Party could well ride power on that same momentum. The continued existence of the Atlantic Alliance would be problematic.

This outcome would have represented an enormous failure for Soviet foreign policy. Indeed, this was what the Kremlin was aiming at (whether or not this was its original intention in deploying the SS-20s). At a minimum, the collapse of NATO’s consensus over the central role of nuclear deterrence would have alleviated the strategic pressures on the Kremlin that later led Gorbachev down the path towards accommodation on the INF question, and on much more besides.

Of course, one could argue that British politics were more complicated than this analysis allows. Perhaps Labour, once in power, would have moderated its position on defense and foreign policy; perhaps the new SPD-Liberal Alliance, rather than Labour, would have won a majority, or have served in a relatively moderate coalition government not committed to nuclear disarmament; perhaps NATO would have proven to be more resilient than I gave it credit for. Those of a different strategic persuasion could also argue that, had the allies adopted the anti-nuclear agenda, the economic pressures facing the Soviet Union, coupled with a more accommodating Western Europe, would eventually have led to the same outcome (the end of the Cold War), with much less risk.

But that was not how things seemed at the time, and I think my assessment—the critical importance of Western deterrence over the INF issue—stands up today. In choosing war over the Falklands Thatcher rolled the dice not only for her own political future, but for that of the Western Alliance. The moral tide against dictatorships, to the extent that was important, might have been turned later, on other, more favorable grounds—say, by the U.S. invasion of Grenada in 1983 (an action, incidentally, which riled Thatcher greatly, since it involved unilateral American action against a Commonwealth island). Given the stakes involved, the battleground chosen was hardly the most propitious, for (if my analysis of the critical importance of the INF crisis is correct) there was little if any further room to maneuver politically if the Royal Navy and the British military had not performed superbly under very difficult conditions. At the very least, the Western alliance would have teetered on the precipice. The ability of the British to succeed morally tide against dictatorships, to the extent that was important, might have been turned later, on other, more favorable grounds—say, by the U.S. invasion of Grenada in 1983 (an action, incidentally, which riled Thatcher greatly, since it involved unilateral American action against a Commonwealth island). Given the stakes involved, the battleground chosen was hardly the most propitious, for (if my analysis of the critical importance of the INF crisis is correct) there was little if any further room to maneuver politically if the Royal Navy and the British military had not performed superbly under very difficult conditions. At the very least, the Western alliance would have teetered on the precipice. The ability of the British to succeed militarily after the defense cuts of the previous decades was very much in question (whereas the United States could suffer failure in Vietnam—another distant conflict waged under difficult circumstances—and still recover).

This is not to say that Thatcher was wrong—even before the war was resolved I thought she was correct. I thought and think that the United States was prudent to support her once her determination was made manifest. But the larger strategic concerns evidenced by the Reagan Administration were not unreasonable, either. The margins were close. On such gambles, and their attendant uncertainties, is history made.

This leads to my following observation at the time about Soviet strategy: “The Soviet Union did not play a significant role during the war. This is not to say, however, that the U.S.S.R. was inactive or uninterested—or that the long-term future of Soviet strategy was not very much involved.” I reached three general conclusions:

1. The limitations of Soviet diplomatic and military capabilities were demonstrated. Moscow has taken pride in its superpower status, defined as the right not to be excluded from having an influential, if not decisive voice, in events everywhere in the world. But it was American—not Soviet—diplomacy that was called upon to attempt to avoid war, and it was British military power that ended the matter, at least for the present. The Falkland Islands were not a vital interest of the Soviet Union, and Moscow was accordingly cautious. But the U.S.S.R. also lacked the direct or indirect means to intervene effectively. The United States may have preferred a peaceful and negotiated settlement, but it did gain the next best thing: a decisive British victory.

2. Nevertheless, Soviet military capability has improved greatly during the past two decades. The fact that, of all the major powers, the Soviet Union had the most surface combatants (at Luanda) in the South Atlantic at the outbreak of fighting is of no little significance. Also, the Soviets received a relatively “free look” at the operation of a number of highly sophisticated Western military systems, without having to reveal their own capabilities.

