Revisiting the Falklands Intelligence Failures

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Twenty-five years after the event, the Falklands War is presented as a hard-fought victory won by doughty British forces and their plucky prime minister. The recent celebrations have tended to obscure the fact that the war may have been avoidable, and was undoubtedly made more costly and riskier by the intelligence failure that preceded it. British officials were unresponsive to warnings that diplomacy had failed and invasion was imminent. The nature of the problem was different from that of Iraq: it was deterring an invasion, not carrying one out. The root cause of intelligence failure may have been the same: insensitivity to information that suggested the course of action to which leaders were committed was likely to lead to disaster.

On 3 March 1982, Argentina disavowed the negotiations that had just taken place with Britain in New York over the future status of the Falkland Islands. On 2 April, Argentine marines stormed ashore near Port Stanley, overwhelmed the small British garrison, and raised the Argentine flag over the Falklands. From the vantage point of London, the danger looked remote. It was not until 29 March, four days before the invasion, that the Cabinet Office and the government judged the situation to be serious. In response, they ordered a submarine and support vessels from the Mediterranean to the South Atlantic. Prime Minister Thatcher did not summon her first cabinet meeting on the crisis until the night of 31 March. By then, the Economist rightly observed, it was too late to deter with anything but words. Britain's inability to foresee the Argentine invasion cannot be attributed to simple lack of information. The government had ample intelligence about Argentine intentions and military preparations. From 3 March onward, Buenos Aires had done its best to signal its dissatisfaction with the status quo. It publicized rather than concealed its military preparations in the hope that this demonstration of resolve would elicit a British concession on sovereignty that would make military action unnecessary. London received information about Argentina from both open and clandestine sources. The Joint Intelligence Committee (JIC) of the Cabinet Office, whose task it is to warn the government of impending foreign threats, had all the cable traffic from the British embassy in Buenos Aires, including reports from political officers, military attachés, and secret intelligence sources run through the embassy. The JIC had access to naval and other relevant intelligence from allies. A Fleet Ocean Surveillance Information Center (FOSIC), run by the United States Navy in London, analyzes data from their combined intelligence sources in the Atlantic, and routinely passed its reports on to the Royal Navy. The US Navy's four ocean surveillance satellites (OSUS) used radar and infra-red cameras to detect ships and monitor their radio and radar signals. The United States, in response to a British request, flew surveillance missions in the South Atlantic prior to the Argentine invasion. According to Ted Rowlands, a Labour MP who handled the Falkland question in the Foreign Office until 1979, Britain had broken the Argentine diplomatic code, and Argentina was therefore 'an open book' for the British. There can be little doubt that the government had enough information to suggest the very real...
possibility of a military confrontation in the South Atlantic. By its own admission in various statements to the press and in Parliament, the government was aware of the following:

2 March: The Argentine Government terminates negotiations with Britain and announces that it reserves its right to 'seek other means' of regaining the Falklands.

3 March: La Prensa, known to have good connections with the junta, announces its dissatisfaction with the negotiations and predicts the liberation of the Falklands by force within three months unless Britain agrees to cede sovereignty. Junta members begin dropping hints to diplomats that they are contemplating some kind of unilateral military action in the absence of a commitment by Britain both to speed up negotiations and to put sovereignty of the islands formally on the agenda.

14 March: An Argentine air force Hercules 130, claiming technical difficulties, makes an emergency landing at Port Stanley airport.

19 March: Employees of an Argentine scrap firm land on South Georgia Island and raise the Argentine flag.

25 March: Three Argentine warships arrive in South Georgia to give 'full protection' to the landing party.

27-28 March: British intelligence sources learn of the impending departure of the Argentine fleet with wartime stocks.

28-29 March: The Argentine fleet puts to sea a force that includes an aircraft carrier, two missile destroyers, a battleship, and two corvettes, ostensibly to conduct manoeuvres with Uruguay.

29 March: The Argentine press is put on a worldwide alert by the government; diplomatic leaves are cancelled; DYN, the Argentine news agency, announces that the marine regiment with the fleet has been issued food rations, arms, and ammunition; Uruguay asks the British government if any Falklanders wanted to be airdropped to safety 'before the invasion'.

