

BACKGROUND

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The United States Should Recognize British Sovereignty Over the Falkland Islands

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Abstract

In order to assert their inherent right to choose their own form of government, the inhabitants of the Falkland Islands will hold a referendum on March 10–11, 2013, to decide whether they wish to maintain their allegiance to Great Britain. Britain has administered the Islands peacefully and continuously since 1833, with the exception of the two months in 1982 when the Islands were invaded and illegally occupied by Argentine forces. The Obama Administration has backed Argentina's calls for a U.N.-brokered settlement for the Islands and so far has refused to recognize the outcome of the referendum. This policy poses serious risks to U.S. interests and is an insult both to Britain—the U.S.'s closest ally—and to the rights of the Islanders.

In 1982, the United Kingdom, led by Prime Minister Margaret Thatcher, went to war with Argentina in the South Atlantic to retake the Falkland Islands. Unprovoked, Argentina had invaded the Islands and occupied them for two months. Against the odds, Prime Minister Thatcher assembled a naval task force and deployed it to the South Atlantic to liberate the Islands and their British inhabitants. In a victory for the right of peoples everywhere to choose their own government, the British expelled the Argentine invaders. Now, three decades later, Argentina is again waging a campaign of threats and intimidation in an effort to gain control of the Islands.

The Obama Administration has weighed in on the mounting tensions between Great Britain and Argentina by backing Argentina's call for a U.N.-brokered settlement. This is an unwise and even dangerous policy. The only threat to the peace of the South Atlantic stems from Argentina's campaign—a campaign that it is waging solely to distract its own citizens from the ongoing collapse of its economy. By supporting Argentina's demand, the U.S. risks alienating Britain and encouraging Argentina to take even more aggressive actions. The question of sovereignty was

KEY POINTS

- The British have administered the Falkland Islands peacefully and continuously since 1833, with the exception of the two months in 1982 when the Islands were invaded and illegally occupied by Argentine forces.
- The referendum to be held on March 10–11 will be a historic opportunity for the almost 3,000 inhabitants of the Islands to exercise, in a clear and democratic way, their right to self-determination.
- The Administration has backed Argentina's calls for a U.N.-negotiated settlement for the Islands and so far has refused to recognize the outcome of the referendum.
- Argentine President Cristina Fernández de Kirchner has cynically used the Falkland Islands in an attempt to distract domestic attention from Argentina's dire economic situation.
- Argentina has resorted to a strategy of intimidation and bullying against the Falkland Islanders that also poses serious risks to U.S. interests.

This paper, in its entirety, can be found at <http://report.heritage.org/bg2771>

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MAP 1



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emphatically settled in 1982. It should not be reopened, and the U.S. should stop suggesting that it can be.

In order to assert their fundamental and inherent right to choose their own form of government, the Falkland Islanders will hold a referendum on March 10–11, 2013, to decide whether they wish to maintain their allegiance to Great Britain. While the historical background of the Islands is important, it is ultimately secondary to the inherent right of the Islanders to decide how they wish to be governed and to whom they owe their allegiance. The U.S. was founded in 1776 on an assertion of this right. It should live up to this heritage by respecting the outcome of the Falkland Islands referendum.

Status of the Falkland Islands

The Falkland Islands are one of 14 British Overseas Territories. Like all of the other British Overseas

Territories, the Islands have chosen not to be completely independent, but they are self-governing and maintain the British Monarch as their Head of State.

The Islands consist of two larger islands—East Falkland and West Falkland—and 776 smaller islands located in the South Atlantic. As of 2012, the official population of the Islands was 2,932.¹ Seventy-five percent of the population lives in the capital city of Port Stanley. The inhabitants of the Falkland Islands are British subjects and travel with British passports.

According to the 2012 census, 59 percent of the residents consider their national identity to be “Falkland Islander”; 29 percent consider themselves British; 9.8 percent, St. Helenian; and 5.4 percent, Chilean.²

The Falkland Islands are economically self-supporting, but their defense is provided by the United Kingdom. Unemployment is only 1 percent.³ Tourism, including a thriving ecotourism industry, creates most of the economic activity in the Islands, but the recent discovery of oil and gas in the waters around the Islands raises the possibility that they could become more prosperous and more economically diverse and might even acquire a strategic significance that they currently do not possess.

History of the Settlement of the Falkland Islands

The British have administered the Falkland Islands peacefully and continuously since 1833, with the exception of the two months in 1982 when the Islands were invaded and illegally occupied by Argentine military forces.

The first confirmed sighting of the Falkland Islands was by the Dutch sailor Sebald van Weert in 1600. The first known landing was made in 1690 by a British naval captain, John Strong, when the Islands were named after Viscount Falkland, a prominent British lawmaker. There is no archeological proof that anyone visited or lived on the islands before they were sighted and settled by Europeans.

In 1764, the French, under the leadership of French explorer Louis de Bougainville, established a small colony on East Falkland.⁴ In 1765, the British explorer Captain John Bryon landed on and explored West Falkland, claiming British possession of it and “all neighboring islands” for

1. “Falkland Islands Census 2012: Headline Results,” Falkland Islands Government Policy Unit, September 2012, p. 2, <http://www.falklands.gov.fk/assets/Headline-Results-from-Census-2012.pdf> (accessed February 7, 2013).

2. *Ibid.*, p. 6. St. Helena is a small island in the central South Atlantic, most famous for being the final home in exile of Napoleon Bonaparte.

3. *Ibid.*, p. 7.

4. The French named the islands *Les îles Malouines* after St. Malo, the port from which their ships would depart when heading toward the South Atlantic. The Spanish name for the islands, *Las Malvinas*, is an adaptation of the French name.

King George III. Soon afterwards, another British explorer, Captain John MacBride, established the first British colony at Port Egmont. Initially, neither the French nor the British settlements realized that the other one existed.

In 1767, the Spanish protested the establishment of the French settlement and asserted that the Islands did not belong to France. As France and Spain were bound by the *Pacte de Famille*, a family alliance between King Louis XV of France and King Charles III of Spain, both from the House of Bourbon, the French gave way and departed. When the Spanish arrived, they reimbursed Louis de Bougainville for his private expenses, but Spain did not purchase ownership of the French settlement or transfer it to Spain.

In 1770, the Spanish forcibly removed the British from Port Egmont. This led to the Falklands Crisis of 1770, which almost brought the British and Spanish Empires to war. After the Spanish realized their military inferiority and both sides recognized that they had no appetite for a European war over the Islands, the British colony was reestablished less than a year later.

Then, in 1774, as part of a broader British global realignment, the British withdrew their settlement. The departing British commanding officer, however, made it clear that British sovereignty was being neither relinquished nor abandoned. In fact, upon departing the Islands, the British erected a flag and plaque reaffirming British sovereignty over the Islands. The plaque stated:

Be it known to all nations that the Falkland Islands, with this fort, the storehouses, wharfs, harbors, bays, and creeks thereunto belonging are the sole right and property of His Most Sacred Majesty George the Third, King of Great Britain, France and Ireland, Defender of the Faith, etc. In witness whereof this plate is set up, and his Britannic Majesty's colors left flying as a mark of possession by S. W. Clayton, commanding officer at Falkland Islands, A.D. 1774.⁵

The pressures of the Peninsular War—caused by Napoleon's invasion of Spain—and the growing calls from Spanish colonies in South America led Spain to withdraw its settlement on East Falkland in 1811. This left the Islands with no inhabitants or government but did not extinguish Britain's sovereignty over them.

In 1816, the newly formed United Provinces of Rio de

la Plata, the forerunner of modern Argentina, declared independence from Spain, though this declaration was not immediately or formally recognized by Great Britain or any other major power. For six months in 1820, an American, David Jewett, visited the Falklands for commercial and economic reasons as a privateer of the United Provinces. Jewett did not occupy the Islands, which remained without effective government.

In 1824, another entrepreneur, a man of uncertain nationality named Louis Vernet, was granted East Falkland to settle by the government of Buenos Aires.⁶ A year later, this venture was abandoned as a failure. In 1826, Vernet returned and reestablished the settlement.

In 1828, Vernet asked the government of Buenos Aires for permission to settle all of East Falkland, but after learning about the sovereignty dispute, he also approached the British Minister in Buenos Aires for permission. Believing that Vernet was only a private businessman, the British agreed to his plan, but when Buenos Aires announced in 1829 that it planned to create a penal colony and place a military garrison on the Islands, Britain protested that this infringed its sovereignty over the Islands, which had never been relinquished since it was established in 1765. In his protest, British *Charge d'Affaires* Sir Woodbine Parish wrote in 1829 to Don Tomas Guido, the Minister of Buenos Aires:

The withdrawal of His Majesty's forces from these islands, in the year 1774, cannot be considered as invalidating His Majesty's just rights. That measure took place in pursuance of a system of retrenchment, adopted at that time by His Britannic Majesty's Government. But the marks and signals of possession and property were left upon the islands. When the Governor took his departure, the British flag remained flying, and all those formalities were observed which indicated the rights of ownership, as well as an intention to resume the occupation of that territory, at a more convenient season.⁷

Vernet's settlement deteriorated because of a lack of adequate provisions and housing. Then, in 1831, it was severely damaged in a punitive action by the U.S.S. *Lexington* for illegally holding three American vessels that were seal hunting in the area. Vernet left the Islands but was replaced by another Argentine political agent, Major Juan Mestivier, in

5. M. Cawkell, D. Maling, and E. Cawkell, *The Falkland Islands* (London: Macmillan & Co., 1960), p. 35.

6. Vernet was either American, German, or French born. See *Ibid.*, p. 41; "Our History," Falkland Islands Government, <http://www.falklands.gov.fk/our-people/our-history/> (accessed February 7, 2013); and F. Lieber, E. Wigglesworth, and T.G. Bradford, *Encyclopedia Americana* (Boston: B.B. Mussey & Co, 1851), Vol. 5, p. 43.

