CHAPTER 38 LOSSES AND LESSONS OF THE 1982 WAR FOR THE FALKLANDS by Adam Perkal



LOSSES AND LESSONS OF THE 1982 WAR FOR THE FALKLANDS

Although a sizable body of literature has been generated by the recent struggle for the Falkland Islands, little has been devoted to the actual losses incurred during the conflict. Furthermore, writings on the subject have been specific to particular disciplines, such as military science or strategic studies. We have few works that approach the topic from a broad perspective. The purpose of this study is thus twofold: to set forth and interpret some statistical data pertaining to the war, and to summarize some of the questions considered by other scholars in order to understand the long-term importance of what seemed at the time to be an insignificant incident.

Background and Course of the War

The controversy over the islands began more than two centuries ago as a dispute between Great Britain and Spain. Although Spaniards discovered the islands, the French. Dutch, and British all passed through the archipelago and claimed sovereignty. In 1767 the French abandoned their claim, and by 1771 Great Britain and Spain were the sole contestants. In that year, the British forcibly occupied the islands but stayed only until 1774, allowing the Spanish to assert direct authority. Spanish military governors for the Malvinas were appointed, but the islands remained primarily uninhabited. Spain finally abandoned the Malvinas in 1811 when its rule in Latin America came to an end, at which time the newly independent government of the United Provinces of the Rio de la Plata claimed sovereignty as Spain's natural heir. By 1820 the new government was sending settlement missions to populate the islands, but these halted in 1833 when Great Britain returned and permanently reclaimed the Falklands by force.

Argentina has argued since 1833 that the British have no right to the Malvinas, but only in the 1980s did negotiations between the two nations become dangerously heated. By the winter of 1982, British diplomats found themselves in a "no win" situation in their negotiations with Argentina: the British Foreign and Commonwealth Office had come to believe that the Falklands were better off with Argentina, but the islanders as well as the House of Commons thought

otherwise. In the face of unceasing Argentine demands for a settlement, the British leaders felt that they were left with only one option, to delay. But on March 18, after a series of discouraging talks between negotiators, a group of Argentine scrap metal merchants (the only Argentine nationals allowed by the British to work on the islands) raised their country's flag on the island of South Georgia. Surprisingly, the action was not covered by the Argentine press. Less than a week later, Argentine commandos landed on the island. With the status quo restored, the British Parliament decided, for several reasons, that the incident did not merit a firm reaction, and that it was unlikely Argentina would take other islands, such as the Falklands, by force.

Seven days after the scrap merchants had been driven off South Georgia, Argentine troops invaded the Falklands. and Buenos Aires announced to the world that the Malvinas were finally back in the hands of their rightful owner. On the following day, April 3, 1982, the United Nations Security Council passed Resolution 502 calling for the withdrawal of Argentine troops as a prior condition to negotiations which would prevent British retaliation and full-scale regional war for possession of the islands. Shortly thereafter, the European Economic Community approved a total ban on Argentine imports, and a few days later several armsproducing nations, including France, banned the sale of their weapons to Argentina. This was to become an important issue for Argentina, especially because Buenos Aires was about to take another delivery of French-made Super-Entendard jet fighters armed with deadly Exocet missiles. Had this ban been delayed, Argentina might have obtained enough missiles to turn the tide against Great Britain during the later stages of the war.

Whereas Europe sided with Great Britain, the Organization of American States (OAS) took the part of Argentina, voicing its opposition to "colonialism" and considering "collective action against Great Britain." In the United States,

248:5 (May 1983), pp. 53-61.

¹ See, for example, Bruce W. Watson and Peter M. Dunn, eds., *Military Lessons of the Falkland Islands War*, Westview Special Studies in Military Affairs (Boulder, Colo.: Westview Press, 1983); and Paul F. Walker, "Smart Weapons in Naval Warfare," *Scientific American*

² Lawrence Freedman, "The War of the Falkland Islands, 1982," Foreign Affairs (Fall 1982), 197-198.

³ United Kingdom, Falkland Islands Review, Report of a Committee of Privy Counsellars (London: Her Majesty's Stationery Office, January 1983), pp. 48-50.

⁴ United Nations Chronicle, May 1982, p. 5. The final vote of the U.N. Security Council was 10-1-4, with France, Guyana, Ireland, Japan, Jordan, Togo, Uganda, the United Kingdom, the United States, and Zaire supporting; opposed was Panama; and abstaining were China, Poland, Spain, and the Soviet Union.

⁵ See table 3800, April 21, 1982.



