Confidence Building and the Falklands Dispute

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International Security Research and Outreach Programme
International Security Bureau

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Department of Foreign Affairs and International Trade
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PREFACE

The International Security Research and Outreach Programme commissioned a study to identify and explore issues pertaining to confidence building and confidence building measures and the role they have played in the context of the long-standing dispute between the United Kingdom and Argentina over the Falkland Islands. This report stemmed from that study.

The views expressed in this paper are those of the author, and do not necessarily reflect the views or positions of the Department of Foreign Affairs and International Trade or of the Government of Canada.

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This paper is the result of the ongoing interest of the Verification Research Programme (now the International Security Research and Outreach Programme) of the Department of Foreign Affairs and International Trade of Canada in security issues in the Americas and more widely, especially in the fields of arms control verification and confidence building. The author was able to count on the unflinching support of the programme in his efforts to bring the paper to fruition. Research on arms control verification under this programme has allowed Canada to develop a useful niche in a field of much importance in conflict resolution and peacebuilding at a time when those activities have become a priority for this country.

In this regard I would like to thank Mr. Gordon Vachon, then head of the programme, as well as Mr. Alan Crawford, who has ensured that the vagaries of my other duties did not bring too much delay to the project. Also from the Department of Foreign Affairs and International Trade were helpful people such as Peter Calderwood from our embassy in Buenos Aires. From Canada's Department of National Defence Lieutenant-Colonel Max Alvarado, defence attaché in Buenos Aires, was especially kind in arranging interviews in Argentina.

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The reception by the Falkland Islands Government and Falkland Islanders in general could not have been warmer. Special thanks are due to so many people there that I hope they will forgive me for not mentioning them by name.

This report was prepared under the rubric of the research programme of the Canadian Foundation for the Americas (FOCAL) which has for long been interested in security and governance issues in the Americas. The Executive Director of FOCAL Mr. Denis Leclerc was consistently supportive of the project. At the Royal Military College of Canada I could count on the patience and good will of Dr. Ronald Haycock, Dean of Arts and pillar of the research effort in diplomatic and military history, not to mention War Studies at the College, as well as the head of the Department of History Dr. Jane Errington. Mavis Mezzetta, secretary and inspiration of that same department, kept me on the rails in more ways than I can say.

The valuable help of a key research assistant should be mentioned as well. This was Jim Bain of the Royal Military College who once again proved a stalwart and careful support for this effort.

EXECUTIVE SUMMARY

This paper deals with confidence building and confidence building measures in the context of the long-standing dispute between the United Kingdom and Argentina over the Falkland Islands. It argues that since 1989 there has been an exceptional degree of confidence building between the two countries in a political context allowing for such a process to take place. It suggests also that, despite being far from a solution to the deep differences still dividing the two countries, and the Falklands population itself, confidence building as a goal of both sides has been able to reduce levels of tension and act as a stimulant to cooperation across a wide range of fields in the bilateral relationship.

Argentina and the United Kingdom fought a short but significant war in the spring of 1982, a conflict which was to have far-ranging consequences for both nations. Victory brought the UK renewed self-confidence and reinforced elements within the country which wished for a continuation of a major role on the world scene. Defeat ushered in a restored democracy in Argentina, added to other factors pressing for a resolution of the long-standing rivalry with neighbouring Brazil, shattered the prestige of the armed forces, and was a major step along the road to the deep revision of traditional Argentine foreign policy whose culmination is so visible today.

In the first seven years following the conflict, tensions remained high even though the risk of a new war was diminished by the collapse of Argentine military power and the birth of a new era of civilian control over the armed forces. The country was simply in no state to revert to dreams of an armed solution to the dispute. Instead, Buenos Aires sought friends in a wide range of multilateral forums and circles in the diplomatic battle for the islands. London meanwhile stood reinforced in its determination not to yield by its recent victory and the blood and treasure which had been expended to keep the territory British, as its inhabitants insisted it should remain.

In this context, little progress could be expected. Argentine diplomatic efforts yielded little except the occasional vocal expression of displeasure by inter-American, Latin American or similar groupings. No progress of any real kind was made during these years. And Britain was able, with only the slightest of real efforts, to keep away from negotiations of any kind which might bring the question of the sovereignty of the islands into any major limelight.

In 1989 and as the new decade of the 1990s dawned, this situation changed abruptly with the arrival of President Carlos Menem's government. The new policy called for a coordinated and wide-ranging drive to end Argentina's long-standing isolation from so many of the nations of the developed world. The United States and Western Europe were seen to be Argentina's natural partners and were felt to be essential to its future well being and prosperity. Obstacles to those linkages, vital to the nation's recovery, would have to go. And the Falklands as an immediate priority for Buenos Aires was one of those obstacles.

Relations with Washington and European capitals could simply not be greatly improved without reducing the centrality of the Falklands issue in Argentine diplomacy. The bilateral

relationship with London would therefore have to be brought back to life and making progress on at least reducing tensions on the Falklands was a *sine qua non* of such a rapprochement.

Confidence Building Measures were perceived by both governments as offering considerable scope in bringing outstanding tensions under greater control. In his first year in the presidency Mr. Menem worked increasingly closely with the British in order to find specific mechanisms to build confidence. Using the term openly, London and Buenos Aires moved by stages to set up what is arguably the most complete set of CBMs anywhere in the Latin American region.

These CBMs were reflected in two bilateral committees set up early in the new decade. One was to deal with reducing the threat of surprise attack and other largely direct defence matters while the other aimed to discover means to move forward on development issues of potential value to both the mainland and the islands.

Showing considerable originality, and despite some setbacks, the two governments dealt with such thorny issues as fishery protection, regional movements of naval shipping and military aircraft, army exercises, and a host of other potential and real bones of contention. Direct communications between military commanders were set up and staff talks between the two national armed forces began to take place.

At the same time, London and Buenos Aires worked together to track fish movements in the South Atlantic, discussed joint plans for oil development in the region, and met repeatedly to iron out specific problems. The results of all this activity included what must be seen as a significant reduction in levels of tension between the two governments as well as a clear transformation in the views of national elites as to the advantages of reducing tensions, at least in the short to mid-term.

Argentina is far from abandoning its claim to the Falkland Islands. And the realities of British politics would suggest that London would not be in any position for many years to propose anything as dramatic as negotiations on sovereignty over them. But the confidence building experience related to the Falklands over the last decade suggests strongly, as this study argues, that the process in the Anglo-Argentine case has added significantly to the reduction of tension in the region. It is also the case that while long-term solutions still elude the parties, time has been gained and the issue's salience reduced, as a result of the careful application of confidence building to what was previously a seemingly intractable problem. While in no ways a panacea, it is the case that confidence building in the South Atlantic has done much to show its potential worth in situations of this kind.

RÉSUMÉ

Le présent document porte sur l'établissement d'un climat de confiance et sur les mesures d'instauration de la confiance dans le contexte du conflit de longue date entre le Royaume-Uni et l'Argentine au sujet des îles Malouines. On y soutient que depuis 1989, il y a eu un degré exceptionnel d'instauration de la confiance entre les deux pays, dans un contexte politique favorable à ce genre de processus. On y présente aussi l'hypothèse que bien que l'on soit loin d'une solution aux divergences profondes qui divisent toujours les deux pays, ainsi que la population des Malouines elle-même, l'instauration de la confiance, à titre d'objectif commun aux deux parties, a entraîné une baisse de la tension et a activé la coopération dans de nombreux domaines.

L'Argentine et le Royaume-Uni ont mené une guerre brève, mais importante au printemps 1982, conflit qui devait avoir par la suite des conséquences à long terme pour les deux pays. La victoire a apporté une confiance renouvelée au Royaume-Uni et renforcé la position des groupes au pays qui désiraient la continuation d'un rôle majeur sur la scène mondiale. La défaite a marqué la restauration de la démocratie en Argentine, a intensifié l'effet d'autres facteurs incitant à la résolution de la rivalité de longue date avec le voisin brézilien, a terni le prestige des forces armées et constitué un pas important vers une révision en profondeur de la politique étrangère traditionnelle de l'Argentine, dont on peut si bien voir le point culminant aujourd'hui.

Dans les sept premières années suivant le conflit, les tensions sont restées très fortes, même si le risque d'un nouveau conflit était atténué par la chute du pouvoir militaire argentin et la naissance d'un nouveau régime de contrôle civil des forces armées. Le pays n'était tout simplement pas en état de songer à une solution armée au conflit. Buenos Aires a plutôt cherché des alliés dans un large éventail de forums multilatéraux et de cercles dans sa bataille diplomatique pour les îles. Pendant ce temps, Londres est restée déterminée à ne pas céder, renforcée par sa récente victoire et par le sang et le trésor versés pour garder le territoire aux mains des Britanniques, conformément à la volonté de ses habitants.

Dans ce contexte, on ne pouvait s'attendre à beaucoup de progrès. Les efforts diplomatiques de l'Argentine ont donné peu de résultats, si ce n'est que l'expression occasionnelle du mécontentement des associations inter-américaines, latino-américaines et autres. Aucun progrès quel qu'il soit n'a été obtenu au cours de ces années. La Grande-Bretagne a réussi, sans même faire d'efforts importants, à se tenir à l'écart de toutes les négociations où la question de la souveraineté des îles aurait pu être mise sur la table.

En 1989 et à l'aube des années 1990, à l'arrivée du gouvernement du président Carlos Menem, la situation a changé abruptement. La nouvelle politique faisait appel à un effort concerté et élargi pour mettre fin à l'isolement dans lequel se trouvait l'Argentine depuis si longtemps par rapport à un grand nombre de pays développés. Les États-Unis et l'Europe de l'Ouest étaient considérés comme les partenaires naturels de l'Argentine et comme essentiels à son bien-être et à sa prospérité à venir. Les obstacles à ces nouveaux liens indispensables au rétablissement du pays devaient tomber. La question des Malouines, priorité immédiate pour Buenos Aires, était l'un de

ces obstacles.

Les relations avec Washington et les capitales européennes ne pouvaient simplement être améliorées de façon significative sans une baisse de l'importance de la question des Malouines dans la diplomatie argentine. Les relations bilatérales avec Londres devaient donc être ranimées et la réalisation de certains progrès, à tout le moins, la réduction des tensions liées à la question des Malouines, était une condition *sine qua non* d'un tel rapprochement.

Les mesures d'instauration de la confiance étaient perçues par les deux gouvernements comme offrant de grandes possibilités de ramener les tensions existantes sous un meilleur contrôle. Dans la première année de son mandat, le président Menem a travaillé de plus en plus étroitement avec le gouvernement britannique pour trouver des mécanismes permettant d'établir un climat de confiance. Utilisant le terme ouvertement, Londres et Buenos Aires en sont progressivement venus à établir ce qui représente indiscutablement la série la plus complète de mesures d'instauration de la confiance en Amérique latine.

Les mesures d'instauration de la confiance ont consisté en la création de deux comités bilatéraux au début de la décennie. L'un des comités avait pour mandat de réduire le risque d'une attaque par surprise et de traiter d'autres questions de défense directe, et l'autre comité, le mandat de trouver des moyens de réaliser des progrès sur des questions pouvant devenir importantes tant pour le pays que pour les îles.

Faisant preuve d'une grande originalité, et malgré quelques bonds en arrière, les deux gouvernements ont abordé des questions épineuses comme la surveillance des pêches, les déplacements régionaux des navires et des avions militaires, les exercices militaires et une série d'autres questions litigieuses ou susceptibles de le devenir. Des voies de communication directe entre les commandants militaires ont été établies et des discussions entre les forces armées nationales des deux pays ont été engagées.