7. *British and Foreign State Papers, Volume 20 1832-33* (London: James Ridgeway and Sons, Piccadilly, 1836), pp. 346-347.

1832 in the first military occupation of the Falkland Islands by Argentina.⁸ Major Mestivier was given the title of governor and brought with him a small detachment of soldiers. His primary aim was to establish a penal colony. Again, Britain protested this infringement of its sovereignty.

Major Mestivier was murdered by his own soldiers shortly after his arrival, and in January 1833, British rule was reestablished when the warship H.M.S. *Clio* arrived at the Islands to assert Britain's rights. The remainder of the 26-man garrison, now commanded by Don Jose Maria Pinedo, was told to leave, but a number of inhabitants from the Vernet settlement were allowed to remain peacefully on the Islands.

In 1838, the Falkland Islands were upgraded to the status of a Crown Colony. This designation was used until 1981, at which point the British Nationality Act of 1981 reclassified the remaining Crown Colonies as British Dependent Territories. The terminology changed again in 2002, and since that date, the Falkland Islands have been a British Overseas Territory.

The British have administered the Falklands peacefully and continuously since 1833, with the exception of the period following the Argentine invasion on April 2, 1982. A British task force was dispatched immediately, and following a conflict in which 255 British and 649 Argentine lives were lost, the Argentine forces surrendered on June 14, 1982. Since 1976, Argentina had been ruled by a military junta that was responsible for numerous human rights abuses.

The invasion of the Falkland Islands was met by a last-ditch effort by the ruling generals to distract the Argentine public from their economic and political failures. Argentina's defeat by Britain led to the collapse of the junta and the restoration of democracy and was part of the democratic wave that swept South America in the following decade.

Argentina's Strategy of Distracting by Intimidation

During the 1990s, under the leadership of President Carlos Saul Menem, Argentina embraced free-market

capitalism, stepped away from decades of anti-Americanism, and participated increasingly in the globalized economy. Menem privatized many state enterprises, including the postal service, the national airline, and the banks. Argentina even contributed aviation and maritime assets to the First Gulf War, serving in the same coalition as the United Kingdom despite the two countries' dispute over the Falkland Islands. During Menem's presidency, Argentina restored diplomatic relations with Britain, which had been frozen since the 1982 war.

In recognition of Argentina's progress, U.S. President Bill Clinton designated Argentina a Major Non-NATO Ally (MNNA) in 1999. The MNNA designation establishes a long-term framework for security and defense cooperation. Most important, it gives Argentina preferential and privileged access to U.S. military cooperation.⁹

Regrettably, an economic crisis that began in 2001 brought Néstor Kirchner to the presidency of Argentina in 2003. In 2007, he was succeeded by his wife, Cristina Fernández de Kirchner. Under her, Argentina has ceased to be a responsible partner for the United States. Rarely passing up an opportunity to brandish her anti-American credentials, Kirchner has instead sided with Venezuela's Hugo Chávez and Cuba's Fidel Castro.

As the Argentine economy has undergone a slow-motion collapse, the Kirchner regime has returned to the strategy, born in the 1970s, of complaining about the status of the Falkland Islands in order to distract the Argentine public from its failures. Worryingly, Argentina has also turned this rhetoric into action.

- The Argentine Navy has intercepted and even boarded European fishing vessels operating under licenses issued by the Falkland Islands.¹⁰
- With strong encouragement from Buenos Aires, Falkland Islands-flagged ships are increasingly banned from South American ports.¹¹

8. Some sources describe Major Mestivier as Captain Mestivier. See Graham Pascoe and Peter Pepper, "Getting It Right: The Real History of the Falklands/Malvinas: A Reply to the Argentine Seminar of 3 December 2007," May 2008, p. 18, http://www.falklandshistory.org/getting-it-right_PP.pdf (accessed February 13, 2013).

9. Luke Coffey, "Argentina No Longer Deserves to Be a Major Non-NATO Ally of the U.S.," Heritage Foundation *Issue Brief* No. 3782, November 26, 2012, <http://www.heritage.org/research/reports/2012/11/argentina-no-longer-deserves-to-be-a-major-non-nato-ally-of-the-us>.

10. MercoPress, "Argentina Confirms High Seas Boarding of Spanish Fleet Fishing in Falklands," November 28, 2011, <http://en.mercopress.com/2011/11/28/argentina-confirms-high-seas-boarding-of-spanish-fleet-fishing-in-falklands> (accessed February 15, 2013).

11. BBC News, "South American States Ban Falklands Vessels from Ports," December 21, 2011, <http://www.bbc.co.uk/news/uk-16280613> (accessed February 15, 2013).

- Cruise ships operating from American ports have been denied port calls in Argentina because they had previously visited the Islands.¹²
- Argentina has thrown the future of the vital air link between Chile and the Falkland Islands into question.¹³
- In the run-up to the 2012 Summer Olympics in London, an Argentine commercial depicted a well-known Argentine athlete running around Port Stanley and exercising on a British World War One memorial. The commercial concluded with the line: “To compete on English soil we train on Argentine soil.”¹⁴

This economic, diplomatic, and propaganda campaign amounts, as Britain has said, to an Argentine “policy of confrontation.”¹⁵

While Argentina’s cynical manipulation of the Falkland Islands may have had some effect at home, it has not distracted the rest of the world. In 2001, Argentina defaulted on \$81 billion of debt.¹⁶

Argentina still owes global investors, both private and public, up to \$35.7 billion, and the debt holders have become so desperate that they have resorted to drastic measures. For example, the pride of the Argentine Navy, the tall ship ARA *Libertad*, was recently impounded temporarily in Ghana. The ship, valued at \$10 million, was the target of NML Capital, a subsidiary of the American hedge fund Elliott Management Corporation, which is one of Argentina’s creditors.

For its part, the U.S. Treasury announced that it would oppose further lending to Argentina through the

World Bank and the Inter-American Development Bank (IADB), the two multilateral development banks in which Argentina participates. Soon afterwards, the U.S. voted against a \$230 million loan in the IADB.¹⁷

Argentina is also facing a serious inflation crisis. The government recently announced a temporary freeze on the price of foodstuffs.¹⁸ Additionally, on February 1, 2013, after accusations that it was being “creative” with its inflation data, Argentina became the first nation to be censured by the International Monetary Fund (IMF). The Instituto Nacional de Estadística places inflation at 10.8 percent, but experts believe the true rate of inflation is more than twice as high as the official figure.¹⁹ The IMF has given Argentina until the end of September 2013 to take “remedial measures” to improve the accuracy of its data. If it fails to do so, the IMF can apply additional sanctions, such as suspending Argentina’s voting rights and barring the country from IMF loans. If Argentina fails to meet the deadline, the final step will be “compulsory withdrawal.”²⁰ This would make Argentina the first country to be kicked out of the IMF since 1954.

Jaime Darenblum of the Hudson Institute, Costa Rica’s Ambassador to the U.S. from 1998 to 2004, sums up the Kirchner regime’s track record:

Since 2007 ... the Argentine government has nationalized private pensions and seized the country’s largest airline (*Aerolíneas Argentinas*). It has grabbed a majority stake in a foreign-owned oil company (YPF). It has used central bank reserves to repay public debt (although Argentina is still refusing to repay all of its defaulted debt from 2001, and it still owes roughly \$9

12. “Update: Two More Cruise Ships Caught Up in Falkland Island Protests,” *Cruise Critic*, January 5, 2013, <http://www.cruisecritic.com/news/news.cfm?ID=5110> (accessed February 15, 2013).
13. MercoPress, “Argentine President at UN Threatens to Suspend Falklands’ Air Link with Chile,” September 21, 2011, <http://en.mercoPress.com/2011/09/21/argentine-president-at-un-threatens-to-suspend-falklands-air-link-with-chile> (accessed February 15, 2013).
14. Stephen Addison, “UK Brands Argentine Olympic Advert a ‘Stunt,’” Reuters, May 4, 2012, <http://www.reuters.com/article/2012/05/04/olympics-argentina-dispute-idUSL5E8G46WS20120504> (accessed February 7, 2013).
15. BBC News, “Argentina Pursuing Policy of Confrontation, Says No 10,” February 29, 2012, <http://www.bbc.co.uk/news/uk-politics-17205918> (accessed February 6, 2013).
16. “Arby-bargy.” *The Economist*, December 1, 2012, <http://www.economist.com/news/finance-and-economics/21567386-argy-bargy> (accessed February 6, 2013).
17. Javier Finkman and Jorge Morgenstern, “Argentina Economics,” HSBC Global Research, September 22, 2011, <http://www.research.hsbc.com/midas/Res/RDV?p=pdf&key=JM7WARTAAC&n=308869.PDF> (accessed February 6, 2013).
18. Paul Roderick Gregory, “No One Ever Learns (Or Do They): The Argentine Food Freeze,” *Forbes*, February 4, 2013, <http://www.forbes.com/sites/paulroderickgregory/2013/02/04/no-one-ever-learns-the-argentine-price-freeze/> (accessed February 26, 2013).
19. Joshua Goodman and Ian Katz, “IMF Censure of Argentina Cements Investor Outcast Status,” Bloomberg, February 3, 2013, <http://www.bloomberg.com/news/2013-02-04/imf-censure-of-argentina-cements-investor-outcast-status.html> (accessed February 6, 2013).
20. News release, “Statement by the IMF Executive Board on Argentina,” International Monetary Fund, February 1, 2013, <http://www.imf.org/external/np/sec/pr/2013/pr1333.htm> (accessed February 6, 2013).

