806

PREM 19/655

• PART 2 ends:-

T. Dalywell PQ 28.10.82 WSG 10th Mby 25.10.82

PART 3 begins:-

FIRC to ASC + att Report 29.10.82

TO BE RETAINED AS TOP ENCLOSURE

Cabinet / Cabinet Committee Documents

Reference	Date
Most Confidential Record to OD (80) 23 rd Meeting,	
Minute 1	7.11.80
Most Confidential Record to OD (82) 6 th Meeting,	
Minute 2	1.4.82

The documents listed above, which were enclosed on this file, have been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate CAB (CABINET OFFICE) CLASSES

Signed OWayland

Date 10 May 2012

PREM Records Team

Published Papers

The following published paper(s) enclosed on this file have been removed and destroyed. Copies may be found elsewhere in The National Archives.

- 1. House of Commons Hansard, 8 July 1982, columns 469-508
- House of Commons Hansard, 26 October 1982, columns 885-886 (Oral Answers: Falkland Islands)

Signed Orayland Date to May 2012

PREM Records Team

Thursday 28 October 1982 (Answered by the Prime Minister on Thursday 28 October) UNSTARRED Mr. Tam Dalyell: to ask the Prime Minister, further to her reply to the Hon. Member for West Lothian on NO. 249 26 October, if the Government had any indication of a possible invasion of South Georgia or any other Falkland Islandsdependencies before 31 March. I have nothing to add to what I have already said in the House on this subject. The House agreed on 8 July 1932 (OR vol 149 cols 469-508) that the Falkland Islands Review Committee should be set up to examine the events leading up to the Argentine invasion on 2 April. The House will have a chance to debate the Committee's report. 010 Wag 10

WSG 10th Meeting

FALKLAND ISLANDS REVIEW:

MEETING OF WHITEHALL SUPPORT GROUP (WSG) WEDNESDAY 19 OCTOBER 1982 AT 10.00 am

PRESENT:

Mr D H Colvin

Mr P R Fearn

Mr R Jackling

Mr T W Savage

- Cabinet Office (In the Chair)

- Foreign and Commonwealth Office

- Ministry of Defence

- JIC

M 26.

Agentia

ITEM 1: LATEST DEVELOPMENTS

There was a discussion of the progress of the oral evidence being taken by the Review Committee.

ITEM 2: DATE OF NEXT MEETING

10.00 am on Wednesday 27 October.

Cabinet Office 25 October 1982

SECRET

PRIME MINISTER

FRANKS COMMITTEE

I am afraid that we are putting an awful lot of paper to you this weekend but you will not need to read it all.

In a separate box I have put all the OD(SA) papers together with the correspondence relating to the resignation of Lord Carrington, Humphrey Atkins and Richard Luce. I doubt if this is relevant to the Franks proceedings but you asked for it all at an early stage.

In this box you will find:-

- (a) Lord Franks letter inviting you to appear, together with a guidance note for those giving oral evidence and the terms of reference of the committee.
- (b) The papers relating to the period up to the invasion which you saw and of which the Franks Committee have duplicates.
- (c) A table listing most (i.e. omitting the least important) of those papers.
- (d) Transcripts of the evidence given by:
 - (i) Lord Carrington
 - Mr Nott (his Private Secretary has sent me the transcripts; he (ii) does not think Mr Nott, who is in the Falklands, will mind).
 - Sir Robert Armstrong and other officials.
- (e) Mr Callaghan's remark in the House of Commons on 29 April when he urged you not to override the Chiefs of Staff if they advocated caution.
- (f) Your diary from January to March 1982.

We have allowed some time on Monday morning to go over any points which you want to discuss. Sir Robert Armstrong and I will be available.

/We shall



SECRET 2 We shall also both be at Chequers tomorrow evening if it proves convenient to you to discuss any matters then. The Secretary of the Franks Committee rang this evening to indicate the general areas about which the Committee may wish to question you. They will start with some general matters such as your relationship with the Foreign Secretary and the extent to which you relied on him to But they will not spend keep you in touch with foreign policy issues. much time on this. There will then be a series of questions about OD. How far were you personally involved in deciding the Committee's agenda? Why it did not meet from January 1981 to March 1982? How did you see broad policy towards the Falklands developing in the few months up to the invasion? But their main interest will be in a fairly detailed examination of events since the beginning of the year. They would probably go through the papers which you saw in some detail. They will want to know your reactions to the talks with the Argentines at the end of February and to enquire the extent to which you were involved in the South Georgia affair. They may then want to discuss the sequence of events almost day by day, and to establish, in particular, when you really became concerned about the trend. When did you judge that an invasion was likely? (They have obviously been influenced by some of the press comment over the last weekend suggesting that you were given information earlier than No. 10 have publicly claimed). The whole proceeding may take about two hours. A. J. C. 22 October, 1982 SECRET

ate of Paper	Description of Paper	Date sent to PM	Subject Matter
20. 9.79	FCS to PM	21. 9.79	3 options. Fortress Falklands, Protracted Negotiations, Sovereignty with leaseback. Last recommended. PM rejects H/C would reject.
24. 9.79	MOD to FCO	c 24. 9.79	Mr. Nott content for Foreign Secretary to indicate willingness to enter into negotiations soon.
24. 9.79	Chancellor Ex. to PM	25. 9.79	Political anxieties - diplomatic resources fully engaged on Rhodesia - Zimbabwe, Gibraltar. Avoid another sovereign issue.
26. 9.79	PS letter to FCO	-	Early meeting of OD called.

			ECRET:
Date of Paper	Description of Paper	Date sent to PM	Subject Matter
4.10.79	CC(79)16th	-	FCS reports to Cabinet on talks with Argentine Foreign Minister (Pastor) in New York. Emphasised wish to make progress provided local inhabitants wishes respected.
12.10.79	OD(79)31 - paper by FCS	12.10.79	Proposes exploratory talks with Argentina. PM asks that discussion be deferred until Rhodesia settled.
		c	
12.11.79	FCO letter to No. 10	13,11,79	Reports that Argentines propose informal talks with Ridley in New York and that FCO had declined. PM agrees to resume discussions in OD after Dublin.
28.11.79	JIC(79)(N)74	28.11.79	If negotiations break down or Argentina consider HMG not serious on sovereignty, military action possible but risk not high.
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Oute of Paper	Description of Paper	Date sent	Subject Matter
24. 1.80	FCS to PM	24. 1.80	FCS warns of risks in delay in starting exploratory talks.
29. 1.80	OD Minutes	-	FCS to seek Island Council agreement to resume talks; FCS to propose new terms of reference.
2. 2.80	FCO telegram to Port Stanley	2. 2.80	Text of Ridley message to Island Council: proposes explorato talks without commitment but nothing excluded. Happy for Islands representatives to participate.
13. 2.80	Port Stanley Tel. to FCO	13. 2.80	Councillors confirm support for talks and agree to send representatives.

Date of Paper	Description of Paper	Date sent to PM	ECRETi Subject Matter
22. 2.80	FCS to PM	22. 2.80	PM agrees that Ridley contact Argentina to arrange first meeting after Easter.
27. 6.80	OD memo. by FCS	27. 6.80	Outline options and proposes that we explore whether lease-back is a possible solution.
2. 7.80	OD Minutes	2. 7.80	Ridley authorised to hold confidential, exploratory talks including surrender of sovereignty and leaseback.
			OD then to decide if outcome sufficiently promising for Islanders' views to be sought.
11. 8.80	Buenos Aires Tel 186	12. 8.80	Parkinson (Trade) visit to Argentina - trade issues - positive success.

Date of Paper	Description of Paper	Date sent to PM	ECRET Subject Matter
4.11.80	OD memo, by FCS	4.11.80	Talks showed reasonable prospect of settlement. Change of President in March 1981. Desirable to make them commit themselves on leaseback before this. Seeks agreement to moving towards formal negotiations if Islanders agree.
6.11.80	Cabinet Secretary to PM	6.11.80	Brief covering OD paper - Ridley proposes talks in Buenos Aires before visit to Falklands to ensure 'whole' Junta will negotiate.
6.11.80	D. Wright to No. 10	6.11.80	Whole Junta will negotiate.
7.11.80	OD Minutes	7.11.80	Ridley to visit Falklands to assess support for proposals.
		3	

Acte of Paper	Description of Paper	Date sent to PM	Subject Matter
26.11.80 27.11.80	Port Stanley Tel 180 Port Stanley Tels 182,183	26.11.80) 27.11.80)	Ridley's visit to Falklands, consults councillors and islanders. Response before Christmas from joint council.
2.12.80	Cabinet Secretary to PM	2,12,80	Alarmist Times Headline 26 Nov, on Ridley visit, FCS statement in H/L.
2.12.81	PS to PM	2.12.81	Ridley's statement in House - badly received.
3.12.80	OD Minutes	3.12.80	Ridley report on visit to Falklands. 1. FCS to report further when Islanders' considered reactions to Ridley proposal known. 2. FCS to consider future course of contacts with Argentina. 3. Parliament to be reassured that HMG will support status quo if Islanders so choose. 4. Home Sec/FCS to consider position of non-patrial Islanders under Nationality Bill. 5. FCS/Chancellor Ex. to investigate interest on savings deposits and raising capital for development.

Description of Paper	Date sent to PM	ECRET Subject Matter
Home Sec. to PM	12. 1.81	Falkland Islands under Nationality Bill: no special provision can be made. But favourable consideration if emergency.
OD memo. by FCS	26. 1.81	Councillors agree to further talks to discuss possible <u>free</u> to dispute. Propose talks in February/March with Islanders present.
	c	
Cabinet Secretary to PM	28. 1.81	Brief covering OD(81)2 Argentina protest over stories about immigration to Falklar from St. Helena and UK.
OD Minutes	29. 1.81	1. FCS to arrange early negotiations to include Island reps 2. Home Sec/FCS to consider distinctive citizenship. 3. FCS/Chanc. Ex. to consider improving savings deposits.
	Home Sec. to PM OD memo. by FCS Cabinet Secretary to PM	Home Sec. to PM 12. 1.81 CD memo. by FCS 26. 1.81 Cabinet Secretary to PM 28. 1.81

Date of Paper	Description of Paper	Date sent to PM	SECRET Subject Matter
13.3.81	FCS to PM	13.3.81	Report on Ridley/Argentine talks in New York 23/24 Feb. Freeze rejected. Islanders realise choice is between status quo and cession of sovereignty (leaseback)
4.3.81	FCO to No.10	24.3.81	Message to new President (Viola) from PM.
9.7.81	JIC(81)(N)34	14.7.81	Believe Argentines still wish to achieve objectives by peaceful means. But if they consider no hope of peaceful transfer of sovereignty, possible resort to military action - against shipping or invasion of Islands.
4.9.81	FCS to PM	14.9.81	Island Council elections - probable opposition to sovereignty talks. Argentines impatient - could withdraw air services or fuel. Cannot discount military confrontation.

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Date of Paper	Description of Paper	Date sent to PM	SECRET Subject Matter
24.9.81	Chief Secretary to PM	24.9.81	Proposes warning to Island Council - no money to bail out from economic consequences of confrontation.
24.9.81	Buenos Aires Tel 259	24.9.81	Carrington/Camilion talks New York 23.9.81 - press comment. Argentina wants talks before end of year.
8.10.81	FCO tel to Port Stanley	8.10.81	Request for Councillors views.
24.11.81	FCS to PM	24.11.81	Savings - possible formation of commercial bank. Development capital - no loans possible without HMG guarantee. ECGD and Crown Agents facilities being considered.
2.12.81	FCS to PM	2.12.81	New Legislative council agrees to talks to include their representatives but opposed to 'deal' over sovereignty. Need to provide alternative services if Islands cut off by Argentine action.

Date of Paper	Description of Paper	Date sent to PM	SECRET Subject Matter
15.12.81	FCO tel to Buenos Aires	15.12.81	Argentines postpone talks.
15.12.81	Buenos Aires tel to FCO	15.12.81	Nothing sinister in postponement. Galtieri had been
18.12.81	FCO tel to Buneos Aires	18.12.81	against but was persuaded. Argentina presses for new date for talks in second half
			of January.
18.12.81	FCO to No.10	18.12.81	Suggested message of congratulation from PM to Galtieri. PM decides against.
7.1.82	FCO tel to Buenos Aires	7.1.82	UK offers talks on 22 and 23 Feb. in New York.
15.2.82	FCS to PM	16.2.82	Talks agreed for 26 and 27 Feb. in New York. Tough Argentine document - sole purpose of negotiations to cede sovereignty to Argentines, denies Islanders' wishes. Ambassador in Buenos Aires to be instructed to
			make clear that we can only continue negotiations on clear understanding that our position on sovereignty is not prejudiced. PM comments - & also "Islanders' wishes
			paramount".

Date of Paper	Description of Paper	Date sent to PM	SECRET Subject Matter
28.2.82	Buenos Aires Tels to FCO	1.3.82	Report on talks - cordial but Argentines constrained by rigid brief. Text of joint communique sent to London
1.3.82	Washington tel to FCO	1.3.82	Luce/Enders talks - negotiations hardening. Argentine press talk of military action. Enders asked to cool things down on his visit to Buenos Aires.
2.3.82	Buenos Aires Tel to FCO	2.3.82	Argentine statement on 26/27 talks - reference to using other procedures if early solution not reached.
3.3.82	Wash. Tel to FCO	3.3.82	Enders' talks with Argentines - no impression that drastic action imminent.
3.3.82	Buenos Aires Tel to FCO	3.3.82	Argentine press (La Stensa) comments - if no progress, services to Islands might be cut, relations with UK severed, speculation about direct seizure of Islands between middle and end of year. P M comments

Date of Paper	Description of Paper	Date sent to PM	SECRET Subject Matter
		C	PM comments "We must make contingency plans."
3.82	Buenos Aires tel to FCO	5.3.82	Costa Mendez denies wish to threaten.
FCO tel to Port Stanley	8.3.82	expressing FCS proposes message to Argentines/ disappointment about press reports and seeking assurance that future negotiations will not be pursued against a background threats.	
No.10	No.10 to FCO	8.3.82	Paper which FCS intends to bring to OD might describe contingency planning.

Date of Paper	Description of Paper	Date sent to PM	SECRET Subject Matter
2.3.82	MOD to No.10	15.3.82	Response to PM's question to Defence Secretary about timescale for deployment of ships. Contingency planning in hand.
17.3.82	Port Stanley tel to FCO	17.3.82	Councillors agree to FCS's proposed message to Argentina
		e	
20.3.82	FCO tel to Port Stanley	20.3.82	Endurance to leave for S. Georgia at 0930 on 21 March unless Argentine party has by then left Leith.
21.3.82	Buenos Aires tel to FCO	21.3.82	Agreed we would not exaggerate significance. Party would leave South Georgia today.
		3	

Late of Paper	Description of Paper	Date sent to PM	Subject Matter
22.3.82	Port Stanley tel to FCO	22.3.82	Message from Lord Buxton - talks with Costa Mendez - gained impression that open attack was unlikely but casual landings probable. Buxton urges termination of Davidoff contract. Believes landing carefully planned.
22.3.82	Buenos Aires tel to FCO	22.3.82	Recommends we regularise Davidoff retrospectives.
23,3,82	FCO to Buenos Aires	23.3.82	FCS message to Costa Mendez. Scrap Dealer must leave or will be removed. Urges sensible handling of incident.
24.3.82	FCO to Defence Secretary	24.3.82	* Argentines may withdraw their services to the Islands. Suggests Endurance remains on station.
			*~ * Words deleved and revained under Section 3(4). SAWayland 10 May 2012

Date of Paper	Description of Paper	Date sent to PM	Subject Matter
24.3.82	FCO to PM	24.3.82	Proposed FCS message to Mendez on minimum for continued negotiations. FCS advocate early OD meeting and urgent contingency planning for a sea service.
24.3.82	* ~ *	24.3.82	* ~ *
25.3.82	No.10 to FCO	-	PM agrees to FCS message and sea services.
25.3.82	Buenos Aires tel to FCO	25.3.82	Press reports in Argentina about Endurance having been sent to South Georgia. Costa Mendez speaks of 'gunboat diplomacy."

** Entries deleter and retained under Section 3(4).
OMayland, 10 May 2012

Date of Paper	Description of Paper	Date sent to PM	SECRET Subject Matter
25,3,82	Buenos Aires Tel to FCO	25,3,82	Suggests possible alternatives for action against workmen on S. Georgia.
25.3.82	Port Stanley Tel to FCO	25,3,82	Endurance observes landing craft offloading equipment at Lei Jetty
25.3.82	FCO tel to Washington	25.3.82	Giffard (FCO) briefs US Embassy who undertakes to report our concern to Washington
25.3.82	FCO to No. 10	25.3.82	Details of Davidoff's contract
		ő	

Date of Paper	Description of Paper	Date sent to PM	SECREL Subject Matter
26.3.82	Tel from Endurance	26.3.82	Offloading stores from Baha Paraiso - party now established for long stay
26.3.82	MOD to No. 10	26.3.82	Defence implications of Argentinian action against Falklands, their military options, our scope for military response For a required to delet full-rule military maises lamidle of them with a LPD a LTA
26.3.82	MOD minute to FCS	26.3.82	Le deshages. fights plus ISN - sipply ships - his would report a report of some parties of survey of the destate of the second o
28.3.82	Buenos Aires Tel to FCO	28.3.82	Message from Costa Mendez to FCS. Claims over-reaction by UK over incident at Leith; Argentine workmen should continue their work there. Ambassador comments that Argentines intend no move to resolve the dispute
.8.3.82	Governo F.O.		Appelled et sent unemenning 6. le Tender mersye - white coul observer spry & Repurdensi:

Date of Paper	Description of Paper	Date sent to PM	SECRET Subject Matter
28.3.82	Telecon PM/FCS	-	Discussion on Costa Mendez message
29.3.82	Defence Secretary to PM	29.3.82	SSN Spartan sails covertly to Falklands. Consider possibility of further diversion of vessels from Gibraltar
30.3.82	Hansard Extract	-	FCS statement to Lords about South Georgia
30.3.82	FCS + MOD to PM	30.3.82	Defence Deployments "There is al. present no syn 1 this" (i.e. Mentres deploying to the Teathleads)
30.3.82	FCO tel to Buenos Aires	30,3,82	Response by FCS to Mendez message. Proposesto send personal emissary.
			emissary.

to No. 10 President Reagan	30.3.82	Request that Reagan talks urgently to Galtieri. Possible invasio within 48 hours
o President Reagan		Request that Reagan talks urgently to Galtieri. Possible invasio within 48 hours
	STORES OF THE PARTY OF THE PART	
to AJC	31.3.82	Advice on referring S. Georgia incident to international arbitration
ington Tel to FCO	31.3.82	Haig briefed on intelligence reports of which he was unaware. Enders states Argentine For. Minister assured him no confrontation Haig says he will take action.
	ington Tel to FCO	

Date of Paper	Description of Paper	Date sent to PM	SECRET Subject Matter
31.3.82	JIC(82)(IA)6	31.3.82	Believes Argentina does not wish to be first to adopt military measures
1.4.82	JIC(82)(IA)7	1.4.82	Military preparations under way but no intelligence that Junta has decided to invade. But amphibious task force could attack midday on 2 April.
1.4.82	OD Minutes	1.4.82	OD agrees Endurance to stay. Contingency plans for replacing services to be finalised.
1.4.82	Reagan to PM	1.4.82	Reagan talks to Galtieri. Latter gave clear impression that he will attack

Date of Paper Description of Paper Date sent to PM Subject Matter 1.4.82 Minute from Cabinet Secretary 1.4.82 Intelligence sources unable to produce information in tim UN Security Council	RECEIPT.
UN Security Council	
	me for
2.4.82 JIC(82)(IA)9 2.4.82 Invasion likely within 24 hours	

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2/4

Ref: A09815



SECRET

MR. COLES

Before the Prime Minister appears before the Falkland Islands Review Committee on 25th October, she may like to have an idea of the lines which the questioning has taken in the two sessions at which I have given evidence.

- 2. I went on 11th October with the Intelligence Co-ordinator, the Chairman of the JIC, the Head of the Assessments Staff and the relevant Desk Officer from the Assessments Staff to give evidence on the intelligence aspects of the matter. We now have the verbatim record of the discussion and I attach a copy of it.
- In the intelligence area, they fastened on the gap between the assessment 3. produced in July 1981 and that produced in March 1982. The members of the Committee seemed inclined to think that, if an up-to-date assessment had been produced in the first two months of 1982, or perhaps even early in March, the Ministers in the Departments concerned might have been alerted to straws in the wind - what Lord Franks called "the murmur in the undergrowth" - which suggested that this time might be different from previous times. Captain Tod, the Desk Officer concerned, was able to explain that the need for a new assessment had been constantly under consideration throughout that period - at least once a fortnight. The conclusion had always been that, though some elements in the background had changed, the conclusion had not. They started actively to prepare a new assessment after the New York talks on 26th-27th February 1982, with a view to circulating it before the OD meeting then expected to take place on 16th March. When that meeting was postponed, they continued to work on the assessment but did not circulate it, because they wanted it to be up-to-date when it was circulated in time for the postponed meeting.
- 4. To get the sense of the Committee's questioning, the Prime Minister may like to read through pages 3 to 17 of the transcript, and from page 27, where Lord Franks sets out a position, to page 46.