Au même moment, Londres et Buenos Aires collaboraient pour retracer les mouvements des bancs de poissons dans le sud de l'Atlantique, discutaient de plans communs pour l'exploitation pétrolière dans la région et se rencontraient à maintes reprises pour régler des problèmes précis. Toutes ces activités ont entraîné ce que l'on doit considérer comme une baisse significative des tensions entre les deux gouvernements, ainsi qu'une transformation claire de l'opinion des élites nationales quant aux avantages de réduire les tensions, à tout le moins, à court et à moyen terme.

L'Argentine est loin d'avoir renoncé aux îles Malouines. De plus, compte tenu de la politique britannique, on peut penser que Londres ne sera pas en position avant de nombreuses années de proposer quelque chose d'aussi spectaculaire que des négociations sur la souveraineté des îles. Cependant, l'expérience de l'instauration de la confiance liée à la question des îles Malouines au cours de la dernière décennie donne fortement à penser, comme il est soutenu dans la présente étude, que dans le cas du conflit anglo-argentin, le processus a contribué de façon significative à réduire les tensions dans la région. De plus, bien que les parties n'aient toujours pas trouvé de

solution à long terme, on a gagné du temps et la question a perdu de son importance à la suite de l'application minutieuse de mesures d'instauration de la confiance pour tenter de régler ce qui semblait auparavant un problème insoluble. Bien qu'il ne s'agisse aucunement d'une panacée, on peut affirmer que l'instauration de la confiance dans le sud de l'Atlantique est une mesure qui s'est avérée efficace dans ce genre de situation.

CONFIDENCE BUILDING AND THE FALKLANDS DISPUTE

INTRODUCTION

This paper deals with confidence building measures (CBMs) in the context of the dispute between Argentina and the United Kingdom over the Falkland Islands in the South Atlantic. It addresses specifically those CBMs put in place over the decade 1989-1999, when such measures were found useful by both sides to help defuse elements of the conflict in light of the aftermath of the 1982 Falklands War. Its aim is to answer several questions in this little studied case of CBM use:

- what is the background to the context of confidence building in the South Atlantic region?

- what has been the evolution of such confidence building as has gone on?

- what is the current state of such confidence building?

- how well have confidence building measures worked so far?

- what lessons can be learned from the Falklands CBM experience for:

  - the parties involved in the bilateral dispute
  - the inter-American community
  - the international community at large

This is a case study of a particular context for confidence building. It is not proposed to enter into the theoretical debate on the utility of such measures in general, the various views of what they are, or the like. Instead, confidence building measures, for the purposes of this study, will be taken to be those actions referred to in the definition developed by Canadian expert James Macintosh in his early five-part description:

> "CBMs involve a variety of arms control measures entailing state actions that can be unilateral, bilateral of multilateral;
> CBMs attempt to reduce or eliminate misperceptions about specific military threats or concerns by communicating verifiable evidence that those concerns are groundless;
> CBMs demonstrate that military and political intentions are not aggressive;
> CBMs provide early-warning indicators to create confidence that surprise will be difficult to achieve;
> CBMs restrict the opportunities for the use of military force by adopting restrictions on the activities and deployments of those forces within the sensitive areas."[1]

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[1] See James Macintosh, *Confidence (and Security) Building Measures: a Canadian Perspective* (Ottawa: Department of External Affairs, Arms Control and Disarmament Study No. 1, 1985), pp. 64-5 for this early definition. For the evolution of his thinking on these themes, see also his thoughtful *Confidence Building in the Arms Control Process: a Transformation View* (Ottawa: Department of Foreign Affairs and International Trade, 1996).

In order to achieve its objectives, the study is in several parts. First, there is an introduction to the dispute itself and then to the 1982 South Atlantic or Falklands War which it sparked. The aftermath and its lack of progress in conflict resolution is then briefly analysed. A look back is then given to the experience of both Argentina and the United Kingdom in the field of confidence building, not only on a bilateral basis between them but in their other relationships around their regions and the world at large. The changes in the international and two national contexts which permitted the beginning of moves towards building confidence in the late 1980s are then assessed.

The 1989 breakthrough represented by the Madrid Joint Declaration is then looked at in some detail as are the initial confidence building measures that this declaration sets in motion. There is then a rather lengthy description of the setting up of the wider CBM arrangements, which are, for our purposes, the most impressive part of this story. After an aside on the evolution of the islanders and their perceptions is given, there is a discussion on how the CBMs have actually worked and this leads us to a look at the present situation. Finally, an attempt at a conclusion is given which ends with what appear to be the main lessons learned from this case study for the bilateral UK-Argentine relationship, and the inter-American and wider international communities.

The dispute over the Falkland Islands, referred to in Spanish as the *Islas Malvinas*, is one of the oldest in all the Americas and has dogged the diplomacy of not only the United Kingdom and the Argentine Republic but at one or more times of France and Spain, Britain and Spain, and Britain and France. Even the Netherlands had at one time some claim to the islands, situated as they are along potentially important sea lanes between Europe and western South America, and before the Panama Canal opened in 1914, between eastern North America and Pacific Latin America as well.

The dispute over the islands goes back to their very first sightings by Europeans in the 16th and early 17th centuries. Even then, Englishmen, Dutchmen and Spaniards claimed to see them first. And while claims to sightings do not get one very far in international law dealing with possessions, these conflicting reports of who saw what when continue to confuse debate as to the proper ownership of the archipelago. Since then sporadic occupations of the islands by the French, British, Spanish and Argentines have for long given more or less solidity to the claims of the two key protagonists of modern times and London and Buenos Aires remain squared off on the issue right to this day.

Argentina inherited Spanish claims to the islands even after it had broken with the metropolis. And while for many years the issue was largely dormant, the Argentines had after a fashion occupied the islands in the late 1820s and early thirties and had thus reinforced their claim to them. Expelled by the actions of both the United States and then Great Britain, the Argentines had never entirely given up on making good their claims.

Periodic bouts of difficult relations could not, however, spoil the wide-ranging and complex relations between the two capitals over the long period between Argentine independence in the early 19th century and well after the Second World War. The closeness of this relationship is often hard for us to realise but the Anglo-Argentine connection was doubtless one of the deepest between an

independent American country and a European state ever to be developed, always excepting of course those between the Iberian mother countries and the colonies. Argentina was in the latter part of the last century on occasion termed the 'colonia sin bandera' of Great Britain and later on as the 'informal Dominion.'[2]

Argentine exports were destined in large part to British ports, travelled in British bottoms, were insured by London firms, and their proceeds were used to an extraordinary degree to buy British goods. British investment in the country was vastly greater than that of any other capital exporting state of the kind and the United Kingdom's role in the national development of Argentina can hardly be exaggerated. This does not of course mean that the relationship was always a positive one for either country. Argentines often felt exploited by London and Britain's affection for the republic could at times be uncomfortable or even costly as with US-UK relations during the Second World War.

Within a few years of that huge conflict, however, UK-Argentine relations had soured. Conflict dominated those between the dynamic dictator Juan Domingo Perón and his nationalist Justicialista movement and the post-war Labour and Conservative governments in London. The Falkland Islands became seen as a measure of the mistreatment Argentines had been receiving from the outside world, especially Great Britain and more recently the United States and a yardstick for the degree to which Argentine governments could be seen as patriotic and protecting national interests. At the same time, while decolonization became the watchword in London, territories which did not wish independence such as some of the West Indian and Pacific islands, Gibraltar, Bermuda, and with nuance Belize and Hong Kong could often not simply be abandoned against the wishes of their populations who were of course British subjects.

A number of incidents occurred over the years including individual and collective gestures by nationalist elements in Argentina to underscore the seriousness with which Argentines now took the matter of the 'recovering' of the islands and their 'reincorporation' into the republic. But British power, and occasional visible demonstrations thereof, were able to dissuade Buenos Aires from any rash effort to actually move militarily against them. Meanwhile, on occasion London hoped to convince the islanders of the wisdom of closer relations with Argentina and of accepting some sort of joint arrangement which would include Argentina in their political affairs.

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[2] The 'colony without the flag' usually referred, not always positively, to the degree of dependence of the new republic on Great Britain, although on later occasions the term was used less frequently to denote the connection between Italy and Argentina based on the massive immigration from that other country to the River Plate. The informal or 'honorary Dominion' idea was based on Argentina's growing self-assurance and the interdependent relationship growing up between London and Buenos Aires as the 20th century dawned. See the wide literature on this theme including the excellent and concise handling of the matter in Heriberto Cairo Carou, *La Construcción soicial del conflicto territorial argentino-britáanico: una aproximación geopolítica crítica* (Mos (Pontevedra), Biblioteca Universitaria, 1995), pp. 48-53.

THE WAR

During the 1970s a number of events took place which were to set the scene for the 1982 conflict. The most important of these was surely the arrival in power by military coup of an armed forces regime, the most savage in Argentine history, with a highly nationalistic policy of national regeneration which was to include dramatic steps in the foreign policy field. Results at home included the conducting of a ferocious anti-guerrilla campaign both in the countryside and in the cities aiming at uprooting and eliminating entirely the Argentine left. The 'dirty war' as it was eventually termed was to cost thousands of civilian lives and wipe out all vestiges of democracy in the country.[3]

Such events were to have their international dimension. Needless to say, the idea of handing over the islands and the islanders to such a government was political suicide in London, and the popularity of any such project among Falklanders themselves can easily be imagined. In any case, the political turmoil in Argentina, which had been present and obvious for several decades, ensured that the Argentine option remained *lettre morte* among virtually all islanders. Nonetheless, British governments, especially when the Labour Party was in power, were anxious to resolve the issue and keen to make concessions if possible. Indeed, serious discussions with the Argentines took place in the 1970s with ideas such as 'leaseback' under Argentine sovereignty given a not always unfavourable hearing in Whitehall. Fierce opposition among the islanders, however, soon put paid to the idea, and what came to be known as the 'Falklands lobby' in Parliament proved more than able to shelve the leaseback as well as other proposals for major changes in status.

The military government had other international objectives beyond those related to the Falklands. The most important of these was doubtless the search for a favourable and final solution to the outstanding territorial disputes with neighbouring Chile, and especially that of the Beagle Islands. Buenos Aires and Santiago had been at odds over Patagonia since at least the middle of the 19th century and while most outstanding issues had been settled by the beginning of the 20th, resolution of the question of sovereignty over these small but politically significant islands at the Atlantic end of the Strait of Magellan had proven impossible.

Chile had doubtless done much more in the way of active occupation of the islands and exercise of sovereignty thereon and thereabouts than Argentina but Buenos Aires was desperate to block any Chilean pretensions to status as an Atlantic country which could come from ownership of these distinctly Atlantic outposts. The military government inherited a series of negative circumstances including international awards favourable to Chile actually in place. Given the Argentine military's determination to settle the issue on terms totally in line with their interests, it was only Papal intervention in 1978 that had kept the two countries from full scale-war. Indeed, Argentine special forces were already on Chilean soil when the Pope's timely diplomacy brought

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[3] Perhaps the best account of this is in Prudencio García, *El Drama de la autonomía militar* (Madrid: San Martín, 1985), for a full and balanced description of this campaign.

the two sides to the negotiating table again.[4]

The Chilean dimension of the Falklands crisis of 1982 is an important part of the whole story. In 1979 the government of Mrs. Margaret Thatcher took power in the United Kingdom. Its policy was very much Eurocentric and small holdovers from imperial days held little clout among the priorities of the day. This appeared to the government in Buenos Aires as a promising sign for progress on the Falklands sovereignty issue. Further discussions proved, however, that the issues remained intractable with the islanders wanting nothing to do with rule from Buenos Aires, the Argentines determined on major immediate steps towards what they saw as the *return* of the islands, and London unwilling to move far in directions which it knew that Falklanders would reject.