CHRONOLOGY OF EVENTS, 1982 WAR FOR THE FALKLANDS

March 18	Scrap merchants raise the Argentine flag on South Georgia.
March 25	Argentine commendos land on South Georgia Island.
March 30	British Foreign Secretary Lord Carrington tells Parliament Argentine invasion has created a "potentially dangerous" situation.
April 1	Argentina asks Organization of American States (OAS) to discuss UK-Argentina confrontation; UK asks UN Security Council (UNSC) to consider the matter.
April 2	Argentina announces capture of Falkland, South Georgia, and South Sandwich Islands; UK breaks off diplomatic relations with Argentina.
April 3	UNSC (10[US]-1-4) demands immediate Argentine withdrawal from invaded territories.
	British Prime Minister Margaret Thatcher orders 35-ship task force to South Atlantic; imposes economic sanctions against Argentina.
	Argentina breaks diplomatic relations with UK.
April 5	Argentine Foreign Minister Nicanor Costa Méndes asks OAS to support battle against British "colonialism."
	British Foreign Secretary Carrington resigns, citing "humiliating" loss of Falklands; replaced by Francis Pym, Conservative leader in House of Commons.
April 6	UK asks European Economic Community (EEC) for economic sanctions against Argentina; EEC approves total ban on Argentine imports 4/10.
	US Secretary of State Alexander M. Haig, Jr., meets separately in Washington with Argentine and British ambassadors.
April 7	France, West Germany, Belgium, and Austria join Netherlands, Switzerland, and UK in banning the sale of arms and military equipment to Argentina.
	President Ronald Reagan directs Haig to sound out UK and Argentina on ways of avoiding a military confrontation.
April 8	Haig meets senior British officials in London; holds talks with Costa Méndes and Argentine President Leopoldo Galtieri in Buenos Aires 4/10.
April 12	Argentina accepts Peruvian proposal for 72-hour truce around disputed islands; awaits British response.
	Haig arrives in London for new talks with UK.
	British blockade around islands, announced 4/12, takes effect.
April 13	Haig returns to Washington for consultations with Reagan.
April 14	Reagan urges Galtieri to show flexibility and restraint in avoiding confrontation.
April 15-19	Haig holds new round of talks with Argentine officials in Buenos Aires; cites "longstanding [US] obligations" to UK; Argentina offers plan for withdrawal of its troops, including joint interim Argentine-British administration, and full Argentine sovereignty after 6 months; UK rejects offer 4/20.
April 21	OAS decides (18-0-3[US]) to convene Organ of Consultation 4/26 to "consider collective action against Britain."
April 22-23	British Foreign Secretary Pym, in Washington, holds talks with Haig, who presents new proposals for averting conflict.
April 25	British forces, in 2-hour battle, recapture South Georgia Island.
April 26	Haig tells OAS foreign ministers in Washington that Falklands crisis should be solved within frame- work of UNSC resolution of 4/3; on 4/28 ministers adopt resolution (17-0-4[US]) supporting Argentine claim to islands and urging both sides to withdraw forces from area.



Table 3800 (Continued)

CHRONOLOGY OF EVENTS, 1982 WAR FOR THE FALKLANDS

April 28	UK announces a 200-mile air and sea blockade around Falklands effective 4/30; Argentina imposes similar blockade 4/29 effective immediately.
April 30	Reagan, announcing full US support for UK, accuses Argentina of "armed aggression," orders limited sanctions against Argentina, and offers "matérial support" to British task force.
May 1	British bombers attack airfields on Falklands.
May 2-3	British submarine sinks Argentine cruiser General Belgrano, killing over 300 Argentine crewmen.
May 2	Pym meets with Haig and US Secretary of Defense Caspar W. Weinberger; he later meets with UN Secretary General Javier Pérez de Cuéllar to discuss Secretary General's offer to mediate in the dispute.
May 4	Argentine Exocet missile strikes British cruiser HMS Sheffield, killing 30 crewmen.
	Argentine Foreign Minister declares Argentina is "willing to negotiate a peaceful solution" through UN and calls for cease-fire.
May 5	Argentine peso devalued 14.3% against US dollar.
May 6	British Defense Secretary John Nott says UK will never agree to cease-fire without "total withdrawal" of Argentine forces from Falklands.
May 9-11	British warships and helicopters attack Argentine vessels and positions near airport at Stanley.
May 10	Argentina drops insistence that its sovereignty over Falklands be recognized before withdrawal of its troops from islands.
May 14	USSR calls British war zones around Falklands "unlawful."
May 19	Pérez de Cuéllar makes personal appeal to Thatcher and Galtieri for more time to reach an accord; Thatcher, noting Argentine intransigence, rejects UN appeal 5/20.
May 21	British troops, despite heavy Argentine air attacks, establish "firm bridgehead" on Falklands.
May 23	Galtieri, responding to Vatican peace plea, offers cease-fire; UK rejects offer 5/24 in absence of Argentine withdrawal.
	USSR condemns UK for "armed invasion" of Falklands and demands immediate cease-fire.
May 24	EEC, except Ireland and Italy, agrees to indefinite extension of sanctions against Argentina.
May 28-30	British forces recapture Darwin, Goose Green, Douglas, and Teal Inlet.
May 29	Meeting at Argentine request, OAS foreign ministers condemn (17-0-4[US]) British attack on Falklands, and urge US to halt its military aid to UK.
June 2	Pérez de Cuéllar acknowledges failure to win cease-fire between UK and Argentina.
June 8	Argentine air attack damages British frigate Plymouth and two landing ships, causing heavy casualties.
June 14	Argentine forces on Falklands surrender to British at Port Stanley.
June 17	Argentine President Leopoldo Galtieri resigns; Gen. Reynaldo Benito Antonio Bignone appointed 6/22 to replace him, takes office 7/1.
June 18	UK and Argentina reach agreement on return of most of the over 10,000 Argentine prisoners held on Falklands; last prisoners returned 7/14.
June 20	UK retakes Thule, the last island still occupied by Argentina, without a fight. EEC lifts its trade embargo against Argentina.
June 26	British governor of Falklands returns to Port Stanley.



Table 3800 (Continued)

CHRONOLOGY OF EVENTS, 1982 WAR FOR THE FALKLANDS

July 5	Argentine Economics Minister Dagnino Pastore announces emergency economic program, including new credit controls and devaluation of peso.
July 6	UK announces that British casualties during Falklands hostilities totaled 255 dead and 777 wounded; officially declares 7/12 that war is over.
July 12	Reagan lifts US economic sanctions against Argentina; ban on military sales remains in effect; last sanctions lifted 9/24.
July 26	Argentine Army removes from duty those senior commanders responsible for Falklands campaign.
November 4	UNGA adopts Argentine resolution (90 [US] -12-52) calling for negotiations on Falklands sovereignty; UK denounces resolution as "Argentine-inspired charade."

SOURCE: Foreign Affairs, 1982 Year-End Issue, pp. 739-741; War in the South Atlantic: Its Course and Impact (Los Angeles: Center for Media Studies), September 1982.

A most interesting aspect of the war was its monetary cost and its effects on the economies of the participants. Shortly after the conflict, the British Ministry of Defence announced that the war cost Great Britian 1.8 billion pounds sterling (US \$2.6 billion) which included the cost "of replacing all warships, aircraft, helicopters and other armaments lost." They also reported that an additional 1.6 billion (US \$2.5 billion) will be necessary for the defense of the islands over the next few years. This includes the expense of maintaining the 3,000- to 4,000-man garrison now stationed in the Falklands.