- 5. I appeared again before the Committee on Tuesday, 19th October, accompanied by Mr. Facer and Mr. Colvin of the Defence and Oversea Secretariat, to answer questions primarily about the role of OD in the matter. The transcript of this session is not yet available.
- 6. The Committee, and particularly Lord Franks, fastened on to the fact that there was no OD discussion on the Falkland Islands between January 1981 and April 1982. He contrasted this with experience in at least one previous episode when there had been a series of meetings on the subject (in fact 1976 and 1977). He asked whether this was a matter of style of the Administration or what other explanation there might be.
- 7. I said that, when the present Administration took office, the Prime Minister and her colleagues had had the feeling that there were too many committees and they met too often: over-reliance on committees was felt to blur Ministerial responsibility and make for "consensus" decision-making. This did not mean that meetings were not held when they were needed; but they were held for the purpose of making specific decisions rather than for general reviews. I could have pointed out, though I did not do so, that OD Committee has met much more frequently under this Government than under either of its two predecessors (the Government's of Mr. Wilson and Mr. Callaghan). But the absence of an OD meeting on the Falkland Islands between January 1981 and April 1982 was not to be explained only or mainly by that. The Foreign and Commonwealth Secretary had, during that period, circulated a series of minutes to his colleagues in OD. For what might be called constitutional and political purposes a minute circulated in that way, to which the Prime Minister and other members of the Committee assented, was no less valid than a paper circulated and decisions taken at a meeting of the Committee. The fact was that throughout that period, though situations developed, there was no major change in Government policy in relation to the Falkland Islands and Argentina.
- 8. In relation to March 1982 the Committee was interested in two things: the fact that Lord Carrington apparently did not report the outcome of the New York talks to members of the Cabinet or OD until his minute of 24th March;



SECRET

and the fact that there was no OD meeting in the early part of March. explained that, after Lord Carrington had said in his minute of 15th February that he expected to want a discussion in OD fairly early in March, we had provisionally scheduled a meeting of OD for 16th March. That meeting would have taken other business as well as the Falkland Islands. In the event neither of the other two items was ready by 16th March; and, when we asked the Foreign Office whether they wished to go ahead with the meeting on 16th March on Falkland Islands alone, we were told that the Foreign and Commonwealth Secretary would not be ready for a discussion by that date. His minute of 24th March, inviting his colleagues to agree the line he should take in a message to the Argentine Foreign Minister, and describing the contingency planning in hand, was technically a valid substitute for a meeting of the Committee, as a means of obtaining the assent of his colleagues, and none of them had registered an objection. But it constituted a significant shift of policy, since it was clear that, if the message to the Argentine Foreign Minister was (as it might well be) unacceptable, the Argentines might proceed to sanctions: for instance the withdrawal of air services to the Falkland Islands.

The Committee was interested in the fact that the Prime Minister had 9. written on Buenos Aires telegram no. 60 of 3rd March 1982: "We must make contingency plans". They asked whether we knew what contingency plans the Prime Minister had in mind. I said that I did not know for sure, but I surmised that her thinking was related to the terms of the telegram which related to reports in the Argentine Press threatening the use of economic sanctions against the Falkland Islands and canvassing arguments for an invasion later in the year. The Committee seemed inclined to think that your suggestion, in your letter of 8th March in which you conveyed the Prime Minister's comment to the Foreign and Commonwealth Office and the Ministry of Defence, that there should be a report on contingency planning in the papers prepared for the forthcoming OD meeting, did not show a sufficient degree of urgency in response to the Prime Minister's comment. I pointed out that at the time you wrote (your letter of 8th March) you would have still been expecting a meeting of OD on 16th March: you were thus calling for a report within a week.

SECRET The Committee was clearly interested in the fact that the Foreign and Commonwealth Secretary did not circulate his minute until 24th March. We said that we thought that the minds of many people had been conditioned by the indications that the threatening noises being made were intended to "make the British sit up and take notice" and that if there were to be economic or military sanctions they were not to be expected until the second half of the year. difference between an OD meeting just before or just after Easter did not seem to be particularly significant in that timescale. The Committee asked about the decision to dispatch a SSN on 29th March, which was apparently taken by the Secretary of State for Defence without reference to Cabinet or OD. I reminded the Committee that the Prime Minister and the Foreign and Commonwealth Secretary were in Brussels on 29th and 30th March, and the Foreign and Commonwealth Secretary went to the Middle East directly thereafter. I thought it possible that the Secretary of State for Defence might have cleared his decision with the Prime Minister on the telephone. 12. The Committee also asked whether diplomatic steps could or should have been taken to make formally clear to the Argentine Government that military action by them would be met by a military response. I said that I thought that the Prime Minister's message of 31st March to President Reagan was a pretty clear indication that we should respond; President Reagan was known to be in touch with President Galtieri, but Idid not of course know whether he had succeeded in conveying the sense of the Prime Minister's message to President Galtieri. Robert Armstrong 21st October 1982 -4-SECRET



FALKLAND ISLANDS REVIEW COMMITTEE

CABINET OFFICE 9253 2 0 OCT 1982 FILING INSTRUCTIONS FILE No.

Old Admiralty Building Whitehall, London, SW1A 2AZ

Telephone 01-273

Chairman: Lord Franks OM GCMG KCB CBE PC Secretary: A R Rawsthorne (01-273 5106)

Copy: Sir & Duff for advice pre.

Sir Robert Armstrong, KCB, CVO, Cabinet Office, Whitehall.

Wednesd bor please

20 October, 1982.

Dear Robert,

I attach a copy of the verbatim record of the discussion you and your colleagues had with the Committee on Monday, 11 October.

If you wish to make any corrections of substance to the record, I should be grateful if you could mark them on the transcript and return it to me as soon as is convenient.

In your letter of 15 October you kindly commented on one point arising out of the discussion, and I have brought this to the Committee's attention. If you wish to amplify any other points that were made in discussion, it would be helpful if you could do so when returning the transcript.

Yours sincerely,

Authory Raweltorne

(A R Rawsthorne)





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10 DOWNING STREET

I om the Private Secretary

SIR ROBERT ARMSTRONG

QUESTIONS BY MR. TAM DALYELL

Thank you for your minute of 21 October. I agree with the amendment you suggest to the Answer proposed by the FCO in John Holmes' letter of 20 October.

I am copying this minute to Mr. Holmes (Foreign and Commonwealth Office).

A J. Wala.

11 October 1982

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Ref. A09821

MR COLES

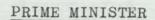
The Foreign and Commonwealth Office have sent me a copy of Mr Holmes's letter of 20th October about the replies to Mr Tam Dalyell's questions.

- 2. I agree with the line proposed by the Foreign and Commonwealth Office. I think that questions of that kind have to be regarded as off limits until the Franks Committee has reported.
- 3. If the draft answer proposed is intended to be a blocking answer I wonder whether it is fully effective as drafted. It might be better if the last sentence were to read: "until the Committee has reported, it would not be appropriate to give answers to such questions".
- 4. I am sending a copy of this minute to Mr Holmes.

ROBERT ARMSTRONG

21st October 1982

CONFIDENTIAL



weller hon

FRANKS COMMITTEE

I spoke to the Secretary again this morning. He told me that the Committee would not consider until Friday what specific questions they wished to put to you. He would be in touch with me again then.

Lord Carrington has sent us a transcript of his evidence. He wants it back when we have finished with it. I have therefore had the attached photocopy made for you, which you are at liberty to mark as you will. Having spoken to Lord Carrington, I think he will be grateful if we protect the fact that he has sent this document to us. I see nothing wrong in his doing so but there is clearly a danger of misinterpretation.

A list of the documents you saw when you saw them is under preparation.

May I suggest that you decide this week who should accompany you to the proceedings. There are, I think, only three candidates: Robin, Robert Armstrong and myself. You may like to discuss.

While, as stated above, I cannot usefully prepare a definitive list of possible questions until Friday, I have compiled the attached provisional list. This is based on further thoughts which the Committee's Secretary put to me this morning, a reading of Lord Carrington's evidence and my own guesses. I am also working on some answers which I should have available shortly.

A.J.C.

20 October 1982

SECRET AND PERSONAL

SECRET AND PERSONAL

POSSIBLE QUESTIONS FOR PRIME MINISTER

- 1. What role did you play in foreign affairs at the time?
- 2. How far did you look to the Foreign Secretary for advice?
- 3. What sort of (a) telegrams; (b) intelligence reports did you expect to see?
- 4. What was the role of your Private Secretaries?
- 5. Why did OD not meet on this subject between January 1981 and March 1982?
- 6. In January/February 1982 how aware were you of developments affecting Argentina and the Falkland Islands?
- 7. When Argentina issued a unilateral statement about the New York Communique, should this not have been read as a warning of possible military action?

SECRET AND PERSONAL

- 8. When you minuted on 3 March: "We must make contingency plans" what did that mean? Did you have military action in mind?
- 9. Why was no report made to Cabinet after the New York talks?
- 10. A minute by Lord Carrington of 15 February to you said that Argentina was adopting a tougher stance towards the negotiations. Nothing seems to have been done about this observation. Why?
- 11. When were you first aware that Argentina might be contemplating military activities?
- 12. Were you personally involved in the orders given to "ENDURANCE" to sail?



Foreign and Commonwealth Office

London SW1A 2AH

20 October 1982

Dear John,

Falkland Islands: Lord Franks' Enquiry

Mr Tam Dalyell MP has put down four Parliamentary Questions for written answer, all of which ask for information relating to events in the period prior to the Argentine invasion of the Falklands. I enclose copies.

Our view is that to answer such questions in the normal way would preempt the work of the Franks Committee. If we do not take this line, there could be a flood of further questions covering matters which are strictly within Lord Franks' terms of reference. We therefore propose to give a blanket reply to all four questions, which would then serve as a precedent for future similar questions, on the following lines:

'The issues raised fall within the terms of reference of the Review being conducted by the Committee of Privy Councillors, chaired by Lord Franks, on the events leading up to the Argentine invasion on 2 April. Until the Committee has reported, it would not be appropriate to give an answer to these questions.'

Since Mr Dalyell and others may resent a reply suggesting that Parliament must take a back seat while a Committee of Privy Councillors conducts its work, the Prime Minister may wish to be aware of the line we are taking.

I am copying this letter to Richard Hatfield (Cabinet Office).

Jun eve John Holmes

Private Secretary

A J Coles Esq 10 Downing Street Mr Tam Dalyell (West Lothian): To ask the Secretary of State for Defence, whether any indications were made to the Argentine Government through the senior United States Government officials that the United Kingdom wished to continue to discuss a negotiated settlement on the Falkland Islands, immediately prior to invasion; and whether any such communication was made on Monday 1st March.

- Mr Tam Dalyell (West Lothian): To ask the Secretary of State for Foreign and Commonwealth Affairs, what were the contents of the letter sent by Mr Costa Mendez, Foreign Minister of Argentina, to the then Foreign Secretary on 2 March; and what reply was sent.
 - Mr Tam Dalyell (West Lothian): To ask the Secretary of State for Foreign and Commonwealth Affairs, whether at any time during the exchanges between Argentina and Her Majesty's Government on the Falklands, Ministers informed Argentina that the consequence of invasion would be retaliation by armed force; and, if so, in what terms such a warning was given.
 - Mr Tam Dalyell (West Lothian): To ask the Secretary of State for Foreign and Commonwealth Affairs, whether during March the United Kingdom Government asked the United States Government for the assistance in settling the dispute with Argentina on South Georgia; and, if so, on what date such a request was made.

WSG 9th Meeting

FALKLAND ISLANDS REVIEW:

MEETING OF WHITEHALL SUPPORT GROUP (WSG) WEDNESDAY 13 OCTOBER 1982 AT 10.00 am

Af.C. 14

PRESENT:

Mr D H Colvin

- Cabinet Office (In the Chair)

Mr P McIntyre

- HM Treasury

Mr P R Fearn

- Foreign and Commonwealth Office

Mr R Jackling

- Ministry of Defence

Mr T W Savage

- JIC

ITEM 1: LATEST DEVELOPMENTS

There was a discussion of the progress of the oral evidence being taken by the Review Committee.

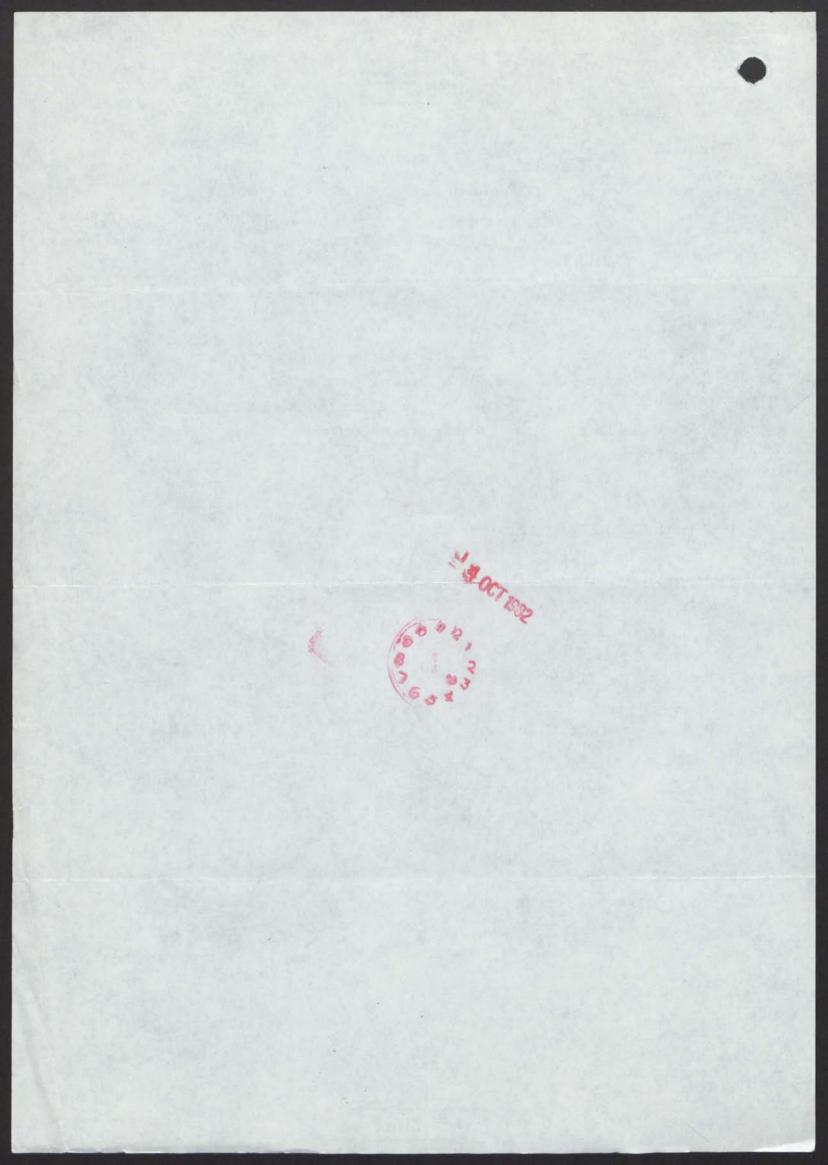
ITEM 2: DATE OF NEXT MEETING

10.00 am on Wednesday 20 October.

Cabinet Office

13 October 1982

SECRET



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PRIME MINISTER

CONFIDENTIAL Service

Franks Committee

I attach all the papers relevant to your evidence to the Franks Committee.

Procedure

I asked the Secretary of the Committee today whether he wished to provide any guidance on procedure beyond the attached notes. He said that if you wished to make an opening statement, the Committee will be glad to hear this. But you are not necessarily expected to make a statement. In any case, it is desirable that it should not be too long since the Committee will wish to get down to their own questions (I received the impression that one or two people who have given evidence so far have rather irritated the Committee by making over-long opening statements). Unless you particularly wish to get certain points across at the beginning, you may think it better to let the Committee ask their questions straightaway.

The Committee has not adopted the practice of issuing lists of questions in advance. But the Secretary said that he may be able to indicate later on (a few days before you give evidence) the areas which they will wish to discuss with you.

You will need to decide whether to take anyone with you.

The Committee will have no objection if you take one or two
members of your staff. Mr. Nott, for example, took two officials
- but those who accompany you would not of course intervene.

Before preparing speaking notes for your use, I think it would be best to wait until the Secretary lets me know the likely areas for discussion. But from my talk with him, and having looked through the papers again, I deduce that the following questions may be among those asked:

/ Why

CONFIDENTIAL

- 2 -

Why did OD not discuss the Falklands between January 1981 and the end of March 1982?

Part of the answer, at least, is that OD received several reports in writing from the Foreign Secretary during that period (I have noted at least 5) and that new policy decisions were not required because the situation had not changed.

When Argentina in effect rejected the Communiqué agreed in New York at the end of February, should this not have been read as a warning of possible military action?

Part of the answer is that we received other indications, e.g. from US sources, that military action was not contemplated.

Incidentally, I think I have heard you say that Argentina refused to publish the joint Communique. This is not strictly true. They published it but accompanied it with a unilateral statement which took away a lot of its force and also gave heavy briefing to the press in Buenos Aires which was contrary to the spirit of the joint Communique.

When you minuted on 3 March that "we must make contingency plans" what did you mean? Did you have in mind plans to deal with a severance by Argentina of services for the Falklands (communications, fuel, teachers etc) or plans to deal with possible military action?

Later papers show that you did indeed have in mind military action. For example you asked the Defence Secretary on the evening of 8 March how quickly our own ships could be deployed to the Falklands.

/ Why

CONFIDENTIAL - 3 -Why, when several OD papers in 1980, warned that if the Falklands issue was not resolved Argentina might take military action, was there no discussion in OD of how to cope with this possible military threat? I do not suggest that you need spend time on these questions now. We can wait for a further indication from the Secretary of the Committee of the areas to be covered. Incidentally, I made it very plain to him that I was in no sense pressing to know what questions were going to be asked. He told me that with a number of witnesses likely areas of questioning had been indicated in advance. A. J. C. 6 October 1982 CONFIDENTIAL

FALKLAND ISLANDS REVIEW COMMITTEE Notes of guidance for those giving oral evidence The Committee's interviews will be held in Room 1/99, Old Admiralty Building, Whitehall, SW1. The main entrance is in The Mall at the side of Admiralty Arch. The interviews will be held in private. 2. The Committee's proceedings are confidential, and those giving evidence are asked not to disclose the content of their interviews. They will be recorded verbatim, and a copy of the transcript will be sent to each witness for perusal and return. It will be open to any witness at this stage to amplify or amend in writing points made in his oral evidence. In its report the Committee will not comment adversely on the performance or judgment of an individual without having given him in advance specific details of the proposed criticism and an opportunity to rebut it before the Committee. Questions about the arrangements for taking oral evidence may be addressed to the Secretariat (Mr A R Rawsthorne, telephone number 01-273 5106, or Mr P G Moulson. telephone number 01-273 4569). The Committee's terms of reference, which were announced by the Prime Minister on 6 July 1982, are set out overleaf. The decision to set up a Falkland Islands Review was debated and approved by the House of Commons on 8 July. September 1982

WSG 8th Meeting

FALKLAND ISLANDS REVIEW:

MEETING OF WHITEHALL SUPPORT GROUP (WSG) WEDNESDAY 6 OCTOBER 1982 AT 9.45 am

A. J. C. 6.

PRESENT:

Mr D H Colvin

Mr P McIntyre

Mr P R Fearn

Mr R Jackling

Mr T W Savage

- Cabinet Office (In the Chair)

- HM Treasury

- Foreign and Commonwealth Office

- Ministry of Defence

- JIC

ITEM 1: LATEST DEVELOPMENTS

There was a discussion of the progress of the oral evidence being taken by the Review Committee. The Foreign and Commonwealth Office team who saw the Committee on 5 October will complete their evidence at a further session on 25 October.

ITEM 2: DATE OF NEXT MEETING
10.00 am on Wednesday 13 October.

Cabinet Office 6 October 1982

SECRET



10 DOWNING STREET

PRIME MINISTER

Franks Committee

We shall be letting you have at the weekend copies of all papers relevant to your evidence to the Franks Committee.

But is there any more help that we can give? I should be happy to prepare summaries of the most important facts - or anything else you think you may need.

Thereason AJ.C.

4 October 1982

Mr Bother FERB 10 DOWNING STREET From the Press Secretary 4 October 1982 Lin M. Mun. Attached please find my response to your request for written evidence on the role of the Press Office at 10 Downing Street during the Falkland Islands conflict. I am sorry I am a few days late, but as you know I have been away for the past fortnight on the Prime Minister's tour of the Far East. You will no doubt let me know if you wish to pursue any other matters in oral evidence. B. INGHAM Douglas Millar, Esq., Clerk to the Defence Committee, House of Commons.