31 March: London learns that the Argentine naval units on manoeuvre have broken away from the Uruguayan force and are steaming toward the Falklands.

1 April: Argentina's foreign minister tells Britain's ambassador in Buenos Aires that the diplomatic channel as a means of solving the dispute is
closed. ‘The Buenos Aires magazine, Siete Días, publishes a fictitious front page of The Times with the headline, ‘Argentine Navy Invades Falkland Islands’ alongside a photograph of Argentine marines allegedly storming ashore.

2 April: Argentina invades the Falkland Islands.

These ‘signals’ only became clear in retrospect. At the time, they were also consistent with a strategy of bluff, as British ministers hastened to point out. Lord Carrington told the House of Lords: ‘Had this been the first time over the past twenty years that some allusion to the use of force had been made from the Argentine side, it might have struck Britain as more significant than it did.’ Prime Minister Thatcher told her critics in the House of Commons that ‘several times in the past an invasion had been threatened. The only way of being sure of preventing it would have been to keep a large fleet close to the Falklands, 8,000 miles away from base’. No government could do that, she insisted, ‘because the cost would be enormous’. One must feel sympathy for policy-makers caught in this bind, but the problem of repetitive threat neither excuses nor fully accounts for the poor judgment of the British government. Faced with the prospect of recurring crises, it was incumbent upon the British to develop indicators to help distinguish bluff from the real thing. Instead, London waited for indisputable evidence of impending attack. Because moves associated with bluff and preparations for attack are generally indistinguishable until the last moment, Argentine intentions only became clear after it was already too late to deter or defend against attack.

Missing Strategic Intentions

Israel faced a similar situation in October 1973. Military intelligence had devised a series of tactical indicators to predict the possibility of an Egyptian attack. Their principal indicator was the deployment and reinforcement of troops along the cease-fire lines. Also deemed significant were the mobilization of reserves, construction of ramps and bridging equipment along the Suez Canal, and the imposition of wartime security measures at military bases throughout the country. On three occasions prior to the October attack, in December 1971, December 1972, and in April-May 1973, the Egyptians did all of these things without going to war. The Israelis, who had braced themselves for war in each instance, understandably lost confidence in their tactical indicators. They fell back upon strategic indicators of attack. Their hypothesis was that Egypt would not attack unless two conditions were met: that the Egyptian air force be capable of striking at Israel in depth, in particular at Israeli airfields, and secondly, that Egypt be joined in the attack by Syria. Israeli military intelligence accordingly considered an Egyptian attack highly unlikely before 1975, the earliest possible date they believed the Egyptian air force capable of absorbing enough Soviet equipment to achieve the requisite strike capability.

The Agranat Commission, established by the Israeli cabinet to investigate the 1973 intelligence failure, attributed much of the fault to the fact that Israel’s strategic indicators were flawed and ignored the possibility of a limited war, fought for less ambitious objectives and a conflict in which Egyptian equality in the air was not an essential precondition of success. Egyptian forces relied instead upon a missile screen in the vicinity of the canal to keep the Israeli air force at bay. The erroneous Israeli fixation on general war, for which the Arabs were clearly not ready in October 1973, combined with Israeli disillusionment with tactical indicators, encouraged Jerusalem to dismiss Sadat’s escalating threats of war in the summer and late fall of 1973 as bluff initiated to win diplomatic concessions. For the same reason, Israel’s leaders did not become particularly disturbed by the build-up of Egyptian forces along the canal, the evacuation of Soviet dependents, and the subsequent warnings of attack. All of this they had seen before. If the Israelis were led astray by a faulty conception of the strategic objectives of their principal adversary, they at least had such a conception. The British by contrast gave no evidence of having developed any express notion of the political-military conditions under which Argentina might attack the Falklands. At best, they seem to have developed a misleading tactical scenario that presupposed that any Argentine escalation of the conflict would be gradual, begin with suspension of air services, and not lead to an invasion until the end of the year.