3. The persistence of Soviet policy was emphasized once again. To be sure, the Soviets are consummate opportunists, but their interest in Argentina was evident years before the Falkland crisis. The U.S.S.R. is certain to pursue that interest long after those miserable rocks in the South Atlantic disappear from Western public view.

I reached these conclusions on the basis of what was known publicly about Soviet activities at the time. (My fuller assessment from 1982 is reprinted below—it provides a context for what policymakers generally knew at the time.) We have since learned more about the Kremlin’s activities during the war—including allegations of clandestine support for Argentina through various channels, such as Cuba, Peru, Libya and Angola—but nothing that would require us to change our perspective.

I thought at the time, and continue to believe, that, at least at the highest level of geopolitical abstraction, the Soviets missed a major opportunity to spike the NATO alliance by not supporting the Argentinian cause more effectively. Or, differently put, they missed a chance to have taken effective steps to bring about Britain’s defeat. Although Clausewitz’s notion of the importance of identifying and attacking the enemy’s “center of gravity” has become somewhat controversial (it was recently challenged by Sir Lawrence Freedman, among others), the concept may have some utility here. At the level of grand strategy in 1982, the most critical and vulnerable center of gravity in the Western alliance was, as noted above, the shaky position of the governing
The Malvinas war has its unique traits. NATO military experts said that this conflict has taught the NATO military personnel more than they expect to learn from the massive war exercises they will participate in the next 10 years. Military experts of many countries have analyzed what new problems have arisen from this war, calling for changes in modern warfare. Generally speaking, these problems can be summed up as follows:

**First, ACCURATELY GUIDED WEAPONS HAVE CHANGED THE TRADITIONAL METHOD OF SEA WARFARE.** Western news agencies reported that the Malvinas conflict "was the first large-scale sea war in the world which involved the utilization of missiles of the space era and the most complicated electronic systems ever." During the battles, people found that guided missiles played a key role in sea warfare. The setup of sea warfare has greatly changed because anti-warship missiles can be launched from a great distance, even hundreds of miles away. One expert from the London International Institute of Strategic Studies pointed out that future sea warfare "would be a hide-and-seek game. Warships hiding at far distances will wait for the opportune moment to launch a surprise attack...."

**Second, the electronic-guided missiles can play their important part in sea or air battles, but in order to win victory, it is still necessary to raise and give full rein to the ability to carry out comprehensive sea warfare such as reconnaissance, accurate and timely communications, control of the air, air defense, the ability to launch missile attacks and anti-missile warfare....**

**Third, HUMAN FACTOR IS STILL A DECISIVE ONE IN A MODERN WAR.** During the Malvinas war, the Argentine troops fought staunchly and heroically and dealt serious blows to the British troops. Particularly, the skill and courage of pilots of the Argentine air force were universally praised. In the air battles, they displayed their heroic spirit of fearing no sacrifice. They damaged and sank many British warships by using offensive tactics of low-altitude flying and diving. They were honored with the name of "flying steeds." Even British Defense Secretary John Nott admitted, "I reckon that the Argentine pilots have displayed unequalled valor." Facts have proved that in a modern war, weapons are important factors but men who use them are a more important factor.
Fourth, THE MALVINAS WAR HAS PUT TO MILITARY EXPERTS THE QUESTION OF RECONSIDERING NAVAL STRATEGY. Western military experts hold that “the dawn of a brand-new era of sea battles” was seen in the South Atlantic war. It is necessary to have “small high-speed surface warships fully equipped with missiles closely coordinating air defense systems and highly effective submarines which do not use nuclear weapons.” Some people also think that it is still necessary to have aircraft carriers with extensive deck space and various offensive and defensive functions. This means excellent weapons, close coordination and high efficiency. With these, successful offensive or defensive action can be taken.