HOUSE OF COMMONS DEFENCE COMMITTEE THE HANDLING OF PRESS AND PUBLIC INFORMATION DURING THE FALKLANDS CONFLICT WRITTEN EVIDENCE FROM THE CHIEF PRESS SECRETARY, NO 10 DOWNING STREET The Government's objective during the crisis can be simply stated: to recover the Falkland Islands and the Dependencies by negotiation, if possible, but if necessary by force of arms, making every effort to minimise the loss of life. This overall objective, and the recognition from the outset that the use of force might become necessary, set the broad policy framework within which information staff conducted their operations on behalf of Ministers. Information officers, as servants of policy, sought to help secure the Government's objectives while at the same time preserving their integrity and longer-term effectiveness. The task of informing the media and, through them the public, of developments in policy, measures and operations rests primarily with the responsible Department. Only that Department is equipped by background, expertise, flow of information and resources properly and fully to inform the media and public, taking account of all the circumstances. The responsibility cannot be delegated to or assumed by another Department or by the Prime Minister's Press Office. But No 10 Press Office can and does assist individual Departments to get over their message. It did so during the Falklands crisis on the basis of information supplied by the lead Department which also provided guidance on its presentation. In this case the two main sources of information and guidance were the FCO and MoD. One of the tasks of the Chief Press Secretary to the Prime Minister is to co-ordinate at official level the presentation of Government policy and measures. In doing so he seeks to ensure that Departments are aware of wider considerations and events in making announcements or conducting information exercises.

- 2 -During the Falklands crisis the main instrument of co-ordination was a daily meeting lasting some 30 minutes generally attended by representatives of the FCO, MoD, COI, Cabinet Office and the office of the Chancellor of the Duchy of Lancaster and Paymaster General under the chairmanship of the Chief Press Secretary or his deputy, The purpose of the meetings was to take stock of developments and their implications for the public; to bring the Departments and Offices up-to-date with events; to anticipate, in so far as this was possible, events over the next 24 hours; and to agree on or make recommendations about the action required. In addition, No 10 Press Office maintained hour by hour contact with those of Departments to keep abreast of events and developments and to secure guidance on the information to be disclosed and its presentation. Where possible, a No 10 Press Office representative attended Departmental press conferences or briefings. The Chief Press Secretary and his staff brief a large number of journalists, both British and foreign, in the course of the normal day, both individually and in groups. The demand for group briefings greatly increased - and was met - during the crisis. The prime sources of information presented in such briefings were the policy Departments predominantly FCO and MoD. No 10 Press Office did not take the lead in making announcements about the progress of hostilities or losses and casualties. After the decision to dispatch the Task Force the Chief Press Secretary came under heavy direct pressure from editors (who believed they would not be represented on board) to make more media places available. He urged MoD Public Relations staff to: increase the small number of media places initially set aside; and accredit to the Task Force a media team representative of press, radio and television.

- 3 -

The MoD responded by increasing the number of places on offer. But it remained clear that, because of the constraints on the number of media berths available, the heavy demand for places and the marked reluctance of individual newspaper groups (as distinct from BBC/ITN) to contemplate pooling even within their group, MoD was never going to be able to satisfy everyone.

81.

CHIEF PRESS SECRETARY 10 Downing Street.

FALKLAND ISLANDS REVIEW COMMITTEE

Note of an oral evidence session held in Room 1/99 Old Admiralty Building, London SW1 on Monday 4 October 1982

Do 26:

PRESENT

Lord Franks - Chairman Lord Barber Lord Lever of Manchester Sir Patrick Nairne Mr Merlyn Rees MP Lord Watkinson

Mr A R Rawsthorne)
Mr P G Moulson) - Secretariat

Witnesses

The Rt Hon John Nott Mr N H Nicholls Mr R T Jackling Hend of DSII

Removed Arm this File. A'copy will be found in CAB 259.

Mayland 10 May 2012

Note taken by MPO Reporter

SECRET FALKLAND ISLANDS REVIEW COMMITTEE Note of an oral evidence session held in Room 1/99 Old Admiralty Building, London SW1 on Wednesday 29 September 1982 PRESENT - Chairman Lord Franks Lord Barber Lord Lever of Manchester Sir Patrick Nairne Mr Merlyn Rees MP Lord Watkinson Mr A R Rawsthorne) - Secretariat Mr P G Moulson Witness Lord Carrington Removed from this File. A copy will be found in CAB 259. Mayland 10 May 202 Note taken by MPO Reporter SECRET

CONFIDENTIAL

Argentina;

WSG 7th Meeting

FALKLAND ISLANDS REVIEW:

MEETING OF WHITEHALL SUPPORT GROUP (WSG) WEDNESDAY 29 SPETEMBER 1982 AT 10.00 am

1000 70 -a

PRESENT:

Mr D H Colvin

Mr P McIntyre

Mr P R Fearn

Mr D Wilson

Mr T W Savage

- Cabinet Office (In the Chair)

- HM Treasury

- Foreign and Commonwealth Office

- Ministry of Defence

- JIC

ITEM 1: COLLECTION OF BASIC MATERIAL

No Departments had yet received the request from Lord Franks for an assurance in writing that all relevant papers had been rendered to the Committee in accordance with the Prime Minister's instructions.

Other points as follows:

a) Ministry of Defence

COS records from 1974 to 1979 sent to the Committee; certain Cincfleet papers likely to be sent today.

b) Foreign and Commonwealth Office

A lengthy list of files on Anglo-Argentine relations from 1980 sent to the Committee, with the comment that none were likely to be relevant but the Committee should be aware of their existence.

ITEM 2: LATEST DEVELOPMENTS

Mr Savage said that two papers (on the so-called 'assessment gap' and on intelligence priorities) were being prepared for internal use.

There was a discussion of the internal examination of their files carried out by the Foreign and Commonwealth Office and the Cabinet Office.

CONFIDENTIAL



ITEM 3: ARRANGEMENTS FOR ORAL EVIDENCE

The following additions to the schedule in the minutes of WSG 6th Meeting were noted:

29 September am Mr Nicholas Ridley

5 October pm Foreign and Commonwealth Office (Sir Antony Acland, Mr Ure, Mr Day, Mr Fearn).

19 October am Col Love (former DA Buenos Aires)
Cdr Mitchell (former NA Buenos Aires)
Capt Barker (former Captain of HMS Endurance).

It was also noted that the Civil Commissioner (Mr Rex Hunt) and the former British Ambassador to Buenos Aires (Mr Anthony Williams) would attend the Review Committee unaccompanied; and that Mr Terry Peck, A Falkland Islands Councillor, had asked to be seen by the Committee.

The Chairman asked for copies of transcripts of evidence.

ITEM 4: DATE OF NEXT MEETING

0945 on Wednesday 6 October.

Cabinet Office
29 September 1982

cc: Mr. Coles Prime Minorter Mr. Scholar lan inclined to think that X/17 MR. BUTLER to right course. Mr. Scholar Agree?

Michael Scholar was in touch with the Secretariat of the Falkland Islands Review in your absence and had agreed with them that the Prime Minister should give evidence on 25 October at 1430 hours. The venue however was not decided and Tony Rawsthorne rang me yesterday to say that the Committee themselves thought that there might be advantage for the Prime Minister to be seen to be treated as other witnesses and to give evidence at the Old Admiralty Building.

I took this on board and said that we would be consulting the Prime Minister in the near future. I did not however gain the impression that this was a matter of great moment as far as the Committee was concerned.

29 September 1982

Mr Flesher accordingly

Mr. Scholar

Thurke, I have Mr Buther

arka HapM 5

Annithorne spoke several times to

MR. BUTLER

MR. BUTLER

MR. PM wishes, The CHE will do whatever

MR. PM wishes, MG 21/7

Michael Scholar was in touch with the Secretariat of the Falkland Islands Review in your absence and had agreed with them that the Prime Minister should give evidence on 25 October at 1430 hours. The venue however was not decided and Tony Rawsthorne rang me yesterday to say that the Committee themselves thought that there might be advantage for the Prime Minister to be seen to be treated as other witnesses and to give evidence at the Old Admiralty Building.

I took this on board and said that we would be consulting the Prime Minister in the near future. I did not however gain the impression that this was a matter of great moment as far as the Committee was concerned.

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WSG 3th Meeting

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FALKLAND ISLANDS REVIEW:

MEETING OF WHITEHALL SUPPORT GROUP (WSG) TUESDAY 21 SEPTEMBER 1982 AT 11.00 am 22/1

PRESENT:

Mr D H Colvin

- Cabinet Office (In the Chair)

Mr P McIntyre

- HM Treasury

Mr C Bright

- Foreign and Commonwealth Office

Mr D Wilson

- Ministry of Defence

Mr T W Savage

- JIC

ITEM 1: COLLECTION OF BASIC MATERIAL

The Chairman drew attention to the letter from Mr Rawsthorne to Departments (for the Cabinet Office, of 6 September to Sir Robert Armstrong), asking Departments to carry out a final check of their archives to make sure that nothing relevant had been overlooked. The letter also foreshadowed a letter from Lord Franks to Permanent Secretaries seeking an assurance in writing that all relevant papers had been rendered to the Committee in accordance with the Prime Minister's instructions.

In a tour de table, the following points were made:

a) Ministry of Defence

Further material had been unearthed and was being sent to the Committee. It included certain military advice about the Falklands (CINCFLEET, Director of Naval Plans), material from DI4 files (mainly concerning HMS Endurance off South Georgia in March 1982) and Chief of Staff records. (It seems that the last formal COS discussion of the Falkland Islands was in 1978).

b) HM Treasury

A few additional papers had been discovered of no particular interest.

c) JIC

Papers on current priorities (1980 to 1982) and South America guidelines (October 1981) were being sent to the Committee. Expost facto material (with a cut-off date of 25 August 1982) was being prepared by the intelligence agencies and would be sent soon.

d) Foreign and Commonwealth Office

Certain additional material, of no particular interest, was likely to be sent shortly.

e) Cabinet Office

A final check of the files was being made. Mr Rawsthorne had given notice that he intended to examine the files personally to see what they contained.

All agreed that replies to Lord Franks' written assurance that all relevant papers had been rendered to the Committee would inevitably need to be qualified by a "best endeavours" phrase of some kind. It was impossible to be categorical in cases of this kind.

ITEM 2: LATEST DEVELOPMENTS

The Chairman gave a short account of the meeting of the Falkland Islands Review Committee on 16 September at which Sir Robert Armstrong, Sir Antony Duff, Mr Patrick Wright and he himself had been present.

ITEM 3: ARRANGEMENTS FOR ORAL EVIDENCE

The Chairman said that it would be useful to maintain an up-to-date consolidated list of the Committee's plans for taking oral evidence. The present picture was as follows:

- 28 September 1100 Mr Rex Hunt, Civil Commissioner of the Falkland Islands.
 (He will be asked if he wishes to be accompanied and if he does, Sir Antony Acland will probably attend).
- 29 September 1545 Mr Anthony Williams, former British Ambassador to Buenos Aires. (Same procedure for accompaniment as Civil Commissioner).

4 October am Mr John Nott, Secretary of State for Defence.

pm Sir Frank Cooper and Chief of Defence Staff (Admiral Lewin).

11 October 1045 SIS

12 noon GCHQ

pm Sir Robert Armstrong and JIC team (Sir A Duff, Mr Patrick

Wright and Mr Robin O'Neill).

14 October Sir Harold Wilson

Sir Michael Palliser (being arranged through the Consul-General

in Boston).

1430 Falkland Islands Councillors (Messrs Blake and Cheke).

15 October pm Ministry of Defence (Sir Frank Cooper, CDS, CNS, CAS and DGI).

19 October 1530 Sir Robert Armstrong on OD Secretariat matters. To be

decided whether he will be accompanied.

It was not known when the Committee would see Lord Carrington, Mr Ridley,
Mr Atkins and Mr Luce. Others likely to be called include Mr James Callaghan,
Captain Barker of HMS Endurance, the former Naval and Military attaches in
HM Embassy, Buenos Aires and Admiral Fieldhouse. Lord Buxton and Mr Tam Dalyell
were also mentioned.

The Chairman asked WSG members to keep him informed of any changes or additions to this list.

ITEM 4: DATE OF NEXT MEETING

1000 on Wednesday 29 September.

Cabinet Office

22 September 1982

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SECRET

2 Mr Better OfR M22/2. I think they sho come here , don't you? FALKLAND ISLANDS REVIEW COMMITTEE Old Admiralty Building Whitehall, London, SW1A 2AZ Mis 20/9 Telephone 01-273 5106 Mr. Scholar Overtaken by Your subsequent minute Chairman: Lord Franks OM GCMG KCB CBE PC Secretary: A R Rawsthorne (01-273 5106) M C Scholar Esq 10 Downing Street London SW1 17 September 1982 Dear Scholar, Coles wrote to Lord Franks on 35 September about the Prime Minister's appearance before the Committee. We had a word yesterday about the time and agreed on the afternoon of Monday 25 October at 2.30 pm.

As regards the venue, the Committee is holding all its other interviews in its offices here, and if it would assist the Prime Minister's timetable, it could easily put back the start of the session, say to 2.45 pm, and ensure that she got away in good time for her next appointment. If, however, the Prime Minister preferred the Committee to come to No 10, I have little doubt that they would be prepared to do so. There would be the six members of the Committee, two members of the Secretariat and shorthand writers. Perhaps we could have a further word about this at the beginning of the week after next when I have had a chance to consult the Committee.

Your sincerety, A.R. Rawelliorne

Agenting: Falkleind 18 Review Pt. 2. M. Scholar the temporal is sull

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10 DOWNING STREET

From the Private Secretary

MR. HATFIELD CABINET OFFICE

I enclose a copy of a letter I have received from Sir Harold Wilson, in which he asks us to make available the usual facilities so that he can study papers relating to his Prime Ministership before he appears before the Franks Inquiry Committee.

I would be grateful if you could let me have a draft reply to send to Sir Harold, if possible by 22 September.

M. C. SCHOLAR

17 September 1982

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John West R

CABINET OFFICE

With the compliments of Sir Robert Armstrong KCB, CVO Secretary of the Cabinet

A.J. Coles, Esq

70 Whitehall, London SW1A 2AS Telephone: 01-233 8319 PERSONAL AND CONFIDENTIAL



CABINET OFFICE

70 Whitehall, London swia 2As Telephone 01-233 8319

From the Secretary of the Cabinet: Sir Robert Armstrong KCB, CVO

Ar so.

Duty Clerker - to note. Mr. Coke and lonly should see these papers

Ref: A09515

16th September 1982 FRE

Falkland Islands Review

I should like, if I may, to remind you, and to ask you to remind others concerned, of the importance of maintaining absolute discretion about the activities and deliberations of the Franks Committee. The Committee itself is extremely anxious that there should not be speculation in the Press about its progress or the lines on which it may be thinking, and I suggest that these are matters which none of us should discuss outside the circle of those immediately concerned.

By the same token, I think that all documents emerging from the Committee -especially any transcripts of evidence - should be regarded as strictly personal to those to whom they are addressed, should not be given any kind of circulation, and should be shown only to those with a real and strictly defined need to know.

I am sending copies of this letter to Frank Cooper, Brian Tovey and 'C'; and for information to John Coles at No. 10 Downing Street.

ROBERT ARMSTRONG

Sir Antony Acland, KCMG, KCVO

CABINET OFFICE 70 WHITEHALL LONDON SWIA 2/AS SECRET XXXXXXXXX 01-233-5838 N 03127 16 September 1982 P R Fearn Esq SAMD FCO Whitehall LONDON SW1 ~ Robin FALKLAND ISLANDS REVIEW COMMITTEE (FIRC) 1. The Whitehall Support Group last met on 28 July when we agreed to fix the date of the next meeting in the light of events. 2. The Falkland Islands Review Committee has spent August and the first weeks of September digesting material from Departments. But they are now turning their minds to the second phase of the operation, that of taking oral evidence. In the light of this and other developments, it might be sensible for the WSG to meet again soon to trade information and ensure that everyone is aware of the latest developments. I therefore propose 11.00 am on Tuesday 21 September; and unless they hear to the contrary, WSG members should regard this as a firm appointment. 3. A final point. The FIRC appear to have decided that they will not need to call for oral evidence from HM Treasury, Home Office and the Departments of Trade and Energy. While therefore we would be delighted to see Paul McIntyre, John Addison, Hal Owen and Penny Boys (or Mary Dickson) at future meetings, I would understand it if they found better ways of spending their time. D H COLVIN cc WSG members

Argentina, Falkland Iolandi Persen.

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10 DOWNING STREET

From the Private Secretary

15 September 1982

The Prime Minister, who leaves for a visit to the Far East tomorrow, has asked me to thank you for your letter of 14 September.

Mrs Thatcher would indeed be prepared to appear before the Falkland Islands Review Committee. With regard to your suggestion of Friday 22 October, the Prime Minister, in view of her other engagements that day, would find it more convenient to appear before the Committee either from 9 o'clock to 10.30 a.m. or from 4 o'clock to 6 o'clock. Unfortunately, the Prime Minister has a longstanding engagement to receive an important delegation from overseas in the later half of the morning and also has a longstanding engagement in her constituency at lunchtime. If neither of the times I have suggested is convenient to the Committee, I am sure that the Prime Minister would be prepared to consider alternatives.

A. J. COLES

The Rt. Hon. The Lord Franks, O.M., G.C.M.G., K.C.B., C.B.E.

5.

10 DOWNING STREET 15 September 1982 From the Press Secretary Jen Neville DEFENCE COMMITTEE You will be aware that the Defence Committee has invited me to give Written and Oral evidence on the handling of the media during the Falklands crisis. The letter at Annex I from the Secretary sets out their areas of interest. The attached paper has been prepared in the light of Millar's letter and my reading of the Written and Oral evidence to date (which, among other things, fills me with despair about the quality of contemporary journalism). I have deliberately sought to present a largely factual account of No 10's role. But I have thought it right to preface that account with a brief but firm reference to the Government's policy objectives which conditioned and set the tone for the Information operation, I am sure you will agree that it is right to put the onus on Departments - as a matter of fact and necessity and not out of any wish on my part to duck responsibility. I have of course come clean about the Departments/Offices represented on our co-ordinating group, There is I fear no way of ducking the problem of co-ordination created by Sir Frank Cooper's oral evidence. The fact is my responsibility was and is to co-ordinate presentation at official level, and that is what I - and no doubt you - thought I was trying to do. I hope however that my catalogue of our purposes as a co-ordinating group will help to clarify and possibly defuse what I think is an argument over semantics. I hope that Ian McDonald will accept my account of editorial pressure for Task Force places is a fair and accurate one,

DEFT EVIDENCE - NO 10 PRESS OFFICE TO DEFENCE COMMITTEE

The Government's objective during the crisis can be simply stated: to recover the Falkland Islands and the Dependencies by negotiation, if possible; but if necessary by force of arms, making every effort to minimise the loss of life.

This overall objective, and the recognition from the outset that the use of force might eventually become necessary, set the broad policy framework within which the Government Information Service (GIS) conducted its operations on behalf of Ministers.

The GIS, as a servant of policy, sought to help secure the Government's objectives in such a way as to preserve its integrity and longer-term effectiveness.

The task of informing the media and, through them the public, of developments in policy, measures and operations rests primarily with the responsible Department. Only that Department is equipped by background, expertise, flow of information and resources properly and fully to inform the media and public, taking account of all the circumstances.

The responsibility cannot be delegated to or assumed by another Department or by the Prime Minister's Press Office. But No 10 Press Office can and does assist individual Departments to get over their message. It did so during the Falklands crisis on the basis of information, and guidance on its presentation, supplied by the lead Department. In this case the two main sources of information were the FCO and MoD.

One of the tasks of the Chief Press Secretary to the Prime Minister is to co-ordinate at official level the presentation of Government policy and measures. In doing so he seeks to ensure that Departments are aware of wider considerations and events in making announcements or conducting information exercises.

During the Falklands crisis the main instrument of co-ordination was a daily meeting lasting some 30 minutes of representatives of the FCO, MoD, COI and Cabinet Office under the chairmanship of the Chief Press Secretary or his deputy. The purpose of the meetings was to take

- 2 stock of the campaign and its public presentation; to bring the Departments and Offices up-to-date with events; to anticipate, in so far as this was possible, events over the next 24 hours; to try to ensure that the Government spoke with one voice; and to agree on or make recommendations about the action required. In addition. No 10 Press Office maintained hour by hour contact with those of Departments to keep abreast of events and developments and to secure guidance on the information to be disclosed and its presentation, Where possible, a No 10 Press Office representative attended Departmental press conferences or briefings. The Chief Press Secretary and his staff brief a large number of journalists, both British and foreign, in the course of the normal day, both individually and in groups. The demand for group briefings greatly increased their frequency during the crisis. The prime sources of information presented and deployed in such briefings were the policy Departments - predominantly FCO and MoD, No 10 Press Office did not take the lead in making announcements about the progress of hostilities or the number of casualties whether at Bluff Cove or in any other operation. After the decision to dispatch the Task Force the Chief Press Secretary came under heavy direct pressure from editors who believed they would not be represented on board to make more media places available, He urged MoD's Public Relations Division to: increase the small number of media places initially set aside; and to accredit to the Task Force a media team representative of press, radio and television. The Chief Press Secretary also formed two views at this stage; the constraints on the number of media berths likely to be available, the heavy demand for places and the marked reluctance of individual newspaper groups (as distinct from BBC/ITN) to contemplate pooling even within their group presented MoD's PR Division with a thankless task; and that the GIS would do well to win friends during this campaign; it was likely to have to draw heavily on its capital. B. INGHAM 15 September 1982



COMMITTEE OFFICE
HOUSE OF COMMONS
LONDON SWIA OAA
01-219 3280/81 (Direct Line)
01-219 3000 (Switchboard)

DEFENCE COMMITTEE

2 August 1982

Dea Whitmore,

In my letter of 29 July, I promised to give you further information about the Committee's interest in the role of the Press Office at 10 Downing Street during the Falkland Islands conflict.