Argentina has not released any information on the cost of the war. The toll of the conflict is apparent in IMF statistics on Argentina's economy, however, especially if we examine particular sectors, such as the Central Bank. Table 3806 and figure 38:1 trace the reserves of the Central Bank and its claims on commercial banks from the end of 1978 to the present. (The year 1978 was chosen as the beginning date for data because by that time the Argentine economy had adjusted to the March 24, 1976, military coup.) It is immediately apparent that a startling jump occurred in both of these variables directly after the war. Since there is always a time lag between cause and effect, it can safely be assumed that the cause appeared during the conflict. The following sequence may be hypothesized: The failure of the war in Argentina discouraged private-sector spending and investment, thus encouraging savings; as a result, the assets of the commercial banks dropped rapidly and they were forced to borrow heavily from the Central Bank in order to meet their reserve requirements. This borrowing directly translated into increased reserves and claims by the Central Bank on commercial institutions.

With regard to Great Britain, the Monetary Authority was not affected in the same manner as the Argentine econo-

Perhaps the most interesting aspect of the IMF data analysis is that of the seventy or so economic variables published monthly in International Financial Statistics, few, if any, were acutely affected by the war. An initial view dictates that money supply should immediately and dramatically rise or that government assets should fall, but this was not the case because of the lag between cause and effect. Although a number of events occurred in a very short time after the invasion (the total ban of Argentine imports by the European Economic Community; a ban on the sale of arms to Argentina by France, Belgium, West Germany, and others; economic sanctions imposed by the United States; and the devaluation of the Argentine peso against the American dollar), the complex interaction of external and internal events weakens the significance of IMF economic data with regard to Argentina and the results of the war.

The Lessons

With data on immediate losses in hand and questions about the economic impact of the war, we can now ask what has been "learned" from the conflict. Was the war worth the loss of life and capital? Was the conflict predictable and will similar events occur elsewhere? To answer such questions, let us review some of the issues raised by the war.

Even if the war appears to have been fought over an insignificant issue, it was valuable because for the first time a modern high tech navy met equally sophisticated missile systems (such as the Exocet). The Falklands war demonstrates that the integration of military professionalism and shear military technology is essential. Although possessing low tech

my; in fact, we see no significant change whatsoever. This suggests that either the complexity of the British banking system was able to absorb the cost of the war in different sectors or that the size of the British economy caused a longer lag time than in Argentina.

British Consul General, Angus Mackay, letter to the author, January 14, 1983.

Freedman, "War of the Falkland Islands," p. 196.



ARGENTINA AND GREAT BRITAIN (GB) HUMAN LOSSES

PART I. ARGENTINA

		Freedman		G8 Official	Ga	ceta Marine	en .	P	ress ¹
Category	Engaged	Killed	Injured	Prisoners	Engaged	Killed	Injured	Killed	Prisoners
Nevy	~	_	~	~	~	244	~		~
Regular	~	~	~	~	~	124ª	-	••	~
Conscripted Total	~	~	~	-	~	368ª	~	••	**
	~	~	~	~	~	~	~	••	~
Air Force Army	~	50	~	~	~	~	~	••	~
Belgrano Incident	~	360	~	~	1,042	321	-	\$400 SANGERON	~
Total	12,000	800-1,000	~	11,400	~	~	~	1,000	11,845

PART II. GREAT BRITAIN

	Freedman			GB Official			Gaceta Marinera			Press ¹		
Category	Engaged	Killed	Injured	Engaged	Killed	Injured	Engaged	Killed	Injured	Killed	Injured	0
••••	3,000	• ~	~	-	~	~	~	~	~	••	••	
Marines	3.000	~	~	-	~	~	~	~	~	••	••	
Air Force Army	6,000	-	~	~	~	~	~	-	~	••	••	2
Total	~	~	~	28,000	255	777	~	~	~	250+	••	•
Remaining Garrison	~	••	••	3,000- 4,000 ^b	••	••	~	••	••	••	••	

- Ongoing casualty reports by the press are not considered applicable since they were
 often drastically inaccurate. The totals cited are from "Surrender in the Falklands,"
 Newsweek, June 28, 1982, pp. 33-37.
- a. To date there have been no official reports on Argentine war losses. The data presented are for those men given distinction and honors by the Argentine navy for death in combat. It appears that none of these medals were given to victims of the General Belgrano sinking.
- Based upon press reports outlined by the British Consul General (letter to the author, January 14, 1983).

SOURCE: Freedman, "War of the Falkland Islands"; Great Britain, The Falklands Campaign, pp. 6, 27; Gaceta Marinera (December, 1982); "Surrender in the Falklands," Newsweek, June 28, 1982, pp. 33-37.

Table 3803 GREAT BRITAIN WAR MATÉRIEL LOSSES

	Freed	man	GB Official		
Category	Engaged	Lost	Engaged	Lost	
Aircraft					
Sea Harrier	28	~	28	6	
Harrier GR3	10	~	14	8	
Gazelle	t	~	1	3	
Lynx		~		3	
Wessex 5		~		8	
Chinook		~	-1-	3	
Scout	140	~	200	1	
Sea King Mk 4		~		3	
Sea King Mk 5		~	1	2	
Wessex 3		-		1	
Total	178	~	242	34	
Ships					
Warship	23	-	44	4	
Auxiliary	~	~	22	1	
Merchant	54	~	45	1	
Total	~	~	110	6	

 With the exception of the Sea Harrier and Harrier GR3, all aircraft listed are types of helicopters.

SOURCE: Great Britain, The Falklands Campaign, adapted from pp. 6, 14 and Annex C.

new high tech electrical cables for advanced weapons be fitted internally to reduce the chance of fire and the release of toxic furnes in the event of a successful attack? Is money more wisely spent on marine damage control or for new armaments? These and dozens of other issues such as the technical aspects of runway construction, aircraft range, and amphibious operations have pointed out one thing: the military lessons of the Falklands war are diverse and farreaching.