Finally, the Malvinas war has also shown that as a result of using electronic controlled and guided missiles, the rate at which warships are being damaged has increased. An Exocet missile, which was worth $200,000, sank a destroyer which was worth $200 million. This has drawn the attention of military circles in various countries. Experts hold that in building warships in the future, efforts should be made to build small, high-speed ones at low cost. It is not advisable to use aluminum in building warships because its ignition point is 100 percent lower than steel. The upper structures of the British frigates “Ardent” and “Antelope” were made of aluminum. After they were hit, fierce combustion and rapid melting occurred and then they soon sank.

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My final point at the time concerned the persistence of Soviet strategy. For reasons of history, political culture, and geography, Argentina seems to be a natural ally for any serious Eurasian opponent of the United States. One should not give way to historical determinism, of course, as many other contingent factors can enter into play. Still, as noted below, the Soviet bloc had developed surprisingly strong economic ties with Argentina by 1982, and Moscow did have options to develop military ties, which may have been cultivated had the war continued. This brings us back to the present and the possible food-for-aircraft deal. Time, as Churchill said, is a long thing.

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The Soviet Union and the Falklands War

by Patrick J. Garrity

The most severe Soviet formal diplomatic protest was issued on May 14. TASS reported that British ambassador to Moscow Sir Curtis Keeble received a Soviet protest that the British blockade zone in the South Atlantic was unlawful. (The Soviets cited the 1958 Geneva Convention on the High Seas as their grounds for the protest.)

Throughout the conflict, Soviet ambassador to Argentina Sergei Striganov was a frequent visitor to Government House in Buenos Aires. After Striganov’s meeting with President Galtieri on May 31, it was rumored that San Juan Provincial Governor Leopoldo Bravo might be dispatched on a diplomatic mission to Moscow. The Argentine Undersecretary for Agriculture was already in the Soviet capital to discuss future grain sales to the U.S.S.R.

Both the Soviets and the Argentinians carefully tailored their respective positions to obtain the maximum effect from minimum commitment. The Soviets made no secret of their efforts to use the conflict to drive a wedge between the United States and Latin America. A June 13 broadcast in Spanish on Moscow Radio Peace and Progress cited the opinion of Venezuelan President Luis Herrera that the Malvinas (Falkland) conflict had become “a powerful incentive for genuine Latin American integration processes and the formation of a new alliance in which Latin America will not be subordinate to the Yankees.” Argentine Defense Minister Amadeo Frugoli was quoted as stressing the establishment of alliances with those countries that have supported Argentina through deeds and not words.

The Soviets were not averse to bemoaning the American position in the conflict as an abandonment of the Monroe Doctrine. Thus April 30, the day on which the Reagan Administration came down on the side of Britain, was marked as the end of the Monroe Doctrine by Vissarion Sisnev in Moscow Trud (May 28, 1982):

The Monroe Doctrine was a great-power concept of North American capital, masking its selfish interest in Latin America with a feigned concern for its security. The United States wanted to protect its southern neighbors from European penetration so that nobody could prevent it from exploiting the continent’s natural wealth for itself. Thus its real motive has repeatedly been revealed when Marines and soldiers wearing U.S. uniforms have used fire and sword to pacify Cubans, Dominicans and Mexicans, but never before has the United States had to make the kind of choice forced on it by the Falklands (Malvinas) crisis. Now that this choice has been made it is clear that those
allies which help Washington to carry out its great-power and anti-communist global plans are, of course, more important to it than those who serve as a source.