In evidence the Committee have heard that the Chief Press Secretary gave briefings on the conflict to journalists; and also held meetings with Press Offices from other departments. In particular the Committee wish to know: (a) what role was played by the Chief Press Secretary in coordinating the Government information on the Falklands. The Ministry of Defence Memorandum indicates that, "During the Falkland Islands crisis the information effort was coordinated by the No. 10 Press Office"; and (b) what arrangements were made for liaison with departmental press officers, especially from the Ministry of Defence.

Two specific instances of the involvement of the Prime Minister's Press Office have been mentioned in evidence, on which the Committee would like the comments of the Chief Press Secretary. First, it has been mentioned that it was only after representations have been made to No. 10 that the number of journalists to be taken with the Task Force was enlarged. Second, it has been said that the first announcement of the number of casualties suffered at Bluff Cove came from No. 10 Downing Street.

The Committee will be examining further submissions made to them and the oral evidence given in due course and should any further matters come to light where the role of the Prime Minister's

Press Office is at issue, I will let you know in advance of Mr. Ingham's attendance before the Committee.

your sweether Do-plan Dilla

Douglas Millar Clerk to the Committee

Clive Whitmore Esq., Principal Private Secretary, Prime Minister's Office, 10 Downing Street, LONDON SW1.

Aretro FALKLAND ISLANDS REVIEW COMMITTEE Old Admiralty Building Whitehall, London, SW1A 2AZ Telephone 01-273 5106 Chairman: Lord Franks OM GCMG KCB CBE PC Secretary: A R Rawsthorne (01-273 5106) The Rt Hon Margaret Thatcher MP 10 Downing Street London 14 September 1982 SW1 Dear Prine Minister. The Committee is now preparing its programme of oral evidence, and I am writing to ask whether you would be prepared to appear before it. We have provisionally set aside the morning of Friday 22 October, starting at 11.00 am, but if this is difficult for you we shall of course find a more convenient time. In accordance with its terms of reference, the Committee's main focus of attention is on events leading up to the invasion, for which the accession of General Galtieri on 22 December 1981 provides a convenient starting point. This is the period to which the Committee is likely to devote much of the discussion, but it does not wish to limit in any way the points that you may wish to make without on this can be the reliable to the control of the discussion. may wish to make, either on this or on the earlier period. I attach a copy of some notes for guidance which the Committee has prepared for those giving oral evidence. Jones Suicerely Franks (Franks)

FALKLAND ISLANDS REVIEW COMMITTEE Notes of guidance for those giving oral evidence The Committee's interviews will be held in Room 1/99, Old Admiralty Building, Whitehall, SW1. The main entrance is in The Mall at the side of Admiralty Arch. 2. The interviews will be held in private. The Committee's proceedings are confidential, and those giving evidence are asked not to disclose the content of their interviews. They will be recorded verbatim, and a copy of the transcript will be sent to each witness for perusal and return. It will be open to any witness at this stage to amplify or amend in writing points made in his oral evidence. In its report the Committee will not comment adversely on the performance or judgment of an individual without having given him in advance specific details of the proposed criticism and an opportunity to rebut it before the Committee. Questions about the arrangements for taking oral evidence may be addressed to the Secretariat (Mr A R Rawsthorne, telephone number 01-273 5106, or Mr P G Moulson, telephone number 01-273 4569). The Committee's terms of reference, which were 7. announced by the Prime Minister on 6 July 1982, are set out overleaf. The decision to set up a Falkland Islands Review was debated and approved by the House of Commons on 8 July. September 1982

FALKLAND ISLANDS REVIEW COMMITTEE

Terms of reference

To review the way in which the responsibilities of Government in relation to the Falkland Islands and their dependencies were discharged in the period leading up to the Argentine invasion of the Falkland Islands on 2 April 1982, taking account of all such factors in previous years as are relevant; and to report.





Mittatteld FALKLAND ISLANDS REVIEW COMMITTEE

> Old Admiralty Building Whitehall, London, SW1A 2AZ

> > Telephone 01-273 5106

Chairman: Lord Franks OM GCMG KCB CBE PC Secretary: A R Rawsthorne (01-273 5106)

D H Colvin Esq Cabinet Office 70 Whitehall London SW1A 2AS



14 September 1982

Dear Dant File

This is just to confirm that the Committee does not intend at this stage to ask for oral evidence from the Treasury, Department of Trade, Home Office or Department of Energy. It will be content to rely on their written submissions, unless anything arises in the course of the oral evidence on which it appears to the Committee that it would be helpful to question witnesses from one or more of these departments. I have told them this.

The Chairman will be writing, probably today, to Sir Robert Armstrong, Sir Antony Acland and Sir Frank Cooper inviting the Cabinet Office, the FCO (and the agencies) and the MOD to give oral evidence.

(A R Rawsthorne)

From the Rt Hon Sir Harold Wilson KG OBE FRS MP



Apps

HOUSE OF COMMONS LONDON SWIA OAA

13th September 1982.

Re

Dear Private Secretary,

When the Franks Inquiry Committee was set up, you will recall that I immediately wrote to No.10 saying that I was agreeable to any Cabinet or other papers of my time being handed to the Committee.

I have now received an invitation from the Committee to appear before them on Thursday, 14th October, just after I return from an American tour.

I should be grateful if you could make available the usual facilities for me to come over and see the papers relating to my time. When this has occurred on previous occasions, I have usually been given a room in the Cabinet Office for making notes. I should be grateful if on this occasion, too, a room could be made available on the 11th, 12th or 13th October.

Yours sincerely,

Harold Wilson.

Private Secretary to The Prime Minister, 10 Downing Street, London S.W.1.

CABINET OFFICE

b.c. h. Bater

70 Whitehall, London SWIA 2AS Telephone 01-233 8319

CABINET OFFIcem he Secretary of the Cabinet: Sir Robert Armstrong KCB. CVO

Ref. A09426 1 0 SEP 1982

FILING INSTRUCTIONS

FILE No.

10 September 1982

When we were talking about your papers the other day, you asked whether you could have access not only to the main files and papers which you saw as Prime Minister but also the papers which you saw and marked in connection with Parliamentary Questions.

I think that the answer would be that there would be no difficulty in principle. But Robin Butler tells me that all the briefing material used for Parliamentary Questions has now been destroyed. The material is by its nature ephemeral, and peripheral to the main business; and, when it gives rise to any substantive comments by the Prime Minister, those comments tend to get preserved in the policy files.

ROBERT ARMSTRONG

The Rt Hon Edward Heath MBE MP

10 September 1982

Falkland Islands Review

Thank you very much for your letter of 20 August.

I have consulted Robert Armstrong and we are agreed that it would be inappropriate, at this sistance in time, for you to attempt to summarise the points made at the meeting between the Prime Minister and Mr. Ridley in September, 1979. The situation has been explained to Mr. Ridley who is content.

AJC

A

His Excellency Mr. M.O'D.B. Alexander, CMG.

CONFIDENTIAL.

Ref. A09428

MR COLES

Liller 6

Falkland Islands Review

Thank you for your minute of 6 September. attaching a copy of Mr Alexander's letter of 20 August about his recollections of the meeting on 25 September 1979 between the Prime Minister and Mr Ridley.

- 2. I agree that you should reply to Mr Alexander in the sense you propose.
- I have explained the situation to Mr Ridley who is content.

ROBERT ARMSTRONG

10 September 1982

Chald and Philoman 10 DOWNING STREET SIR ROBERT ARMSTRONG

From the Private Secretary

The Prime Minister has noted the contents of your minute of 8 September about the Franks Committee and the record of the confidential meeting between Mr. Ridley and the Argentine Deputy Foreign Minister on 10 and 11 September 1980.

X, J, GODE

9 September 1982

SECRET AND PERSONAL

Ref: A09394 SECRET AND PERSONAL A. J. C. 9 MR. BUTLER In the middle of July I sought the Prime Minister's guidance on whether to show to the Franks' Committee a copy of the record of the confidential meeting between Mr. Ridley and the Argentine Deputy Foreign Minister on 10th and 11th September 1980. I indicated that there were references to the meeting in other papers which 2. had been given to the Franks Committee and said that I thought we should not seek to suppress the record. I suggested that we should show it to Lord Franks, emphasising its confidential nature, but leaving it to his discretion whether he should show it to other members of his Committee. The Prime Minister agreed that the document should be shown in the first instance only to Lord Franks himself; she hoped that he might feel that it was not really necessary for other members of his Committee to see it. She subsequently agreed that we could not in the end fetter Lord Franks's discretion to show it to other members of the Committee if he thought it necessary; but we should stress the secret nature of the document. I communicated the document accordingly to Lord Franks. He came to the conclusion that the Committee as a whole should be aware of the note, but he fully recognised its sensitivity: he noted that no hint of the meeting had ever been given by the Argentine Government, and that the meeting had been held on the basis that complete secrecy was essential and that the fact that the meeting had taken place should never become public knowledge. Accordingly he undertook to make special arrangements for the security of the record. He would see that it was not copied, and that the meeting was not referred to in the Committee's Report. I have mentioned this to Mr. Ridley, who is entirely content. Robert Armstrong 8th September 1982 SECRET AND PERSONAL

10 DOWNING STREET From the Principal Private Secretary PERSONAL SIR ROBERT ARMSTRONG Thank you for your minute of 7 September about Mr. Heath's papers on the Falklands. I find that all the briefing material used for Parliamentary Questions during Mr. Heath's time in No. 10 has now been destroyed. I see no reason why Mr. Heath should not be told this: such material is by its nature peripheral and if it gives rise to any substantive comments by the Prime Minister, those comments tend to get preserved in the policy files. E.E. R. BUTLER 8 September 1982

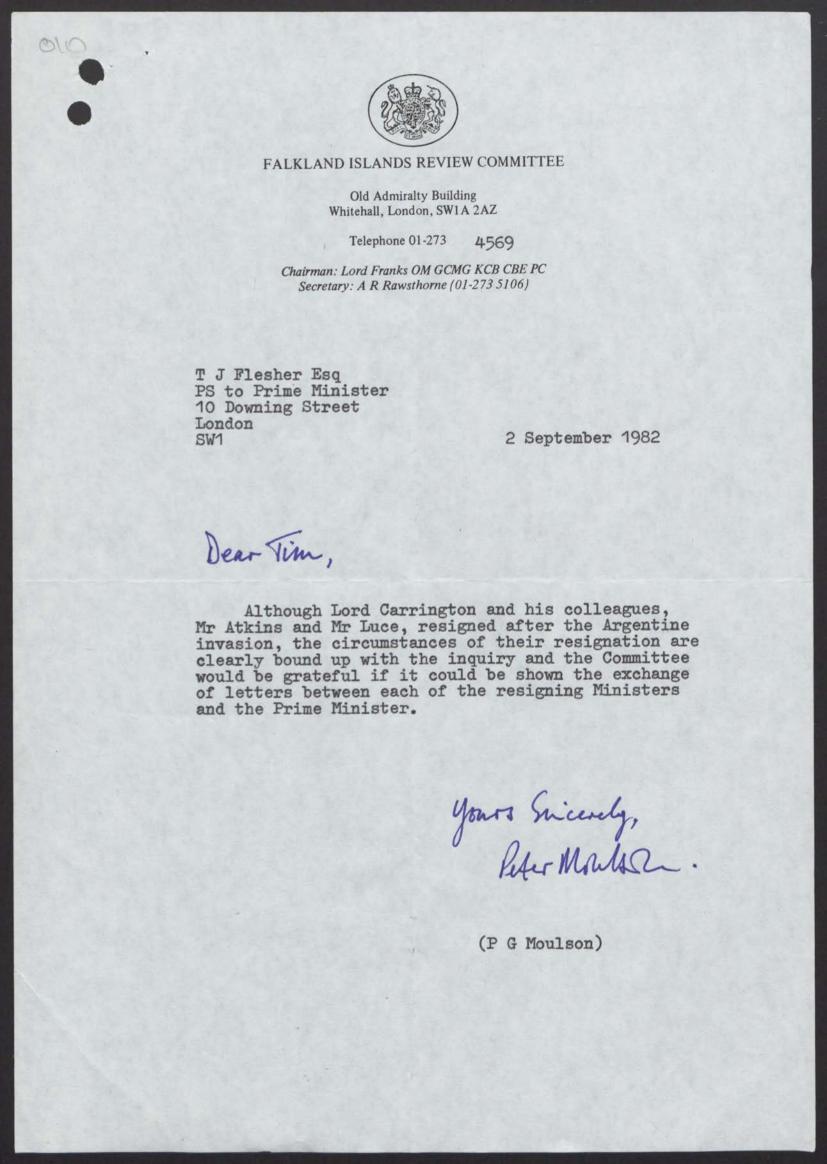
PERSONAL Mr. Davier-Jones
Could you please
give me rapid ladvice.
FERB
7.9. Ref. A09391 MR BUPLER When I was talking to Mr Heath about his access to the papers which he had as Prime Minister in connection with the Falkland Islands Review, Mr Heath noted that we had provided him with the green No 10 files and the relevant Cabinet and Cabinet Committee papers; but he asked whether he could also have access to papers which he saw in connection with Parliamentary Questions. do not think that this question was really related to the Falkland Islands Review. since my understanding is that Mr Heath was not asked and did not answer any questions about the Falkland Islands while he was Prime Minister. More generally, however, he foresaw the possibility that he might wish to refresh his memories of the briefing which he saw in connection with Parliamentary Questions and the comments which he made. 2. I think that the answer must be that he is entitled to see such papers, if he wishes to do so and if he is prepared to come in in order to do so. What I do not know is how much of this sort of material is preserved in 10 Downing Street. I should be very grateful if you could let me know the answer to that.

ROBERT ARMSTRONG

7th September 1982

10 DOWNING STREET From the Private Secretary SIR ROBERT ARMSTRONG Falkland Islands Review In my minute of 30 July I stated that it appeared that no record had been made of the meeting which Mr. Ridley had with the Prime Minister on 25 September 1979. I have since written to my predecessor, Michael Alexander, about this matter. I attach a copy of his reply. You will see that he confirms that no record was made. Subject to any comments you may have, I intend to reply to his fourth paragraph in the sense that I think it would be inappropriate, at this distance in time, for him to attempt to summarise the points made during the meeting. A.J. COLES 6 September 1982 CCNFIDENTIAL

TO DOWNING STREET From the Private Secretary 3 September, 1982. Thank you for your letter of 2 September to Tim Flesher. I attach the exchanges of letters between the Prime Minister and Lord Carrington, Mr. Atkins and Mr. Luce, as requested. These letters were all made public at the time. . W. F. S. RICKETT P.G. Moulson, Esq.





BRITISH EMBASSY, VIENNA.

20 August 1982

A J Coles Esq Private Secretary 10 Downing Street LONDON SW1

Sean Folm,

FALKLAND ISLANDS REVIEW

Thank you for your letter of 3 August.

The meeting on 25 September 1979 between the Prime Minister and Mr Ridley was arranged, so far as I recall, at the suggestion of the then Foreign and Commonwealth Secretary. Lord Carrington was himself away in New York that week but he wanted Mr Ridley to have an opportunity for a preliminary discussion with the Prime Minister before he finalised his draft paper for the subsequent meeting of OD. The discussion was envisaged by the Prime Minister and the Foreign and Commonwealth Secretary and, I believe, by Mr Ridley as entirely informal.

As Mr Ridley evidently recalls, I made a few notes. But it was implicit in the way the meeting was set up and, I am fairly confident, made explicit at the time that no formal record would be made. As you say, the OD meeting was due to follow shortly. I informed Mr Ridley's Private Secretary on the telephone that I would not be sending him a letter about the meeting: he cleared the gist of FCO Tel 585 to New York with mee

If you thought it appropriate, I would be happy to let you have a brief summary of the points made by Mr Ridley and of the Prime Minister's response. But, given the lapse of time and the sensitivity which the issues have now assumed, you may think that this would not be the proper course to follow. Let me know what is decided.

It may be worth, incidentally, making two detailed comments now:

(a) it is true the meeting was a long one: it lasted about an hour. But, while policy towards the Falkland Islands was the main topic, a number of subjects, including Rhodesia and domestic economic policy, were touched on;





- 2 -

(b) the Foreign and Commonwealth Secretary's meeting with the Argentinian Foreign Minister in New York was only mentioned in passing.

yours ever Nuhael.

M O'D B Alexander

Agaka

CONFIDENTIAL

GRS 200
CONFIDENTIAL
FM PARIS 061745Z AUG 82
TO IMMEDIATE FCO
TELEGRAM NUMBER 801 OF 06 AUGUST 1982
INFO PRIORITY MODUK (DS13), ROME
INFO SAVING WASHINGTON AND BONN

MY TELNO BOO: ARMS SALES AFTER THE FALKLANDS CONFLICT

- 1. HEAD OF CHANCERY WAS SUMMONED THIS EVENING BY DUPONT, DEPUTY POLITICAL DIRECTOR AT THE QUAI, WHO TOLD HIM FORMALLY OF THE FRENCH DECISION, TAKEN BY THE PRIME MINISTER, TO LIFT THEIR EMBARGO AGAINST THE SALE OF ARMS TO ARGENTINA. DUPONT SPOKE ON MUCH THE SAME LINES AS GUTMANN BUT MADE THE FOLLOWING ADDDITIONAL POINTS.
- (A) FRANCE'S EC PARTNERS WERE BEING INFORMED OF THE FRENCH
 POSITION, PROBABLY TOMORROW 7 AUGUST.
- (B) THE FRENCH ATTITUDE TO ANY UN RESOLUTION ON THE FALKLANDS
 WOULD BE PRUDENT AND WOULD DEPEND ON ITS WORDING. THERE WAS
 NO QUESTION OF THEM RECOGNISING ARGENTINE SOVEREIGNTY OVER
 THE FALKLANDS NOR OF THEIR SUPPORTING A RESOLUTION WHICH
 COULD BE HELD TO PRE-JUDGE THE QUESTION OF SOVEREIGNTY. THEY
 WOULD HOWEVER PROBABLY FAVOUR A CALL AT THE UN FOR A POLITICAL
 SOLUTION. (COMMENT: THIS IS A LESS HELPFUL POSITION
 THAN GUTMANN APPEARED TO BE CONVEYING. WE CHECKED BACK WITH
 DUPONT WHO CONFIRMED HIS OWN STATEMENT OF THE FRENCH
 POSITION).
- 2. DUPONT SAID THAT HE WAS WELL AWARE OF THE BRITISH POSITION AND THAT THE FRENCH DECISION ON THE EMBARGO WOULD COME AS A CONSIDERABLE DISAPPOINTMENT TO THE UK. BUT THEY WERE CONVINCED THAT ARGENTINA HAD IN EFFECT RENOUNCED HOSTILITIES AND IT WAS ESSENTIAL FOR FRANCE TO RE-ESTABLISH NORMAL RELATIONS. FCO PLEASE PASS SAVING TO WASHINGTON AND BONN

[REPEATED AS REQUESTED]
[COPIES SENT TO NO 10 DOWNING STREET]

FAIKLANDS ISLANDS GENERAL

FCO FALKLANDS UNIT CABINET OFFICE ADDITIONAL DISTRIBUTION FALKLANDS ISLANDS

CONFIDENTIAL

10 DOWNING STREET 3 August 1982 From the Private Secretary Falkland Islands Review The Financial Secretary of the Treasury, Mr. Ridley, has been refreshing his memory of the Foreign Office and Cabinet papers relating to the Falkland Islands which he saw while Minister of State, Foreign and Commonwealth Office. He has told Robert Armstrong that neither the Foreign Office nor the Cabinet papers include a note of a meeting which he had with the Prime Minister in September 1979. As he remembers, it was a long meeting, and important in its contribution to Government policy on the subject. The Prime Minister and he were the only two Ministers at it but Mr. Ridley recalls that you were there and thinks that you made a note of the meeting. If a noting of the meeting was made it should probably be made available to the Falkland Islands Review Committee. We have checked our records and can find no such note. I enclose a copy of FCO telegram number 585 to UKMIS New York which shows that Mr. Ridley had a meeting with the Prime Minister on 25 September 1979 to discuss an OD paper on Argentina and the Falkland Islands. It may be that, since it was decided to take the whole question to an early meeting of OD, it was felt that there was no need for a record of the discussion. I should be grateful if you can throw any light on this

matter. I shall be going on leave on 4 August but Willie Rickett is aware of the subject and will inform Robert Armstrong, who has been in touch with Mr. Ridley, of the contents of your reply.

A.J. COLES

His Excellency Mr. M.O'D.B. Alexander, C.M.G.