The Agranat Commission faulted the very existence of a strategic conception, as it inevitably biased information processing. Janice Gross Stein, in her perceptive study of Israel’s intelligence failure in 1973, argues that such conceptions can function as useful aids to policy-makers concerned with developing indicators of warning. The important question is not the use of an organizing concept but rather ‘its logical coherence and completeness, its relationship to other concepts in a larger analytical system’. According to Stein, a strategic conception concerning deterrence, defence, and miscalculated escalation must analyze and relate at least five issue areas to be considered coherent and complete. It ought to include an evaluation of the interests at stake, specify the challenge to be deterred, evaluate the adversary's calculation of the conditions and options for challenge, consider the credibility of a commitment to respond, and describe appropriate responses to deterrence failure.

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If such a conception had been developed by the British, it would have made them much more sensitive to the possibility of Argentine military action. It would have necessarily required examination of the ‘Malvinas’ controversy from the Argentine perspective. Any moderately sophisticated effort of this kind would
have highlighted striking differences between 1982 and the situation in 1977, the last time Argentina appeared on the verge of invading. These differences should have been seen to increase the attractiveness of an invasion while reducing its perceived military cost. Between 1977 and 1982, Argentine leaders had lost faith in negotiations with Britain and had concluded that they would never achieve sovereignty over the Falklands by diplomacy. Since 1965, at Argentina’s insistence, the two countries had been conducting almost yearly negotiations with regard to the future of the Falkland Islands. These talks had been often preceded by saber rattling in Buenos Aires, but serious violence had always been forestalled by Argentine expectations that negotiations would ultimately lead to a transfer of sovereignty. Step by step, the British appeared to be moving in that direction. The Wilson government recognized the legitimacy of Argentina’s de facto claims to the islands. The Heath government signed a communications agreement that gave Buenos Aires control of air transportation to and from the Falklands. Subsequently, Argentina was permitted to lengthen the Port Stanley runway, increase tourist traffic with the mainland, and take over management of the Falklands’ energy supplies. Islanders made growing use of Argentine hospitals and schools. Both sides assumed that sooner or later some mechanism could be found that would enable Argentina to recover sovereignty yet still permit Britain to protect the rights and lifestyle of the inhabitants.

Progress in this direction had continued, if at a snail’s pace, until the ‘lease-back’ debacle of 1980-81. After this round of inconclusive negotiations, the Argentine press, and, privately, government officials as well, began to accuse the British of stalling and voiced considerable pessimism about the prospects of a diplomatic solution. In November, the Island Council elections were held with Ridley and the lease-back proposal as the principal issue. The anti-lease-back forces won a clear victory: two moderate representatives who had attended the talks in New York were defeated by hardliners adamantly opposed to any further concessions to Argentina. The junta, now headed by General Leopoldo Galtieri, who had assumed power in December, made a final attempt in February 1982 to reach an agreement with Britain. Enrique Rosé, the negotiator sent by Argentina to New York, demanded the concession of sovereignty before the year’s end. The most the British would agree to was the creation of a negotiating commission to work toward this goal. Moreover, Richard Luce, Ridley’s successor, now insisted that any agreement would also have to meet the approval of the islanders. The Thatcher government in effect gave the islanders a veto power over the negotiations, something that all but precluded any transfer of sovereignty. The significance of this development was not lost to the junta, who broke off the talks. The Argentine press began to speculate about an invasion. The political vulnerability of the junta, the result of its poor performance on a range of important domestic issues, made popular pressure all the more difficult to ignore.16

The proclivity to do nothing unless invasion appeared imminent was almost certainly reinforced by political and economic considerations. The Thatcher government had not lifted Britain from its economic doldrums and faced discouraging electoral prospects. Its foreign and defence policies had come under increasing attack from the burgeoning peace movement. War, under almost any circumstances, must have seemed a loathsome idea to Downing Street, and more dangerous still if the Thatcher government could be made to appear responsible for it. Sending a tripwire force would have cost money, and by most accounts, Whitehall was opposed to extra expenditure. This penny-pinching mentality was particularly acute in the Ministry of Defence, barely able to fulfill its various commitments on what it believed to be a penurious budget. The concern for saving money was so pronounced, the Economist asserts, that a request from the Foreign Secretary for a naval force any time before 29 March ‘would probably have been laughed out of court’.15

Defensive Avoidance

Decisions regarding escalation are among the most difficult leaders can face. There are no decision-making rules that can be followed. Rather, policy-
makers must weigh a number of situational attributes, among them the interests at stake, their confidence in deterrence, the political vulnerability of the adversary’s leaders, and the possible military cost of inaction. Most important is the judgment about the other side’s intentions. To the extent that a challenge is deemed likely, it is usually wise to implement some military preparations to demonstrate resolve and put the nation in a better position to defend itself or its commitment. When the challenge appears remote, miscalculated escalation reasonably becomes the principal concern.