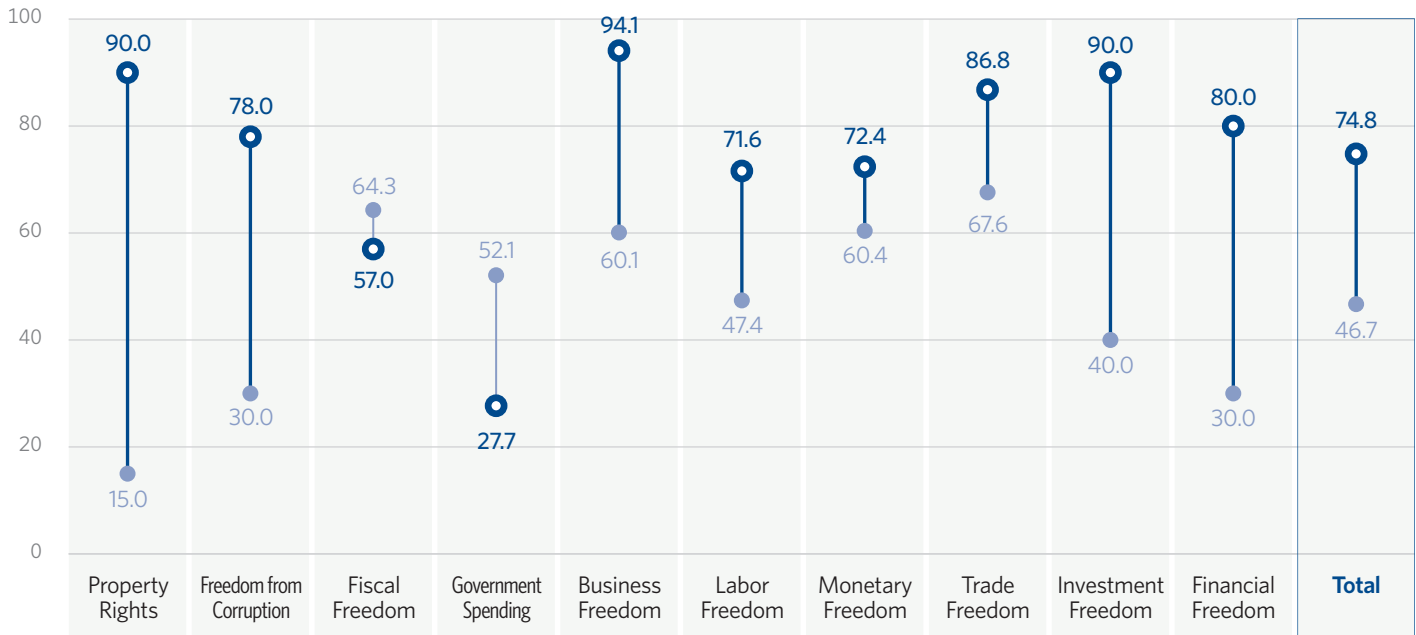
CHART 1

Economic Freedom: Argentina vs. United Kingdom

The United Kingdom scores higher—and often significantly higher—than Argentina in eight of 10 categories of economic freedom, according to the 2013 Index of Economic Freedom.

● United Kingdom
● Argentina

ECONOMIC FREEDOM SCORE



Sources: Terry Miller, Kim R. Holmes, and Edwin J. Feulner, *2013 Index of Economic Freedom* (Washington, D.C.: The Heritage Foundation and Dow Jones & Company, Inc., 2013), <http://www.heritage.org/index>.

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billion to Paris Club member nations). It has imposed draconian currency controls and “the largest number of protectionist measures worldwide” (according to the *Latin Business Chronicle*). It has doctored inflation figures. It has doctored poverty figures. It has persecuted journalists and statisticians for reporting the real numbers. It has tolerated and encouraged corruption. It has launched aggressive, relentless attacks against *Grupo Clarín* and other unfriendly media outfits.²¹

Argentina’s economic failure is reflected in its very poor standing in the 2013 edition of The Heritage Foundation’s *Index of Economic Freedom*. Argentina ranks 160th out of 177 countries—lower than Angola—in economic freedom. This is far worse than any other member of the G-20.

Indeed, just as Argentina does not merit its status as an MNNA, it does not deserve to be a member of the G-20: Not

only is it economically unfree and on the verge of economic collapse, but it is far from being one of the world’s 20 largest economies. As the *2013 Index of Economic Freedom* states:

The foundations of economic freedom in Argentina are increasingly fragile, severely hampered by structural and institutional problems caused by growing government intrusion into the marketplace. The judicial system has become more vulnerable to political interference, and corruption is prevalent.

The policy mix of harsh capital controls, restrictions on imports, and a series of nationalizations has severely undercut economic freedom. Regulatory pressure on the private sector has continued to rise, with populist spending measures and price controls further distorting markets. The central bank’s independence was essentially destroyed in 2012 when its charter was

21. Jaime Darenblum, “Radical Leftism Fails in Argentina,” *The Weekly Standard*, November 19, 2012, http://www.weeklystandard.com/blogs/radical-leftism-fails-argentina_663648.html (accessed February 15, 2013).

changed to allow the government unlimited use of the bank's reserves to pay its debts. Efforts to reform the rigid labor market have long been stalled.²²

The lesson is as clear today as it was in the 1970s: When Argentina moves away from democracy and toward self-inflicted economic disaster, the strategy of its rulers is to distract the Argentine public and defuse their protests by shouting about the Falkland Islands in order to encourage the public to rally around the flag.²³

Regrettably, the Kirchner regime has not just been bad for Argentina. It has also sought to foster friendly relations with some of the world's most odious and anti-American regimes. In Latin America, the regime has made a concerted effort to develop closer relations with the dictatorial regimes of Venezuela and Cuba.

The new focus on regional autocracies is paying off for Argentina. Last year, Venezuelan dictator Hugo Chávez said: "I'm speaking only for Venezuela, but if it occurs to the British Empire to attack Argentina, Argentina won't be alone this time."²⁴ Five months after these comments, Argentina signed a defense pact with Venezuela.²⁵ Kirchner has also enjoyed cozy relations with Fidel Castro. Last year, ahead of the 30th anniversary of the 1982 Falklands War, the Cuban Parliament passed a resolution supporting Argentina's claim to the Falkland

Islands.²⁶ Both Cuba and Venezuela have been instrumental in drumming up support for Argentina in such regional organizations as the Organization of American States;²⁷ Mercosur (the Latin American trading bloc);²⁸ and the Community of Latin American and Caribbean States (CELAS).²⁹

Nor is Kirchner's eagerness to cozy up to autocratic regimes limited to Latin America. Argentina refused to support a letter signed by 57 U.N. members criticizing the crackdown on Syrian civilians by Bashar al-Assad's regime.³⁰ Argentine-Iranian relations have also improved under Kirchner. In 1994, a bombing of the Argentine Israelite Mutual Association, which resulted in 85 deaths and 300 injuries and was widely suspected to be the work of Iranian agents, put Argentina-Iran relations on ice. But under Kirchner, Iran and Argentina have agreed to establish a so-called truth commission to investigate the bombing, which amounts to "making a deal with a suspected killer to jointly investigate a murder."³¹

Argentina has not honored the international sanctions placed on Iran because of Tehran's nuclear weapons program, and there are concerns that Argentina is sidelining the 1994 bomb investigation in return for deeper economic ties with Iran, including nuclear cooperation.³² During the presidency of Christina Kirchner, Argentine exports to Iran have increased from \$319 million to \$1.08