The situation in Buenos Aires continued to evolve. The internal politics of the military *junta* were such that by late 1981, it was important to have a major international victory to shore up armed forces prestige and consolidate the power of the new president army general Leopoldo Galtieri. Only the two sets of islands offered real options here. If the Beagle Islands could be seized and held the government could claim victory on a major scale. If the Falklands could be 'recovered,' there would be little less than jubilation at home and enormous credit to the military officers who had reversed what was about to be a century and a half of perceived humiliation at the hands of British imperialism.

The continued failure to find a solution to the Beagle Islands issue frustrated officers of the armed forces, especially the Army, many of whom had been deeply disappointed by the calling off of the offensive against Chile three years earlier. While some still wished to settle accounts with Chile, most were prepared to accept victory in the Falklands instead. Optimism was dominant among military planners at the time, long at work on contingency plans, with the armed forces certain that even if both the Chilean and Falklands crises came to a head at the same time, Argentine military strength could stand the test and emerge victorious.[5] There was open talk in the press for months before the actual invasion with speculation of conflict with both Britain and Chile. In general, it was felt that the Falklands would prove less costly an enterprise than anything over the Beagles.[6]

Over the months before April events moved quickly. Argentina became ever more frustrated with what it viewed as British obstructionism on the Falklands issue as bilateral talks led again to nothing concrete. The decision was taken to invade the islands and its dependency of South Georgia on 2 April and this was successfully done by a large combined task force spearheaded by Argentine Marine Commandos in the early morning of that day. Against the overwhelming Argentine force

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[4] The story is well told in Bruno Passarelli, *El Delirio armado: la guerra Argentina-Chile que evitó el papa* (Buenos Aires, Sudamericano, 1998).

[5] *Ibid*, pp. 172, 211, 214.

[6] *Ibid*, p. 218.

the tiny local Royal Marine garrisons put up a spirited defence and then surrendered.

In London and internationally the reaction was speedy. The United Nations condemned Argentina's resort to arms and called for the withdrawal of its troops. After a short period of shock the British government decided to back up its diplomatic effort to restore British rule with the deployment of a large naval amphibious force towards the islands. The forward elements of this armada were under way in the astonishingly short period of less than four days, a reaction totally unexpected in Buenos Aires or among Argentine military planners.

South Georgia was quickly recovered and the first British military moves took place in and around the islands in the first week of May. These included strategic bombing of the airport at Port Stanley, the capital, and the sinking of the Argentine cruiser *General Belgrano* by the nuclear submarine *Conqueror*. The war now began in earnest with the British landing later in the month and marching over three weeks to retake the capital. The Argentine land forces crumbled under the onslaught and the navy failed to appear to contest Royal Navy control of the seas around the islands. Only the air force, largely opposed to the Falklands adventure from the beginning, put up a good fight and saved Argentine military honour.[7]

Throughout the conflict diplomatic activity was intense. The European Community and the Commonwealth in general backed the United Kingdom while Latin America, with the full exception of Chile and the early exception of Colombia, supported Argentina. But while European and Commonwealth assistance was active and concrete, Latin American remained merely vocal. The United States remained neutral for much of the campaign but public opinion, long critical of the regime in Buenos Aires, eventually obliged Washington to support London. This it did with both diplomatic and military means, although the extent of the latter is often exaggerated.

The End of the Military Government

Defeat in the Falklands, especially after popular hopes had been raised to fever pitch, and news of defeats largely hidden from the Argentine people, was disastrous for the military regime in Buenos Aires. Discontent, already surfacing in the months before the invasion, exploded and General Galtieri and the other members of the government were forced to resign. The armed forces had totally lost what prestige they had garnered from victory in the counter-insurgency 'war' and in a context of mishandled economic policies, it now appeared that they were equally incapable of organizing an effective defence of the country. They could ill afford to give up power too quickly, however, given the dangers of popular vengeance for the excesses of the dirty war.

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[7] See the excellent Francisco Bendala, Manuel Martín and Pérez Seoane, *La Campaña de las Malvinas* (Madrid: San Martín, 1995) for a full and balanced description of this campaign.

The new government of General Reynaldo Bignone held on for another year negotiating a withdrawal from government with as much face saved as possible. Despite the massive return of prisoners of war by the British, the government could not formally terminate the conflict for fear of a major backlash in public opinion. Thus the war did not come to a complete end complicating the post-conflict scene for both countries especially in terms of terminating the boycotts and embargoes placed on Argentina by Commonwealth and European countries.

At the same time the economic situation in the country worsened steadily. Inflation rose sharply and the international debt situation became critical, not least because of the costs of the war itself.[8] The armed forces were meanwhile in a state of total crisis with mutual recriminations about who lost the war the rule among services with a long history of rivalries of the most dramatic kind. The main political parties in the country, not without their own responsibilities both for the dirty war and the Falklands adventure, at the same time called for elections soon while hoping the military could move forward on the economic front before handing over power, thus saving the civilian politicians from unpopular measures and blame for the overall state of the economy.

The situation in the United Kingdom was of course quite different. After many years of marked decline, the country had reasserted itself in dramatic fashion, proving the strength of its political leadership, the continued pluck of its people, and the efficiency of its armed forces. The Thatcher government basked in the glory of military triumph and diplomatic success. The economy continued to move forward. And popular support for the 'Iron Lady' reached new heights. The Conservatives went on to win the next election handsomely, although the role of the Falklands victory in deciding the electoral behaviour of the population has probably been exaggerated.[9]

The Alfonsín Government and the Falklands: 1983-1989

The general strikes, mass marches and overall general pressure on the military government resulted in elections and a return to civilian government in 1983. The last months of the military government, harassed on all sides, saw little attention given to international relations in general or to the Falklands situation in particular. The new government of Raul Alfonsín came to power with enormous legitimacy in a country long accustomed to military rule but with strong democratic aspirations. Counting on this status the foreign policy of the new government emphasized that the nation's isolation from the rest of the world was exclusively the responsibility of the military regime and that the new democratic government should logically find a welcoming international context in which to work.

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[8] José Luis Machinea, "Stabilization under Alfonsín", in Colin Lewis and Nissa Torrents (eds), *Argentina in the Crisis Years 1983-1990* (London: Institute of Latin American Studies, 1993), pp. 124-43.

[9] Lawrence Freedman, *Britain and the Falklands War* (Oxford: Blackwell, 1988), pp. 100-4.

To some extent this assessment was accurate. The bulk of the international community greeted the return of democracy in Argentina with undisguised pleasure and extended a warm welcome to the new government. London in particular was happy to see another democratic government in Buenos Aires and hoped that it would be less nationalistic and obsessed with the Falklands issue. First signs were positive as Argentina slowed the acquisition of weapons and equipment programme with which it was attempting to make up for the serious losses incurred in the 1982 war. The defence budget was also cut in what was to become a major decline in national defence potential over the long run. In addition, the direction of the nuclear energy programme of the country, in the past always in the hands of a military officer, was now given to a civilian. Finally, some 26 generals, 16 admirals and three air force senior officers were retired. Things seemed to be changing with considerable speed and in the direction of a new and more peaceable Argentine approach to foreign affairs.

There was to prove to be little of this reflected on the issue of the Falklands. Alfonsín, under pressure not to appear soft on the sovereignty issue, announced that no negotiations of the islands could be undertaken without the question of sovereignty being solidly on the table. At the same time, like Bignone before him, Alfonsín refused to formally end the war until real negotiations were under way. Adopting a multilateral approach, Buenos Aires began a serious campaign to muster international support for a policy aimed at forcing the British to negotiate on the sovereignty issue. At the Organization of American States, and in the United Nations, Argentine diplomats were always to keep the Falklands issue alive and press for anti-British collective positions. This resulted in some pro-Argentine resolutions here and there but little else.

The British were of course in no mood to be pressured. Having just conducted a tremendously successful military campaign, and having enjoyed widespread international support, London would not hear of discussions of sovereignty of islands which had just cost over two hundred British lives, and much treasure, to defend. Nor was international pressure at any stage a serious concern for London.[10] Even pressure from Argentina itself was reduced when in October 1983 all Argentina political parties agreed that there could be no use of force to recover the islands and that a contact group of nations should help to get negotiations started in earnest to resolve the matter. Thus the military threat was largely removed, a state of affairs of course reinforced by the steady decline in Argentine military power over this period.

The British nonetheless offered in February 1984 to begin talks but with a clear understanding that discussions of the sovereignty of the islands was out of the question. Argentina therefore refused despite the deepening economic crisis in the country and the widespread desire to normalize relations with the European Community and the rest of the world. Some informal and even formal talks between the two governments did occur in 1984 and 1985, stimulated by growing grants of oil concessions in the Falklands area by the British, and the refusal of Buenos Aires to

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[10] Roberto Russell, "Argentina: una nueva política exterior?", in Heraldo Muñoz (ed). *El Desafío de los '90: anuario de políticas exteriores latinoamericanas 1989-90* (Caracas: Nueva Sociedad, 1990), pp. 15-29.

recognize such grants. Despite this and other negative signs, in July of the latter year the UK announced unilaterally that it would be lifting its economic embargo on Argentina and that September Alfonsín met Labour Party leader Neil Kinnock in Paris.

Hopes for a rapid improvement in relations were to prove ill founded. In 1986 Buenos Aires signed accords with the Soviet Union and Bulgaria granting them fishing rights around the Falklands, while London unilaterally extended its own fishing zone around the archipelago to 150 nautical miles and set up a Falkland Islands Inner Consideration and Management Zone (FICZ) whose terms of reference crossed into the Argentine own 200-mile Economic Exclusion Zone. This led Argentina to warn that Argentine naval vessels might open fire on any British or other trawlers operating, in its view, illegally in the zone and Britain to offer to only patrol the first 150 miles of the FICZ instead of the whole area. All this acrimony served to underscore the dangers of not having an established and recognized maritime boundary. There was now a real danger of armed incidents and this, and other disagreements over fishing, led finally to serious discussions in February 1987.[11]

Yet again, these favourable signs led nowhere. Talks at the United Nations yielded nothing concrete and the extremely tense circumstances of the ending of the Alfonsín presidency ensured that no major initiatives could proceed.

President Menem and Bilateral Diplomacy

The new government of President Carlos Menem wasted little time revamping Argentine foreign policy as a whole and Falklands policy in particular. Freshly triumphant in the elections, and with economics as his first priority, Menem sought as a priority to bring Argentina out of the financial mess in which it found itself. To do this, he needed international respectability and an end to the long isolation of the country from mainstream world affairs. His first foreign minister was a hardheaded economist whose first priority was the insertion of Argentina into the international economy. With only a highly discredited and disjointed opposition to face, Menem was able to undertake major changes in foreign policy without serious complaint from key sources. In addition, the public mood in Argentina was one of a desire for a serious attempt to deal with the critical economic situation of the country and thus nationalism and related policies found little support in circles where they normally would have held sway completely.