It was a tragedy that the prime minister, a person of unquestioned courage when she perceives matters of principle to be at stake, seemingly failed to rise above narrow calculations of short-term interests when formulating Falklands policy

The importance of assessing the probability of a challenge brings us full circle by highlighting the need for strategic indicators that offer some insight into this question. In the absence of some kind of strategic conception from which these indicators can be derived, policy-makers must out of necessity either fall back on tactical indicators, the dangers of which have already been described, or rely on their personal assessment of the situation. Such judgements may be haphazard, ill-informed or even quite arbitrary. They are also likely to escape the kind of scrutiny given to institutionally developed strategic conceptions, whose assumptions must normally be articulated and defended before colleagues.

The biggest danger of informal assessments of risk is that they can all too easily – even unconsciously – be made consonant with policy-makers’ needs. This allows them to finesse the trade-off between buttressing deterrence and avoiding miscalculated escalation. Wishful thinking of this kind clearly occurred in London. Civil servants in Whitehall and members of the government believed that military preparations were both expensive and likely to provoke, not deter, a confrontation with Argentina. They did not want to initiate any military preparations until late in the crisis. As this left the Falklands vulnerable to invasion, they had every incentive – and need – to believe that Argentina was bluffing.

The remarkable British passivity in light of all the danger signals coming from Argentina defies simple institutional explanations. It is best understood as a form of ‘defensive avoidance’, a collective attempt by British officials and policy-makers to shield themselves from threatening realities which they were unprepared to confront. According to Irving Janis and Leon Mann, policy-makers search for alternatives to their current course of action when they perceive serious risks associated with it. If the search reveals a feasible alternative, they will adopt it without inner conflict. If unable to identify an acceptable alternative, they experience psychological stress. They become emotionally aroused and preoccupied with finding a less risky but nevertheless viable policy alternative. If, after further investigation, they conclude that it is unrealistic to hope for a better strategy, they will terminate their search and engage in defensive avoidance.15 They may deny the existence of his aversive feelings, emphasize the remoteness of the consequences, or attempt to minimize their personal responsibility for the decision once it is made. They continue to think about the problem but ward off anxiety by practising denying, distorting, reinterpreting or discrediting information that suggests their policy will fail.5

Bolstering serves a useful purpose; it helps policy-makers forced to settle for a less-than-satisfactory course of action overcome residual internal conflict and move more confidently toward commitment. It is detrimental when it blinds policy-makers to the possible adverse consequences of their course of action. It lulls them into believing that they have made a good decision when they have actually avoided making a vigilant appraisal of the alternatives in order to escape from the psychological conflict this would engender.

For years, the British government had been committed to the twin goals of a negotiated settlement of the Falkland dispute with Argentina and protection of the liberties and interests of the islanders. Superficially, each round of talks in New York seemed to bring these objectives closer to realization. Negotiations also made apparent the full extent of the differences that separated the parties. The islanders, never pleased with the prospect of absorption by Argentina, became even more hostile to the idea when the junta’s bloody suppression of the Argentine Left revealed its utter disregard for human rights. For their part, the Argentines came to believe, not without reason, that they were behaving like the proverbial donkey, tricked into pulling the cart by a carrot on a stick dangled before him.

Some time before Argentina’s repudiation of the New York talks, British officials recognized that a negotiated settlement of the dispute was very unlikely given the seemingly unbridgeable gap between the demands of the islanders and the Argentines. This realization prompted a gradual but significant shift in the British strategy. The Thatcher government gave up the objective of finding a solution to the problem and sought merely to forestall a crisis by keeping negotiations alive. The impractical goal of trying to continue the talks from year-to-year was probably motivated in part by the illusory hope that some future development would facilitate a settlement. A less charitable explanation is that a British officials had come to view the Falkland dispute as a ‘hot potato’ that could only burn their fingers if they picked it up. They sought instead to pass the problem on to their successors. But a strategy that substituted procedure for substance was doomed to failure as sooner or later Britain would run out of
new proposals or Argentina would tire of
the game. This critical juncture was
reached with the failure of the lease-back
proposal, and not long afterwards the
negotiations stalled.