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22. Terry Miller, Kim R. Holmes, and Edwin J. Feulner, *2013 Index of Economic Freedom* (Washington: The Heritage Foundation and Dow Jones & Company, Inc., 2013), p. 107, <http://www.heritage.org/index/country/argentina> (accessed February 7, 2013).
 23. For a review of the parallels between 1982 and 2013, see Jaime Darenbloom, "Argentine Thuggery at Home and Abroad," *The Weekly Standard*, "The Blog," December 13, 2012, http://www.weeklystandard.com/blogs/argentine-thuggery-home-and-abroad_666372.html (accessed February 15, 2013).
 24. Barney Henderson, "Hugo Chavez Says Venezuelan Troops Would Fight with Argentina Over Falklands," *The Daily Telegraph*, February 6, 2012, <http://www.telegraph.co.uk/news/worldnews/southamerica/falklandislands/9063065/Hugo-Chavez-says-Venezuelan-troops-would-fight-with-Argentina-over-Falklands.html> (accessed February 15, 2013).
 25. MercoPress, "Chavez Praises Defence Cooperation with Argentina, Making Mercosur a Military Power Block," July 16, 2012, <http://en.mercopress.com/2012/07/16/chavez-praises-defence-cooperation-with-argentina-making-mercosur-a-military-power-block> (accessed February 15, 2013).
 26. Cuban News Agency, "Cuban Parliament Supports Argentina's Sovereignty Claim Over the Falklands," April 4, 2012, <http://www.cubanews.ain.cu/2012/0404Cuban-Parliament.htm> (accessed February 15, 2013).
 27. The U.K. holds Observer Status in the OAS, but inside the OAS, it has been Canada, not the U.S., that has been Britain's strongest advocate on the Falkland Islands issue. See "Canada Dissociates Itself from the OAS Resolution on the Falklands," *Falklands News*, June 6, 2012, <http://falklandsnews.wordpress.com/2012/06/06/canada-disassociates-itself-from-the-oas-resolution-on-the-falklands/> (accessed February 15, 2013).
 28. Mercosur (Mercado Común del Sur) is a multilateral economic and political grouping in South America established in 1991 with the Treaty of Asunción. Cuba is not a member of Mercosur, but Venezuela is.
 29. Cuba's Raul Castro is currently the president of CELAS.
 30. Permanent Mission of Switzerland to the United Nations, "Letter to H.E. Mr Mohammad Masood Khan, President of the Security Council for the month of January 2013," January 14, 2013, <http://www.news.admin.ch/NSBSubscriber/message/attachments/29293.pdf> (accessed February 15, 2013).
 31. Andres Oppenheimer, "Argentina-Iran Deal Makes a Mockery of Justice," *The Miami Herald*, January 20, 2013, <http://www.miamiherald.com/2013/01/30/3208968/argentina-iran-deal-makes-a-mockery.html> (accessed February 3, 2013).
 32. Anna Mahjar-Barducci, "Nuclear Cooperation Between Argentina and Iran?" *Gatestone Institute, International Policy Council*, July 27, 2011, <http://www.gatestoneinstitute.org/2294/argentina-iran-nuclear-cooperation> (accessed February 15, 2013).

billion, making Argentina the world's seventh largest exporter to Iran.³³

The British Position

Britain has a strong claim to the Falkland Islands, which it has continuously administered since 1833, but this is not ultimately a controversy about history or about the Islands. It is about the right of the Islanders to govern themselves as they see fit. As British Prime Minister David Cameron recently put it, "The future of the Falkland Islands should be determined by the Falkland Islanders themselves, the people who live there."³⁴

The almost 3,000 Islanders overwhelmingly want to be British, not Argentine. Linguistically, culturally, and historically, they are overwhelmingly British. The right to self-determination is guaranteed by the United Nations Charter and the International Covenant on Civil and Political Rights, and Argentina is a party to both. Transferring the Islands to Argentina or allowing Argentina to win them by a campaign of threats and intimidation would be an insult to the rights of the Islanders and would place them under the control of a failed and autocratic regime to which they have no allegiance.

In order to make this fact clear, the Falkland Islands will hold a referendum on March 10–11, 2013. The referendum will be monitored by international observers and will be conducted over two days in order to allow the widely spread population of the Islands every opportunity to cast their vote on a single question:

The current political status of the Falkland Islands is that they are an Overseas Territory of the United Kingdom. The Islands are internally self-governing, with the United Kingdom being responsible for matters including defence and foreign affairs. Under the Falkland Islands Constitution the people of the Falkland Islands have the right to self-determination, which they can exercise at any time. Given that

Argentina is calling for negotiations over the sovereignty of the Falkland Islands, this referendum is being undertaken to consult the people regarding their views on the political status of the Falkland Islands. Should the majority of votes cast be against the current status, the Falkland Islands Government will undertake necessary consultation and preparatory work in order to conduct a further referendum on alternative options.

Do you wish the Falkland Islands to retain their current political status as an Overseas Territory of the United Kingdom?

YES or NO³⁵

U.S. Position on the Falkland Islands and the Referendum

The U.S. frequently takes no position on territorial disputes, apart from stating that they should be resolved peacefully and without coercion, intimidation, threats, or the use of force. Argentina has clearly failed to live up to that standard: It used force in 1982 and is currently waging a campaign of coercion, intimidation, and threats.

Just as troubling as Argentina's campaign is the failure of the U.S. to live up to its own standard. Over the past three years, the U.S. has repeatedly called on Argentina and Britain to negotiate the status of the Falkland Islands. In March 2010, Cristina Kirchner, in a joint press conference with then-U.S. Secretary of State Hillary Clinton, stated that she wanted the U.S. to "get both countries to sit down at the table and address these negotiations within the framework of the U.N. resolutions strictly." In response, Clinton stated, "And we agree. We would like to see Argentina and the United Kingdom sit down and resolve the issues between them across the table in a peaceful, productive way."³⁶

This is not the same as taking no position on the dispute. Under the guise of neutrality, the U.S. echoed Argentina's position. Kirchner's mention of U.N. resolutions is telling, if irrelevant: The resolutions in question

33. "A Pact with the Devil?" *The Economist*, January 29, 2013, <http://www.economist.com/blogs/americasview/2013/01/argentine-iranian-relations> (accessed February 15, 2013).

34. Rowena Mason, "David Cameron: We Would Fight a Falklands Invasion," *The Telegraph*, January 6, 2013, <http://www.telegraph.co.uk/news/politics/9783568/David-Cameron-we-would-fight-a-Falklands-invasion.html> (accessed February 7, 2013).

35. Press release, "Dates and Question set for the Referendum on Falkland Islands Political Status, 2013," Falkland Islands Government, January 18, 2013, <http://www.falklands.gov.fk/dates-and-question-set-for-the-referendum-on-falkland-islands-political-status-2013/> (accessed February 9, 2013).

36. "Remarks With Argentine President Cristina Fernandez de Kirchner", U.S. State Department, March 1, 2010, <http://www.state.gov/secretary/rm/2010/03/137539.htm> (accessed February 15, 2013).

were adopted by the U.N. General Assembly and therefore lack binding legal authority. They are also artifacts of the 1960s, when the many newly independent nations in the General Assembly saw most issues through the lens of decolonization.³⁷ U.N. Resolution 1514 of 1960, which Argentina claims supports its case, refers clearly to the fact that “all peoples have the right to self-determination and in virtue of that right can freely determine their political condition.” Similarly, U.N. Resolution 2065 of 1965 both describes the Islands as a case of colonialism and contradicts itself by referring to the fact that the sovereignty of the Islands is disputed.³⁸

U.N. Secretary-General Ban Ki-moon recently stated: “[T]he impression is that people living under those conditions [of colonialism] should have [a] certain level of capacities to decide their own future, and this is the main criteria from the main U.N. bodies: achieving independence or having [a] certain degree of self government in their territories.” He also added, however, that “I don’t think it [the Falkland Islands] is an issue of abuse or violation of relevant U.N. resolutions.”³⁹

Argentina’s enthusiasm for using the U.N.—and for employing the concept of decolonization to the Falkland Islands—may be related to the fact that the U.N. Special Committee on Decolonization is chaired by a representative from Ecuador, which is closely aligned with Argentina, and has diplomats from Sierra Leone, Cuba, and Syria at the head of its bureau.⁴⁰

Colonialism was a reasonable framework to apply to European colonies in Africa and Asia, but it is utterly inappropriate to apply it to the Falkland Islands, where virtually the entire population is of British descent. The Argentine argument that Britain is exercising

“19th-century colonialism” by allowing the people of the Falkland Islands to govern themselves as they see fit illustrates the extent to which the Argentine position rests on nothing more than outdated and historically erroneous abuse.⁴¹ As Jan Cheek, a member of the Falklands Legislative Assembly, pointed out in response: “My grandchildren are the eighth generation of my family to have lived here, which is considerably longer than the Argentine president’s family have been living in Argentina.”⁴²

Unfortunately, the U.S. has persisted in following the Argentine line. In February 2012, State Department spokesman Victoria Nuland told reporters that:

We believe that this is a bilateral issue that needs to be worked out directly between Argentina and the United Kingdom. That’s what we are encouraging both sides to do as we head towards this anniversary. ... [W]e are encouraging Argentina and the UK to work this out peacefully, to work it out through negotiations.⁴³

When Prime Minister Cameron visited the U.S. in March 2012, President Barack Obama reportedly promised that the U.S. “would stop prodding Britain and Argentina to talk to each other, but stick to its historic position of neutrality.”⁴⁴ That pledge was broken almost immediately when, in June 2012, the State Department declared that “the U.S. position has not changed. With respect to the Islands, that is an issue ... that should be resolved between Argentina and England.”⁴⁵

In the context of Argentina’s campaign of intimidation, the unbroken record of British sovereignty over the Islands, and the wishes of the Falkland Islanders themselves, the U.S. policy is wrong. It is also dangerous. By regularly

37. BBC News, “Q&A: Argentina’s Diplomatic Offensive on Falklands,” June 14, 2012, <http://www.bbc.co.uk/news/world-latin-america-18424768> (accessed February 13, 2013).