For the Soviets, British and American policy in the Falkland crisis was intended "to subjugate them [the Latin American countries] from the military and political viewpoints to the Pentagon." This involved the creation of a South Atlantic Treaty Organization (SATO) and the development of major military facilities on the Falklands—a base designed "not to support the continent's defense, but as a springboard for staging aggression and intervention." A May 14 article in Novoye Vremya reflected:

It will be recalled in this connection that immediately after the defeat in Vietnam the United States reoriented itself toward the so-called "island strategy," whose advocates prefer to create military bases not in densely populated countries, but on islands isolated from political storms, such as Diego Garcia in the Indian Ocean, for they can be turned into fortified outposts not only at intersections of sea routes but on approaches to continents gripped by liberation movements. It is now obvious that the Falklands, comparatively close to the South American mainland, were not forgotten in these plans. It is no accident that the American projects for a settlement of the present conflict boiled down to plans to deploy on the islands "multilateral forces" with the participation of U.S. troops, but in actual fact under their control. These plans are clearly copied from the "multinational forces" that have succeeded the Israeli occupiers in Sinai, where the American command has deployed specially trained landing units from the Rapid Deployment Force. Who knows whether preparations are not being made to deploy them with equal rapidity near Latin America?

Nor was the Reagan Administration's policy limited to the Falklands. Washington intended its support of Britain to act as a warning to such nations as Brazil, Egypt and Saudi Arabia: "Let them not even dream of an independent policy or of equality with their partners among the industrial capitalist countries; let them know their modest place!"

Buenos Aires gladly accepted the U.S.S.R.'s tepid endorsement. "If it needs it, Argentina will accept it [aid] from whoever wishes to offer it," Galtieri told journalists on June 3. On the civilian side, Miguel Angel Zavala Ortiz (former Argentine Foreign Minister and leader of the Radical Civic Union) stated that his country would accept "foreign cooperation from whatever source" in case "the very existence of [Argentina] was at stake. "If the U.S.S.R. or the PRC, for example, give us their support and if they want to contribute to the defense of our country, we should not hesitate, despite ideological differences.... Didn't international capitalism join international communism to fight and defeat Nazism and fascism?"

The Galtieri government did indeed find itself with some unusual friends. Argentine Communist Party Secretary General Athos Fava, with whom the military government in Buenos Aires generally finds little favor, went on a European tour to seek support for Argentina's position. Fava met with Portuguese and French Communist Party officials, and with the Soviets' Boris Ponomarev, each of whom acknowledged Argentine sovereignty over the Falklands. Fava's press conference upon returning to Buenos Aires was widely publicized by Télam, the semi-official Argentine news agency.

The U.S.S.R.: Military

As the Argentine position in the Falklands became more and more precarious, the Galtieri government desperately sought foreign assistance. The U.S.S.R. was widely suspected of providing military assistance in the following key areas:

- **Satellite Reconnaissance.** By most estimates, at least two-thirds of all Soviet activity in space is directly related to military purposes. Whenever an international crisis or conflict is in progress or is anticipated, the Soviet Union routinely launches various intelligence-gathering satellites to monitor the geographic area specifically involved. The Falkland Islands affair proved no exception.

  On March 31, the Soviets placed two satellites in orbit: Cosmos 1345, designed to intercept radar emissions, particularly from ships; and Cosmos 1346, designed to intercept communications. On April 2, Cosmos 1347 (a photographic reconnaissance satellite, believed capable of taking high-resolution photos of objects as small as three feet in length, and then ejecting a film capsule for recovery as it passes over Soviet territory) entered service. It remained in space for 50 days, a record for such Soviet satellites; Cosmos 1347 may have been intended originally to monitor a possible Israeli invasion of Lebanon.

  Another satellite (Cosmos 1350) was inserted on April 16 into a lower orbit, apparently for better resolution. Five days later, two more spacecraft were sent into orbit: Cosmos 1351 (radar-sensing) launched from Kapustin Yar; and Cosmos 1352 (photography) launched from Tyuratam and later boosted into a higher orbit for a broader area of coverage. Cosmos 1353 (photography) was launched from Plesetsk on April 23. Two more satellites, one for photographic and the other for electronic intelligence, entered orbit on April 29.

  Cosmos 1365, a sophisticated nuclear-powered ocean surveillance satellite similar to the one that fell on Canada in 1978 after its orbit had decayed (Cosmos 954), assumed its station on May 14. Another of this type (Cosmos 1372) went into orbit several weeks later.