10 DOWNING STREET From the Principal Private Secretary SIR ROBERT ARMSTRONG CABINET OFFICE Falkland Islands Review I have shown the Prime Minister your minute A09144 of 28 July 1982 about the record of Mr. Ridley's meeting in September 1980 with the Argentine Deputy Foreign Minister. She agrees that we should proceed as you propose in paragraph 3 of your minute but she has emphasised that the secret nature of the document must be honoured by the Committee.

30 July 1982

SECRET AND PERSONAL

By

CONFIDENTIAL

FILE SW

10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG CABINET OFFICE

Falkland Islands Review

Thank you for your minute of 29 July about the meeting which Mr. Ridley had with the Prime Minister on the subject of the Falkland Islands. We have checked our records and it appears that no record was made of the meeting. I enclose a copy of FCO telegram number 585 to UKMIS New York which shows that Mr. Ridley had a meeting with the Prime Minister on 25 September, 1979 to discuss an OD paper on Argentina and the Falkland Islands. It may be that, since it was decided to take the whole question to an early meeting of OD, it was felt that there was no need for a record of the discussion.

A. J. COLES

30 July, 1982

CONFIDENTIAL

GR 130

CONFIDENTIAL

CONFIDENTIAL
DESKBY 252000Z
FM FC0 251810Z SEP 79
TO IMMEDIATE UKMIS NEW YORK
TELNO 535 OF 25/9/79
FOLLOWING FOR SECRETARY OF STATE FROM MR RIDLEY
ARGENTINA AND THE FALKLAND ISLANDS

to Pans

- 1. FOLLOWING YOUR LUNCHTIME DISCUSSION AT CHEQUERS LAST SATURDAY,
 I HAVE TODAY DISCUSSED THE O D PAPER WITH THE PRIME MINISTER. SHE
 TAKES THE VIEW THAT WE CANNOT RUSH A DECISION OF PRINCIPLE ON OUR
 APPROACH TO THE PROBLEM, BUT SHOULD INSTEAD TAKE THE WHOLE QUESTION
 TO AN EARLY MEETING OF O D.
- 2. MEANWHILE, THE PRIME MINISTER WOULD PREFER THAT WHEN YOU SEE THE ARGENTINE FOREIGN MINISTER YOU SHOULD CONF NE YOURSELF TO SAYING THAT HMG HAVE NOT COMPLETED THEIR CONSIDERATION OF THIS COMPLEX PROBLEM. AS I WARNED COMMODORE CAVANDOLI IN JULY, THE HOLIDAY SEASON AND THE PRESSURE OF OTHER URGENT BUSINESS (EG RHODESIA) HAVE CAUSED SOME DELAY IN THIS PROCESS. IT WOULD THEREFORE BE PREMATURE FOR YOU TO AGREE DATES WITH PASTOR FOR MY NEXT MEETING WITH CAVANDOLI: NOR WOULD IT BE APPROPRIATE TO SPEAK AT THIS STAGE ABOUT NEGOTIATIONS ON SOVEREIGNTY.

CARRINGTON

FILES
SAMD
PS
PSILPS
PSIMERIDLEY
PSIPUS
SIR. A. DUFF
MR. HARDING

COPIES TO

MR ALEXANDER, NOID DOWNING 5

CONTIDENTIAL

Colo Colors MR DAVIES-JONES THE FALKLANDS REVIEW Mr Rawsthorne, the Secretary of the Franks Committee, rang me today about the Prime Minister's Falklands papers which I gave him last Friday. He had now shown them to Lord Franks who had said that he would like to keep them for the time being in order to let the other members of the committee see them. He did not propose, however, that they should be copied for the rest of the committee. They would be kept separate from other papers submitted to the committee and they would be returned to us well before the point at which the Prime Minister might want to see the committee. I told Mr Rawsthorne that I was content with these arrangements. taw. 29 July 1982

Ref. A09151

MR COLES

Falkland Islands Review

The Financial Secretary of the Treasury, Mr Nicholas Ridley, has been refreshing his memory of the Foreign Office and Cabinet papers relating to the Falkland Islands which he saw while Minister of State, Foreign and Commonwealth Office, from May 1979.

- 2. He tells me that neither the Foreign Office nor the Cabinet papers include a note of a meeting which he had with the Prime Minister in September or October 1979. As he remembers, it was a long meeting, and important as orientating Government policy on the subject. The Prime Minister and he were the only two Ministers at it, but Mr Alexander, your predecessor, was there and Mr Ridley thinks that he made a note of the meeting. If a note of the meeting was made, Mr Ridley thinks that it should be made available to the Falkland Islands Review Committee.
- 3. I should be very grateful if you would check your records to see if you have such a note. It looks to me as if the meeting would probably have been held some time after a memorandum which the Foreign and Commonwealth Secretary sent to the Prime Minister on 20 September 1979. There is a note on our files, dated 27 September, reporting that the Prime Minister had called Mr Ridley in for $1\frac{1}{2}$ hours discussion, that the Foreign and Commonwealth Office had no record of the meeting but that Mr Alexander was present.
- 4. If a note of the meeting is available, I suggest that we might make it available on the same basis as another paper about which I am minuting separately, viz: the note should be sent to Lord Franks under cover of a personal letter, explaining that it is a sensitive note of a private discussion of which he should be aware, and leaving it to his discretion as to whether he shows it to other members of the Committee.
- 5. If there is a note of the meeting, clearly Mr Ridley should also be allowed to refresh his memory of it.

ROBERT ARMSTRONG

WSG 5th Meeting

COPY NO 12 OF 15 COPIES

FALKLAND ISLANDS REVIEW:

MEETING OF WHITEHALL SUPPORT GROUP (WSG) WEDNESDAY 28 JULY 1982 AT 9.30 am

A. J. C. 38

PRESENT:

Mr D H Colvin Mr P McIntyre Mr J Addison Mr P R Fearn Mr R T Jackling Mr H A L Owen Miss M Dickson Mr T W Savage Mr A R Rawsthorne (Items 1 and 2) Mr C H O'D Alexander

- Cabinet Office (In the Chair)

- Treasury - Home Office

Foreign and Commonwealth OfficeMinistry of Defence

- Department of Trade - Department of Energy

- Secretary, Falkland Islands Review Committee

- Cabinet Office (Secretary)

ITEM 1: FIRST MEETING OF THE REVIEW COMMITTEE

Mr Rawsthorne said that the Review Committee had had preliminary discussions on 26 and 27 July. Conscious of the need for confidentiality in their proceedings, they had agreed on a code of conduct which included the avoidance of any social contact with anyone who had been involved in the affairs of the Falkland Islands. Their Secretary had been instructed to act discreetly in his dealings with Whitehall. The Committee expected it to take several weeks to read the material submitted to them. They intended to take oral evidence, but had yet to decide from whom. The Committee were content with guidance already circulated on the attendance of official witnesses, and saw no problem with the points made in the Prime Minister's letter of appointment, in particular as regards the treatment of individuals. Oral evidence sessions would not take place before the last week of September. The Committee would probably meet two or three times a week from then on. They had fixed no target date for the completion of their work; much would depend on the extent of the oral evidence taken.

SECRET

Matters Arising

- a) Although the Committee had not addressed the point, it might not be necessary for the Permanent Secretaries of Departments not principally involved in Falkland Islands to give oral evidence if there was a suitable alternative senior official.
- b) It would be helpful in the planning of oral evidence sessions if
 Departments could let Mr Rawsthorne have relevant details of the programmes
 from 27 September of Ministers and officials who might be required to give
 evidence. He would let Departments know by early September whether they
 were likely to be required to give evidence. In any event, the Committee
 would expect witnesses to put themselves out to fit in with the programme
 of evidence taking.
- c) Officials were considering the question of what matters should be treated as too sensitive to publish in the Committee's report on grounds of national interest or international relations. The Committee took a relaxed view of this. One such class of matters was that of the advice of successive Law Officers on the strength of the United Kingdom's title to sovereignty; papers on this going back to 1947 would shortly be sent to the Committee.
- d) The Committee were interested in Press coverage of events in the period leading up to the invasion. The FCO would find out whether a folder of British Press cuttings had been kept.
- e) The Review Committee had given preliminary thought to the problem of convincing the public that they had seen all the available papers. One possibility they had in mind would be to seek a formal undertaking from Permanent Secretaries that, to the best of their knowledge, all the documents in question had been made available to the Committee.
- f) A Member of Parliament had alleged that some official papers had been destroyed. The papers dealing with this allegation would be sent to the Committee. The Committee had already been advised of departmental practice on the weeding of files.

SECRET

ITEM 2: FOLLOW-UP TO WSG 4TH MEETING

Collection of Basic Material

a) Foreign and Commonwealth Office

Some material additional to that sent to the Review Committee on 22 July would be sent to them within a week. A Research Department memorandum covering the period from 1979 to the date of the Argentine invasion would be ready within three weeks.

b) Ministry of Defence

The Review Committee had been sent two of the MOD's five sets of files.

Mr Rawsthorne indicated that the Committee would require all five sets for the period since December 1981. As to earlier papers, a first tranche would be available in a week's time and the remainder within three weeks.

c) Treasury, Cabinet Office, Intelligence Community, Home Office
No Change.

d) Department of Trade

A second set of papers covering shipping and civil aviation would be sent to the Review Committee within a week.

e) Department of Energy

Department of Energy material, for the period 1969-1978 was required in summary form only.

Matters Arising

- a) A reply to the Review Committee's request for advice on how intelligence was handled was being prepared by the Secretary, JIC.
- b) Regarding the request in Sir Robert Armstrong's letter of 22 July to Lord Franks for the return of papers once the Committee had completed its business, the Review Committee wished either to destroy the papers themselves or to be assured that they would be destroyed on return to Departments.

SECRET

This was to ensure the personal jottings of the Committee members were not preserved.

c) The Review Committee had received sets of papers from No 10 and from the Defence Secretary's Office. In response to a question from Mr Rawsthorne, it was explained that the originals of documents submitted to FCO Ministers were held on the relevant departmental files. There were not thought to be other files or folders kept in Ministers' offices; a further check would be made. It would not be necessary for other Departments to do this, because they had not been principally involved. Nor would it be necessary for such personal papers as committee secretaries' notebooks to be produced.

ITEM 3: MEETING OF PERMANENT SECRETARIES

Some amendments were agreed to the draft of a letter from Sir Robert Armstrong to Sir Antony Acland.

ITEM 4: DATE OF NEXT MEETING OF WSG

To be decided.

Cabinet Office 29 July 1982 Ref: A09144

SECRET AND PERSONAL

Agree XI Mas ?

Agree XI Mas ?

MR. WHITMORE

Falkland Islands Review

You minuted David Wright on 21st July that the Prime Minister wondered whether, in view of the extreme sensitivity of the record of Mr. Ridley's meeting in September 1980 with the Argentine Deputy Foreign Minister, it might be shown in the first instance only to Lord Franks himself.

- 2. Although the record was not submitted to the Review Committee by the Foreign and Commonwealth Office as part of their primary contribution, the fact that the meeting took place was clearly revealed in that material. In addition, the substance of what passed at Mr. Ridley's meeting appears in the records of the OD meetings on 2nd July and 7th November 1980 (including the Most Confidential Record of the latter) which were included in the material submitted to the Review Committee by the Cabinet Office.
- 3. I do not think that it would be possible or sensible to try to withhold the record from the full Committee if they decide that they need to see it. But I will, if the Prime Minister is content, send it personally to Lord Franks, with a covering letter explaining that it is an especially sensitive document, that I am therefore sending it to him and that we are content to leave it to his discretion to decide whether it should be seen by other members of the Committee.

De dé perula

Robert Armstrong

28th July 1982

file HL

26 July 1982

I enclose some correspondence between the Prime Minister and Mr. Keith Stainton, M.P. You will see that one of Mr. Stainton's constituents, Vice Admiral Sir John Gray, would like to give evidence to the Falklands Committee.

WILLIAM RICKETT

Anthony Rawsthorne, Esq.

16

Constitue I 26 July 1982 Dear Keith Thank you for your letter of 21 July. I can understand why Sir John Gray might wish to give evidence to the Falklands Review

Committee, and I will certainly pass on your letter to Lord Franks and his secretariat.

Yours ever

Margaret

Keith Stainton, Esq., M.P.

Telephone

Kintbury (04885) 8855 0488 58397

226/7

Church House 16 Church Street Kintbury, Nr. Newbury Berks. RG15 0TR

Dear Prime Minister,

It was kind of you to reply. I appreciate the problem of access to Labour Government papers but may I suggest alternative sources to which, I imagine, you have legitimate access.

The First Sea Lord at the time I wrote about was Admiral Lewin and the Admiral i/c Fleet was Sir Henry Leach. Knowing both excellent men I feel sure that they would have near-total recall of the situation.

Please do not bother to reply to this note. And please, in all our interests, take some time off. There are many of us who believe you are indispensible but nobody, in spite of your extraordinary energy, is indestructible.

Best wishes,

Yours sincerely,

I support that you term up the Primar's winterm now to try, your the truly nature of the subject. Afree?

26. vi 82.

SECRET AND PERSONAL



Agentina

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

FALKLAND ISLANDS REVIEW

I have shown the Prime Minister your minute A09103 of 23 July 1982, and as I told Mr Hatfield earlier this morning, she agrees that the Most Confidential Record of the OD meeting of 1 April 1982 should be made available to the Review Committee.

MW.

26 July 1982

SECRET AND PERSONAL



WSG 4th Meeting

COPY NO 12 OF 14 COPIES

FALKLAND ISLANDS REVIEW:

MEETING OF WHITEHALL SUPPORT GROUP (WSG)
ON FRIDAY 23 JULY AT 12.30 pm

A. J. C. 3

PRESENT:

Mr D H Colvin

Mr P McIntyre

Mr P R Fearn

Mr R J Jackling

Mr J Clement

Mr H A L Owen

Miss M Dickson

Mr T W Savage

Mr C H O'D Alexander

- Cabinet Office (In the Chair)

- Treasury

- Foreign and Commonwealth Office

- Ministry of Defence

- Department of Trade

- Department of Trade

- Department of Energy

- JIC

- Cabinet Office (Secretary)

ITEM 1: FOLLOW-UP TO WSG 3rd MEETING

Collection of basic material

a. Foreign and Commonwealth Office

Material sent to Mr Rawsthorne under cover of a letter of 22 July from Sir Antony Acland.

b. Ministry of Defence

Catalogue of relevant documents held by the MOD (from 1.1.79 to 2.4.82) sent to Mr Rawsthorne on 22 July. (A paper on Defence Reviews since 1965 subsequently sent to Mr Rawsthorne under cover of a letter from Mr Jackling of 24 July).

MOD preparing next tranche of documents covering the period from 1974 to 1979.

c. Treasury

Material sent to Mr Rawsthorne under cover of a letter of 20 July from Sir Douglas Wass.

d. Cabinet Office

Three volumes of material sent to Mr Rawsthorne under cover of a letter of 22 July from Sir Robert Armstrong.

e. Intelligence Community

Material delayed but now sent to Mr Rawsthorne under cover of a letter of 23 July from Sir Robert Armstrong. (NB the Nicoll Report has not been included in the primary material. It is likely to be sent to Lord Franks separately, with the explanation that it was commissioned on the Prime Minister's instructions shortly after the Argentine invasion and long before the setting up of the Review).

f. Home Office

Material sent to Mr Rawsthorne under cover of a letter of 22 July from Mr Addison. (It consists of a memorandum entitled "Citizenship of the Inhabitants of the Falkland Islands", various papers from Home Office files, relevant notes on amendments prepared during the passage of the 1981 British Nationality Bill and the relevant Hansard extracts).

g. Department of Trade

A file of general policy papers sent to the Review Committee on 22 April. A second set is being prepared on civil aviation, shipping etc.

h. Department of Energy

Material sent to Mr Rawsthorne under cover of a letter of 22 July from Sir Donald Maitland.

ITEM 2: MEETING OF PERMANENT SECRETARIES

It was agreed that a meeting of Permanent Secretaries before the summer break would be timely, possibly 29 or 30 July. Possible agenda items included the following:

- i. Review of Progress (including Review Committee's plans for oral evidence, leave arrangements etc)
- ii. Briefing former Ministers (ie level and type of assistance to former FCO members of the present Government)

There might be a problem on the level and type of assistance which might be given to Lord Carrington, Mr Humphrey Atkins and Mr Richard Luce. All were members of the present Administration, intimately involved with the events leading up to the Argentine invasion on 2 April. The position of Mr Ridley was different in so far as he remains a Ministers. It was thought

that he would be fully entitled to examine Treasury files back to May 1979 (when the Conservative Government came to power) but only those FCO files which he saw when he was an FCO Minister. It was agreed that Mr Fearn would brief Sir Antony Acland to raise the potential problems of Lord Carrington, Mr Humphrey Atkins and Mr Richard Luce and Mr McIntyre would brief Sir Douglas Wass to raise the position of Mr Ridley.

iii. Ministerial clearance

The question may arise whether, and, if so, to what extent, should Ministers clear accounts of their actions policies during the period under . consideration. The material in question would not be the primary material, already submitted or to be submitted by way of response to specific follow-up questions. It is however possible, even likely, that the Review Committee will ask for written notes on particular points of Government policy.

Definition of "Material whose release would be damaging to the international relations of the United Kingdom"

Permanent Secretaries might wish to give preliminary thought to the meaning of this phrase (contained in the Prime Minister's letter of 12 July to Lord Franks). Two examples of material had so far been identified the release of which was likely to be damaging to the United Kingdom's international relations. Centence deletel

and revained under section 3(4). Mayland, 10 May 2012 Second, the treatment of the secret meetings with Argentina in 1976 and 1980 which took place under the express understanding that they would never become public knowledge.

ITEM 3: JOINT MEETING WITH MR RAWSTHORNE

It was agreed that it would be useful for the WSG to have a joint meeting with Mr Rawsthorne to hear an account of the first meeting of the Review Committee on 26/27 July and to draw up plans for the conduct of future business. Mr Rawsthorne has subsequently confirmed his agreement to a meeting at 9.30 am on Wednesday 28 July in Mr Colvin's office.

Cabinet Office 26 July 1982



SECRET AND PERSONAL

Ref. A09103

MR. WHITMORE

Agen wit how too she go to the Commen?

The go to the Commen?

The go to the Commen?

Falkland Islands Review

I minuted you on 8th July about the Most Confidential Record of the meeting of 7th November 1980 when Mr. Ridley reported on his confidential exploratory discussions with the Argentine Government. You confirmed on 21st July that the Prime Minister had agreed that the Record should be made available to the Franks Committee.

Z. The trawl of the files has revealed another Most Confidential Record, this time of the OD meeting of 1st April 1982 at 11.30 am. I enclose a copy. I am sure that this document too should be sent to the Review Committee. If you see no objection, I propose to send it to the Secretary on Monday 26th July i.e. before the Review Committee sits for the first time.

A great

RA

ROBERT ARMSTRONG

23rd July, 1982



HOUSE OF COMMONS LONDON SWIA OAA

21 July 1982

Ca

Dear Prime Minister

Falklands Review Committee

I write on behalf of my Constituent, Vice Admiral Sir John Gray of Stourfields, Nayland, Nr Colchester, Essex, in connection with the above.

Sir John was in fact the last Admiral commanding the now non-existent South Atlantic Flotilla and was apparently "sacked" by Mr Denis Healey.

He f_{e} els strongly that he would like to be invited to give evidence personally to the Review Committee, and I very much hope that this might be arranged.

Yours sincerely,

Jriz 5)->-

Rt Hon Margaret Thatcher MP The Prime Minister 10 Downing Street London SW1 SECRET & PERSONAL



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10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

Falkland Islands Review

I am sorry that I have not replied earlier to your minute AO8944 of 8 July 1982 about the limited circulation record of the discussion on the Falkland Islands in the Defence and Overseas Policy Committee on 7 November 1980.

The Prime Minister has now seen not only your minute but also the MCR itself and she agrees that the record should be made available to the Franks Committee,

CAW

1 July 1982

SECRET & PERSONAL

10 DOWNING STREET 21 July 1982 THE PRIME MINISTER Man Th. Pincher Thank you for your personal letter of 10 July. I am most grateful to you for writing. I was very interested to read what you said about the 1977 episode. As you know I have no means of establishing exactly what happened then because I have no access to the papers of the Labour Government. But the Committee of Privy Counsellors will be able to see the papers of past Administrations as well as those of the present Government, and I imagine that, in view of

what Mr Callaghan and Dr Owen have said in the House, the events of 1977 will figure in these enquiries.

Chapman Pincher, Esq.,





XXXXXXXXXXX

01-233-5838

N 03087

CABINET OFFICE 70 WEITEHALL LONDON SWIA 2AS

A. S. C. 7

ha.

20 July 1982

A Rawsthorne Esq Secretary Falkland Islands Review Committee Old Admiralty Building Whitehall SW1

Dur Kun

REVIEWING AND PRESERVING DEPARTMENTAL RECORDS

- 1. I understand that some Departments are encountering difficulties in assembling their primary contributions of material for the Review Committee due to the fact that their files have been weeded or destroyed over the years.
- 2. I enclose a note which I hope sets out clearly the basis on which this weeding or destruction is carried out. If you have any further queries, please let me know.