It is for this reason that many have likened the conflict to the U.S. Civil War, a military engagement that foretold the future in strategy, tactics, and technology. The celebrated battle between the ironclads *Monitor* and *Merrimac* and the use of trench warfare demonstrated changing forms of battle, lessons that were harshly relived during the First World War.

The sociopolitical aspects of the Falklands war also provide a testing ground for other assertions. It has been argued, for example, that arms buildup leads to war, or rather that a growing international arms trade has negative effects on global stablity. Many studies have been based upon data gathered by the International Institute for Strategic Studies (IISS) in London. Table 3807 provides a comparison of British and Argentine defense expenditure and manpower according to that source. The most striking data, and

those that probably receive the most attention, are the figures for Argentine gross military spending and military spending as a percentage of total government spending. The HSS data, however, are rendered meaningless since they are not deflated by consumer price indexes. To resolve this problem, table 3808 provides deflated data compiled by the Stockholm International Peace Research Institute. Examination of these data, presented in constant dollars, yields an entirely different picture, and suggests that the Falklands war was not a result of growing defense expenditures. Yet even the deflated data do not take into account the vast differences in the scope of the two government sectors.

The Falklands crisis also raised questions of geopolitics and hemispheric alliances. For example, it was once believed that the foreign policies of all Latin American nations coincided when it came to issues of hemispheric security. This was not the case during the Falklands war. In his comparison of the reactions of three Latin American democracies to the conflict, Kelly concludes:

The various positions assumed by Costa Rica, Colombia and Venezuela belie the myth that Latin America reacted with fervent unanimity in its support of Argentina. Intra-Latin American disunion undermined any remaining semblance of hemispheric solidarity as much as the American support of the United Kingdom did.... The widely divergent and often inconsistent strategies of these three countries demonstrate that other considerations dominated public policy.¹²

Given these "other considerations," such as geopolitical aims, foreign trade agreements, and receipt of foreign aid, is it not unusual to find divergent policies in Latin America? Is it still valid to speak of Pan Americanism during a crisis? After all, even the OAS, which was expected to have fully supported Argentina, did not pass a resolution supporting the Argentine claim to the islands until April 28.

Perhaps part of the hesitation on the part of Latin America to support hemispheric unity was its fear of Argentina's growing power in the southern cone. Argentina's claims in the South Atlantic were not limited to the Falkland Islands. Similar sovereignty disputes with Chile have been brewing for years over both the Beagle Channel and the Antarctic territory. The geopolitical ramifications of Argentina's unchallenged armed invasion of disputed territory were no doubt perceived by some countries as perilous to the South American power balance, a view that offset traditional Latin American complaints about British "colonialism." In any case, the Argentine invocation of the Rio treatyproviding aid against invasions from outside the hemispherewas rejected because Argentina started the war in a situation where the European country held its western hemispheric position long prior to the treaty's promulgation.

¹³Timothy Ashby, "Argentina and the International Arms Trade: Implications for Global Stability," MS, University of Southern California, Los Angeles, California, Fall 1982, pp. 1-2.

¹²Tom Kelly, "Reactions to the Falklands Crisis: Case Studies of Three Latin American Democracies," MS, Georgetown University, Washington, D.C., December 1982, pp. 16-17.

Table 3804

GREAT BRITAIN WAR MATÉRIEL LOSSES, SPECIFIC LISTING

PART I. AIRCRAFT

Lost to Enemy Fire

Other Losses

	200000						
Serial	Date	Aircraft Type	Parent Service	Serial	Date	Aircraft Type	Parent
1.	4 May	Sea Harrier	RN	1.	22 April	2 X Wessex 5	RN
2.	21 May	Lynx ¹	RN	2.	23 April	See King Mk 4	RN
3.	21 May	2 X Gazelle	RM	3.	6 May	2 X Sea Harrier	RN
4.	21 May	Harrier GR3	RAF	4.	12 May	Sea King Mk 5	RN
5.	25 May	6 X Wessex 5ª	RN	5.	18 May	Sea King Mk 5	RN
6.	25 May	Lynx ²	RN	6.	19 May	Sea King Mk 4	RN
7.	25 May	3 X Chinook ²	RAF	7.	20 May	Sea King Mk 4	RN
8.	25 May	Lynx ²	RN	8.	24 May	Sea Harrier	RN
9.	27 May	Harrier GR3	RAF	9.	29 May	Sea Harrier	RN
10.	28 May	Scout	RM	10.	8 June	Harrier GR3	RAF
11.	30 May	Harrier GR3	RAF		-		
12.	2 June	Sea Harrier	RN				
13.	6 June	Gazelle	Army		2.		
14.	12 June	Wessex 3b	RN				

PART II. SHIPS

Serial	Date	Ship
1.	4 May	HMS Sheffield
2.	21 May	HMS Ardent
3.	23 May	HMS Antelope
4.	25 May	HMS Coventry
5.	25 May	Atlantic Conveyor
6.	8 June	RFA Sir Galahad

- 1. Lost in bomb attack on HMS Ardent.
- 2. Lost in Atlantic Conveyor.
- 3. Lost when HMS Coventry sank.
- a. Lost in Atlantic Conveyor.
- b. Lost in missile attack on HMS Glamorgan.

SOURCE: Great Britain, The Falklands Campaign, Annex C.