This meant Menem could attempt some dramatic reversals of policy in both domestic and foreign policy. While giving fresh impetus to multilateral initiatives, which would allow for reaching the overall objective of Argentine reincorporation into the world community, the new president abandoned Alfonsín's multilateralism on the Falklands in favour of a bilateral approach directly to London. As early as July 1989 the two governments agreed to 'hold talks about holding

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[11] The complications of this situation are well described in Roel Hans Bethlehem, *Fisheries Conflicts in the South West Atlantic* (International Law Thesis, Groningen, Rijksuniversiteit, 1996).

talks.' First contacts at the UN led to agreement on wide ranging bilateral discussions to begin in October in Madrid. Now it was to be London which proved less anxious for too much progress too soon.

The Madrid joint declaration marked the turning of the page on the Falklands issue. An 'umbrella' was placed over the issue of sovereignty over the islands with both sides maintaining their former stands. And while Argentina did not formally end the conflict, both sides 'took note' of the ending of hostilities between them. Consular relations between London and Buenos Aires were likewise reestablished. Important as well were to be the promotion of bilateral financial links as well as the reopening of air and sea communications between the two countries. The Falklands fishery protection zone was to be reduced to the same area as the defence zone with Argentine merchant ships allowed access. The UK would also work to facilitate the expansion of Argentina's links with the European Union. And finally, two working groups were established in order to deal with the major issues facing the two countries, always excepting that related to sovereignty. One group was to work on ways to avoid incidents between the armed forces of the two sides and to build confidence between them, while the second made proposals on the exchange of information and other cooperative measures in the fields of conservation and fishing.[12]

This landmark agreement gave much to both sides and clearly demonstrated the advantages of moving on from the past. In December military delegations from London and Buenos Aires met in Montevideo to work on means to ease the strain inherent in the deployments of forces in the South Atlantic. Agreement was reached on mutual assistance in cases of search and rescue operations, increased security measures for one another's ships and aircraft, and methods to avoid or reduce incidents between the armed forces of the two countries. The above occurred in a context of great change in the Argentine armed forces which cancelled their *Condor II* surface to surface missile programme, reduced massively their military manpower strength and budget, increased their international peacekeeping contributions, and engaged in deep defence reforms. From London's perspective, Argentina was simply becoming much less of a real threat to the islands.

CONFIDENCE BUILDING MEASURES

The British Experience with Confidence Building Measures

The United Kingdom is of course an old and experienced state. As a great power since the Middle Ages, England and then Great Britain has long mattered on the European scene, despite its island status. Indeed, the uniquely maritime dimension of Britain's historic existence has meant the country embarked on the greatest imperial adventure since at least Rome and arguably the most dramatic in human history. The Royal Navy and the British merchant marine brought power,

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[12] Russell, "Argentina: una nueva política exterior?", in Muñoz, *El Desafío de los '90*, pp. 15-29.

influence and wealth to the kingdom and meant that London long had contact with most of the world's countries.

Under such circumstances the United Kingdom developed an extremely sophisticated and experienced diplomatic service well versed in the vagaries of international affairs. Confidence building in forms closely related to the modern sense of the term was in no sense new to London when it resurfaced in its current guise with the Helsinki accords of 1975. The British had used means to build confidence with any number of foreign and colonial adversaries around the globe and had done so as recently as the great decolonizing era beginning with Indian independence in 1947 and not entirely over yet.

The UK was of course also a founding member of the United Nations, NATO and a large number of other post-war pacts, alliances and other international groupings which marked the cold war era, such as CENTO, SEATO and the like. It is also a member of the European Union, as well as of course the Commonwealth itself. And while no longer a power of the first rank as it had been for several centuries, it is still a nuclear weapons state, a major naval power, has a significant air force, a highly professional army, and these forces proven as recently as the Gulf War in 1991 and of course the Falklands victory of 1982.

Most interesting for the purposes of this study, Britain has of course been an active member of the confidence building process in Europe which accompanied the last years of the cold war, taking part in the Mutual and Balanced Force Reduction talks before Helsinki, the whole CSCE/OSCE process, and also of course the wide ranging East-West and Europe-wide negotiations of a variety of kinds related to nuclear weapons, conventional force reductions and the like. Thus by 1982, and especially by late 1989-early 1990 the United Kingdom had both recent and long-term experience with confidence building and a foreign and defence policy which included the concept as part and parcel of its approach to a variety of international problems it faced.

British concerns over the Falklands were many. The island cost several millions of pounds to defend even if its real additional costs to the Treasury were probably much less than it was often thought in leftist circles in Britain and nationalist ones in Argentina. While the islands were far from the 'Fortress Falklands' of the Buenos Aires nationalist press, they were vastly more carefully defended than any similar British territory elsewhere in the world. A permanent British garrison that includes sophisticated air and naval elements as well, had been stationed in the islands since the end of the 1982 war. And a major base complex had been established in the centre of East Falkland Island over the years following that conflict. None of this was cheap and there was no doubt that Whitehall would have been pleased not to have to pay the extra costs this arrangement entailed. However, at no time was the financial cost issue a very serious one for a British government. Generally speaking, British politicians and the press did not question the need to maintain such a garrison in the region.

Of greater concern was the thought that an incident in the area might spark renewed fighting or at least worsen bilateral relations in a serious way. In the first seven years after the war, such

incidents were few and far between, no doubt largely as a result of controls placed by both sides on access to the region. However, with the growth of international fishing in the area, increasing talk of petroleum prospecting there, and the mere passage of time, the potential for incidents grew.

In addition, many British businessmen wished to take advantage of the trade and investment potential of Argentina, and this was even more the case as the new Menem government began to bring about improvements in the economic condition of the country. Several NGOs were also active in pressing for dialogue with Buenos Aires, and a number of contacts at parliamentary level had stimulated talk of finding some way to reduce tensions.

In this way, the overall environment in the UK was one favourable for CBMs as the 1980s ended. Britain had fought many small wars since the Second World War and rarely bore much of a grudge. Time was passing and memories of the war fading. Argentina was now a functioning democracy. Much seemed to indicate then that the time was ripe for change. Thus both the political and economic context overall, so important in all discussions of CBMs, were favourable to change. And the new attitude in Buenos Aires did much to convince islanders as well that it was safe to engage in limited dialogue with the Argentines and helpful, even financially interesting, so to do.

Argentina and Confidence Building

The Argentine state has, needless to say, not been in existence for anything as long as the United Kingdom. Main inheritor of the River Plate Viceroyalty when Spain was expelled from continental America in the 1820s, Argentina's independent life is still well short of celebrating its bicentenary. Despite this, the South American nation has experienced a wide range of political situations, both domestically and internationally. It has developed a sophisticated diplomatic style, and a quite professional foreign service, especially when compared with most other Latin American diplomatic institutions.

Argentina was born in conflict with the wider viceroyalty quickly shorn of several of what were viewed as its constituent parts – today's Paraguay, Uruguay, southern Bolivia, and the Falklands. It almost immediately entered into a complex balance of power situation in the Southern Cone alongside Bolivia, Brazil, Chile, and Peru. During well over a century this series of relationships evolved through war, alliances, diplomatic and military crises, mobilizations and border incidents, shows of force, and much else.[13] Argentina usually looked to Peru for support in its repeated difficulties and rivalries with Chile in the West and Brazil to the North. But a complicated web of relationships saw shifts in alliances within these overall trends with cooperation and conflict possible across a wide range of situations.

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[13] This story is superbly told in Robert N. Burr, *By Reason or Force: Chile and the Balance of Power in South America, 1830-1905* (Berkeley: University of California Press, 1974).

At the same time, Argentina developed the closest links of any Latin American country with Europe and, as noted, especially with the United Kingdom. The Argentine economy was deeply incorporated into the international division of labour developing in the half century before the First World War. Germany, France, the Netherlands, Belgium, and later Italy and even the United States became major trading partners. Argentina was a full partner in the international affairs of the Western world and felt quite distant from its Latin American neighbours, generally much less developed and 'European' than Argentines felt themselves to be. This was reinforced by the vast European immigration experienced in the last decades of the 19th century and the first of the 20th, and by the relatively small non-white population in the country.

There were negative elements in all this but ones which also reflected Argentina's strong international ties. Not only was development skewed but European naval interventions marked the early years of the Republic with not only Britain but also France attempting to impose their will on the new country. This also forced Argentina to develop a more sophisticated approach to international relations than was always necessary for its Latin American neighbours.

Argentina has at one time or another had troops in the territory of all its neighbours, sometimes as allies, and at others as invaders. Open war with Paraguay and Brazil at varying periods in the 19th century, interventions to assist Bolivian and Chilean independence and much later serious disputes with the latter country, and various military occupations of part or all of Uruguay after that country separated from Buenos Aires, all marked the early decades of Argentine national life. Later on territorial and jurisdictional disputes with Chile continued to darken relations with that country, rivalry with Brazil at almost all levels was nearly constant and often spirited. Domination of Paraguay and Uruguay in competition with Rio de Janeiro was the normal stuff of Argentine foreign policy, and a steady interest in Bolivia normally was usually visible as well. Thus interstate disputes are no strangers to Argentines.

Neither, however, is cooperation. Despite the often-intense rivalry with Brazil, that country has also often been a strong supporter of Argentina on the international scene. Indeed, some authors have recently suggested that the rivalry elements of the relationship have historically received far too much attention from authors and that the cooperation the two countries have enjoyed has very often been of the greatest importance to both of them.[14] Collaboration with Bolivia, Paraguay and Uruguay, while perhaps not as visible, has also been relatively constant in one form or another and this has increased as schemes for regional development proliferated in the post-World War II years. The Chilean relationship alone, at least until recently, was so fraught with distrust that cooperation was sporadic and unimpressive indeed.

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[14] Useful detail on these aspects of the Brazil-Argentine relationship are found in Jorge Hugo Herrera Vegas, *Las Políticas exteriores de la Argentina y del Brasil: divergencias y convergencias* (Buenos Aires: Instituto del Servicio Exterior de la Nación, Documento de Trabajo, No. 12, 1995).

Thus while Argentina can obviously not claim the historical or great power past of Great Britain, it would be a mistake to think of the country as in any way lacking international experience of wide scope. In the confidence-building area, Argentina shares much with the rest of Latin America. Many elements of what would now be called confidence building infused the relations of the country with the region as a whole. The tradition of a *patria grande*, more than just a hold over of the Liberator Simon Bolivar's dream of a united Latin America able to withstand the pressures of the European great powers and the United States, but with real elements of a Latin American commonwealth, has reinforced the tradition of confidence in the region.

While the actual behaviour of Latin American states where major interests are involved does not appear to reflect this sentiment very strongly, the ignoring of this sense of belonging to a larger body of linked nations leads to a distortion of one's understanding of the international politics of this part of the world. And while it is possible for excellent Latin American scholars such as Francisco Rojas Aravena to assert that Latin America is a region of great cooperation but great distrust, it is still true that in most cases the relations of these countries have historically not shown the same degree of tension as in most regions of the world. This is reflected in the region's relatively low levels of militarization as a whole but even more dramatically in the relative infrequency of interstate wars there.

Confidence building should of course flourish in such circumstances, as theorists have pointed out. And indeed it has with the results just mentioned. And while a number of disputes and even conflicts persist, there can be no doubt that Latin America still appears to be a favoured region in this sense when compared with most of the world.