38. Vicente Palermo, “Malvinas Cause in Another Dead Alley,” *Mercopress*, February 14, 2013, <http://en.mercopress.com/2013/02/14/malvinas-cause-in-another-dead-alley> (accessed February 15, 2013).

39. *Ibid.*

40. “The United Nations and Decolonization,” United Nations, 2013, <http://www.un.org/en/decolonization/bureau.shtml> (accessed February 19, 2013).

41. Cristina Fernández de Kirchner, “Letter to David Cameron,” *Buenos Aires Herald*, January 3, 2013, <http://www.buenosairesherald.com/article/120753/cfks-letter-to-david-cameron> (accessed February 15, 2013).

42. Barney Henderson, “Falkland Islands Census Delivers Blow to Argentina,” *The Daily Telegraph*, September 13, 2012, <http://www.telegraph.co.uk/news/worldnews/southamerica/falklandislands/9540493/Falkland-Islands-census-delivers-blow-to-Argentina.html> (accessed February 15, 2013).

43. “The Daily Press Briefing,” U.S. Department of State, February 9, 2012, <http://www.state.gov/r/pa/prs/dpb/2012/02/183639.htm#ARGENTINA> (accessed February 15, 2013).

44. Mark Landler, “Cameron and Obama Show Unity on Afghanistan,” *The New York Times*, March 14, 2012, http://www.nytimes.com/2012/03/15/world/europe/cameron-and-obama-show-unity-on-afghanistan.html?_r=1& (accessed February 15, 2013).

45. *Mercopress*, “US Delegation at OAS Assembly Will Reiterate Falklands/Malvinas a Bilateral Issue,” June 1, 2012, <http://en.mercopress.com/2012/06/01/us-delegation-at-oas-assembly-will-reiterate-falklands-malvinas-a-bilateral-issue> (accessed February 15, 2013).

calling for negotiations, the U.S. is encouraging Argentina to persist in its campaign. If Argentina should take military action against the Islands or against the sea and airborne traffic that sustains them, the U.S. would be partly responsible for encouraging that aggression. The only threat to the peace of the South Atlantic derives from Argentina: By siding with Argentina, the U.S. is making that threat worse.

The upcoming referendum offers the U.S. an opportunity to abandon its current policy of appeasing Argentina. Regrettably, the U.S. has instead doubled down on its errors by announcing in June 2012 that it would “not speculate on a referendum that has not taken place” and that its “position remains one of neutrality.” That is incorrect, if only because the U.S. position since 2010 has been one of backing Argentina’s calls for negotiations, not one of neutrality. But it is also wrong, because this is not simply a territorial dispute; it is a dispute over the fate of the people living on the Islands, whose right to govern themselves should be respected and defended by all democracies.

The current U.S. position is also hypocritical. The U.S. military uses and benefits from bases on Britain’s overseas territories, including Diego Garcia in the Indian Ocean, the Sovereign Base Areas of Akrotiri and Dhekelia on Cyprus, Ascension Island in the mid-Atlantic, and Gibraltar. Some of these overseas territories, such as Gibraltar, are controversial, but the U.S. uses them and supports British claims to them. It appears that because the U.S. military does not use the Falkland Islands, the U.S. applies a different standard to them.

U.S. Material Interests at Stake

In short, the fate of the Falklands and Argentina’s campaign against them touch directly on U.S. interests. The broadest U.S. interest, of course, is in its alliance with the United Kingdom. The U.S. gains nothing by alienating Britain in an effort to placate the anti-American regime in Argentina, and it risks encouraging Argentina to believe that the U.S. would take its side in a military or economic confrontation over the Islands. The U.S. is thereby incurring a substantial moral liability. The U.S. also risks

the loss of British sympathy and access to British bases around the world. Finally, by refusing to respect the results of the referendum, the U.S. is helping to deny the Islanders the right to choose their own form of government, a right on which the U.S. itself was founded.

But the U.S. also has material interests at stake. In late 2012 and early 2013, cruise ships, including several owned by the Anglo-American firm Carnival and another owned by the Seattle-based Seabourn Cruise Lines, were delayed in exiting the port of Buenos Aires, not allowed to enter Argentine ports, or forced to cancel their visits to the Islands. In January, passengers leaving their vessel in Buenos Aires were intimidated by protesters. Both the Islanders and Britain have protested strongly that “ships engaged in legitimate commercial business, including tourism, should not be prevented from going about their business.”⁴⁶ Apart from the financial damage to U.S. business and the risk that American citizens may be targeted during port calls, Argentina’s action in detaining vessels that lawfully entered its port is an assault on the customary international law governing the freedom of the seas, which the U.S. has long supported.

Even more important is the fact that the waters around the Falklands appear to contain rich oil and gas deposits. In 1998, Shell, Amerada Hess, and Lasmco drilled six wells that proved the existence of at least two hydrocarbon systems containing an estimated 100 billion barrels of oil, which compares to the U.S.’s proved crude oil reserves of 25.2 billion barrels at the end of 2010.⁴⁷ According to the British Geologic Survey, the North Falkland basin may be the second richest source rock in the world.

In 1998, with oil heading down to \$12 a barrel, further exploration around the Islands was not economic.⁴⁸ Now, with oil close to \$100 a barrel, commercial interest has recovered. In August 2012, Texas-based Noble Energy signed an exploration deal with Falkland Oil and Gas Limited, which is also working with the French firm EDF. The deal with Noble requires it to invest at least \$180 million for a 35 percent share in 10 million acres to the south and east of the Falklands, with further investment in other wells.⁴⁹

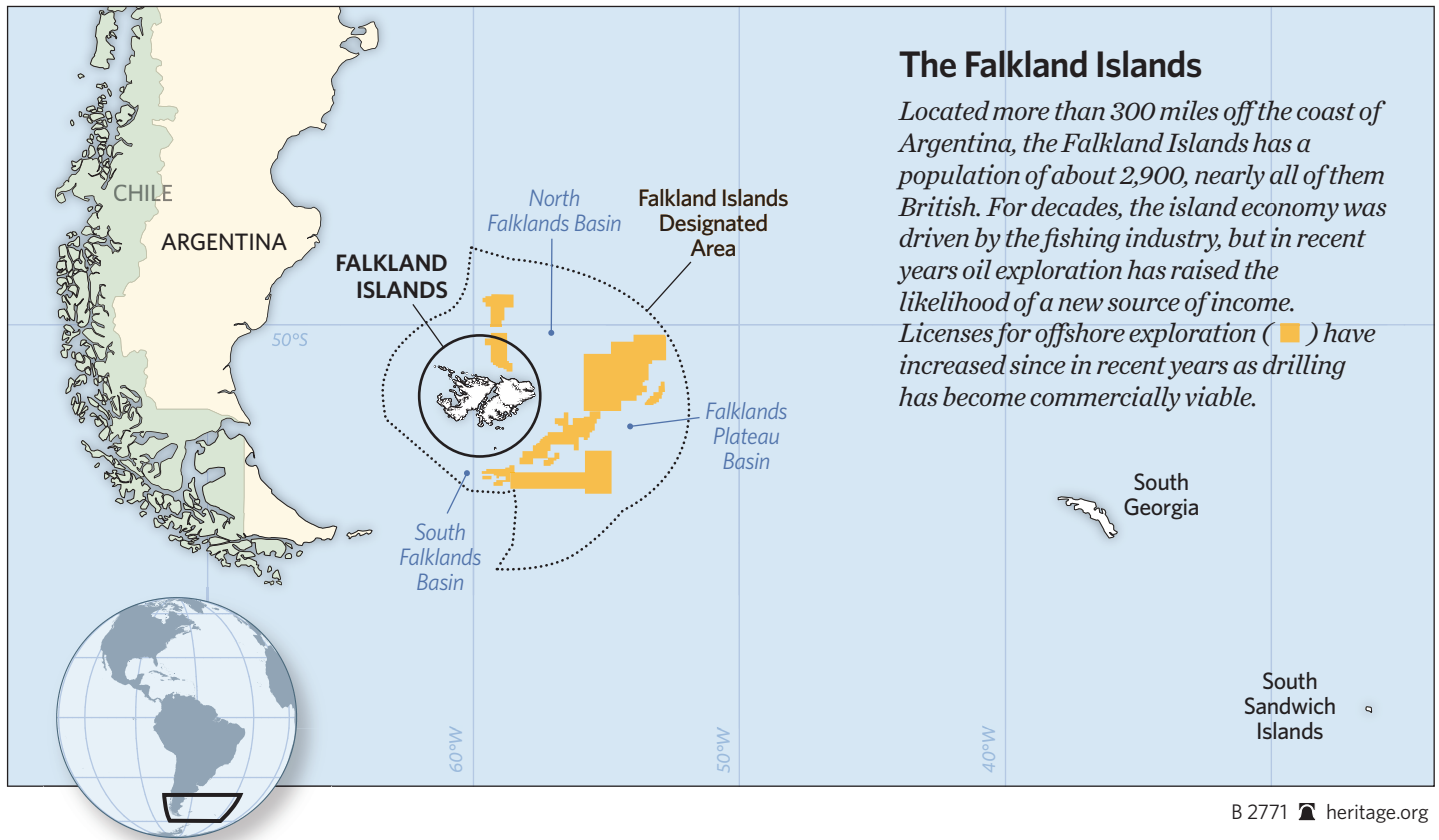
46. “Update: Two More Cruise Ships Caught Up in Falkland Island Protests.”