  There was considerable disagreement amongst intelligence analysts as to the effectiveness and purpose of this Soviet space surveillance. Some argued that the rough weather in the South Atlantic (high seas, considerable cloud cover) must have severely hampered satellite reconnaissance. In any event, the Soviet intelligence service received valuable operational experience—and the rare opportunity to monitor a NATO nation's military operations under wartime conditions.

  Did the Soviets pass along certain intelligence to the Argentines, particularly relating to the all-important location of British naval units? Opinion again was mixed. Even if the Soviets were relaying information to Buenos Aires, however, it is unlikely that the Argentine military was prepared to receive, analyze and act on the Soviet intelligence rapidly enough to provide a significant advantage.

- **Local Reconnaissance.** Soviet spying was by no means limited to space-based surveillance. The Soviet oceanographic ship Akademik Knipovich and another vessel (like many such Soviet scientific ships, well equipped with antennas and various electronic devices) happened to be in the South Atlantic as the Falkland crisis came to a head. The Soviet ships arrived at the Argentine port of Ushuaia on April 13 to refuel under the terms of a fishing agreement signed by the U.S.S.R. and Argentina the previous week.

  At the same time, more than a dozen Soviet and Polish trawlers (likewise suitably equipped) were available in the Falklands area for reconnaissance activities. As the British naval task force moved into the Atlantic in early April, a Primorye-class intelligence ship shadowed the fleet. TU-95 Bear reconnaissance aircraft, operating from Angola or Cuba, flew near the British force. Two Soviet submarines (probably nuclear-powered Echo II-class submarines diverted from routine patrols in the Indian Ocean or off the Cape of Good Hope) sailed into the South Atlantic—possibly to locate the British submarines enforcing the sea blockade of the Falklands.

- **Ground-based Radar.** One of Argentina's greatest concerns during the Falkland Islands conflict was that Britain would attack airfields on the mainland in an attempt to halt Argen-
tine Air Force attacks on the Royal Navy. Buenos Aires reportedly feared that, despite capable radar facilities around major Argentine cities and military bases, the lack of coordination and overall radar coverage left southern airfields vulnerable to a British strike. On June 4, several major Western newspapers reported that Argentina had sought to remedy its shortcomings through a secret agreement with the U.S.S.R. During the first half of May, at least 20 Soviet technicians were said to have arrived in Argentina to integrate and expand existing radar systems. Some Soviet equipment may have also been provided. The technicians, who allegedly were dressed in civilian clothes, were based at Comodoro Rivadavia, although several were said to be assigned to sites farther south.

- **Military Equipment.** There was no immediate evidence that the Soviet Union directly provided Argentina with military weaponry during the war. Argentina required supplies of Western equipment because most of its hardware was of either British, French, or American origin. But the possibility remains that Moscow will step in and offer Argentina arms aid that is no longer available from the West. The Air Force, which suffered heavily in the battle for superiority near the Falklands, is a particularly likely candidate. On June 9, Soviet ambassador Striganov called on Argentine Air Force Chief General Basilio Lami Dozo. The Buenos Aires Herald (June 17) claimed that the government was considering the purchase of 100 Soviet MiG-23s and MiG-25s. The aircraft would be bought with grain rather than hard currency, with an interest rate of less than nine percent after a one-year grace period. Pilots would be trained by the Soviets, who would also replace aircraft losses during the training period without additional charge. An Argentine Air Force spokesman subsequently denied the report.

**The U.S.S.R.: Economic**

ARGELY LOST IN THE SHUFFLE OF DIPLOMATIC AND MILITARY activity was the magnitude of the Soviet-Argentine economic relationship. Nearly 80 percent of Argentina’s grain exports each year now is shipped to the U.S.S.R. Three-eighths of Argentina’s entire export trade is now with the Soviet Union, only a few years since the two were minor trading partners. In 1981, Argentina became the U.S.S.R.’s largest trading partner in the developing world, replacing India. Overall, Argentina ranks as the Soviet’s sixth-largest trading partner outside the Soviet bloc, ahead of even the United States and Britain.