Argentina has in recent decades, however, not been able to claim to be at the forefront of such favourable circumstances, and has only in the past few years made great progress in settling some of its major disputes with neighbours and rivals. The rivalry with Brazil intensified in the 1940s and seemed likely to remain a thorn in regional peace efforts for long afterwards. Relations with Chile were never really good with border and insular questions in the south quite capable of bringing the two countries to the brink of war. Loss of influence in Paraguay, Uruguay and Bolivia grated on Buenos Aires as well.

Nor were regional problems alone in making Argentina's international relations problematical. Antarctica brought nationalist governments in Buenos Aires into conflict with several states. The Falklands issue itself meant relations with Britain were never entirely without frictions. And Argentina's long-term opposition to what it saw as US pretensions in Latin America never entirely disappeared from the agenda of the country's international relations. It must also be said that the foreign policy of the country was often seen as rather erratic, despite its firm traditions, this being a reflection of its extraordinary and long-lasting political and economic crisis dating from the 1930s and only ending in very recent years indeed. The Peronist movement and the exceptional nationalism that prevailed in some military regimes over those decades produced twists and turns in foreign policy which at various times alienated the United States, Britain and Europe, Latin America, and the Third World. Confusion at home showed up, not surprisingly, as confusion on the

international scene. This was not helpful for building confidence among neighbours or interlocutors farther afield. And Argentina moved from being a prosperous, stable and generally attractive place to economic and political instability and a hotbed of various forms of extremism. This would have an effect on the perceptions of not only the other members of the international community but also on the Falklanders as well.

Argentina was then for many years isolated from major parts of the international community, and especially from those with which it had enjoyed the closest of relations in the past. The military governments of the post-war era were anathema to European liberal democracies and to the United States even though relations with the Pentagon were often very close indeed and a variety of governments in Washington were willing to overlook massive human rights abuses as long as these military regimes were seen as sufficiently anti-communist. The juntas associated with the dirty war of 1976-83 were particularly vilified even when their anti-communist credentials were able to keep them from being complete pariahs in key circles in the United States.

The costs of such isolation were not lost on successive governments in Buenos Aires including those of men in uniform. The Non-Aligned Movement gave some scope for escape from such a status even if that body seemed to many to make odd bedfellows for more rightist Argentine regimes. And as mentioned, the right in the US was able to help here as well. But few in Argentina, even on the right, were unaware of the extent of Argentine isolation, especially as the 'dirty war' gave way to the Falklands adventure.

The 1982 war led to even further isolation, this time virtually complete. Abandoned by the United States after that country had tried a few weeks of neutrality between the two sides, Buenos Aires faced a hostile United Nations, a furious European community and Commonwealth, a divided Organization of American States, and an indifferent or even hostile Non-Aligned Movement. Even Latin America, while in the main at least verbally supportive, had significant holes in its solidarity. And when talk moved to any support at all other than verbal, no Latin American capital was willing to move to help Buenos Aires.

The war took place at a time of considerable discussion of confidence building on the European and East-West scenes. Even the anti-communist drive of the Reagan government in the US was not able to shut down completely the post-Helsinki arrangements in Europe, even though many elements of confidence-building were abandoned or put on hold during the years of that government in Washington. But little of this discussion reached Argentina. Instead, in that country, the returned democracy of 1983 moved in its own contexts to improve its situation largely isolated from theoretical or extra-regional thinking on how to resolve disputes among states.

The Alfonsín government, as has been seen, favoured a multilateral approach on the Falklands issue itself in a context of national humiliation following the 1982 war. But elsewhere it proved much more flexible. It greatly accelerated the process of building bridges with its traditional rival Brazil begun under the last military governments, opened more communications links with Chile on a broad range of outstanding issues, began negotiations for the founding of Mercosur, a

regional common market project for the Southern Cone of South America, and began a process of military cuts which reduced the perception of Argentina as an erratic and disruptive player in inter-American diplomacy.

Especially dramatic in all this were the moves to abandon the nuclear rivalry with Brazil, a troubling element of their relationship since the 1960s or even before. In moves which all observers could see as real confidence building, Buenos Aires first cut back the national nuclear energy programme, especially its dubious military components, entered into direct talks with Brasilia on how to make the two national programmes unthreatening, and eventually expanded those to mutual high-level visits to installations, and exchanges of information and personnel. The two countries moved steadily towards close cooperation in the nuclear field instead of direct confrontation and rivalry with an eventual wide-ranging accord on an actual inspection regime as the goal. This effort was seen as a means to take the nuclear field from being a source of lack of confidence to one of actually building confidence and there is little doubt that it worked very well indeed.

These positive trends were well to the fore in the foreign policy of the Alfonsín government but they, like most other elements of that president's approach, could not be sustained during the long agony of that government ending only with the election of President Menem in 1989. Nonetheless the advantages of a cooperative route to better international relations for Argentina were not lost on a public well disposed to more radical approaches to foreign and domestic policy than in the past. In that sense, and in the midst of a dramatic fall in the national economy's performance, confidence building with the UK found more room for acceptance than might have been imagined only a few months earlier. While particularly painful for nationalist and military circles, such a policy still won the day and thus produced the context for the first real moves towards a more open dialogue with London.

Outstanding Issues at the End of the 1980s

Seven years after the war none of the major issues left outstanding at the end of conflict had in fact been resolved. London was fresh from an impressive military victory which had in practical terms reinforced massively the British position on the future of the islands and no British government was in the slightest likely to entertain major changes on sovereignty over them. At the same time, no government in Buenos Aires could afford to be seen as favouring a significant change in the traditional Argentine position bringing it more into line with political reality as it then was. Thus little movement could be expected on matters of sovereignty, the crux of the dispute, and indeed none of substance was obtained.

Outstanding issues related to, and complicating further, the sovereignty dispute were nonetheless to the fore over these years. The war was of course not formally over. Fighting had ceased but the Argentine government was not firm enough in its footing to admit publicly defeat and an end to the military option as a means to recover the islands. Despite the blow to nationalist and military influence in the country dealt by defeat in the war, the Alfonsín government was simply not

in a position to damage further its public image by such a gesture.

Since hostilities had not ceased, Britain could of course not afford to let down its guard where the islands were concerned. This situation fed the already obvious view in Whitehall that it would be important not to send Buenos Aires any wrong signals, as had doubtless been done on several occasions before the war, as to the UK's determination to hold on to the islands. The result was the construction of a major British military base in the interior of East Falkland Island at Mount Pleasant. Land and air forces of considerable size were based there and the infrastructure became increasingly permanent as time went on. In addition, the Royal Navy deployed warships on a permanent basis to the region, all of this with the intention of ensuring the Argentines knew that another military attempt to seize the islands would not succeed.

In essence one part of the issue was concern over incidents getting out of hand more than any thought that there might be some sort of major assault on the Falklands. Nationalist elements in Argentina frequently called for harassing tactics against the islands and in the past this had taken a number of forms which the British felt it necessary to guard against. These had included landings on the islands, aircraft hijackings, and similar problematical and usually non-state inspired actions which were meant to be pinpricks showing London how untenable its position was in the long run.

A further issue was that of surprise attack. British military intelligence could never entirely discount the fact that hostilities had not formally ended, that the Argentine military still included many influential officers keen to have another go, that their resources in the region were vastly greater than were those available to the British commander on the islands, and that Argentine behaviour on this particular issue had often in the past been seemingly erratic and incomprehensible when seen from London. Thus British preparations had to include some degree of 'worst case planning' in the sense of the scenario of a renewed military attempt to take the Falklands. Long term Argentine unwillingness to end formally the conflict thus fed into British thinking on how best to defend the islands in the future in a major way.

This is interesting from the perspective of wider thinking in Latin America about confidence building measures. In general authors from the region, and indeed its governments as well, have dismissed the idea of a need for planning against surprise attack as an issue of moment within Latin American security discussions. The argument is the oft-repeated one that has run along the lines that Latin America is a region of relative peace, with smaller armed forces than elsewhere in the world, living in a sort of Commonwealth of similar ideas, traditions, history, religion and language, and with outstanding issues which were well short of the sort which would bring about surprise attacks.

In this context especially there has been a tendency to resist dealing with surprise attacks when talking about CBMs in the region. Indeed, the importance in East-West and European CBM discussions of guarding against such attacks has reinforced those who feel this other international experience with confidence building is essentially irrelevant in the Latin American context. This appears both counterintuitive and simply wrong when dealing with the Falklands issue. Whatever one can say about the failure of British intelligence to foresee the 1982 attack, the assault on the

islands was by any definition a surprise attack undertaken by a Latin American armed force with every intention of using surprise in order to gain advantages in the military contest at hand.

A further word should perhaps be said on this issue which has been present if not central in so much of the discussion of CBMs in Latin America. In the 1982 Falklands case one is far from seeing the only Latin American or inter-American case of surprise attack. Both sides, and especially Lima, accused the other of a surprise attack in the context of the beginning of the Peru-Ecuador War of 1995.[15] Fifty years before Peru and Colombia launched such accusations at one another at the beginning of the Leticia conflict. At the same time such language was not absent in Bolivian and Paraguayan accounts of how the long and bloody Chaco War began. More recently, the same can be said of the El Salvador-Honduras 'Soccer War' of 1969 as well as a number of other incidents short of war in the Central American and northern South American regions from the 1940s right up to the late 1980s. As noted elsewhere Argentina planned and actually began to execute a massive surprise attack on Chile in 1978. And finally, any number of US military interventions in Latin America, and especially in the Caribbean Basin area, have been termed surprise attacks by the governments against which they were launched.

Thus it must be said that in the Falklands case as well as in a number of others in the Latin American context, it is simply false to suggest that experience with the surprise attack phenomenon is irrelevant to the region. And the matter should therefore be included when talking about confidence building at the Security Committee of the Organization of American States, at the Defence Ministerials of the Americas, and at other appropriate bilateral, sub-regional and regional forums in the hemisphere.

Returning to other outstanding issues in the Falklands post-1982 context, military ones were only part of a picture of lack of confidence between the two, or even three, sides. Others frequently were even more problematical. The most thorny was surely fishing. The Falkland Islands lie in one of the richest fishing zones of the world. At one time famed for whaling, they are now much better known for their stocks of illex squid, finfish and loligo. As maritime resources have become ever more valuable and sought after as foodstuffs in recent decades, and as stocks have been increasingly depleted in much of the world, the importance of the supply available in abundance in the Falklands has become more evident. The Falklands War of 1982 was most assuredly not about fish but it is important to realise that since that war, the importance of fishing in those waters has become more obvious to Argentina, Britain and to the Falklanders themselves.

By 1987, an important part of the Falkland Islands gross income came from the granting of licences to international fishermen anxious to exploit the maritime areas around the islands.[16] Soon

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[15] This is elaborated upon in much greater detail in this author's *Confidence Building Sidestepped: the Peru-Ecuador Conflict of 1995* (Toronto: York University, 1998).

[16] The figure for 1987 was just under £20 million. For 1997, it had risen to over £40 million, this for a population of just over 2,000. Falklands Government Figures.

the population, long dependent on sheep, could be considered one of the wealthiest in the world as a result of these stocks which made other forms of local taxation unnecessary and irrelevant. A huge new fish processing complex was opened in Port Stanley to deal with increase and the number of foreign fishing vessels plying Falklands waters rose exponentially.