3. I am copying this to all members of the Whitehall Support Group.

D H COLVIN

CONFIDENTIAL

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REVIEWING AND PRESERVING DEPARTMENTAL FILES Note by the Cabinet Office

- 1. The basic procedures for reviewing the contents of registered files and selecting material from them for permanent preservation are common to all Government Departments. The procedures are operated under the guidance of the Public Record Office.
- 2. Registered files are normally subject to two reviews:
 - i. 5 years after the date of the last entered paper
 The aim of the "First Review" is to identify and destroy all
 material considered to be of no further value to the Department
 concerned while ensuring that any papers likely to be required
 for historical or research purposes are retained.
 - ii. 25 years after the date of the latest entered paper

 The "Second Review" is carried out by the Departmental Record

 Officer, in conjunction with the Public Record Office Inspecting

 Officer, in order to identify material worth preserving permanently

 on historical or other grounds. The Departmental Record Officer

 exercises his judgement by reference to the criteria set out

 in the attached "Guidelines for Selection of Records for Permanent

 Preservation", (extracted from "A Guide for Departmental Record

 Officers" by the Public Record Office following the proposals

 made by the Committee on Departmental Records (the Grigg Committee)

 in its Report published in July 1954). The guidelines are couched

 in general terms and Departments may supplement them with their

 own more detailed instructions.

After the Departmental Record Officer has made his selection, the Public Record Office Inspecting Officer examines both material selected for permanent preservation and that earmarked for destruction.

CONFIDENTIAL

His aim is to ensure that no records of historical importance are destroyed and that those unworthy of preservation are.

- 3. Files selected for preservation are generally kept intact. The only papers that are removed are duplicates and other easily identifiable ephemeral material.
- 4. In the case of Cabinet and Cabinet Committee papers, each series is preserved by the Cabinet Office regardless of its historical or research importance and consolidated in bound volumes.

Cabinet Office 20 July 1982

GUIDELINES FOR SELECTION OF RECORDS FOR PERMANENT PRESERVATION

In considering which records should be preserved permanently it is necessary to establish appraisal criteria which are applicable to a particular Department or to particular kinds of records (see para. 37). These criteria should take into account not only the value of records for the long-term purposes of government or of the Department but also their value for much wider research needs. The following general descriptions of the main kinds of papers which should be kept permanently are intended as guidelines for use in deciding detailed appraisal standards.

- 1. Papers relating to the origins of the Department; its organisation and staffing; its functions: its dissolution. (Office notices, organisation charts, and a standard set of all HQ guides and instructions to out-stations and regional offices, or bodies with which the Department is in regular contact, may be as important as files which relate to these matters).
- 2. Copies of annual and other reports.
- 3. Principal policy papers. These will include papers relating to the preparation of legislation and statutory instruments, submissions to a Minister or senior official and papers to the Cabinet or to a Cabinet Committee, together with all earlier drafts.
- 4. Selective papers relating to the implementation of policy and to changes of policy.
- 5. Sets of minutes and papers of all Departmental Committees and working parties. In the case of inter-departmental committees, the set of the Department which provided the Secretary will be the record set for permanent preservation.
- 6. Data about what the Department accomplished.
- 7. Papers relating to obsolete activities or investigations, or to abortive schemes of the Department.
- 8. Papers cited in, or noted as consulted in connexion with, official histories.
- 9. Evidences of rights or obligations of or against the Crown—title to property, claims for compensation not subject to a time limit, formal instruments such as awards, schemes, orders and sanctions.
- 10. Papers relating to a well-known public or international event or cause célèbre, or to other events which gave rise to interest or controversy on the national plane.
- 11. Papers which relate directly or indirectly to trends or developments in political, social, economic or other fields, particularly if they contain unpublished statistical or financial data covering a long period or a wide area.
- 12. Papers relating to the more important aspects of scientific or technical research and development.
- 13. Papers containing matters of significant regional or local interest on which it is unreasonable to expect that evidence will be available locally, or comprising synopses of such information covering the whole country or a wide area.

Pur any.

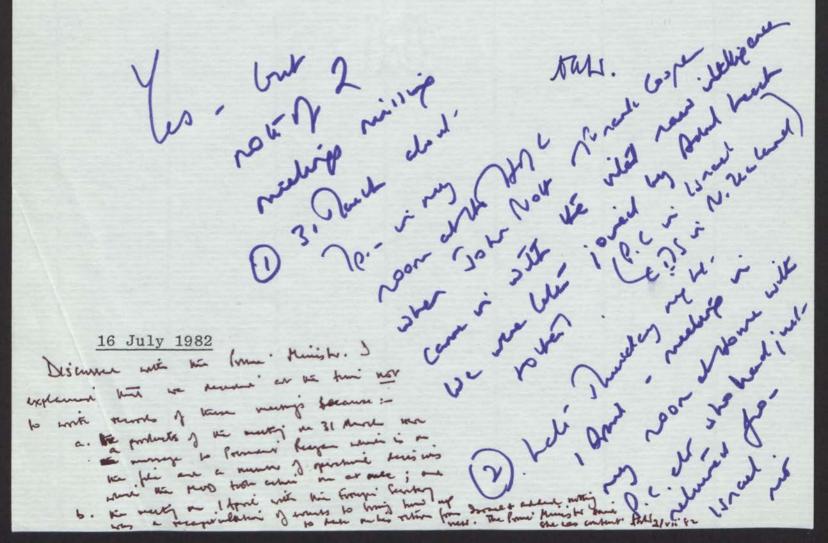
PRIME MINISTER

Falkland Islands Review

The two attached files contain, in chronological order, all the papers on the Falkland Islands which you saw between May 1979 and 2 April 1982.

Almost all of these documents will be duplicated in the collections of papers which will be submitted to the Franks Committee by the FCO, MOD and Cabinet Office. For this reason I see little point in our sending these papers formally to the Secretary of the Committee, as the other Departments concerned will be doing. What I should prefer to do, if you agree, is to invite Mr. Rawsthorne to come over and read through these two files. If he then wished to show them to Lord Franks, he should be free to do so.

Are you content that we should proceed in this way?





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10 DOWNING STREET

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10 DOWNING STREET

THE PRIME MINISTER

Renoral

I am most

Thank you for your letter of 10 July about the events found to the Argentine invasion of the Falkland Islands.

I was very interested to read what you said about the 1977 episode. I have of course heard what Mr. Callaghan and Dr. Owen have said about it in recent debates in the House of Commons. I have no means of establishing exactly what happened in 1977 since, as you know, I have no access to the papers of the Labour Government. But the Committee of Privy Counsellors will be able to see the papers of past Administrations as well as of those of the present Government, and I imagine that, in view of what Mr. Callaghan and Dr. Owen have said, the events of 1977 are something which they may well wish to look into.

Chapman Pincher, Esq.

Prine Discolo

FALKLAND ISLANDS REVIEW COMMITTEE

As from: Old Admiralty Building, Whitehall,

LONDON, SWLA ZAZ.

Dear Prime Kinister,

FALKLAND ISLANDS REVIEW

16 July, 1982

Thank you for your letter of 12 July, with which you enclosed the Committee's formal minute of appointment.

I shall, of course, bring to the attention of the Committee the conditions on which the relevant papers are made available to the Committee; the procedure which you suggest it should adopt in the event of its feeling obliged to comment adversely on particular individuals; the proposed arrangements for the treatment of sensitive material in the report; and your wish - which I am sure the Committee will share - that it should complete its work as quickly as is consistent with thoroughness and fairness.

I am grateful for the facilities that have so far been made available to us and for your assurance that the Government will do whatever it can to help the Committee expedite its work. Jour suicerely

(Franks)

The Rt. Hon. Margaret Thatcher, MP.

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WSG 2nd Meeting

COPY NO 12 OF 14

FALKLAND ISLANDS REVIEW:

MEETING OF WHITEHALL SUPPORT GROUP (WSG)
ON FRIDAY 16 JULY AT 11.00 AM

A.J. C. 19

PRESENT:

Mr D H Colvin

Mr P R Fearn

Mr T W Savage

Mr J Clement

Mr P McIntyre

Mr H A L Owen

Ms P Boys

Miss M Dickson

- Cabinet Office (In the Chair)

- Foreign and Commonwealth Office

- JIC

- Department of Trade

- Treasury

- Department of Trade

- Department of Energy

- Department of Energy

ITEM 1: LATEST DEVELOPMENTS

THE CHAIRMAN said that the first meeting of the Falkland Islands Review Committee would take place on 26/27 July. Lord Franks was confident that the state of his eyesight would not delay matters. Mr Rawsthorne was anxious to receive all primary contributions by 22 July, preferably in advance to reduce the reading burden on himself and his Committee.

ITEM 2: FOLLOW-UP TO WSG 1st MEETING Collection of basic material

a. Foreign and Commonwealth Office

No change.

b. Ministry of Defence

A compendious catalogue of events back to 1979 was ready (to be copied to FCO, Cabinet Office and Intelligence Community).

c. Treasury

No change.

d. Cabinet Office

The Chairman said that the compilation of Cabinet and OD memoranda and minutes, together with a handful of official papers, was ready. A copy of the index of these papers was circulated. Departments to inform chairman if the combing of their files threw up references to Cabinet Office papers which did not appear in the index.

e. Intelligence Community

No change.

f. Home Office

Chairman confirmed that Mr Addison did not intend to submit primary material. But relevant papers on the Falkland Islanders and British nationality were being assembled.

g. Department of Trade

Combing had produced an exiguous quantity of material, mainly due to file destruction/weeding.

h. Law Officers' Department/Treasury Solicitors' Department
No change.

i. Department of Energy

Note and list of documents circulated.

Distribution of material

Agreed that eight copies of all material to be sent under cover of a letter from concerned

Permanent Secretary to Mr Rawsthorne. Departments to consult Mr Rawsthorne whether original copies should be sent or whether photocopies would suffice.

Noted that Security Service investigation of the Review's premises is in hand.

Questions arising from submission of basic material

a. 1977 Naval Deployments

FCO/MOD/Intelligence Community to discuss. Recent correspondence between No 10 and Mr Chapman Pincher noted.

b. Sir P Nairne's request concerning past Defence Reviews

MOD to show Treasury (Defence and Materials Division) their commentary in draft.

"Diplomatic Assessments"

Noted that Mr Rawsthorne was satisfied on the question of the supply of diplomatic assessments (requested in his letter of 12 July to Mr Fearn). No such assessments existed, over and above what would be provided. Problem solved.

d. Salveson/Davidoff scrap-metal contract in South Georgia

FCO to inform WSG of evidence of the involvement of the Department of Trade (or any other Government Department) which may appear in their files.

e. Status of Private Secretary notes, marginalia etc

MOD reported Mr Rawsthorne's request for the handing over from Private Office files of relevant Private Secretary notes/marginalia etc. Sir F Cooper to seek Sir Robert Armstrong's ruling.

f. Briefing former Ministers on material supplied to the Review

FCO raised the question of the level and type of assistance to be given to former Ministers in preparing for their oral testimony to the Review. Should they be furnished with copies of correspondence? What access, if any, to their former officials should they have? Should present Ministers be consulted? Etc. To Permanent Secretaries.

g. Press cuttings prior to the invasion

MOD to provide Intelligence Community if possible.

Witnesses likely to be called

FCO asked whether Permanent Secretaries need always be present when evidence is being given by junior officials from his Department. To Permanent Secretaries for a ruling in due course.

Next Meeting: 11.00 am on Tuesday 20 July.

Cabinet Office 16 July 1982

I Come Minister. TYMA HOUSE SHORE ROAD, BOSHAM CHICHESTER WEST SUSSEX POIS 8HZ **BOSHAM 573139** 15/7/82 The Rotton Magact Patiles M.P. m R 19/7 Den Margant Nowthal I am lack i England, just a wite to my that I am en aware I the respondible that well on y shoulders as a rule 1the Fallelands review. You will not have given us a lette startlett in the House of elsewhere I we should be ing pratiful for this. I feel up homeel that you strugger of we al the re itant our unte 9 ill do y let & to to mettal de produce a fair al unhand ment of west, set i their comed intent. Veg lest with Hanel

bc. Mr. coles. Nolo. CABINET OFFICE 70 WHITEHALL LONDON SWIA 2AS XXXXXXXXXX SECRET 01-233-5838 15 July 1982 MA 15 vi.

R. Wysterve - to see.

A-J.C. 15. N 03079 P R Fearn Esq SAMD FCO Whitehall LONDON SW1 Robin FALKLAND ISLANDS REVIEW: WHITEHALL SUPPORT GROUP 1. I attach the minutes of the first meeting on 14 July. 2. I must stress the sensitivity of these and other papers relating to the Falkland Islands Review and request that their distribution be strictly limited. It might be sensible to/a careful record of any internal distribution in case the need arises to check on their whereabouts and who has seen them. In considering internal distribution, the need-to-know principle must clearly be paramount. 3. I do not propose to issue agendas for subsequent WSG meetings but to follow the following standard format: Item 1: Latest information Item 2: Follow-up to last meeting Item 3: Other business 4. I am copying to all members of the WSG. For the Home Office, I am sending this letter and enclosure to Sir B Cubbon's Office and would be grateful if they would arrange distribution to Mr Addison in Croydon. D H COLVIN

CONFIDENTIAL

Ref. A09026

MR. WHITMORE

Falkland Islands Review

Thank you for your minute of 14th July, enclosing a copy of Mr. Chapman Pincher's letter.

- 2. My instinct, like yours, suggests extreme caution in the reply. I should be inclined not to discuss the details of what Mr. Callaghan and Dr. Owen have or have not said in the House of Commons or anywhere else.
 - 3. I attach a redraft of the reply accordingly.

ROBERT ARMSTRONG

approved by Sr. R transfrong a signed on his Scholi

15th July, 1982

CONFIDENTIAL

TIPES

DRAFT LETTER FROM THE PRIME MINISTER TO MR. CHAPMAN PINCHER

Thank you for your letter of 10th July 1982 about the events leading up to the Argentine invasion of the Falkland Islands.

I was very interested to read what you said about the 1977 episode. I have of course heard what Mr. Callaghan and Dr. Owen have said about it in recent debates in the House of Commons. I have no means of establishing exactly what happened in 1977 since, as you know, I have no access to the papers of the Labour Government. But the Committee of Privy Counsellors will be able to see the papers of past Administrations as well as of those of the present Government, and I imagine that, in view of what Mr. Callaghan and Dr. Owen have said, the events of 1977 are something which they may well wish to look into.

10 DOWNING STREET From the Principal Private Secretary SIR ROBERT ARMSTRONG FALKLAND ISLANDS REVIEW Islands.

I attach a copy of a letter which Mr Chapman Pincher has sent to the Prime Minister about the steps which the Labour Government took in 1977 when it was thought that there was a risk of military action by the Argentine Government against the Falkland

We have to be even more careful than usual in our dealings with Mr Pincher on this subject since I understand that he is acting as a special adviser to the Defence Committee of the House of Commons in their Falkland Islands inquiry. I am minded to advise the Prime Minister to reply to him on the lines of the attached draft. But before I do so I should be grateful to know whether you agree.

. taw.

14 July 1982

DRAFT LETTER FROM THE PRIME MINISTER TO MR CHAPMAN PINCHER

Thank you for your letter of 10 July 1982 about the events leading up to the Argentine invasion of the Falkland Islands.

I was very interested to read what you said about the 1977 episode. I of course heard Mr Callaghan's own account of it in last week's debate on the Falkland Islands review. He did not say whether the Argentines were aware of what he described as "a Naval presence off the Falkland Islands." But as you may remember, Dr Owen said in the debate on 3 April "On the precedent of the past, it was possible to deploy a Naval force and to bring it back without any publicity." and I believe that his statement has been taken to refer to the Naval units which the Labour Government sent to the South Atlantic in 1977.

I have no means of establishing what happened in 1977 myself since, as you know, I have no access whatever to the papers of the Labour Government. But the committee of Privy Counsellors will be able to see the papers of past administrations as well as of those of the present Government, and I imagine that the events of 1977 are something which they may well wish to look into.

Bor

From the Master · St. Catherine's College · Oxford · OX1 3UJ

Telephone Oxford (0865) 49541

14 July 1982

mo

Dear Prime Minister, Thank you for your very kind personal letter, o for your generous words of congratulation. I count it a great honour to be minited to strive on the Committee of Privy Counsellors; & I look forward to doing my best. Lord franks and I were able to have a preliminary tack before he went into hospital; I do not think that I have takon bart in a more exacting commitment. Every good wish to yourself, yours smoorely Patrick Nairne

WSG 1st Meeting

FALKLAND ISLANDS REVIEW: MEETING OF WHITEHALL SUPPORT GROUP (WSG) ON WEDNESDAY 14 JULY AT 11.40 AM

PRESENT:

Mr D H Colvin

Mr P R Fearn

Mr R Jackling

Mr T W Savage

Mr P McIntyre

Mr J Clement

Ms P Boys

Mr H Steel

- Cabinet Office (In the Chair)

- Foreign and Commonwealth Office

- Ministry of Defence

- JIC

- Treasury

- Department of Trade

- Department of Energy

- Law Officers' Department

ITEM 1: INTRODUCTION

THE CHAIRMAN said that the task of the WSG was to act as coordinating and advisory point for Departments on all points of difficulty, both procedural and substantive, which may arise in connection with the Review. In particular, they were to anticipate problems before they arose and thus enable the work of the Review to proceed smoothly. The WSG would meet regularly, monitor progress of the Review and identify points of actual or potential difficulty. He would maintain close contact with Mr Rawsthorne, the Secretary of the Review. A steering group of Permanent Secretaries would meet as necessary to provide guidance on particular problems which might arise. He offered four comments on the task in hand:

- (a) The WSG's terms of reference were broad. Anything to do with the Review was grist to its mill.
- (b) The WSG was in something of a "no win" position. Problems, if they arose, ought to have been anticipated. It was hard to believe that no problems would arise.
- (c) The WSG's role was sensitive. The task was to facilitate the Review. We needed to avoid any suggestion of pre-cooking the material to be passed to the Review. No doubt the Press would take an interest. Any such

approaches should be reported to the Chairman immediately.

(d) He hoped that Meetings of Permanent Secretaries would be infrequent. But it was a great help to have them as a source of definitive advice.

ITEM 2: COLLECTION OF BASIC MATERIAL

In a table-round, the following positions emerged:

(a) Foreign and Commonwealth Office

See draft letter from Mr Fearn to Mr Rawsthorne at Annex 1.

(b) Ministry of Defence

A commentary on events since January 1979 was close to completion. The task was difficult because the MOD has five separate filing systems, each of which had to be combed. MOD input had been discussed with Mr Rawsthorne who was content.

(c) Treasury

Files back to 1965 were being combed. It appeared that many papers had been destroyed, under normal procedures.

(d) Cabinet Office

The Chairman explained that the minutes of meetings of the Cabinet and OD (or contemporary equivalent) were being assembled back to 1965. These would be arranged in date order, together with departmental memoranda discussed at the meetings in question. There appeared to be very few officials Cabinet Committee discussions on the Falklands over this period: such papers as existed were also being assembled for submission to the Review.

(e) Intelligence Community

All relevant JIC assessments back to 1965 were being assembled, accompanied by a short note drawing attention to the more significant among them. During the period July 1981 to 2 April 1982 no fresh assessments had been made; the so-called Nicoll Report would be sent to the Review. This covered the period in question and explained why no fresh assessment.

had been made. In addition, SIS would submit a record of all relevant intelligence reports since 1965, together with a short narrative. (Research was in progress into the files on reports received but not issued). GCHQ was compiling a list of code—word reports issued over the last three years; the 1976/77 period was also being researched in depth.

(f) Home Office

Not represented. Chairman to check with Mr Addison that no primary material would be submitted by the Home Office to the Review.

(g) Department of Trade

Research into the files had focussed on material on trade with Argentina, aviation and shipping links. The chairman urged concentration on events leading to the 1971 Communications Agreement. FCO draw attention to contingency planning involving the DoT last summer.

(h) Law Officers Department/Treasury Solicitors Department

Mr Steel said that neither Department would be submitting primary material. At the Chairman's suggestion, it was agreed that the basic legal advice on British title to the Falkland Islands and Dependencies prepared for a possible reference to the International Court of Justice and apparently known as the Shawcross/Soskice papers of the 1940's, should be unearthed for submission to the Review. Since they were almost certain to be requested, we should anticipate the request before it was made. This seemed a task for the FCO Legal Advisers. Mr Steel stressed that this advice should be treated with the utmost care and should not appear in the Review's final report. The risk of compromsing a future reference to the ICJ was evident.

(i) Department of Energy

Only marginally involved. Material relating to follow-up to the Shackleton mission and input to an FCO brief for negotiations with Argentina on a regime covering hydrocarbon exploration was being prepared. Agreed that the Department's advice on retention of the Endurance should also be volunteered.

THE CHAIRMAN, summing up, said that all Departments preparing primary material for the Review (ie all except Home Office, Treasury Solicitors and the Law Officers' Department) should regard the deadline of 22 July (contained in the letter from Mr Rawsthorne to Mr Fearn of 12 July at Annex 2) as a firm deadline for submitting their contributions. If possible, contributions should be comprehensive. If further work was in progress and a follow-up contribution in prospect, this should be made clear to the Review. The deadline of 22 July should be met, however incomplete contributions might be.