COMPOSITION OF THE BRITISH TASK FORCE AND ITS SUPPORTING ELEMENTS

1. SHIPS OF THE ROYAL NAVY

2. SQUADRONS OF THE FLEET AIR ARM

6 Sir Bedivere, Sir Galahad, Sir Geraint, Sir Lancalot, Sir Percivale, Sir Tristram

	1. SHIPS OF THE	ROY	AL NAVY		2. 500	ADRONS OF TH			M.G
Serial	Type/Class	No.	Ship	Serial	Squadron	Aircraft	:	Ship Embark	ted On
				1.	737	Wessex Mk 3	County	Class destro	oyers
1.	Submarines	5	Conqueror, Courageous,	2.	800	Sea Harrier	Hermes	5	
	Fleet	0	Spartan, Splendid,	3.	801	Sea Harrier	Invinci	ble	
			Valiant	4.	809	Sea Harrier	Hermes	s, Invincible	
	5000 3000	1	Onyx	5.	899	Sea Harrier	Herme	s, Invincible	
	Oberon Class	1	Invincible	6.	815	Lynx Mk 2	Invinci	ble, Hermes,	Type 42
2.	ASW Carrier	1	Hermes	•		1771 N. 1982 N. 1984 C. C. C.	des	troyers, Lea	nder Class,
3.	ASW/Commando Carrier	2	Fearless, Intrapid					oe 21 (excep	
4.	Assault Ships	2	reariess, intropid				and	Type 22 fri	gates
5.	Guide Missile Destroyers	1241	A sain Champanan	7.	820	Sea King Mk 5	Invinci		
	County Class	2	Antrim, Glamorgan	8.	824	Sea King Mk 2	Fort G	range, Olme	da
	Type 82	1	Bristol	9.	825	Sea King Mk 2		ic Causeway	
	Type 42	5	Cardiff, Coventry,		826	Sea King Mk 5		s, Fort Aust	
			Exeter, Glasgow,	10.	829	Wasp		, Endurance,	
			Sheffield	11.	829	wasp		mouth, Sur	
6.	General Purpose Frigates						1000	ntender Bez	
	Leander Class	4	Andromeds, Argonaut,	00020	202				stin, Intrep-
			Minerva, Penelope	12.	845	Wessex Mk 5		Resource, T	
	Rothesay Class	2	Plymouth, Yarmouth						шероог,
	Type 21	7	Active, Alacrity, Ambus-			925 0000 2000000		despring	
	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		cade, Antelope,	13.	846	Sea King Mk 4		s, Fearless,	ntrepea,
			Ardent, Arrow,			5000 Section 6		nberra, Elk	
			Avenger	14.	847	Wessex Mk 5		line, Atlantic	
	Type 22	2	Brilliant, Broadsword	15.	848	Wessex Mk 5		Regent, Atla	ntic
-	Offshore Patrol	-					Co	nveyor	
7.	Castle Class	2	Dumbarton Castle, Leeds						
	Castle Class	=	Castle	3. 9	SHIPS OF T	HE ROYAL MAR	RITIME	AUXILIAR	Y SERVICE
8.	Mine Counter-Measures							No.	Ship
	Extra Deep Armed Team Sweep Trawlers ¹	5	Cordella, Farnella, Junella, Northella,	Serial		Type/Class		1	Goosander
			Pict	1.		ing and Salvage Ve	essei	i	Typhoon
9.	Ice Patrol Ship	1	Endurance	2.	Tug				Турноон
10.	Survey Ships ²	3	Hecla, Herald, Hydra		4. SHII	PS OF THE ROY	AL FLE	ET AUXILI	ARY
			#1	Serial		Type/Class	No.	SI	nip,
				1.	Fleet Tar	nkers, Large	4	Olmeda, O Tidespi	Ina, Tidepool, ring
				2.	Fleet Tar	nkers, Small	1	Blue Rove	•
				3.	Support		5	Appleleaf,	Bayleaf,
				٥.	3-46			Brambi Plumie	eleaf, Pearleaf, ef
				4.	Fleet Re	plenishment Ships	. 4	Fort Austi	n, Fort
									, Resource,
				5.	Stores Si	upport Ship	1	Stromness	
				6.		er Support Ship	1	Engadine	
				7.		Ships, Logistic	6		re, Sir Galahad
				7.	Landing	Ompa, Logistic	_		aint, Sir Lance



Table 3805 (Continued)

COMPOSITION OF THE BRITISH TASK FORCE AND ITS SUPPORTING ELEMENTS

5. SHIPS TAKEN UP FROM TRADE³

The Bands of Her Majesty's Royal Marines Commando

Forces and Flag Officer 3rd Flotilla

Field Records Office Royal Marines

14.