Argentina was not unaware of these developments. Indeed, Buenos Aires itself benefited from the fishing boom much of which took place on its continental shelf and its economic development zone. However, the Falklands prosperity so closely linked to fishing was seen by many Argentines as one enjoyed at Argentine expense. After all, the argument runs, the islands should be Argentine and should benefit their country and not a tiny number of interlopers who have seized part of the national territory and to add insult to injury are now profiting from it by enlarging their hold to include waters, and resources, which should also be Argentine.

Another grating issue, with perhaps even more potential for long-term disturbance of the bilateral relationship, is that of oil. As early as the Falklands War much was said of the islands' possible petroleum reserves and even of their role in getting the two countries involved in that armed conflict. However unlikely the latter assertions are, there is no doubt that there has been a growing interest in the potential oil reserves of the waters around the islands over the years. Frequent price reductions for oil have, however, slowed considerably actual prospecting in the cold and inhospitable areas around the Falklands up to now. Indeed, it was only in 1998 that what might be termed serious prospecting began and so far there has been little sign of the bonanza some predicted as lying just off shore.

Nonetheless, in international relations terms the situation has had its tensions. The Falkland Islands Government has of course wished to issue licences to such international petroleum companies as have wanted to undertake prospecting in the maritime zones under its jurisdiction. But here again Argentine nationalist opinion has seen such undertakings as not only an insult to national claims to the Falklands and its surrounding waters but also as a likely means to exclude Argentine interests from those zones. Falkland and British authorities have worked hard to assuage such fears and even encouraged the main Argentine petroleum company to join an international consortium to develop the first zones for prospecting but interest in Buenos Aires was not sustained.

The Argentine Congress has said that it would recognize no oil discoveries where licences had not been granted from the Argentine government. It threatened international petroleum companies, which cooperated with the Falklands venture with closing down their operations on Argentine soil. And it announced a surcharge, above and beyond Falklands licensing charges, to be paid by such companies to the Argentine state. Such complications and obstacles have made some firms even less warm to the risks of prospecting than they might otherwise have been given the general positive state of oil supply on the world market.

The wider fear in Argentina is that if there is an oil boom in the Falklands region, Argentines will not see the benefit. The continuation of strains in the bilateral relationship with the UK might

mean that companies operating in the region would choose to cooperate with either Uruguay or Chile in refining and otherwise processing and shipping the product of such oil fields as might eventually be found. Under such circumstances Buenos Aires might be forced to swallow the humiliation of an even more important boom than that affecting fishing coming into play which would leave Argentina on the sidelines while giving further prosperity to its neighbours and even to the Falklanders themselves. One is still a long way from such a scenario presenting itself but it is an obvious worry both to Argentine and to British officials who can easily imagine the public reaction to such a situation in Argentina.

Thus in two vital spheres- fishing and oil- well known in the modern era for being sources of all manner of fractious disputes, the Falklands issue has become complicated by economic issues far away from the initial sources of the disagreement or of the 1982 war. And this has made it all the more necessary to build confidence in areas other than the strictly military ones, highlighting the importance of showing the mutual benefits which can accrue from common approaches to economic problems. In this context, the re-opening of trading, investment and communications links, as well as the strengthening of cultural relations, can most definitely be seen as confidence building and should be taken seriously.

All this military, fishing and potential oil prospecting activity gave cause for concern to both countries on a number of other bases. Such operations always have some degree of danger of accidents no matter where in the world they occur. Military operations and exercises mean the deploying of sophisticated equipment and often large numbers of personnel over long distances in all weather conditions. The same applies for oil prospecting. And of course fishing is an activity which is only called off in very difficult circumstances indeed. The conditions for such activities in the southern Atlantic are particularly taxing, as generations of sailors, explorers and fishermen have discovered. Without considering any ill intent on either side there was obvious and considerable potential for trouble in all these fields. Both sides recognized the need for search and rescue cooperation in the area. But such cooperation was naturally stymied by the political circumstances of the day. That is, the British would not negotiate on sovereignty but would on other issues of practical importance while the Argentines would only negotiate on other issues if the issue of sovereignty were included in the discussions.

Worries about misinterpretations of each side's military activities also existed. Exercises, which seemed innocent enough to one side could be anything but for the other. Since there was no official peace any aircraft or ship moving near or into the other country's economic zone was potentially hostile. Exercises were often thus a source of concern to the other side as were ship and aircraft movement. The level of alert of both countries' forces reflected this state of affairs even when the likelihood of attack or other mischief was slight. There was over this period no means of communication of such activity to the other side and neither was there any confidence that any information communicated was an accurate reflection of the intentions of the country undertaking the exercise or military movement in question. Even agreed codes of conduct for the forces in case of incidents were not in place. Indeed, there was no means of passing on the movements of even civilian shipping and aircraft at the time. If the political will had been present, many of these serious

issues could have been addressed. That will was not visible while the first seven years of uneasy peace prevailed.

The Kelpers Themselves

For long often ignored in the dispute, the Falkland Islanders themselves have since the war more than come into their own. Neither side could fail to observe at the time of the war the emotional appeal to the British sense of justice of not letting some 2,000 British people be handed over to the then Argentine dictatorship. The clear desire of the inhabitants to remain British was obvious to all observers, including of course the Argentine occupation force on the islands.

The British claim to the islands is, as mentioned, based on an interpretation of historic events which is, to say the least, debatable. Much less so is that based on continuous and effective British occupation of the Falklands since 1833 (except for the two and a half months of Argentine rule in 1982) and the will of the people who inhabit them. No British government since the war has failed to understand this advantage. This is reflected in repeated UK references to honouring the 'wishes' of the Kelpers in any measures taken which affect their future, rather than just keeping in mind their 'interests,' as was often the preferred usage in the past.

Buenos Aires has in recent years been well aware of the islanders as well. While given the circumstances it is obviously not willing to agree to abide by their 'wishes', it has been increasingly willing to see them as an inevitable part of any solution which is reached and even as a legitimate interlocutor on a number of issues. The most obvious sign of this was Argentine Foreign Minister Di Tella's attempt to gain their favour, or at least some degree of their confidence, through a number of measures in the mid- to late-nineties. This effort, termed the 'charm offensive,' did not change Falkland opinions on the nature of the Argentine threat to their way of life but it did show the Kelpers a different Argentine face, one of humour and grace, to replace somewhat that of the military invader of a little more than a decade before.[17]

The Falklanders themselves have become increasingly worldly and self-confident over the nearly two decades since the war. Reinforced by victory in war, a strengthened British connection, essentially full British citizenship and a wide variety of local government and colony-to-mother-country reforms, and real wealth, they have begun to take a direct part in discussions of the islands' future in a number of forums, most notably the United Nations itself. They are now not only wealthier but also better educated, much more travelled, and infinitely more sensitive to international events than they were in the past. And their links with Chile, although threatened by the Pinochet extradition squabble of 1999, have proved capable of providing a second link with Latin America,

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[17] For some thoughts on the 'charm offensive', see Graciela Iglesias, "Los Malvinenses inician un diálogo de fantasía", *La Nación* (14 December 1996), and for background Minister Di Tella's own views in his "Política exterior argentina: actualidad y perspectivas", in Silvia Ruth Jalabe (ed), *La Política exterior argentina y sus protagonistas 1880-1995* (Buenos Aires: Grupo Editor Latinoamericano, 1996), pp. 379-91.

one which does not depend on Argentine good will for its functioning.

The Consolidation of Confidence Building between the Two Countries

Returning now to the Madrid Joint Declaration of 1989, it can be seen that this result of the new context thus set the scene for what were clearly confidence building measures between the two countries and to a more limited extent between Argentina and the Falklanders themselves. While islanders would have preferred an Argentine renunciation of their claims, most Falklanders knew this to be virtually impossible. Therefore an umbrella over the sovereignty issue seemed a reasonably good temporary solution to many outstanding matters.

Both sides spoke openly of the new situation as one where confidence building was at work and of the measures set in place as CBMs. The working groups set to work on their two sets of issues and were soon tabling ideas to the two foreign and defence ministries. Not only would one of the two working groups directly address building confidence and avoiding military incidents, but the atmosphere was now positive where further initiatives were concerned. In that sense the second round of talks planned for early 1990 favoured the work of both working groups.

The lifting of visas likewise, discussed at this stage, gave a positive public image of what was going on, and one which many in both countries could easily understand given the broad range of bilateral relations which had prevailed in the past. Re-establishing sea and air communications was another visible sign of the new mood and the advantages of putting the past at least partially behind. And exchange of information on fishing and conservation could hardly fail to help both countries given the very special conditions of the South Atlantic.

Events now moved rapidly. In early December 1989, British and Argentine military officers met in Montevideo with the express objective of finding ways to reduce the stresses and strains of the military situation in the southern Atlantic. This meeting resulted in another, now strictly military but still major breakthrough. The potential for useful cooperation in the search and rescue field was not only acknowledged but future mutual help in such circumstances was agreed to by the two sides. This was accompanied by an increase in measures for the security of one another's ships and aircraft. It was also agreed that the two sides would work to find means to avoid any military incidents in the area.

This progress occurred in the context of other political moves. The Queen and some parliamentarians met that autumn with Argentine congressmen visiting London and there was a general agreement on the value of reinforced bilateral relations. At the same time the two foreign ministers John Major and Domingo Cavallo met. The winter of 1989-90, as so dramatically elsewhere in the world, proved eventful. The UK protective zone around the islands was lifted early in the new year. Visas were finally and formally dropped as requirements for visits between the two countries. And on 16 February full diplomatic relations were re-established.

Successes on the military front quickly followed on this political progress. And now confidence building came into its own in something easily recognizable for those who had worked with the concept elsewhere in the world. Following on a British invitation to the Argentine air force to visit the large annual air show at Farnborough in 1990, talks were held between the two armed forces and agreement announced on the largest series of specific CBMs so far imagined in the South Atlantic context. These were:

- the establishment of a direct line of communications between the islands and the Argentine mainland;

- the setting up of a system of information interchange on security and control of air and sea navigation in the region;

- the formal establishment of actual search and rescue accords for mutual support between the two countries' armed forces, and

- the putting into place of agreed codes of conduct for the two sides' armed forces in order to avoid incidents or ensure that they remain under control.

Beyond these important overall arrangements there were agreed a series of highly specific measures which any European, United States or Canadian diplomat or serving officer who had spent time in the CBM field would have easily recognized. Each side agreed to:

- advise the other of the movement of four or more naval vessels;

- advise the other of the movement of four or more military aircraft;

- advise the other of the holding of exercises involving more than 1,000 personnel;

- advise the other of the holding or exercises involving more than 20 air sorties;

- notify the other prior to their commencement of any airmobile or amphibious exercise in which more than 500 personnel or more than 20 air sorties were to be involved;

- adopt measures to avoid any act which could be interpreted as hostile;

- apply a 25 day rule to the notifications of exercises mentioned; and

• generally work to increase mutual knowledge on military subjects in the Southwestern Atlantic.[18]

With these measures in place the military and overall situation in the South Atlantic was rapidly improved. Commanding officers and personnel, especially those in the air and naval services, had clearer rules with which to work. Incidents were now less likely to occur and more likely to be resolved quickly and amicably than in the past. The perception of a danger of surprise attack was reduced markedly. And a framework for perceiving the former opponent's activities was given which was much less fraught with suspicion. While there were obviously now more complications for the military in planning their activities, the gain in building confidence was obvious to all but the most die-hard.