ITEM 3: PHYSICAL ARRANGEMENTS FOR DOCUMENT SECURITY, DISTRIBUTION ETC

Eight copies of all material to be sent to Mr Rawsthorne. WSG members
to exchange contributions, as far as practical. Security Services to investigate
the security of the Review's premises.

ITEM 4: QUESTIONS ARISING FROM ITEM 2
The following points were identified:

- (a) 1977 Naval Deployments
 MOD and FCO to consult on a note, currently being prepared by the FCO,
 on the sending of a Task Force in November 1977.
- (b) Secret meetings in 1976 and 1980 between British and Argentine Representatives

 Need for a commentary noted.
- (c) Record of conversation between the Prime Minister and Lord Carrington on 28 March 1982

 Chairman to advise FCO.
- (d) Sir P Nairne's request concerning past Defence Reviews
 Sir P Nairne has asked the MOD for papers relating to annual Defence
 Reviews for the period in question and an indication of how they affected
 the United Kingdom's defence posture vis—a—vis the Falkland Islands.
 This request poses problems. Files on past Defence Reviews are vast.
 Although relevant in broad terms to successive Government's handling
 of the Falklands dispute, Defence Reviews raised innumerable wider

issues. MOD propose to provide Sir P Nairne with the Defence Review White Papers for the period, together with a short, self-contained commentary and hope that this will satisfy him. To Permanent Secretaries, unless resolved.

(e) No intelligence assessments from July 1981 to April 1982

Noted that the Nicoll Report covers this point. Assessments Staff to prepare a commentary, consulting other Departments.

(f) Ex post facto intelligence material

Agreed that no material which reached the Government after 2 April 1982 should be sent to the Review. However, expost facto material (eg results of POW interrogation etc) might be useful when oral evidence comes to be taken. Assessments Staff working on assessment of this material.

(g) Destroyed Files and papers

Chairman to provide note explaining standard procedures for weeding and destroying files.

(h) Diplomatic Assessments

FCO raised question of "diplomatic assessments", requested in Mr Rawsthorne's letter of 12 July to Mr Fearn (see Annex 2). No such assessments existed separate from the material already being assembled by FCO, MOD and intelligence community. Agreed that chairman and FCO should explain this to Mr Rawsthorne. To Permanent Secretaries, unless resolved.

ITEM 5: OTHER QUESTIONS LIKELY TO ARISE

CHAIRMAN explained that a list should be prepared identifying other questions likely to arise, other than those arising from the primary material to be sent to the Review by 22 July. He had in mind press stories about a US/Argentine secret agreement on a military base in the Falkland Islands. Noted that Mr Savage would be the custodian of the list. All contributions to him. Commentaries to be considered later.

ITEM 6: WITNESSES LIKELY TO BE CALLED

THE CHAIRMAN suggested that it would be prudent if Departments prepared lists of likely witnesses. In so far they were current members of the Civil

Service, a summons to appear before the Review could be regarded as mandatory. The position in relation to former/retired members of the Civil Service was obscure. Cabinet Office to consider.

ITEM 7: OTHER INQUIRIES

THE CHAIRMAN said that it was unlikely that the Government would be willing to cooperate with any other inquiry which might be regarded as pre-judging the Review. Noted that Permanent Secretaries were considering ground rules for cooperation with authors seeking assistance over books on the recent crisis (eg Frederick Forsyth, Frank Giles).

ITEM 8: PROGRAMME OF FUTURE WORK

Chairman said that he had asked Mr Rawsthorne to provide an indication of the Review's working plans (including leave arrangements) as soon as they became clear. He also reported Mr Rawsthorne's offer to attend any WSG meetings to report developments. This might be taken up at a suitable moment but he would not normally be present. Agreed that the WSG should next meet at 11.00 am on Friday 16 July in the Chairman's office. It was not thought necessary to invite Permanent Secretaries to meet until after the next WSG meeting at the earliest.

Cabinet Office 14 July 1982

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DRAFT: minute/公式以外来来以来从外外的对象的 TYPE: Draft/Final 1+ FROM: Reference Mr Fearn DEPARTMENT: TEL. NO: SECURITY CLASSIFICATION TO: Your Reference Top Secret Mr Rawsthorne Secret Falkland Islands Review Committee Copies to: Old Admiralty Building Confidential Restricted Unclassified PRIVACY MARKING SUBJECT: FALKLAND ISLANDS REVIEW 1. We have assembled, ready for inspection, the ForeignIn Confidence and Commonwealth Office files bearing on the Falkland CAVEAT..... Islands dispute, on the following basis: (a) Departmental files covering the earlier part of the dispute (1965-1975); Departmental files, and certain other capers, relevant to more recent developments in the dispute (1976-2 April 1982). 2. As a general guide, I attach a summary of the history of Anglo-Argentine negotiations over the whole period 1965-April 1982. For a more detailed understanding of the earlier period, the Committee may wish to begin their review by looking at the two Research Department memoranda which trace B developments for the periods 1965-1968 and 1969-1974 (DS(L) 229 and DS(L) 395). These memoranda are not concerned with historical arguments surrounding the British or Argentine claims to the Islands but describe the intensification and progress of the dispute following the Argentine Government's decision to press its claim through Enclosures—fiag(s)..... the UN and the efforts made over the years to approach a peaceful settlement to the problem. Departmental files covering the period provided the primary source material for the memoranda. The files were thoroughly scrutinised at the time. If however the Committee wish to examine

/events

events of this earlier period more thoroughly, all the files are available for inspection. 4. The more recent period will obviously be of greater interest to the Committee. Part of this period is covered by the Research Department memorandum detailing developments from 1974-78 (DS(L) 1327). (The memorandum C omits references to the sending of a Task Force in November 1977. A separate note on this is attached.) The Committee may wish to examine evants from 1976 onwards more closely. As a guide to these events I attach a full chronology of main developments from early 1976 (when 1 RRS Shackleton was fired upon by the Argentines) to 2 April 1982. The chronology carries a secret classification in view of the references to secret talks held eg in July and August 197 in Paris and Buenos Aires respectively, and in September 1980 in Geneva between Mr Ridley and Argentine Under-Secretary Comodoro Cavandoli. A further memorandum, covering the period 1979-2 April 1982

5. In addition to the above, the Committee will wish to consult all the papers held in the Foreign and Commonwealth Office which are relevant to the Argentine invasion for the period from 1976 until 2 April 1982. It is necessary that the Committee will have separate access through the Cabinet Office to Cabinet/Cabinet Committee papers, JIC assessments and to intelligence material. The papers held in the FCO include:

is being urgently prepared and will be made available to

the Committee in due course.

Departmental files (the majority from South America Department, and some from Defence Department, UN Department and Planning Staff). I attach a list of the most relevant departmental files; a list of key folios in those files, together with copies of these key folios (although the key folios refer to ODP or OD memoranda and to minutes of ODP/OD meetings, these are not included since the Committee will have access to them through the Cabinet Office); and a third

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list of files which contain papers which the Committee may consider relevant but which are probably less important.

- (b) CX and Codeword material, the most recent key documents (October 1979-2 April 1982) bearing on the events leading up to the invasion of 2 April and showing FCO minuting and action. A list of these is attached but it is assumed that the Committee will have access to the original material through the agencies.
- (c) A quantity of <u>background material</u> has also been assembled (list and copies attached). These papers include biographies of Argentine personalities, the FCO Country Assessment sheet for Argentina, relevant Diplomatic Reports and a number of extracts from Hansard.

1

CONFIDENTIAL Annex 2 WHITEHALL LONDON SWIA 2AZ Telephone Direct line 01 273 __ Switchboard 01 273 3000 FALKLAND ISLANDS REVIEW COMMITTEE Management and Personnel Office, Old Admiralty Building, Whitehall. P R Fearn, Esq., South America Department, Foreign and Commonwealth Office. 12 July, 1982. Dear Robin. FALKLAND ISLANDS REVIEW COMMITTEE We discussed at the helpful meeting you laid on on Friday the papers that the Foreign Office were preparing for the Committee. Since then I have had an opportunity to have a word with Lord Franks, who has asked for two additional papers to be prepared: the first covering the period from 1965 to 1981 (up to the accession of General Galtieri); and the second covering the more recent period up to the invasion. I think that the first of these in particular would correspond with the "narrative" in the Guidance to Departments circulated by Robert Armstrong. It would not be as detailed as the Research Department memoranda, but would aim to highlight the main political developments in the period. The second, which would need to be more detailed, would highlight the diplomatic assessments that were made during the more recent period. It would be helpful if both papers could be accompanied by the key supporting documents. 3. I am afraid that I have to ask for these papers and as much of the other background material as possible by close of play on Thursday, 22 July, to enable us to get them to the Committee before the weekend, as it is hoped to hold the first meeting at the beginning of the following week. At our meeting on Friday we also talked about access to Foreign Office files. I have spoken to Lord Franks about this as well. He has asked that we should have here in the Old Admiralty Building the original of the Foreign Office files for the most recent period (ie from the accession of General Galtieri). I hope that this is not too awkward. No doubt you will wish to have them copied before sending them over, and we shall, of course, ensure that they are kept in good order. Jours Sincercly, John A. Rawsthorne Copy: D H Colvin, Esq., Cabinet Office. CONFIDENTIAL

= 4 JUL 1982

bc. Mr. coles



 CABINET OFFICE 70 WHITEHALL LONDON SW1A 2AS

CONFIDENTIAL

N 03078

13 July 1982

ADD 13

P R Fearn Esq South American Department FCO

Whitehall LONDON SW1

n Robin

FALKEAND ISLANDS REVIEW: WHITEHALL SUPPORT GROUP (WSG)

- 1. You will have seen Sir Robert Armstrong's letter of 9 July to Sir Antony Acland about arrangements for servicing and supporting the Falklands Islands Review within Whitehall, in particular by creating an interdepartmental group to meet regularly to monitor the progress of the Review and identify points of actual and potential difficulty.
- 2. I propose that we hold the first meeting of this group at 11.00 am tomorrow in Conference Room B in the Cabinet Office. It will follow a meeting of MISC 82 which I hope will end at that time but which may over-run. I apologise in advance to those who may be kept waiting if it does.
- 3. I now enclose:
 - a. A list of Group members
 - b. The agenda for tomorrow's meeting.
- 4. No doubt there will be other points that participants will wish to raise. The proposed agenda is not of course intended to be exclusive.
- 5. I am copying this letter and enclosures to all members of the group.

D H COLVIN

FALKLAND ISLANDS REVIEW: WHITEHALL SUPPORT GROUP (WSG)

Chairman:

Mr D H Colvin

Cabinet Office (233 5838)

Alternate:

Mr C H O'D Alexander Cabinet Office (233 8403)

Foreign and Commonwealth Office:

Mr P R Fearn (233 5973)

Ministry of Defence:

Mr R Jackling

(218 3287)

JIC:

Mr T W Savage

(233 7730)

Treasury:

Mr J F Slater

(233 5033)

Mr P McIntyre

(233 4051)

Department of Trade

Mr J V Hagestadt

(215 4320)

(from 19 July) Mr H A L Owen

Home Office

Mr J Addison

(233 2831 Ext. 4762)

Department of Energy

Ms Penny Boys

(211 5509)

Treasury Solicitors:

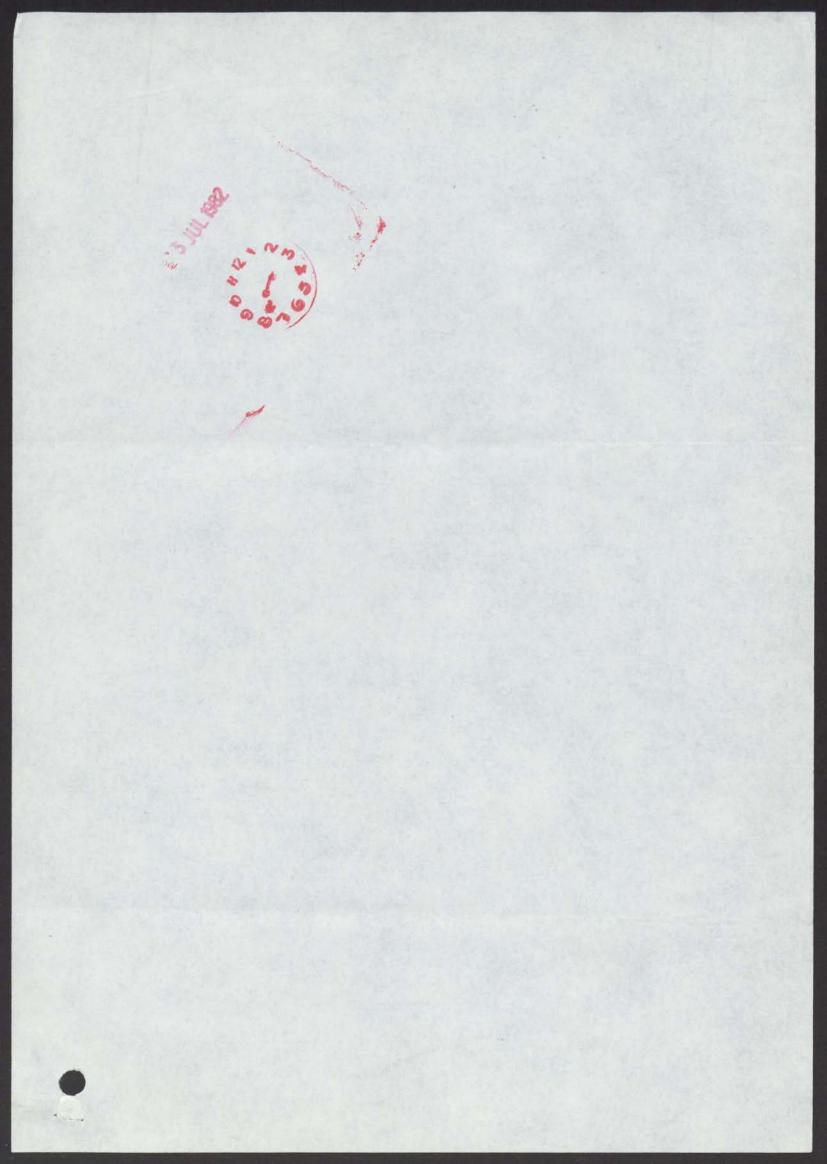
Mr M J Kerry (233 7391)

Mr H Steel (405 7641)

Law Officers' Department:

cc All members
Mr A R Rawsthorne

Will not normally attend meetings





10 DOWNING STREET

THE PRIME MINISTER

Slowley 12 July 1982

lear Lord Frances.

Therebyon for your letter. May I say that I reworkly can very pleased vided that you have agreed to become their moments to make their was proposed coursed agreed that it was aboutly right. What a

worderful reputation to here estativitéed over a blatime of Surice and how grateful we are Vlay 1 with you a Dreedy recovery from the eye perchon. It was be worth while taluno a libre time do kame di ajain. Your minuty Nagaret Sheliter

10 DOWNING STREET 12 July 1982 . THE PRIME MINISTER Year hord Francis. I am very pleased that you have been able to accept my invitation to be the Chairman of a Committee of Privy Counsellors to undertake what has come to be known as the Falkland Islands Review. I enclose a formal minute of appointment of the Committee. Offices have been made available for the Committee's use in the Old Admiralty Building, and I have instructed the Secretary of the Cabinet to make sure that whatever facilities the Committee needs to carry out its task are provided. The Committee will be given access to all relevant papers and records of Government, including Cabinet and Cabinet Committee memoranda and minutes, and intelligence assessments and reports, on Privy Counsellor terms and subject to the following conventions which have been agreed with the former Prime Ministers concerned: (i) documents will be made available to members of the Committee by virtue of their being Privy Counsellors and solely for the purposes of this review; / (ii)

former Ministers and officials and others who may be invited to assist the Committee will think it right to do so.

The Committee will be concerned with reviewing the way in which the responsibilities of government were discharged. It will, I believe, find it necessary to conduct its proceedings in private. Nevertheless, it is possible that in its report the Committee may feel obliged to comment adversely on the performance or judgement of particular individuals, and it may be that some of those who are invited to give evidence may be inhibited in doing so by the fear that they make themselves vulnerable to criticism in the Committee's report which they may think unjustified and which they might not have had an opportunity of rebutting before the Committee. I suggest, therefore - though it is for the Committee to determine its own procedure - that, if the Committee does find itself obliged to criticise any individual, it should, before incorporating that criticism in its report, give him details of the criticism which it proposes to make, and an opportunity to make representations, orally or in writing. At that stage the Committee would have to decide whether to allow the individual concerned to be legally represented. The knowledge that the Committee had adopted a procedure of this kind should serve to reassure anyone giving evidence that he will not be the subject of criticism in the Committee's report without having been told in advance of the nature of the criticism and given an opportunity to answer and comment on it.

The Committee will report to me, and it will be the Government's firm intention to present the Committee's report to Parliament in full, as it is submitted. At the same time information made available to the Committee whose disclosure would be prejudicial to national security or damaging to the international relations of the United Kingdom will need to be protected. The Government therefore suggests to the Committee that it should seek to avoid including any such information in its main report which is to be published and that, if it

- 4 needs to draw conclusions or make recommendations which, if published, would entail the disclosure of such information, it should submit them to the Government in a confidential annex which will not be published. The Government must retain the right in the last resort to delete from the Committee's report before publication any material whose disclosure would be prejudicial to national security or damaging to the international relations of the I very much hope that the arrangements I have United Kingdom. proposed in the foregoing paragraph will make it unnecessary for the Government to do that. Should it be necessary, I have assured the House of Commons that: (i) the government will make no deletions save strictly on the grounds of protecting national security or international relations; (ii) the Government will consider any proposals for deletions individually and critically, and will accept such proposals only on the grounds I have specified; (iii) You will be consulted if any deletions have to be proposed. The Committee must take and will of course be given the time it needs to carry out its review thoroughly. You will, however, be aware of the views that have been expressed as to the need for the review to be completed as quickly as possible, and I hope that the Committee will be able to work with as much expedition as is consistent with thoroughness and fairness. The Government will do whatever it can to enable the Committee to do so. In conclusion, I should like to thank you and your colleagues for your readiness to undertake this important task. The Rt. Hon. The Lord Franks, OM, GCMG, KCB, CBE. Rayout Thatte

Telephone Church House Kintbury (04885) 8855 16 Church Street Kintbury, Nr. Newbury Lear Prime Minutes 10.7.82 Berks. RG15 0TR This is a purely personal note sent in the hope that it will be useful to you in the continuing Parliamentary argument over the run-up to the Falklands conflict. You may be fully aware of its content but I send it in case you are not. As Defence Correspondent of the Express and still with high-level MOD contacts I was involved in the 1977 episode which Jim Callaghan and David Owen have been recalling to attract credit to themselves and suggest fault on your part. As a result I am certain that the facts, which I remember well because of the pressures brought upon me at the time, are different from the story as presented by the Opposition. Their purpose seems to be to suggest that when the Argentines began one of their winding-up exercises in 1977 an all-seeing Labour Government sent out a mini-task-force which deterred them from taking any action. This would seem to be the substance of Callaghan's question as to

In fact Labour's mini-task-force exerted no deterrent effect at all because its presence was kept entirely secret and the Argentinians never found out about it.

had done so brilliantly before.

whether you warned Galtieri that a task-force would be sent if he invaded, implying that you should have tried to deter him as Labour

The Navy was asked to send out a nuclear submarine and a couple of frigates in case the situation worsened when, presumably, there would have been some more public show of force but the threat went away of its own accord as it had always done in the past.

The mission was held so secret that

there were problems over sending Christmas mail to the force the point at which I came to learn of its existence. Those concerned with maintaining secrecy over its presence were opposed to the dropping of any mail but other counsels prevailed and Christmas mail was dropped. The Argentinians never heard of it, however, and I, and probably others, were induced to remain silent over the presence of the force.

It could in fact be argued that the Labour Government wasted money and resources in sending out the force which, in the result, served no purpose because the threat disappeared anyway, as it had so often done in the past.

Any Labour claim that their action resolved the situation in 1977 is quite specious and I am sure that your staff will be able to check this out from the Naval records.

Yours sincerely

Chapman Pincher

The





10 DOWNING STREET

THE PRIME MINISTER

9 July, 1982

PERSONAL

Vear Si Patrick

When Robert Armstrong saw you last week, he told you that if you felt able to serve as a member of the Committee of Privy Counsellors which was to be set up to carry out the Falkland Islands Review, I would recommend to The Queen that you should be appointed to the Privy Council.

As you will have seen both from my Answer in the House last Tuesday announcing the membership of the Committee and from what I said in yesterday's debate on the Review, The Queen has been graciously pleased to approve that you be sworn of Her Majesty's most honourable Privy Council.

I am sorry that I have not written to you before to let you know this personally and to offer you my congratulations, but I am very happy to do so now.

May I take this opportunity to say how glad I am that you were able to accept my invitation to serve on the Committee of Privy Counsellors. I am very grateful to you for being ready to undertake this important task.

Your sincely

Sir Patrick Nairne, G.C.B., M.C.