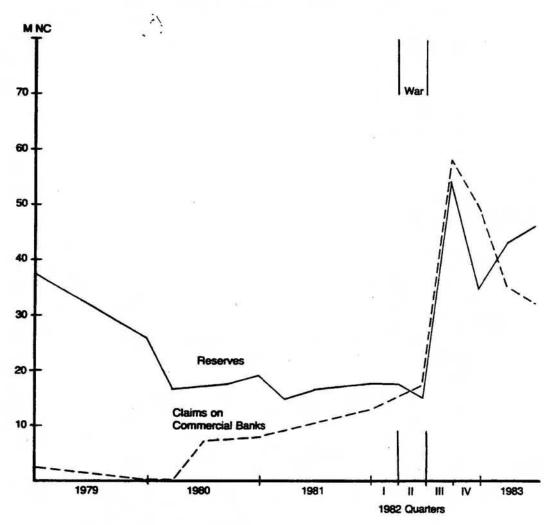
7. ARMY UNITS

Serial	Ship	Serial	Ship	Serial	Unit
	Liners		Container Ship	1.	Two troops, The Blues and Royals
1.	SS Canberra	27.	MV Astronomer	2.	4th Field Regiment Royal Artillery (less one battery)
2.	RMS Queen Elizabeth II			3.	12th Air Defense Regiment Royal Artillery (less one
3.	SS Uganda		Passenger/General Cargo	727	battery)
		28.	MV Norland	4.	29th Commando Regiment Royal Artillery
	Tankers	29.	TEV Rangatira	5.	Elements 43 Air Defense Battery, 32nd Guided Weapons
4.	MV Alvega	30.	MV Saint Edmund		Regiment Royal Artillery
5.	MV Anco Charger	31.	RMS Saint Helena	6.	Elements 49th Field Regiment Royal Artillery
6.	MV Belder London			7.	Elements Royal School of Artillery Support Regiment
7.	MV British Avon		General Cargo	8.	Elements 33 Engineer Regiment
8.	MV British Dart	32.	MV Avelona Star	9.	36 Engineer Regiment (less one squadron)
9.	MV British Esk	33.	MV Geestport	10.	Elements 38 Engineer Regiment
10.	MV British Tamar	34.	MV Laertes	11.	59 Independent Commando Squadron Royal Engineers
11.	MV British Tay	35.	MV Lycaon	12.	Elements Military Works Force
12.	MV British Test	36.	MV Saxonia	13.	Elements 2 Postal and Courier Regiment Royal Engineers
13.	MV British Trent	37.	MV Strathewe	14.	Elements 14th Signal Regiment
14.	MV British Wye			15.	Elements 30th Signal Regiment
15.	MV Fort Toronto		Offshore Support Vessels	16.	5th Infantry Brigade Headquarters and Signals Squadron
16.	MV G A Walker	38.	MV British Enterprise III	17.	Elements 602 Signal Troop
17.	MV Scottish Eagle	39.	MV Stane Inspector	18.	2nd Battalion Scots Guards
18.	MV Shell Eburna	40.	MV Stena Seaspread	19.	1st Battalion Welsh Guards
		41.	MV Wimpey Seahorse	20.	1st Battalion 7th Duke of Edinburgh's Own Gurkha Rifles
	Roll-on Roll-off			21.	2nd Battalion The Parachute Regiment
	General Cargo		Tugs	22.	3rd Battalion The Parachute Regiment
19.	SS Atlantic Causway	42.	MT Irishman	23.	Elements 22nd Special Air Service Regiment
20.	SS Atlantic Conveyor	43.	MT Salvageman	24.	656 Squadron Army Air Corps
21.	SS Baltic Ferry	44.	MT Yorkshireman	25.	Elements 17 Port Regiment Royal Corps of Transport
22.	MV Contender Bezant			26.	Elements 29 Transport and Movements Regiment Royal
23.	MV Elk		Cable Ships		Corps of Transport
24.	MV Europic Ferry	45.	C S Iris	27.	Elements 47 Air Dispatch Squadron Royal Corps of
25.	MV Nordic Ferry				Transport
26.	MV Tor Caledonia			28.	407 Troop Royal Corps of Transport
				29.	Elements The Joint Helicopter Support Unit
				30.	16 Field Ambulance Royal Army Medical Corps
	6. ROYA	MADI	NEC	31.	Elements 19 Field Ambulance Royal Army Medical Corps
	0. NOTA	L MAIN	NES	32.	Elements 9 Ordnance Battalion Royal Army Ordnance
Serial		Unit	¥1		Corps
Jer 101	William To the Control of the Contro	Unit		33.	81 Ordnance Company Royal Army Ordnance Corps
1.	3 Commando Brigade H Royal Marines	leadquar	ters and Signal Squadron	34.	10 Field Workshop Royal Electrical and Mechanical Engineers
2.	40 Commando Royal M	larines		35.	Elements 70 Aircraft Workshop Royal Electrical and
3.	42 Commando Royal M				Mechanical Engineers
4.	45 Commando Royal M			36.	Elements 160 Provost Company Royal Military Police
5.	3 Commando Brigade A		ron Royal Marines	37.	6 Field Cash Office Royal Army Pay Corps
6.	The Commando Logistic			38.	601 Tactical Air Control Party (Forward Air Controller)
7.	The Special Boat Squad			39.	602 Tactical Air Control Party (Forward Air Controller)
8.			luding landing craft crews)	40.	603 Tactical Air Control Party (Forward Air Controller)
9.	Air Defense Troop Roya	al Marine	e		Condition
10.	1st Raiding Squadron R				
11.	Mountain and Arctic Wa				
12.	Y Troop Royal Marines		Cite i toyal Marilles		
12	The Book of the Markings				

Figure 38:1

ARGENTINA CENTRAL BANK ASSETS, 1979–83

(M of Constant 1980 NC)



SOURCE: IMF-IFS, Oct. 1983, lines 12e and 14.



ARGENTINA AND GREAT BRITAIN DEFENSE EXPENDITURES AND MILITARY MANPOWER, 1975–82

		M US					\$ PI			% of Government Spending ¹		
Country	1975	1980	1981	1982/83	1975	1980	1981	1975	1980	1981		
Argentina	1,031	3,060	10,084	~	41	113	360	9.7	15.1	64.2		
Great Britain	11,118	25,921	24,233	25,400	198	463	433	11.6	10.7	12.1		

	% of G	iNP ²	Numb	er in Armed (T)	Forces	Estimated Reservists ³ (T)	Paramilitary (T)	
Country	1975	1981	1975	1981	1982	1982	1982	
Argentina	.9	8.1	133.5	185.5	180.5	250.0	43.0	
Great Britain	4.9	5.4	345.0	343.6	327.6	281.7	9.95	

- This series is designed to show national trends only; differences in the scope of the government sector invalidate international comparisons.
- Based on local currency. GNP estimated where official figures unavailable.
- 3. Reservists with recent training.

SOURCE: International Institute for Strategic Studies, The Military Balance, 1977-78, 1981-82, and 1982-83.

Table 3808

ARGENTINA AND GREAT BRITAIN REGULAR MILITARY EXPENDITURES,
ALTERNATIVE DATA, 1950-79

PART I. M US, CONSTANT 1978 PRICES

Country	1950	1955	1960	1965	1970	1975	1976	1977	1978	1979
Argentina	1,012	824	1,004	974	1,122	1,515	1,721	1,771 [†]	1,492	~
Great Britain	9,094	13,448	12,636	13,552	12,654	14,495	14,771	14,156	14,627	15,536
				PART II	. AS % OF G	DP				
Argentina	2.8	1.5	2.3	1.8	1.9	2.2	2.5	2.5	2.2	~
Great Britain	6.6	8.2	6.5	5.9	4.8	5.0	5.0	4.8	4.7	4.9

SOURCE: SIPRI-Y, 1980, tables 1A.2 and 1A.4.