The Thatcher government was in
large part responsible for this dilemma.
Supporters of Ridley insist that between
a third and half of the islanders did not
oppose the lease-back proposal when it
was first broached to them. They argue
that more islanders would have come
around had London made it clear that it
supported the idea and was prepared to
compensate residents who wished to
leave rather than live symbolically under
the Argentine flag. Thatcher was
unprepared to put any pressure on the
islanders, an option she viewed with
Loathing. She also faced pressure from
members of her own party. A small but
outspoken group of Tories portrayed the
Falkland Islands as a test case of the
government's commitment to uphold
traditional British freedoms. They allied
themselves with left-wing Labourites,
who also opposed any concessions to
the junta on the grounds that it was a
fascist dictatorship. Both groups are
reported to have kept in close touch with
the islanders and to have encouraged
them to keep up their pressure on the
government. The prime minister, already
trouble within her own party, and her
popularity sagging in the polls was
reluctant to antagonize backbench
opinion on this issue.

The prime minister's solicitousness
toward the islanders signaled that a
harder line on their part was likely to be
rewarded, and indeed, they received
what was in effect a veto power over the
negotiations. The failure of the lease-
back proposal left the government with
only two clear policy alternatives: to
pressure the islanders to accept
Argentine sovereignty or tell Buenos Aires
that a transfer of sovereignty was
out of the question for the time being.
Rather than face this unpleasant reality
and the unappealing and costly choices
associated with it, the Thatcher
government sought escape in the illusion
that it could continue to string Argentina
along. Despite all the indications that
this objective was no longer realistic,
Luce and other British negotiators
returned to London in March convinced
that they had "bought another year." They
were surprised by the junta's
disavowal of the talks.

The British sense of helplessness in
the South Atlantic seems to have elicited
all three forms of defensive avoidance.
The overall British policy objective of
keeping negotiations alive was in effect
a form of procrastination designed to
postpone the need to make a choice
between the Scylla of islander interests
and the Charybdis of Argentine
nationalism. It can also be seen as an
attempt by the Thatcher government to
avoid altogether the responsibility for
such a decision by passing it on to their
successors. Finally, the government and
the intelligence community engaged in
bolstering. They convinced themselves
that the course of action to which they
were committed would succeed and
became insensitive to information that
indicated otherwise.

Conclusion
This case and others suggest that
policy-makers in crisis situations are unduly
influenced by immediate, predictable and
visible costs. The relative importance of
short-term considerations is likely to
increase in proportion to the difficulty of
determining the magnitude or likelihood of
the longer-term costs. For the Thatcher
government, short-term considerations led
to the wrong policy choice. In retrospect, it
was a tragedy that the prime minister, a
person of unquestioned courage when she
perceives matters of principle to be at
stake, seemingly failed to rise above narrow
calculations of short-term interests when
formulating Falklands policy. The short-
term interests that influenced Thatcher's
Falkland policy were ideological and
political: concern for the islanders, the
desire to maintain backbench support and
avoid the embarrassment associated with a
precautionary naval demonstration after
her government had recommended deep
cuts in funding for conventional naval
forces.

The Argentine military leaders
responsible for the war were forced out of
office in the aftermath of their defeat,
and the junta itself was quickly replaced
by a civilian government. In Britain,
Margaret Thatcher's popularity increased
following Britain's victory, but that
victory was a costly one. It was also a
very near thing. The war could easily have
resulted in disaster for Britain and her
prime minister. The principal policy lesson
of the Falklands is clear. Political leaders,
especially in democracies, must respond
to public opinion and other domestic
pressures. However, leaders, who allow
themselves to shape foreign policies
primarily in terms of these internal
considerations, court disaster at home
and abroad because such policies are
likely to bear only a chance resemblance
to the needs of the nation.