Such was the success of these measures, and the diplomatic, military and public reaction to them, that in September 1991, a whole new series of such measures were added to those already in place. At this stage, it was agreed to:

• maintain in future a special communications net between the two foreign ministries;

• set up a 24-hour a day communications system to put the above into effect;

• add an alternative means of communications directly for military authorities;

• organize reciprocal visits to one another's military bases;

• organize reciprocal visits to one another's naval vessels;

• establish norms for radio procedures for naval exercises; and

• establish an annual review of agreements in the bilateral working group.

The communications accords in particular pointed to the mutual desire to avoid incidents and control them when they occurred. And the establishment of both military and foreign ministry networks for communicating between the two countries showed clearly the seriousness with which the confidence building activity was now being taken. There would now be more than one route for information transferal and more than one way to signal intent, avoid confusion and misinterpretation of events, and provide timely reassurance when doubts existed. Despite the obvious costs of a full-time system, both sides felt such an arrangement more than worth the price.

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[18] These details come from interviews with Argentine and United Kingdom diplomats and military officers as well as Rut Diamint, "La Seguridad estratégica regional y las medidas de confianza mutua pensadas desde Argentina", in Augusto Varas and Isaac Caro (eds), *Medidas de confianza mutua en América Latina* (Santiago: FLACSO, 1994), pp. 141-63, especially p. 147.

The radio norms point may require some explanation. Argentina had its own radio procedure resulting from a long naval tradition as well as long-term cooperation with the United States and other Western hemisphere navies in such exercises as the annual *Unitas* series as well as joint operations around Cuba in 1962 and the Dominican Republic in 1965. The Royal Navy in general employed NATO standardized radio procedure with the nuances one might expect from an institution of its history and traditions. Thus not only did the two sides have to deal with the language issue but also with different procedures as to naval communications in general. The new arrangement helped to ease this difficulty.

Reciprocal visits to installations and naval vessels had been important elements in other confidence building accords in other parts of the world and was well known to the Argentines through their own bilateral nuclear accords with the Brazilians, the wider terms of some of the Ayacucho agreements, and other regional contexts. The British knew them well from recent moves within the CSCE in Europe. Here again there was interest in creating a generally favourable climate for building confidence as well as a specific desire to reduce fear of surprise attack as well as unfortunate incidents getting out of control.

Confusion which might arise out of the plethora of accords reached was now to be addressed through the annual review of agreements made in the bilateral working group. Such confusion as might occur naturally in such circumstances could thus be worked out jointly once a year in a pre-agreed format.

Outside the communications and visits spheres, the September 1991accords also provided new muscle for military notification arrangements between London and Buenos Aires. It was now decided to:

- notify all deployments of major naval units, and

- notify all exercises and activities covered by such accords in writing and not just by voice communication.

On air navigation security matters, and in the search and rescue field as well, it was agreed that:

- one would accept emergency landings in alternative airports to those pre-designated;

- both sides would exchange information on their airports in the region; and

- the UK would provide Argentina with the necessary information to permit it to provide alert, search and rescue, and other services in its zones of control in the region, as well as meteorological information of importance to air traffic there.

Confidence was indeed being rapidly built up. At the same time the political context continued to favour the process in both capitals. The end of the cold war made Britain feel itself a more secure country and allowed for Mrs. Thatcher's 'peace dividend' to come into play. European unity, globalization and other trends emphasized cooperative and not confrontational approaches to problem solving between countries. And British prosperity seemed to give added confidence to the country after it long years of decline.

British confidence in the Argentine will to peace seemed well placed indeed and the Menem government continued to show its priorities were elsewhere than in renewed disputes over the Falklands. A major revision of defence policy noted a new and determined approach to resolving outstanding difficulties with Chile as well. The long sacred idea of self-sufficiency in defence production was formally abandoned by the government. A formal rejection of nuclear weapons development and key offensive missile production underscored these new foreign and defence policy stances.

Argentina also became a major contributor to United Nations peacekeeping operations taking part in a large number of such activities from the early 1990s on. Indeed, the Argentine and British contingents in Cyprus worked especially closely together and joint supply arrangements on the island emphasized the special and new situation for the two armed forces. Both in the Persian Gulf War, to which the Argentines sent two warships, and in the ex-Yugoslav operations the British and Argentine military came to forge closer links than perhaps ever before.[19] At the same time those operations proved the degree to which the Buenos Aires government wished to be seen to be cooperative in the new world order then being brought into existence. The links with Washington were to be the bedrock of Argentine diplomacy under President Menem and those links were incompatible with a foreign policy seen as excessively nationalistic. Economic prosperity for Argentina, all too absent in recent years, was seen as depending on a responsible foreign policy which eschewed adventurism and accepted the realities of the post-cold war world, including the need for regional economic integration whatever the nationalists said about it. The Falklands issue, in the words of one key observer of the Argentine scene, "should be settled in the best Western tradition: through cooperation, mutual respect and compliance with the law".[20]

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[19] For the two navies the links went back well before Argentine independence. The Royal Navy had always been the model for the Argentine naval service and midshipmen and officers from the latter had often served or trained with the former. Argentine naval purchases were for long largely placed in British shipyards and British naval training missions had often been bought in by Buenos Aires. The traditions of the two national services were in many ways almost identical.

[20] Andrés Cisneros, "Foreign Policy and Argentina's National Interest", in Colin Lewis and Celia Szusterman (ed), *Argentina: Foreign Relations and the New Foreign Policy Agenda* (London: Institute of Latin American Studies Occasional Paper No. 14, 1996), pp. 10-5.

How Have These CBMs Worked So Far?[21]

There has not been a total end to mutual suspicions surrounding the Falklands conflict and few proponents of confidence building would have suggested that such a thing was possible in the circumstances underlying this dispute. Falklanders remain overwhelmingly convinced that Argentina is playing a waiting game and will return to whatever means it needs to eventually obtain the islands. In addition, the view is often if privately expressed that real confidence building should also occur between the islands and London as many Kelpers remain wary that the UK government is merely waiting for a convenient moment to be rid of the Falklands problem once and for all. And any resolution of the crisis which moves in any way closer to eventual Argentine sovereignty is seen as anathema and rejected out of hand by the vast majority of the population. Indeed, some speak of independence for the islands if Britain were to press them for acceptance of solutions moving in that direction.

Argentine public opinion is still absolutely convinced of the rightful place of the Falklands as an integral part of the Republic. Rare is the Argentine citizen who will risk public ire even today by suggesting that a compromise can be found which results in anything other than full Argentine sovereignty over the archipelago. The only acceptable questions are *when* and *how*, not *if*.

Have the CBMs then worked? It is the belief of this author than they clearly have. While a complete transformation of elite views of the opponent has not of course occurred, it is nonetheless true that when compared with the situation prevailing before or during 1982, or indeed that prevailing before 1989; there has been a vast change in public and elite perceptions of the context of the dispute.

The place of the Falklanders as responsible and legitimate interlocutors is clearly accepted by both sides now, a situation unthinkable before 1989. The idea that a peaceful solution must be found is widespread in Argentina where other options are usually ridiculed in Congress, the press and the public at large. That living with the British, and a British Falklands dependency is possible and necessary for the near future is likewise something most Argentines have accepted, however unhappily.

Falklanders have also learned that it is possible to trust the Argentines, at least where they have made formal agreements on specific issues. Few Falklanders believe that there is any real

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[21] This assessment is largely based on a series of interviews with British and Argentine diplomats, military officers and academics specializing in strategic issues, as well as with Falkland Island officials and normal residents over the months between May 1997 and October 1998. These interviews were conducted in London, Buenos Aires, and on the Falklands. This work has also benefited from the fine analysis provided in the articles of the excellent *Seguridad estratégica regional*, especially its article "Medidas de confianza en la región", VIII (October 1995), pp. 86-8, and the work of Rut Diamint, already cited as well as her "Argentina y los procescos de verificación de las medidas de formento de la confianza", in Francisco Rojas Aravena (ed), *Medidas de confianza mutua: la verificación* (Santiago, FLACSO, 1996), pp. 197-232.

chance of a second invasion in the near to medium term. Surprise attack in particular is not taken seriously as a threat despite the only slowly disappearing memories of the 1982 invasion and occupation. Many Falklanders now know more Argentines than has been the case in the past. As mentioned, Councillors and experts from the islands now frequently form part of British diplomatic delegations and meet Argentine diplomats on a regular basis. Racial stereotypes less often survive the more common travel in South America has now become for many island residents, as well as the many visits currently made by other Latin Americans to the islands. Fishery officials work with and get to know their Argentine counterparts. And while no Argentine citizens are as yet allowed to visit the island on a normal basis, war cemetery visits have occurred and indeed many residents seem to wish them to be placed on a more regular basis.

The place of the Falklands in British official, press and public discourse has returned to a fairly low level as might be expected for a country of Britain's importance and widespread responsibilities. The press rarely deal with the issue except at times such as the recent Menem visit to the UK. The war is now two decades past and few young people seem to know much about it. Indeed, if overseas dependencies seemed a thing of the past in 1982, in 1999 they can seem positively prehistoric to the new generation of Britons.

Military and diplomatic Britain of course takes the matter more seriously. The desire to normalize relations with Argentina is firmly entrenched and has been much reinforced by the relative ease with which CBMs have functioned. There have been incidents, which have at times worried London not to mention Port Stanley. Most of these have been related to fishing activities and all have been kept under control. The general context of Argentine foreign policy has given Whitehall little reason not to have confidence in future relations over the Falklands. Indeed, Britain and Argentina surely share a similar approach to the key question of relations with Washington in the new 'unipolar moment' signalled by many and masterfully discussed by Charles Krauthammer and Marcel Merle.[22] What some Argentines have called "self-imposed subordination" has characterized the Argentine foreign policy of the Menem government for reasons already explained and the priority US views enjoy in London is well known to all observers of the British foreign policy scene.

Thus Britain and Argentina have UN voting patterns reflecting a very similar posture on a vast range of international matters, including most in the international security sphere. Their cooperation in peacekeeping is well known and both countries' contributions in the new international context are generally appreciated in Washington. In international financial circles shared positions with the US are the norm if not always the case. On democracy, human rights, economic integration, globalization,, free trade, and a large number of other key issues of the post-cold war era, Washington, London and Buenos Aires march to very much the same drum and this makes cooperation and confidence between the last two capitals much easier.

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[22] The debate on whether the current international context is one of a unipolar *era* or merely a unipolar *moment* is one which has found similar foreign policy interpretations in both London and Buenos Aires. See Charles Krauthammer, "The Unipolar Moment", *Foreign Affairs* 70(1) (1991), pp; 32-3: and Marcel Merle, *La Guerre du Golfe et le nouvel ordre international* (Paris: Economica, 1991).

The functioning of the military and other security CBMs at the practical and technical level could hardly have been much better. There are a few small complaints at the fishery patrol and related levels but in general things have worked very well indeed. Not only have incidents been few and easily handled but there has grown up a degree of confidence between a number of levels of commanders. There is no sense of tension in either the Falklands or on the continent where the other is concerned. If nationalists in Argentina refer to the threat of 'Fortress Falklands', they are usually at a loss to put forward a credible scenario for when this fortress would cause real security concerns for the Argentina of today. And while Falklanders insist that one should not let down one's guard, few think another attack really likely, even over the long term. Thus responsible leaders on both, or all three sides have seen something of a transformation in their perceptions of the opponent, even if it is not yet the case that such a transformation is complete or anchored fully.