Another political question generated by the crisis concerns media-government relations during armed conflict. The issue of media coverage first gained prominence during the Vietnam war and was rekindled during the Falklands crisis when journalists accused the British Ministry of Defence of sending reporters to remote locations away from combat areas. As the intensity of the war increased, interest in the issue waned, but at the conclusion of the campaign, an investigation began, resulting in a critical study by University College, Cardiff. In defense, the British Secretary of State ultimately told Parliament:

The Government's firm objective from the outset was to provide as quickly as possible accurate information on developments in the diplomatic and military fields. . . . It was crucial that public opinion, both at home and abroad, understood and supported our cause. . . . Of course there were problems. The need to delay or, in some cases, prevent altogether the publication of certain information on military operations caused considerable controversy at the time and continues to be the subject of widespread debate. It is easy to overlook the factors influencing the public release of certain categories of information.13

The role of the press during armed conflict remains a controversial subject. The issue resurfaced as a result of the exclusion of the American press from the October 1983 U.S. invasion of Grenada. It would seem that the United States could have learned from the Falklands experience.

Other important questions raised by the war concern the political mechanisms of "conflict aversion" and the effects of unavoidable conflict upon these mechanisms. In the case of Argentina, the war resulted from the military's misjudgment of the political climate. Clearly, Argentina never expected such a large-scale confrontation.14 But the military's loss of the Falklands was the civilian sector's gain; it meant the rapid transfer of power to an elected president and the demise of the military in Argentine life, at least temporarily. The transfer may have been already under way, but the Falklands disaster accelerated the process by completely discrediting the military, an outcome that might have been worth the high price of the war.

Great Britain also felt the political effects of failing to avoid conflict. British foreign secretary Lord Carrington, for example, resigned amidst humiliation over the initial loss of the Falklands. Continuous assertions that the invasion could have been avoided led to the formation of the Committee of Privy Counsellors to investigate the matter. Chaired by Lord Franks, the committee systematically traced the events accounting for the dispute from 1965 to 1982. The group also responded to these questions: Could the April 2, 1982, invasion have been foreseen? How did the dispute become

13 United Kingdom, The Falklands Campaign, p. 28.

critical? How did the Thatcher government handle the dispute? Could the Thatcher government have prevented the invasion?

Although the committee's report certainly addressed each of these issues, it is surprising that they did not take into account a 1978 economic study of the Falklands' economy. In this study, chairman Lord Shackleton describes the Falkland Islands as an expensive, unnecessary colony offering little potential benefit to the United Kingdom. Tables 3809 through 3812 itemize some of the grim aspects of the Falklands economy, such as the drop in trading company profits from £2.2 million in 1976 to £.57 million in 1980. Figure 38:3 underscores these problems by tracing the steady population decline since 1901. The Appendix lists Lord Shackleton's conclusions about the Falklands economy as presented in his September 1982 follow-up report.

It is therefore not surprising that before the war, during negotiations, the British Foreign Office favored the transfer of the Falklands to Argentina. They understood the economic difficulty of maintaining the colony, even if the Falklanders themselves wanted to remain British.

Conclusions

The Falkland Islands crisis demonstrates that even a short, seemingly inconsequential conflict can have farreaching effects. The war not only raised questions of politics, diplomacy, law, economics, and military science, but also illustrated the limited potential of certain types of data for measuring the effects of war on economies. For scholars, the war provided an opportunity to test untried theories and models, the results of which will become valuable in the study of future conflicts. For the military scientist, the war was textbook "perfect," a battle of logistics fought on a remote and relatively uninhabited island pitting a high technology navy against a low technology air force armed with sophisticated missiles.

But was the war worth it? The answer depends upon the aspect examined. Great Britain certainly had the opportunity to prove its naval supremacy. Prime Minister Margaret Thatcher was able to ride the tide of victory for a short time. But the British economy is still suffering, even though IMF data do not clearly reveal the cost of the war, and the Falkland Islands will remain a massive economic burden for Great Britain.

The Falklanders remain British, but little else has changed. The 1,800 sheepherders, whose domestic economy has been crippled by the steady decrease in world wool prices, must still deal with the problems of depopulation and the scarcity of young women. Nor will their situation be improved by the 3,000- to 4,000-man British garrison that will be left on the islands, especially as the war has discouraged islanders from visiting mainland Argentina.

¹⁴ United Kingdom, Falkland Islands Review, pp. 76-77; see also Freedman, "War of the Falkland Islands," p. 199.

¹⁵ United Kingdom, Falkland Islands Economic Study 1982 (London: Her Majesty's Stationery Office.



Table 3809

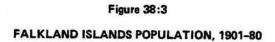
FALKLAND ISLANDS GOVERNMENT REVENUE AND EXPENDITURE, 1973/74-1981/82

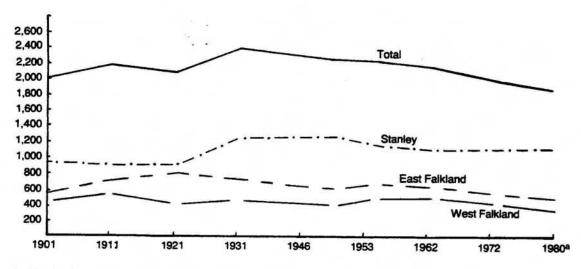
(T NC)