47. Lucy Macgregor, “The North Falkland Basin; A New Lease on Life,” *Offshore*, 2012, <http://www.offshore-mag.com/articles/print/volume-66/issue-11/geology-geophysics/the-north-falkland-basin-a-new-lease-on-life.html>, and “U.S. Crude Oil, Natural Gas, and NG Liquids Proved Reserves,” U.S. Energy Information Administration, <http://www.eia.gov/naturalgas/crudeoilreserves/> (accessed February 15, 2013).

48. Lucy Macgregor, “The North Falkland Basin; A New Lease on Life.”

49. Emily Gosden, “U.S. Risks Argentine Wrath as American Firm Signs Falklands Oil Deal,” *The Telegraph*, August 7, 2012, <http://www.telegraph.co.uk/finance/newsbysector/energy/oilandgas/9457323/US-risks-Argentine-wrath-as-as-American-firm-signs-Falklands-oil-deal.html>, and Nick Fletcher, “U.S. Oil Company Noble Buys Into Falkland’s Assets,” August 6, 2012, *The Guardian*, <http://www.guardian.co.uk/business/marketforceslive/2012/aug/06/falklands-oil-gas-noble-energy> (accessed February 15, 2013).

MAP 2



It is too early to be certain that the Falkland Islands will become an important energy producer. The hydrocarbon reserves around the Islands must be proved, wells must be drilled successfully in the challenging waters of the South Atlantic, and the infrastructure on the Islands must be made capable of supporting these activities. But it appears that the Islands are likely to add another major source of oil and gas production in the Western Hemisphere: a source that is governed by a friendly people under the protection of the U.S.'s closest ally, has relatively easy access to U.S. refineries, and welcomes the investments of U.S. firms.

This is a very promising development in many ways, but it would be badly damaged if not destroyed by placing the Falkland Islands under the control of Argentina, which is politically hostile to the United States, is near economic collapse, and has an established record of nationalizing foreign-owned oil companies. Today, the Islands are of very limited economic importance and lack

strategic significance; in the coming years and decades, that could change in ways that would benefit the U.S. It is difficult to understand why the U.S. would want to do anything to disrupt this favorable trend of events by siding with Argentina in any way.

Argentina's Weak Legal Position

Argentina has repeatedly refused to engage with or even to meet representatives of the Falkland Islands and has regularly called for bilateral talks between Buenos Aires and London.⁵⁰ Rightly, Britain refuses to meet Argentine officials to discuss the Islands without members of the Falkland Islands government present in the meeting.

Instead of showing any willingness to meet with the actual inhabitants of the Islands, Argentina has sought to press its campaign through every conceivable regional and international venue, including the United Nations; the Organization of American States; the Ibero-American Summit; a series of so-called Argentine-British

50. MercoPress, "Argentina Says Three-Side Dialogue on Falklands/Malvinas Issue Is Unthinkable," February 12, 2013, <http://en.mercopress.com/2013/02/12/argentina-says-three-side-dialogue-on-falklands-malvinas-issue-is-unthinkable> (accessed February 15, 2013).

Argentina's Claims to the Falkland Islands

Claim (Pre-Argentine Independence)

The Papal Bull "Inter caetera" of 1493 and the Treaty of Tordesillas of 1494 gave Spain ownership of the Falkland Islands.

The Treaty of Madrid in 1670 recognized Spanish sovereignty over the Falkland Islands.

The Treaty of Utrecht of 1713 recognized Spanish sovereignty over the Falkland Islands.

Spain purchased the Falkland Islands from France in 1767.

The Nootka Sound Convention of 1790 recognized Spanish sovereignty over the Falkland Islands.

Rebuttal

The Pope had no authority to divide the undiscovered world between Spain and Portugal. Neither the Papal bull "Inter caetera" of 1493 nor the Treaty of Tordesillas of 1494, which confirmed the Pope's division of the world, was accepted as international law at the time. Only the two prime benefactors of the bull, Spain and Portugal, accepted the Vatican's authority on this issue. Neither King François I of France nor Queen Elizabeth I of England accepted the bull or the treaty as valid.

The Treaty of Madrid was a treaty of friendship between Britain and Spain. The treaty focused on trade and territorial issues in North America and the Caribbean, not South America. The treaty nowhere mentions British acceptance of Spanish sovereignty in South America or over the Falkland Islands. Furthermore, the treaty referred only to territories possessed at the time. In 1670, Spain did not possess the Falklands, except by the invalid Treaty of Tordesillas.

The Treaty of Utrecht ended the War of the Spanish Succession. In this treaty, Britain agreed to assist in returning Spanish possessions in the Americas at the time of the death of King Carlos II in 1700 to Spanish control. Like the Treaty of Madrid, the Treaty of Utrecht applied only to territories already possessed by Spain. In 1700, Spain did not possess the Falklands, except by the invalid Treaty of Tordesillas.

In 1767, the Spanish protested after French explorer Louis de Bougainville established a settlement in the Falkland Islands on what they wrongly believed was their territory. Due to the family alliance between King Louis XV of France and King Charles III of Spain, both from the House of Bourbon, the French gave way. As soon as the French departed, the Spanish settlement arrived. The Spanish reimbursed Louis de Bougainville for his private expenses, but Spain did not purchase ownership of the French settlement. Nor was the French settlement formally transferred to Spain.

The British settlement on the Falklands dates from 1765, before the Nootka Sound Convention, which prevented war between Britain and Spain over territorial disputes in North and South America. As part of this Convention, both sides agreed not to make any new settlements on the eastern or western coasts of South America or on the adjacent islands already held by Spain, so long as this area was not settled by any other power. In the late 1820s, the Government of Buenos Aires attempted to settle the Falkland Islands. Because of this act, the British had the right to reestablish their previous settlement in 1833 to reassert their sovereignty. Furthermore, according to the British Government: "The convention was terminated in 1795 as a result of the war between Britain and Spain. In 1811 Spain evacuated the Falkland Islands and abandoned them, so that, although the convention was revived in 1814, it could not then be taken to apply to the Falkland Islands"⁵⁴

Claim (Post-Argentine Independence)	Rebuttal
Argentina inherited the Islands from Spain upon independence in 1816.	This principle is known as <i>uti possidetis juris</i> and is based on the theory that upon gaining independence, newly formed states should inherit the borders controlled by their former colonizers. <i>Uti possidetis juris</i> is not a universally accepted principle of international law. ⁵⁵ Even if it were, it would not apply to the Falkland Islands. The last Spanish settlement left the Falkland Islands in 1811 and Argentina declared independence from the Spanish Empire in 1816. Therefore, at the time of independence, Spain did not hold sovereignty over, or even have <i>de facto</i> control of, the Islands. Furthermore, Argentina has no more right to claim sovereignty over the Falkland Islands than Uruguay, Bolivia, Paraguay and parts of Chile and Peru—all of which were part of the Spanish Viceroyalty.
Colonel Daniel Jewett claimed the Falklands on behalf of Argentina in 1820.	Colonel Jewett was an American privateer operating on behalf of the Government of Buenos Aires. In 1820, he spent six months on the Falkland Islands and claimed them for Buenos Aires. But he was not sent to the Falklands by the Government of Buenos Aires: he went on his own accord. More importantly, the Government of Buenos Aires did not sanction Jewett's claim and did not even learn about it until a year later—and only after it was reported in a newspaper in Gibraltar and then re-reported as a foreign news story in a Buenos Aires newspaper. ⁵⁶
Louis Vernet claimed the Falklands on behalf of Argentina in the late 1820s.	Vernet was an entrepreneur who was first and foremost concerned about his business ventures. He was granted permission to settle on the Falkland Islands by the Government of Buenos Aires, but he did so at his own expense without any financial help from the government. After learning that the sovereignty of the Islands was in dispute, he also sought permission from the British Minister in Buenos Aires to establish his settlement. Vernet was on the Islands to make money—not to claim them for Argentina.
The British forcefully expelled Argentine inhabitants in 1833.	The only people expelled from the Falkland Islands by the British in 1833 were the remainder of the 26-man Argentine military garrison. The civilian inhabitants, mostly from Vernet's settlement, were allowed to (and did) live on the Islands peacefully for years under British rule. The indigenous population of the Falkland Islands is composed of its inhabitants today, some of whom can trace their ancestry back nine generations.
The Falkland Islands are geographically close to Argentina.	The Islands are more than 300 miles from the coast of Argentina. Based on this argument, Morocco could claim the Canary Islands, or Russia could claim Alaska.