Last year, the Soviet Union imported an estimated 15.7 million tons of grain and soybeans from Argentina. (In 1980, when the total purchases were much lower, Soviet imports from Argentina included 1.5 million tons of sorghum, 667,000 tons of soybeans, and 84,000 tons of frozen meat.) But the Soviets have reduced their purchases of Argentine grain significantly since the outbreak of war. The U.S.S.R. failed to sign any new grain purchase agreements after March 22; it is now committed to purchase less than half of the 1982 Argentine surplus. Grain shipments to the Soviet Union in June were believed to be only 1.5 million tons, as compared with an anticipated figure of 3 million tons.

The Kremlin may have been scared off because of the insurance and shipping difficulties posed by the Falkland war and the British blockade. It is more likely that the U.S.S.R. was taking advantage of the Argentine need for trade, and the reentrance of the United States into the Soviet grain market, to drive a hard bargain. Buenos Aires was clearly concerned and dispatched the head of the Argentine National Grain Board (David Lacrose) to Moscow in early June to revive trade prospects. On June 5, Economic Minister Roberto Alemann predicted that his country would sell an additional 2 million tons of grain to the Soviets — still below the 1981 levels.

Apart from sharp business practices, the U.S.S.R. would like to use its economic leverage over Argentina for political advantage. (The Soviet balance-of-payments deficit in relation to Argentina is staggering, on the order of 50 to 1; in 1981, the U.S.S.R. paid $3.4 billion for Argentine products, while selling only $67 million in return.) The Argentine withdrawal of its representative from the Inter-American Defense Board, and the recall of Argentine officers undergoing special military training in Panama under American auspices, were likely consequences of the United States’ position during the war. But the U.S.S.R. can be expected to press its advantage and urge Buenos Aires to purchase Soviet military hardware in the future.

The Soviet Union has sought better relations with Argentina for some time, attempting to capitalize on difficulties between Buenos Aires and Washington. American-Argentine relations have rarely been without strain during this century, but the Soviets became particularly active during the Carter Administration, when the American human rights’ campaign and grain embargo provided an opening.

The Soviets have sold equipment to the Argentines for the Salto Grande hydroelectric station, and the power plants at Costanera and Bahia Blanca. Argentine oil and steel industries have been using an increasing amount of Soviet cranes, trucks, and ball bearings. On the day that Argentine forces seized the Falklands, a Soviet Deputy Foreign Minister (Aleksei N. Manzhulo) was in Buenos Aires to sign an accord for the establishment of a joint Soviet-Argentine fishing company. The agreement also called for Soviet participation in the Parana Medio hydroelectric project on the middle stretch of the Parana River.

Further, the U.S.S.R. agreed to supply Argentina with enriched uranium for the Atucha I nuclear power plant outside of Buenos Aires. This naturally raised the issue of Argentina’s ability to construct a nuclear device, particularly when Vice Admiral Carlos Castro Madero, chairman of the Argentine National Atomic Energy Commission, termed the Soviet Union “a reliable country” — while the United States was no longer reliable. (The Carter Administration stopped the sale of enriched uranium because of its nonproliferation policy.) Castro Madero also speculated that Argentina might build nuclear-powered submarines in the future.

Buenos Aires has also sought to expand its ties with the Soviet bloc as a whole. The waters around the Falklands and South Georgia Island account for 20 percent of the catch of the Polish deep-sea fishing fleet; there were approximately 40 Polish trawlers in the area in April 1982. Czechoslovak-Argentine goods exchanges have doubled in the past three years, and now total 120-$150 million each year. Argentina exports primarily agricultural products to Czechoslovakia, in return for Czech heavy equipment and machine tools. Hungary and East Germany have also recently signed scientific, technical, and trade agreements with Argentina, and Cuba concluded a $100-million pact with Buenos Aires on June 4.

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