Category	1973/74	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82 [†]
Revenue		(100-1		7.117.1					
Aviation	30	38	39	16	37	48	68	86	98
Custom	69	101	100	110	120	131	168	150	180
Dependencies' contribution to cos	t			3.50			100	130	100
of Central Administration	5	10	10	15	15	15	27	27	30
Fees and Fines	17	19	20	23	34	42	57	42	48
Harbor	24	30	33	36	41	56	122	148	183
Investments	105	46	203	239	162	244	311	347	222
Internal revenue	238	422	621	378	552	696	1.076	783	597
Miscellaneous	33	49	41	44	60	123	90	63	115
Municipal services	63	98	117	151	147	125	182	190	248
Posts and Telecommunications	87	108	69	117	295	251	232	245	573
Reimbursements	15	14	20	12	25	39	49	61	66
Reimbursements from HMG	22		46	2	102	71	26	138	96
Rents	9	9	11	11	13	16	20	18	22
Total	717	944	1,330	1,154	1,603	1,857	2,428	2,298	2,478
Expenditure									
The Governor	14	19	24	24	33	34	35	39	42
Agriculture	3	3	4	7	7	9	11	16	28
Aviation	49	72	104	74	137	153	278	349	284
Customs and Harbor	30	27	36	40	38	53	43	73	57
Education	78	98	122	134	150	186	196	236	256
Medical	72	91	109	160	175	211	236	247	270
Meteorological	5	6	. 7	10	12	14	14	21	18
Military	2	3	14	3		4	3	10	8
Miscellaneous	12	102	32	17	28	58	33	56	41
Pensions and Gratuities	28	45	32	33	59	38	49	87	78
Police and Prisons	11	14	17	18	22	25	30	41	36
Posts and Telecommunications	63	81	77	81	157	152	179	214	280
Public works	73	97	126	133	174	189	225	276	303
Public works recurrent	53	61	75	98	150	137	170	229	244
Public works special	4	6	34	57	13	42	41	54	51
Secretariat, Treasury, and Central					***************************************	0.77	100	57870	٠.
Store	66	84	115	142	138	203	192	245	184
Overseas passages	25	33	57	71	70	92	78	153	115
Social welfare	9	29	16	17	23	59	79	89	76
Supreme Court and Legal	4	6	5	9	16	13	21	30	29
Training	••		••	3	6	8	9	-11	11
Total	601	876	1,006	1,131	1,417	1,680	1,922	2,476	2,411

SOURCE: United Kingdom, Falkland Islands Economic Study 1982 (London: Her Majesty's Stationery Office, September 1982), Appendix Three.







1. Allowing for a small military detachment in 1972.

SOURCE: United Kingdom, Falkland Islands Economic Study 1982 (London: Her Majesty's Stationery Office, September 1982), fig. 4.1.

Argentina also paid dearly for the war. The loss of life was devastating. Devaluation of the peso accelerated Argentina's troubled economy, and it was only through IMF loans that the government was able to remain solvent. President Galtieri was forced to resign as a consequence of Argentine humiliation over the defeat. The Argentine military certainly lost its prestige and power when it lost the war, and the October 1983 elections reflected the military's failure.

For certain groups the war was beneficial. The Argentine civilian sector profited because the military had to step down and hold elections. In Great Britain, the Thatcher government solidified its formerly waning power and the British people delighted in the restoration of "national selfrespect." The Falklanders achieved their objectives because the United Kingdom is now committed to retaining the islands and supporting their faltering economy. The United States gained because it secured formerly uneasy ties with NATO and Western Europe, although at the expense of at least temporarily alienating much of Latin America. The true victor in the Falklands war, however, was scholarship: the conflict permitted academicians in nearly every discipline to test previously unproven theories and learn from the mistakes of others without incurring any expense. In this respect, the "insignificant" war for the Falklands was not insignificant at all.

APPENDIX

CONCLUSIONS BY LORD SHACKLETON REGARDING THE ECONOMY OF THE FALKLAND ISLANDS, SEPTEMBER 1982¹⁶

The internal economy of the Falklands is in grave danger of collapsing in the next five years or so without continued support and/or development.

Over the 1974/80 period, the Gross Domestic Product of the Islands, which relies almost totally on the export of wool, has fallen by about 25 percent. The principal cause of the fall in GDP has been the decline in wool prices (in real terms), but wool output has also dropped by about 6 percent since 1975/76, admittedly a good year. Without a major upturn in the world economy, there is little prospect over the foreseeable future of wool prices doing much better than keeping pace with inflation.

The fall in farm company profitability has been even more catastrophic, with average margins in 1981 being about 4 p/kg compared to 26 p/kg in 1976. Investment has not been sufficient on many farms even to maintain existing assets.

¹⁶ United Kingdom, Falkland Islands Economic Study 1982 (London: Her Majesty's Stationery Office, September 1982), pp. 6-7.



Even so, the total amount of funds in the form of undistributed profits and dividends leaving the Islands after taxation over the five-year period 1976/81 was about £1.1 million, substantially in excess of the total reinvestment in the private sector—estimated very approximately at £0.6-0.7 million. Compared to this outflow there was a considerably increased inflow of funds averaging around £1.3 million/year over the 1976-81 period. UK Aid made up a sizeable proportion of the total—about 75 percent.

This situation contrasts markedly with that prevailing before 1976, when the outflow of funds very considerably exceeded the inflow. From this outflow of funds the UK Exchequer over the 1951-73 period benefited to the order of around £2 million (in current, that is, historical, prices), about twice the amount of aid given to the Islands.

The structure of the economy of the Islands has not greatly changed since 1976 in that the ownership of the 41 farms still lies largely in the hands of absentee companies, most of whom reside outside the Falkland Islands. However, in repsonse to a recommendation in the 1976 Report for creating small farm units, one farm, Green Patch, was subdivided into six units and sold off to owner occupiers, and another farm is in the process of being sold in six units. There is the prospect of one or two other farms being put up for sale over the next few years.

Depopulation of the Islands has continued, with a fall in the total numbers of about 3 percent over the 1975-80 period. The shortage of young women remains a problem.

These very disturbing trends in the internal economy of the Falkland Islands have been to a considerable degree masked by a strong growth in income from abroad, so that Gross National Product has in fact fallen since 1974 by only about 4 percent. This overseas income growth has to a large extent been generated by increased proceeds from philately, which for the Falkland Islands in 1982 is expected to provide around £600,000 per year, nearly 14 percent of GNP. Boosted by the recent publicity of the Islands, there is every prospect that this income will grow further still, possibly dramatically so.

Falkland Islands Government finances, in spite of considerably increased expenditure, are also extremely healthy, having achieved a revenue surplus of £1.2 million since 1972/73. This situation has been achieved partly by an increase (in real terms) in revenue from personal taxation and other charges, but also by revenue from abroad, including the philatelic income previously referred to. In view of the sharp decline in the domestic economy, a more expansionist policy would have been appropriate. The FIG has no permanent expertise for advice on and initiation of development with appropriate use of internal as well as external funds.

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