Conferences, known in Britain as “Argentine Biased Conferences,” featuring delegates from Britain that are carefully selected by Argentina; Mercosur; and the Venezuela-dominated Bolivarian Alliance for the Americas.⁵¹ As Heritage Foundation expert Ray Walser has written:

On the diplomatic front, Kirchner and [Argentine Foreign Minister Hector] Timerman are quick to

use new diplomatic instruments such as the Union of South American Nations and the recently formed Community of Latin American and Caribbean States—both of which exclude the U.S.—to enlist Latin American support for Argentina's assertion of sovereignty over the Falklands. In the most recent meeting of the anti-U.S. Bolivarian Alliance for the Peoples of Our America, Chavez and his colleagues called for

sanctions against the U.K., and the Venezuelan strongman vowed that if the Falklands conflict turned into a use of force, Argentina could count on Venezuela's military in a fight.⁵²

Argentina bases its claim to the Falkland Islands on a number of assertions, summarized and rebutted in the accompanying text box. (See text box, "Argentina's Claims to the Falkland Islands.")

Britain Must Remain Vigilant

So far, the Argentine campaign has been diplomatic and economic. There is no immediate reason to believe that Argentina will attempt to take the Islands by force. But in 1982, the British government was completely surprised when Argentina invaded.⁵⁷

It would therefore be unwise to rule out the possibility of an Argentine invasion or a military stunt that would occupy a part of the Islands. Even former U.S. Secretary of State Hillary Clinton has raised concerns about a possible military confrontation between Britain and Argentina over the Islands.⁵⁸ Other Argentine-inspired acts could also threaten and embarrass Britain and the inhabitants of the Falkland Islands. In spite of the relatively

low likelihood of a full-scale invasion, it is worth noting that in 2010, Argentina increased its defense spending by 6.6 percent, while Britain cut its defense spending by 8 percent.⁵⁹

In 1982, there were fewer than 80 Royal Marines based on the Falkland Islands.⁶⁰ They were rapidly overwhelmed by the Argentine invasion, which occurred so quickly that the local Falkland Islands Defence Force did not even have time to mobilize. Without U.S. assistance, as Margaret Thatcher acknowledged in her memoirs, Britain "could not have retaken the Falklands."⁶¹ The U.S. provided Britain with Sidewinder air-to-air missiles for British Harriers, as well as intelligence information on Argentina.⁶²

By the same token, the U.S. in 1982 saw the Falkland Islands conflict through the broader lens of the Cold War, in which Argentina was a regional U.S. ally. This led to significant tensions between London and Washington, which were partially ameliorated by the covert U.S. assistance and ultimately resolved by the British victory.

Fortunately, this Cold War context no longer exists, and the defensive position of the Falkland Islands today is considerably stronger than it was in 1982.⁶³ (See text box, "Falkland Islands Defenses.") After the liberation of the Islands, the British built Mount Pleasant Air Base,

51. Ibid.; Peter Pepper, "Timerman in London: A Scam Conference That Almost Worked," MercoPress, February 8, 2013, <http://en.mercopress.com/2013/02/08/timerman-in-london-a-scam-conference-that-almost-worked> (accessed February 21, 2013); BBC News, "South American States Ban Falklands Vessels from Ports"; and Henderson, "Hugo Chavez Says Venezuelan Troops Would Fight with Argentina Over Falklands."
52. Nile Gardiner and Ray Walser, "Falkland Islands: United States Should Back Great Britain," Heritage Foundation *WebMemo* No. 3492, February 8, 2012, <http://www.heritage.org/research/reports/2012/02/falkland-islands-united-states-should-back-great-britain>.
53. Pascoe and Pepper, "Getting It Right," p. 5.
54. House of Commons *Hansard* (written answer), HC Deb 07 February 1983, Volume 36, Written Answer Col. 275W, http://hansard.millbanksystems.com/written_answers/1983/feb/07/treaty-of-nootka-sound (accessed February 13, 2013).
55. "South America and South Atlantic Islands: Falkland Islands (British Overseas Territory)," U.K. Foreign and Commonwealth Office, Travel and Living Abroad, March 7, 2012, <http://www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/country-profile/south-america/falkland-islands/?profile=history> (accessed February 6, 2013).
56. Pascoe and Pepper, "Getting It Right," pp. 9-11.
57. Peter Biles, "Falklands Invasion 'Surprised' Thatcher," BBC News, December 28, 2012, <http://www.bbc.co.uk/news/uk-20800447> (accessed February 15, 2013).
58. Tim Shipman, "WikiLeaks: Washington Was Nervous That Argentina Would Invade Falklands Again," *The Daily Mail*, December 3, 2010, <http://www.dailymail.co.uk/news/article-1335126/WikiLeaks-Washington-nervous-Argentina-invade-Falklands-again.html> (accessed February 25, 2013).
59. MercoPress, "South America Military Expenditure Up 2010, But Insignificant in Global Terms," April 11, 2011, <http://en.mercopress.com/2011/04/11/south-america-military-expenditure-up-2010-but-insignificant-in-global-terms> (accessed February 6, 2013), and Hélène Mulholland, "U.K. Can No Longer Mount Military Operations Like Iraq Invasion, Government Decides," *The Guardian*, October 19, 2010, <http://www.guardian.co.uk/politics/2010/oct/19/uk-can-no-longer-mount-military-operations-like-iraq> (accessed February 15, 2013).
60. U.K. Ministry of Defence, "British Forces Overseas: Falkland Islands and Ascension Island," updated December 17, 2012, <https://www.gov.uk/british-forces-overseas-falkland-islands-and-ascension-island> (accessed February 15, 2013).
61. Margaret Thatcher, *The Downing Street Years* (New York: HarperCollins Publishers, Inc., 1993), p. 226.
62. See the comments of Dr. Dov S. Zakheim, who in 1982 was Special Assistant to the Under Secretary of Defense and to the Assistant Secretary of Defense for International Security Policy, at "The Liberation of the Falklands, Thirty Years After: Why the United States Must Back Britain Now," event held at The Heritage Foundation, June 14, 2012, <http://www.heritage.org/events/2012/06/falklands>.
63. BBC News, "Could the UK Still Defend the Falklands?" February 27, 2012, <http://www.bbc.co.uk/news/magazine-17157373> (accessed February 15, 2013).

Falkland Island Defenses

Asset Provider

Defense Capabilities

Locally Provided

- Falkland Islands Defence Force, a local defense force equal to a light infantry company.

Royal Air Force

- Four Typhoon fighter planes, which regularly patrol the airspace. This plane was combat tested during the recent NATO operation in Libya and is more advanced than anything Argentina can deploy.
- A VC10 tanker, which provides air-to-air refueling for the Typhoons.⁶⁴
- Sea-King Helicopters, which provide Search and Rescue (SAR) support.
- A C-130 Hercules cargo plane, which, in addition to its air transport role, has the ability to parachute supply drops to isolated communities in an emergency and to assist in SAR or medical evacuations.

British Army

- A garrison of 1,200 soldiers, including infantry and combat support units.
- Occasional units from Britain. It was recently announced that 150 infantrymen from the Second Mercian Regiment will deploy to the Islands during the referendum, after returning home in March 2012 from a combat tour in Afghanistan's Helmand province.⁶⁵

Royal Navy

- HMS Clyde, a River Class Patrol Boat that has a minor amphibious landing capability.
- Either a frigate or a destroyer. Recently, the Royal Navy has been deploying its latest Type-45 destroyers to the region.
- A Royal Fleet Auxiliary Ship and a Survey Ship, both of which are crucial in supporting maritime operations in the South Atlantic.
- Nuclear-powered attack submarines, which (although information on these deployments is not made public) are known to routinely patrol the South Atlantic.⁶⁶

64. In addition to its traditional role, air-to-air refueling capacity is particularly important for aircraft using Mount Pleasant Air Base because fog on the Islands can develop quickly and with little notice and prevent planes from landing at the base.

65. "Helmand Veterans Dispatched to Defend Falklands," *The Daily Telegraph*, January 11, 2013, <http://www.telegraph.co.uk/news/worldnews/southamerica/falklandislands/9794967/Helmand-veterans-dispatched-to-defend-Falklands.html> (accessed February 7, 2013).

66. MercoPress, "UK 'Hunter-Killer' Nuclear-Powered Submarine En Route to Falklands, says The Sun," May 21, 2012, <http://en.mercopress.com/2012/05/21/uk-hunter-killer-nuclear-powered-submarine-en-route-to-falklands-says-the-sun> (accessed February 7, 2012).

which is defended by a Rapier surface-to-air missile battery.

Britain should continue to maintain robust defense forces on the Islands, but it should also take other prudent steps. During the Cold War, the U.S. annually conducted a military exercise called Operation Reforger (Return of Forces to Germany).⁶⁷ Operation Reforger was designed to prove that the U.S. had the ability to move conventional military forces rapidly from the U.S. to Germany in the event of a war with the Soviet Union.

Britain should regularly conduct a similar exercise in defense of the Islands.⁶⁸ Britain should practice rapidly deploying land, maritime, and air assets to the South Atlantic, and the British Ministry of Defense (MoD) should be funded to support these exercises. As defending the Islands is a national issue, the MoD should not be forced to bear the additional cost of preparing for that defense out of its existing budget.

Britain must also factor cyberwarfare into its contingency planning for the Falklands. Access to the Internet has changed the way Falkland Islanders live, and any disruption to Internet service on the Islands would have a serious impact on everyday life. In 2010, Argentine hackers attacked Falkland Islands news sites.⁶⁹ The U.K. 2010 *Strategic Defence and Security Review* recognized that cyberwarfare will play a major role in future conflicts, and military planners should recognize that the Falkland Islands need to be defended online as well on land, on the sea, and in the air.⁷⁰

The recent announcement by Britain's Department for International Development (DfID) that it will fund the construction of an airfield on St. Helena, another British Overseas Territory in the South Atlantic, is a good step for British strategy in the region.⁷¹ An airstrip on St. Helena could be used as a military staging point during a time of

crisis and will add resilience to Britain's contingency planning in the South Atlantic. This is a good example of DfID money furthering British strategic objectives, and the construction of the airfield should be completed as soon as possible.