It should also be said that other Track II type initiatives, as well as the financial, wider economic, political and cultural elements of the re-establishment of relations and confidence building arrangements have also worked well. The general context of recent years has been of good mutual support in those areas where there had been promises given in the early negotiations on resuming relations.

Britain was not only instrumental in assisting Argentina to get a closer relationship with the European Union, a key plank of Menem's international economic and political strategy, but also was helpful in the building of deeper links between the Argentines and NATO as greatly desired by Buenos Aires.[23] Trade between the two countries is now seen by most analysts as being at a normal level. Investment trends are also favourable. Cultural relations are now almost back to their pre-1982 circumstances, with a number of new accords signed as recently as the Menem visit to the UK in late 1998 and the series of trips made there by his dynamic foreign minister Di Tella.

All of this has given a positive context for the working of more formal CBMs in the defence and security sector. Menem's policies have found favour in the City and the strong business contacts between the two capitals, while hardly up to their historic levels, have improved markedly. The British are still respected in Argentine business circles despite the war and while Labour governments have not historically been as well seen as Conservative the general affection is noted by many observers.

The Current Situation

Argentina and Britain enjoy very good relations overall as of the time of writing. The visit of President Menem to the United Kingdom in the autumn of 1998 showed to what extent this is true

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[23] See the composition of the audience, the participants' list, and the concrete subject matter in the proceedings of the 1993 Argentina-NATO Seminar of Global Security, edited by Andrés Fontana, *Argentina-NATO: Perspectives on Global Security* (Buenos Aires: Grupo Editorial Latinoamericao, 1994).

and was seen by official Buenos Aires as a confidence building exercise in itself. Indeed, in Argentine official circles the term confidence building is less often used now. And the reason for this is found in the success of the CBMs put in place to date. Argentine diplomats now refer generally to a state of confidence currently existing, which is so advanced that it is no longer necessary to talk of building it.

During the presidential visit, many commercial and cultural accords were signed as well as some touching defence matters. While not necessarily the triumph it was portrayed to be in Argentina, there is little doubt that the visit was a success. Mr. Menem worked hard to give the visit high visibility and to demonstrate that his foreign policy had successfully put Argentina's unfortunate recent past behind it.

The mere fact that an Argentine president could again visit the United Kingdom, only sixteen years after the Falklands War, was a demonstration of how much things had changed from the aftermath of the war or even the end of the Alfonsín presidency a decade before. The British had not been overly keen to receive the visit, fearful of it being used for propaganda purposes on the subject of the islands and wary of some of Menem's assertions that he would raise the issue formally with British authorities, perhaps even with the Queen herself. Such a situation had not made the planning of the visit easy for either side as attested to by the late announcement of a date for the long awaited event.

As it happened, Menem was able to say he raised the sovereignty issue with the British, something he had for long promised to Argentines. And the British could say they did not discuss the matter when they spoke with Falklanders or their supporters at home, since while they listened politely to the Argentine position, they did nothing more. In return, the British got further CBMs on the military side, for some a consolidation of the status quo, and a furthering opening up of political, economic and cultural relations with a long valued partner.

LESSONS LEARNED

Confidence building can be credited with much of the background to this relatively happy set of circumstances. For nearly a decade the British and Argentine armed forces, Falklands and Argentine fishery protection personnel, and a variety of levels of diplomats from Buenos Aires and London have worked to ensure the smooth functioning of a wide range of CBMs in a number of fields. That common goal has underscored the confidence each has felt in the other and reduced markedly the heat of the debate on Falklands-related issues in all three capitals. This is no mean achievement in a dispute where heat rather than light has been the main rule for discussion.

It is also interesting to note that the whole wide range of elements in the Macintosh definition referred to at the beginning of this paper has applied in the Falklands case. That is, there have been a variety of arms control measures entailing state actions. In the context here, the most useful have obviously been bilateral but it has been seen that early on there were also unilateral acts as well.

And if one includes the Falkland Islanders themselves one can suggest a multilateral phenomenon here and there as well.

The CBMs in question have also followed the Macintosh definition in the sense that they have clearly had as an objective to "reduce or eliminate misperceptions about specific military threats or concerns." What is interesting in the Falklands case is that there was relatively little requirement for "communicating verifiable evidence those concerns were groundless." One could speculate on the reasons for this important difference from the majority of conflict situations and the CBMs they have engendered. It could be partly the overall political context of cooperation gaining ground throughout the period in which the CBMs were being put in place. It is likely to have been at least partly the general level of mutual respect between the two parties arising from what was surely one of the closest things to a 'gentleman's war' seen in recent decades. And much of what was being done could be verified independently by each of the parties through national or available international means. This is probably worthy of more study.

The CBMs in place did demonstrate that, with the two parties involved, "military and political intentions are not aggressive." Here again, there is room for emphasis on the general political context of a will for cooperation and putting the past behind. In addition, the CBMs in place clearly did provide some degree of early-warning indicators and the desire was obviously to create confidence.

Finally, the CBMs did "restrict the opportunities for the use of military force" and did so "by adopting restrictions on the activities and deployments of those forces within the sensitive areas." Notifications, communication requirements, zones, codes of conduct, and a number of other elements of the CBMs applying in the Falklands case provided just such restrictions.

As mentioned, the objective here was also to see if there were some lessons to be drawn from the Falklands context which might be useful for the future of building of confidence in the bilateral or even trilateral relationship in the South Atlantic, as well as some of utility for wider inter-American and international conflict situations. The following 'lessons learned' constitute the results of the findings of this study in this regard.

For the Anglo-Argentine Bilateral Relationship

Confidence building has proven a highly effective way of helping pave the way to reduced tensions in the highly emotional dispute over the Falkland Islands.

Specific measures, when designed with care, can do a great deal to create confidence, and reduce concerns about the other side's intentions.

It is possible to borrow some ideas from other communities and their security contexts. While this must be done with care and attention to detail, the tendency to deny any legitimacy to

experience outside the Americas may be harmful.

Measures against the danger of surprise attack have been of importance.

Humanitarian issues such as search and rescue, conservation of fishing stocks, and related matters can be addressed in ways which not only help resolve the problems connected with them, but add to the general level of confidence between the two sides.

Common approaches, worked out to the mutual benefit of the parties, is better than 'going it alone' and this is important as the crucial issue of oil prospecting, not to mention the continued importance of international fishing of these waters, increasingly raises its head.

The success of such endeavours is vitally dependent on the political will to get confidence building on the agenda and then to keep the process going afterwards. Without the desire among key political figures to build a more positive wider bilateral relationship, the prospects for confidence building would have been limited indeed. With that desire in place those same prospects became impressive.

CBMs can help in this case to gain time for the parties to move forward in other ways to better relations generally, greater mutual confidence, and perhaps eventual negotiations on the thorny direct issues involved.

For the Inter-American Community

The high tensions of a major dispute involving one formal member of the inter-American community, and another which is present physically in the hemisphere with dependencies not only in the South Atlantic but also in the Caribbean (British Virgin Islands, Cayman Islands, Monserrat, Turks and Caicos Islands), and the North Atlantic (Bermuda), while not by any means gone, have been markedly reduced through the use of confidence building measures.

The spin-offs of this situation are significant in other inter-American forums since the good will and flexibility shown have been noted by other regional actors.

Regional integration is in general something which favours reduced tensions and mutual confidence. But such bringing into closer contact of two societies may produce problems as well. As has been shown in the Colombia-Venezuela border development schemes, such efforts may heighten tensions in some ways as well as entice one to find solutions. In the Falklands case, fishing cooperation needs have had both positive and negative spin-offs for the wider confidence building going on among the three parties to the dispute, while the potential for oil related prosperity has so far had a tendency to add more subjects for dispute rather than assist in building confidence.

For the International Community

The thesis that confidence building measures work best when found in a wider political context of a desire for better relations across the board is once again proved well founded here.

Surprise attack is a much more common source of concern than may be formally stated by some or all parties. This issue is worth tackling forcefully when found as it can poison much else if not dealt with in a proper fashion.

The lessons of one region where CBMs are concerned may not be transferable to others but it would be foolish to think that as a result of this there is *no* reason to look at the experience of others when attempting to find original ways to move forward in a specific conflict context.

Colonial issues are not altogether out of the way as some optimists would have us believe. And they can be highly complex and not at all fit patterns known best by the international community. Residual populations can be significant actors in these contexts especially in an international community generally paying more heed to the wishes of inhabitants. CBMs may be especially helpful here but may need some refining in order to do their work best.

The same point made under inter-American lessons learned should be repeated here. Closer economic relations are of course helpful to understanding and reduced tension in the general sense. But closer relations can also bring about more opportunities for dispute or discord. CBMs may be helpful earlier on in a context of preventive diplomacy or even just careful foreign policy design taking into account the highly emotional elements often present in shared development.

CONCLUSION

One or two final thoughts may be worthwhile here. Despite the depth of emotion on the Argentine side, and the special circumstances of the islanders, this was and is a dispute between countries with the closest of ties over a long historical period. And while that history has included many negative elements in the relations of the two countries, they must still be considered in a similar cultural tradition, part of the European and Christian communities, and connected through all manner of personal, economic and other ties. Thus there was a base for common understanding which does not exist in all interstate disputes.

This author believes also that because the conduct of the war by both sides was so 'clean,' relatively speaking, in this era of just the opposite behaviour as a virtual norm in conflicts, that this also laid the groundwork for building confidence. There is little real hatred for Britain in the Argentine population, however much the issue of the Falklands is able to call up resentment. And there is certainly nothing resembling hatred for Argentina in Britain.

While it can be said that there remains a deep suspicion of Buenos Aires in the Falklands, even there it is difficult to speak of hatred, despite the continuing memory of the invasion and occupation. After all, they also were, by this century's standards, quite clean affairs. The Argentine special forces taking the Falklands in early April 1982 had strict orders to do so with a minimum of bloodshed and, despite the fighting that occurred, this was the case. British prisoners of that first attack were well treated, as has been repeatedly acknowledged by London. And while during the occupation, there were incidents of brutality or wanton destruction, these were few when compared with current international norms. When British veterans of the war criticize the Argentine forces against which they fought, it is almost always for army and naval ineffectiveness and virtually never for improper conduct to their enemies.

On the Argentine side, there was fury over defeat, the overturning of the military government, vast frustration on a national scale, but little of this had elements of hatred of the British. Indeed, senior officers of the Argentine navy have waded into the domestic British debate on the decision to sink the Belgrano on the side of the Royal Navy officers, and eventually the Prime Minister, who took that step. And while parts of the British press have tried to find evidence of mistreatment of prisoners and other ill doing on the part of the UK forces taking part in the war, the dominant view in Argentina is of an honourable and fair enemy who treated enemy prisoners and wounded with exemplary correctness.

With this sort of background both with the military and the public, it is probably easier to move towards effective confidence building. This is surely worth keeping in mind when thinking about not only confidence building but also verification and indeed peacebuilding as a whole.

Finally, the Falklands dispute is not likely to be 'resolved' in the near future. There are few reasons to hold out much hope on this score. Neither the islanders nor any imaginable British government will be prepared to see the islands handed over to Argentina for a very long time, indeed. The Argentines, on the other hand, will not be giving up their claim to the Malvinas in any foreseeable future. The issue is too much one of national pride, sense of offended sovereignty, and now blood for that to occur.

If the conflict is thus not likely to disappear, it can with more likelihood be kept at a non-violent level. And with this the experience with confidence building in this part of the world has shown CBMs can contribute in a significant way.