Above all, however, Britain must have the military capability to retake the Islands. Recent British defense cuts have forced the British government to adopt the official position that the Islands will be defended so robustly that there is no need to consider the question of having sufficient forces to retake them.⁷² This is a dangerous policy based on hope. It is not good enough for the British people, the Falkland Islanders, or the British servicemen who gave their lives to liberate the Islands in 1982.

As the commander of the British task force during the 1982 war, Admiral Sir John Woodward, said during an interview with the *Sunday Telegraph* last year:

We could not retake the Falklands. We could not send a task force or even an aircraft carrier. If we had been in this state in 1982, the Falklands would be the Malvinas. We rely on sending reinforcements by air, but that would be impossible if we lost control of the airfield at Mount Pleasant.⁷³

Confronted by a well-defended airbase at Mount Pleasant, battle-tested Typhoon fighter jets, and attack submarines routinely patrolling beneath the waves, Argentina would be foolish to attempt an invasion. The primary risk to the Islands is economic and political, not military. But an invasion can nonetheless not be ruled out. The British government should adopt the policy that it will both defend and if necessary retake the Islands, and the British Ministry of Defence must have the resources to make the policy a reality.

67. "REFORGER," GlobalSecurity.org, May 7, 2011, <http://www.globalsecurity.org/military/ops/reforger.htm> (accessed February 15, 2013).

68. Luke Coffey, "No British Government Could Survive Losing the Falklands," *The Guardian*, March 2, 2012, <http://www.guardian.co.uk/commentisfree/2012/mar/02/no-british-government-survive-losing-falklands> (accessed February 7, 2013).

69. MercoPress, "Falklands Suffer the First Argentine Attack of the 2010 Cyber War," February 22, 2010, <http://en.mercopress.com/2010/02/22/falklands-suffer-the-first-argentine-attack-of-the-2010-cyber-war> (accessed February 6, 2013).

70. U.K. Government, "Securing Britain in an Age of Uncertainty: 2011 Strategic Defence and Security Review," October 21, 2010, p. 41, http://www.direct.gov.uk/prod_consum_dg/groups/dg_digitalassets/@dg/@en/documents/digitalasset/dg_191634.pdf (accessed February 15, 2013).

71. News release, "Airport to Revitalize British St Helena," U.K. Department for International Development, July 22, 2010, <http://www.dfid.gov.uk/News/Latest-news/2010/Airport-to-revitalise-British-St-Helena/> (accessed February 7, 2013).

72. House of Commons *Hansard* (debate), HC Deb, February 20 2012, Oral Answer, Col. 598, <http://www.publications.parliament.uk/pa/cm2012/cmhansrd/cm120220/debtext/120220-0001.htm> (accessed February 13, 2013).

73. Cole Moreton, "Falkland Islands: Britain 'Would Lose' If Argentina Decides to Invade Now," *The Sunday Telegraph*, March 17, 2012, <http://www.telegraph.co.uk/news/worldnews/southamerica/falklandislands/9150339/Falkland-Islands-Britain-would-lose-if-Argentina-decides-to-invade-now.html> (accessed February 15, 2013).

What the United States Should Do

Britain has a strong historic claim to the Falkland Islands. Even more important, the people of the Falkland Islands owe Argentina no allegiance. Argentina has become a regional bully that sides with anti-American regimes in the region and around the world, and its economy is near collapse. Argentina's campaign against the Islanders is a cynical example of political manipulation that seeks only to distract the Argentine people from the many failures of the Kirchner regime.

The U.S. has nothing to gain by appeasing Argentina and a great deal to lose—politically, militarily, economically, and strategically—by doing anything other than backing Britain. Above all, the U.S. should always recognize and defend the right of free peoples, like the Falkland Islanders, to choose their own form of government.

The Obama Administration should therefore support the United Kingdom in its claim to sovereignty over the Islands by taking the following steps:

- **Stop calling for negotiations over the Falkland Islands.** The sovereignty of the Falkland Islands was decisively and finally settled by the 1982 war when British forces retook the islands, with the loss of 255 servicemen, after Argentina's brutal military junta invaded the Islands without the slightest provocation. There is nothing to be negotiated about the future of the Falkland Islands.
 - **Recognize British sovereignty over the Falkland Islands.** The United States should acknowledge the wishes of the Islands' almost 3,000 inhabitants and officially recognize British sovereignty over the Islands. The U.S. has nothing to gain by appeasing Argentina, which is a regional bully and sides with the autocratic Chávez regime. Britain, by contrast, is America's closest ally. It should be a cardinal principle of U.S. foreign policy that the U.S. treats its friends better than it treats those who side with its declared enemies.
 - **Call for an end to Argentine provocations.** The outbursts of anti-British actions in Argentina, Chávez's warlike rhetoric, and the climate of coercion of lawful commerce run contrary to U.S. norms of behavior and America's political and commercial interests. The U.S. should condemn this escalating series of intimidations and threats.
 - **Support self-determination.** The U.S. should recognize the outcome of the March 10–11 referendum (and any subsequent referenda) as an official and legitimate expression of the will of the Falkland Islanders and of their right to choose their own government.
 - **Revoke Argentina's Major Non-NATO Ally status.** The President should immediately notify Congress that he is revoking Argentina's status as an MNNA. To be designated an MNNA, a country needs to show that it promotes U.S. geostrategic interests around the world and why improving its military capability is in the interest of the U.S. Argentina is politically hostile, and the U.S. has no stake in upgrading its military. Indeed, Argentina went so far in 2011 as to impound the contents of a U.S. military plane delivering equipment for a training exercise.⁷⁴
 - **Continue to block lending to Argentina.** The U.S. Treasury recently announced that it would oppose further lending to Argentina through the World Bank and the Inter-American Development Bank. The Obama Administration should continue this policy and encourage other nations to oppose any multilateral loans.
 - **Promote economic freedom in South America.** Increased economic freedom will make Argentina a better partner for the region and the U.S. and would strengthen the Argentine economy over time. Argentina is rattling its saber over the Islands because it is in the midst of a political and economic crisis. In a prosperous and stable Argentina, politicians would not need to distract the public by attacking their country's neighbors.
- In the event of a military crisis, the U.S. should:
- **Support Britain's air bridge to Afghanistan.** A military crisis in the South Atlantic would badly strain the U.K.'s already fragile Afghan air bridge. The U.S. should help the U.K. to sustain its operations in

74. "Opposition Weighs in on U.S. Plane Conflict," *Buenos Aires Herald*, February 15, 2011, <http://www.buenosairesherald.com/article/59074/opposition-weighs-in-on-us-plane-conflict> (accessed February 15, 2013).

75. Margaret Thatcher, "Speech to the Foreign Relations Council of Chicago," June 17, 1991, <http://www.margaretthatcher.org/document/108275> (accessed February 15, 2013).

Afghanistan so that RAF strategic airlift assets can be freed for use in the South Atlantic.

- **Support the Royal Navy.** The presence of the Royal Navy directly benefits many U.S. global security aims. The best examples of this are the Persian Gulf, where the Royal Navy helps to deter Iran and keep the Strait of Hormuz open, and off the Horn of Africa, where Royal Navy ships have been fighting piracy and participating in counterterrorism operations. The U.S. should temporarily take over these Royal Navy operations so that British vessels can be freed for use in the South Atlantic.
- **Provide key support enablers.** If Britain requests it, the U.S. should provide Britain with air-to-air refueling assets. The U.S. should also both replace Britain's unmanned aerial vehicle (UAV) commitment in Afghanistan so that British UAVs can be freed for use in the South Atlantic and allow Britain to access and use U.S. UAVs.
- **Provide intelligence and armaments.** The U.S. provided Britain with intelligence and armaments during the 1982 conflict and should do the same in the event of another military crisis in the South Atlantic.

Conclusion

The Obama Administration's wrongheaded decision to side with Argentina over the Falkland Islands has been a slap in the face for Great Britain at a time when several thousand British troops are fighting alongside U.S. forces

in Afghanistan. This is a policy that makes no sense, placing the Obama presidency on the same side as America-hating regimes such as those of Hugo Chávez's Venezuela and Daniel Ortega's Nicaragua, the regional allies of Cristina Kirchner's flailing government.

As the Falkland Islands referendum approaches, the United States should strongly support the right of the Falkland Islanders to self-determination and should condemn Argentina's aggressions. Washington should also make it clear that it stands firmly with America's closest friend and ally. As Margaret Thatcher said, the Special Relationship is vital to both U.S. and British interests:

Whatever people say, the special relationship does exist, it does count and it must continue, because the United States needs friends in the lonely task of world leadership. More than any other country, Britain shares America's passionate commitment to democracy and willingness to stand and fight for it. You can cut through all the verbiage and obfuscation. It's really as simple as that.⁷⁵

President Barack Obama and Secretary of State John Kerry should heed her words.

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