Nagaret- Melte

C A Whitmore Esq



CABINET OFFICE

With the compliments of Sir Robert Armstrong KCB, CVO Secretary of the Cabinet

Dr. whitehor min

A.J.C.

70 Whitehall, London SW1A 2AS Telephone: 01-233 8319 CABINET OFFICE

70 Whitehall London SWIA 2AS Telephone 01-233 8319

From the Secretary of the Cabinet: Sir Robert Armstrong KCB, CVO

Ref. A08953

9 July 1982

I am writing to inform you of the arrangements which have now been agreed for servicing and supporting the Review within Whitehall. They are of course quite separate from, but complementary to, the Secretary and supporting staff directly attached to the Committee of Privy Counsellors.

An Assistant Secretary in the Defence and Oversea Policy Secretariat of the Cabinet Office, David Colvin, will act as the co-ordinating and advisory point for Departments on all points of difficulty, both procedural and substantive, which may arise in connection with the Review. He will be assisted by Callum Alexander, a Principal in the OD Secretariat. One of his main tasks will be to try to anticipate problems before they arise, so that the work of the Committee proceeds as smoothly and expeditiously as possible, at least as far as the input from Whitehall Departments is concerned. He will maintain close contact with the Secretary of the Committee.

It would be helpful if those Departments which have not already done so would nominate a representative to act as a contact point on all Review matters and to attend meetings of an interdepartmental group, chaired by David Colvin, which will meet regularly to monitor the progress of the Review and to identify points of actual and potential difficulty. This group will need to keep Permanent Secretaries fully informed of developments, so that we can meet as necessary to provide guidance.

I am copying this letter to Douglas Wass, Frank Cooper, Brian Cubbon, Donald Maitland, Michael Franklin, Jim Nursaw and Michael Kerry.



Sir Antony Acland KCMG KCVO

Ref. A08951 hand franks which MR. WHITMORE Falkland Islands Review I attach a draft of a letter for the Prime remy his up martin Minister to send to Lord Franks, conveying to the Committee the various points covered in her statement to the House of Commons yesterday. I also attach a formal Minute of Appointment, the top copy to be sent with the letter to Lord Franks. ROBERT ARMSTRONG 9th July, 1982

DRAFT LETTER FROM THE PRIME MINISTER TO

THE RT HON THE LORD FRANKS, OM, GCMG, KCB, CBE

I am delighted that you have been able to accept my invitation to be the chairman of a Committee of Privy Counsellors to undertake what has come to be known as the Falkland Islands Review.

I enclose a formal minute of appointment of the Committee.

Offices have been made available for the Committee's use in the Old Admiralty Building, and I have instructed the Secretary of the Cabinet to make sure that whether facilities the Committee needs to carry out its task are provided.

whateves

The Committee will be given access to all relevant papers and records of Government, including Cabinet and Cabinet Committee memoranda and minutes, and intelligence assessments and reports, on Privy Counsellor terms.

With the agreement of the former Prime Ministers
concerned, I am able to say that this will extend
to documents as well as those of the present
administration which are relevant to the Committee's
review, subject to the following conventions:

(i) Documents will be made available to members of the Committee by virtue of their being Privy Counsellors and solely for the purposes of this review. (ii) Any member of a previous administration who is invited to give evidence to the Committee will be able to exercise his normal right to see documents which he saw as a member of that administration. (iii) Serving and former officials and members of the armed forces invited to give evidence to the Committee will be able to see documents which they saw as advisers to Ministers on matters covered by the review. (iv) Documents of previous administrations will not be disclosed to members of the present administration or to any other persons not entitled to see them. (v) Documents made available to the Committee, and any copies made of those documents for the use of members of the Committee, will be

returned to the departments from which they came as soon as they are no longer required for the purposes of the Committee's review.

need to describe in their report the gist
or purport of documents made available to them,
so far as that can be done consistently with
the protection of national security and the
international relations of the United Kingdom.
But no part of Cabinet or Cabinet Committee
documents or other documents which carry a
security classification may be reproduced in
the Committee's report or otherwise published
without the agreement of the Government and
in the case of a document of a previous
administration that of the former Prime Minister
concerned.

The Committee will be able to take evidence from any Ministers or officials whom it wishes to see.

I hope that former Ministers and officials and others who may be invited to assist the Committee will think it right to do so.

The Committee will be concerned with reviewing the way in which the responsibilities of Government were discharged. It will, I believe, find it

necessary to conduct its proceedings in private. Nevertheless, it is possible that in its report the Committee may feel obliged to comment adversely on the performance or judgment of particular individuals, and it may be that some of those who are invited to give evidence may be inhibited in doing so by the fear that they make themselves vulnerable to criticism in the Committee's report which they may think unjustified and which they might not have had an opportunity of rebutting before the Committee. I suggest, therefore - though it is for the Committee to determine its own procedure - that, if the Committee does find itself obliged to criticise any individual, it should before incorporating that criticism in its report give him details of the criticism which it proposes to make, and an opportunity to make representations, orally or in writing. At that stage the Committee would have to decide whether to allow the individual concerned to be legally represented. The knowledge that the Committee had adopted a procedure of this kind should serve to reassure any one giving evidence that he will not be the subject of criticism in the Committee's report without having been told in advance of the nature of the criticism and given an opportunity to answer and comment on it.

The Committee will report to me, and it will be the Government's firm intention to present the Committee's report to Parliament in full, as it is submitted. At the same time information made available to the Committee whose disclosure would be prejudicial to national security or damaging to the international relations of the United Kingdom will The Government therefore need to be protected. suggests to the Committee that it should seek to avoid including any such information in its main report which is to be published, and that, if it needs to draw conclusions or make recommendations which, if published, would entail the disclosure of such information, it should submit them to the Government in a confidential annex which will not be published.

The Government must retain the right in the last resort to delete from the Committee's report before publication any material whose disclosure would be prejudicial to national security or damaging to the international relations of the United Kingdom.

I very much hope that the arrangement I have proposed in the foregoing paragraph will make it unnecessary for the Government to do that. Should it be necessary, I have assured the House of Commons that:

(i) The Government will make no deletions save strictly on the grounds of protecting national security or international relations; (ii) The Government will consider any proposals for deletions individually and critically, and will accept such proposals only on the grounds I have specified; (iii) You will be consulted if any deletions have to be proposed. The Committee must take and will of course be given the time it needs to carry out its review thoroughly. You will, however, be aware of the views that have been expressed as to the need for the review to be completed as quickly as possible, and I hope that the Committee will be able to work with as much expedition as is consistent with thoroughness and fairness. The Government will do whatever it can to enable the Committee to do so. In conclusion, I should like to thank you and your colleagues for your readiness to undertake this important task.

Falkland Islands Review The Prime Minister, with the concurrence of the Cabinet and the approval of the House of Commons, appoints a Committee, to consist of The Rt Hon The Lord Franks OM GCMG KCB CBE (Chairman) The Rt Hon The Lord Barber The Rt Hon The Lord Lever of Manchester Sir Patrick Nairne GCB MC The Rt Hon Merlyn Rees MP The Rt Hon The Lord Watkinson CH with terms of reference To review the way in which the responsibilities of Government in relation to the Falkland Islands and their dependencies were discharged in the period leading up to the Argentine invasion of the Falkland Islands on 2 April 1982, taking account of all such factors in previous years as are relevant; and to report. The Queen has been graciously pleased to approve that Sir Patrick Nairne be sworn a member of Her Majesty's Privy Council. The Secretary of the Committee will be Mr A R Rawsthorne. The Prime Minister instructs the Secretary of the Cabinet to ensure that all necessary arrangements are made to give effect to these decisions and to facilitate the work of the Committee in carrying out this review. ROBERT ARMSTRONG Secretary of the Cabinet 12. 9 July 1982



PIECE/ITEM 655 (one piece/item number)	Date and sign
Extract/Item details: Letter from Moore to Whitmore dated 9 July 1982	
CLOSED FOR 40 YEARS UNDER FOI EXEMPTION	31 May 2012 Alway Land
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	
MISSING ON TRANSFER	
MISSING	
NUMBER NOT USED	



10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

ACCESS TO DOCUMENTS OF A FORMER ADMINISTRATION

I have shown the Prime Minister your minute A08943 of 7 July 1982, and she is content with this statement of the conventions governing access to the documents of a former administration, as summarised in paragraph ten of your minute.

taw.

9 July 1982



flels

10 DOWNING STREET

From the Private Secretary

8 July 1982

ARGENTINA

Thank you for your letter of 6 July about the request from the Office of Mr. Michael Foot for copies of any speeches made by Mr. Parkinson when he visited Argentina as Minister for Trade in August, 1980. I told you that I believed the Prime Minister would agree that Mr. Parkinson should send Mr. Foot a copy of the notes prepared for his speech to the Anglo/Argentine Chamber of Commerce. The Prime Minister has since confirmed that she agrees with this.

I am copying this letter to John Holmes (Foreign and Commonwealth Office), John Rhodes (Department of Trade) and David Wright (Cabinet Office).

A.L COLES

Keith Long, Esq., Office of the Chancellor of the Duchy of Lancaster.

The Prime Minister should be aware that one of the Cabinet Committee documents which should go to the Franks Committee is a limited circulation record of the discussion in the Defence and Oversea Policy Committee on 7th November 1980, when Mr Ridley reported that there had been confidential exploratory discussions with the Argentine Government which included some discussion of the possibility of transfer of sovereignty accompanied by simultaneous leaseback. The minute makes it clear that the Argentine Government were attracted to the idea, but were not prepared to contemplate a leaseback as long as he had proposed and the Government would need. The record makes it clear that such a solution was not in principle ruled out by Ministers, if it was acceptable to the Islanders. The Prime Minister's summing up said that the Committee generally agreed that a solution on those lines was likely to be the only way out of the present impasse, but that it was essential that the Government should hold to its position that no change would be made to the status of the Falkland Islands without the consent of the Islanders themselves.

2. Because of its sensitivity, this record was not circulated outside this building, on the instructions of the Prime Minister. The circulated minutes have a brief, innocuous and uninformative record of the discussion. But I do not think that we should withhold the full record from the Franks Committee. While it is not public knowledge that the Government was prepared at least in principle to contemplate transfer of sovereignty and leaseback, and that knowledge might cause some stir if it were revealed in the Franks Committee's report, it is clearly and unambiguously on record that no change should be made to the status of the Falkland Islands without the consent of the Islanders themselves — and that is entirely consistent with the position to which the Government has adhered throughout.

MAT

ROBERT ARMSTRONG

e administered from the Falklands. The Falklands themselves (and the 200-mile EEZ which would be declared) would be transferred to Argentina which would immediately lease them back to the United Kingdom. As regards the length of the lease, he had initially proposed 250 years and Argentina 24 years. Argentina seemed at one stage to be ready to contemplate 75, but he had not been ready to go below 99 years. He believed that it should be possible to settle at, or close to, the latter figure. In the talks it had been envisaged that there would be a symbolic Argentine presence on the Islands, but without any authority or power. The arrangements would be subject to periodic reviews at perhaps five or ten-year intervals. If oil was discovered under the sea round the Falklands, it would belong to the Falkland Islanders, and not to the British Government. His own view was that it would be highly desirable to find some way by which some share of the ownership of the oil, if found, should go to the United Kingdom. The major outstanding difficulty appeared to be that of the length of lease; he could not guarantee it, but he thought it possible that, if the Argentinians knew that an agreement was available subject to satisfaction on that one point, they might well be prepared to accept a 99 year lease. He had been advised that, when the composition of the Argentine Government changed in March 1981, it would be necessary to renegotiate, if agreement had not been reached by them with the present government. Since it was possible that the new government might take a harder line on the Falklands, the best chance of success lay in getting present ministers to commit themselves publicly on the subject before next March.

In discussion the following points were made -

a. The most important aspect of the proposed arrangement was the cession of sovereignty. Even with the assent of the Islanders, the proposal would be likely to be criticised by the Government's own supporters and, because of the complexion of the Argentine regime, by the Opposition. Notwithstanding adverse votes at the United Nations, the United Kingdom's title to the Falklands was valid in international law; once conceded, that position could not be regained. Moreover, there could be no guarantee that the new arrangements would survive internal political changes in Argentina; the United Kingdom might find it necessary to concede more and more with the passage of time.

- b. The present outlook for the Falkland Islanders was bleak.
 They would prefer no change if the United Kingdom had the resources to provide indefinitely for the defence and economic development of the Islands; but this was not the case. They would welcome a moratorium on the issue for fifty years; but there was no chance of that.

 Meanwhile, uncertainty about the future was blighting the morale of the Islanders and ensuring that no firm would risk investing in exploration or development of the Islands' resources. If therefore the proposals were put to the Islanders, some of them might regard the proposed removal of British sovereignty merely as a disagreeable necessity with which they must come to terms as best they can, but many of them could be expected to see in the leasing arrangements a positive way forward from the impasse and the prospect of economic development for the Islands.
- c. It would be important to make satisfactory arrangements for any oil that might be discovered. This point would need to be covered in the terms of the proposed lease. Although no-one had challenged the right of the British Virgin Islands to oil discovered there, further thought should be given to ways in which the United Kingdom might be guaranteed entitlement to a substantial part of the revenues. Such an arrangement would be easier to make before rather than after oil was found.
- d. Once the proposed scheme was broached with the Falkland Islanders, the nature of the proposals would become public in that country. Severe political damage could be done if the proposals were presented to the Government's supporters as a fait accompli, even though some of those most interested in the problem had expressed the view privately that a lease-back, if negotiable, would be a good solution.
- e. An alternative solution, under which the United Kingdom would retain a degree of sovereignty by establishing a condominium was, as experience in the New Hebrides had shown, liable to lead to constant friction.
- f. If possible, it would be desirable to persuade the Argentine government to give up the demand for a symbolic Argentine presence on the Islands; it could cause difficulties. Similarly, the provisions for relatively frequent reviews of the lease would be liable to lead to a progressive weakening of the British presence; the reviews should be as infrequent as possible.

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E PRIME MINISTER, summing up the discussion, said that the Committee generally agreed that a solution on the lines described by the Minister of State, Foreign and Commonwealth Office, was likely to be the only way out of the present impasse. They also recognised that, but for the power of Argentina to disrupt life in the Falkland Islands through her control of the supply routes and the resultant loss of morale and decline in economic activity, and the difficulty and expense for the United Kingdom of maintaining effective defence and providing for economic development of the Islands, the Government would not be justified in a surrender of sovereignty. It was essential that the Government should hold to its position that no change would be made to the status of the Falkland Islands without the consent of the Islanders themselves. It seemed likely that, on balance, given the bleakness of their present situation, the majority of the Islanders would be ready to support negotiations with Argentina on the lines proposed, recognising that, while the Government would not go back on its commitment to defend them, it was not able to offer alternative ways of improving their position. The Committee's discussion had shown that in certain respects, including the proposed period of the lease, the arrangements being contemplated by the Argentina Government were not yet fully satisfactory. Assuming that the Islanders gave broad support to the basis proposed for negotiations with Argentina, it would be necessary to forewarn the Government's supporters in Parliament and the Committee would also wish to consider carefully the terms under which further negotiations with Argentina would take place.

The Committee -

- 1. Took note, with approval, of the Prime Minister's summing up of their discussion.
- 2. Invited the Foreign and Commonwealth Secretary to arrange for the Minister of State, Foreign and Commonwealth Office, to propose to the Falkland Islanders that their future should be secured by means of a transfer of sovereignty to Argentina accompanied by simultaneous lease-back of the Islands to the United Kingdom, and to report the outcome.
- 3. Agreed to consider further, in the light of the reaction of the Falkland Islands population to this proposal, the line to be taken in further negotiation with the Argentine Government.

Cabinet Office

10 November 1980.

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SECRET

C A Whitmore Esq



CABINET OFFICE

With the compliments of Sir Robert Armstrong KCB, CVO Secretary of the Cabinet

70 Whitehall, London SW1A 2AS Telephone: 01-233 8319

CABINET OFFICE 70 Whitehall, London SWIA 2AS Telephone 01-233 8319 From the Secretary of the Cabinet: Sir Robert Armstrong KCB, CVO 8 July 1982 KU Ref. A08945 Falkland Islands Review: Guidance Thank you for your letter of 5 July commenting on the draft note on guidance to Departments enclosed with my letter to you of 2 July. I have revised the guidance note to take account of your suggestions and of those from other recipients of my letter. A copy of the final version is enclosed. As I indicated earlier, it will be useful as a basis for discussion with the Chairman of the Committee, and I am giving the Secretary copies of it. I have incorporated a reference in paragraph 8 to the need for transcripts of oral evidence to be made available to participants. As regards the other points raised in (e) of your letter, it will be for the Committee to decide whether to take evidence from Members of Parliament, academics and other non-officials. They can hardly refuse to receive communications from such people; they will have to consider whether the value of their oral evidence would justify the considerable lengthening of their proceedings that might result. I would not expect them to want junior officials to appear before them unaccompanied: I would assume that the Permanent Secretary of the Department concerned - or a senior official nominated by him - would always be present whenever the actions or affairs of his Department were the subject of oral investigation. Committee would be free to ask that he should be accompanied by any particular official they might wish to interrogate, and I think that that official would have to go, and to answer any questions put to him. These are points which could perhaps best be covered in oral discussion with the Chairman. On the handling of intelligence matters, I would also hope that the point could be made to the Chairman orally that the questioning of officials should not relate to the identity or precise access of intelligence sources. / In the light Sir Antony Acland KCMG KCVO SECRET

In the light of Michael Kerry's comments I have deleted the reference to a Tribunal of Inquiry in paragraph 2 of the note. I share the anxieties expressed by him, and also by Frank Cooper, that the Committee may in the event feel obliged to criticise individual officials by name: but I doubt whether we can go further than the guidance now does towards steering the Committee away from this possibility. I have however added a sentence at the end of paragraph 2 to cover Frank Cooper's point that we are assuming that the Committee will conduct its proceedings in camera.

I note from Jim Nursaw's letter that the Law Officers' Department will not be preparing a collection of papers in advance; and I am content that they should not be mentioned first in the category (b) list in paragraph 4. But I am sure that they should be prepared to answer questions from the Committee about the Law Officers' advice or views on legality of the United Kingdom's sovereignty claim.

I am sending copies of this letter and the enclosure to Douglas Wass, Brian Cubbon, Frank Cooper, Michael Franklin, James Nursaw and Michael Kerry; and to Anthony Rawsthorne, the Secretary of the Committee.

ROBERT ARMSTRONG

Falkland Islands Review: Guidance

Purpose and Terms of Reference

The Falkland Islands Review is to be undertaken by a Committee of Privy Counsellors appointed by and reporting to the Prime Minister.

The terms of reference proposed by the Prime Minister are -

"To review the way in which the responsibilities of Government in relation to the Falkland Islands and their dependencies were discharged in the period leading up to the Argentine invasion of the Falkland Islands on 2 April 1982, taking account of all such factors in previous years as are relevant; and to report".

- 2. The review is intended to be an investigation of the performance of institutions and systems, and of the handling of the issues by departments separately and collectively. In other words, it is to be a review of the way in which the governmental machinery operated in relation to the Falkland Islands over the relevant period. It is envisaged that the Committee will conduct its proceedings in camera.
- The Committee will want to identify any areas in which the 3. machinery failed to function effectively or where errors of judgement occurred; and to draw lessons for the future conduct of affairs. But the form of the inquiry, and the pressure for an early report, imply an assumption that its primary objective will not be to attempt to assign responsibility and allocate blame to individual officials. It should accordingly be proposed to the Chairman that he should conduct the review and that officials should be invited to give evidence on the assumption that the Committee's primary purpose is to identify any areas in which the machinery failed to function effectively or where errors of judgment occurred and to draw lessons for the future conduct of affairs. accordance with the Prime Minister's speech on 8 July, however, it should be suggested that if, as a result of its inquiries, the Committee finds itself obliged to criticise an individual, it will give that individual details of the criticism which it proposes to make

and give him or her an opportunity to make representations, orally or in writing, before incorporating the criticism in its report. At that stage the Committee would have to consider whether to allow the individual concerned to be legally represented.

Departments Concernéd

- 4. Departments with which the Committee will be concerned fall into two categories -
 - (a) departments which are considered to have participated directly and throughout in the main decisions affecting the Falkland Islands, and those directly concerned with intelligence collection and assessment; and
 - (b) departments which, although not normally involved in the formulation or management of policy towards the Falkland Islands, have been responsible for specific decisions, or for advice or information which may in the Committee's judgement have had a bearing on such decisions or on the outcome.

The departments in category (a) are likely to be the Prime Minister's Office, the Foreign and Commonwealth Office (including ODA), the Ministry of Defence, the Treasury and the Cabinet Office; and the SIS and GCHQ. Within the Cabinet Office the Committee is likely to be particularly concerned with the JIC and the Assessments Staff. Departments in category (b) are likely to include the Home Office (in relation to nationality legislation affecting the Falkland Islanders), the Department of Trade, the Law Officers' Department and the Department of Energy. It is assumed that the Committee will in the first instance concentrate its attention on the departments in category (a); it may well wish at an early stage to take evidence from the intelligence agencies about the intelligence bearing on the issues.

Presentation of Evidence

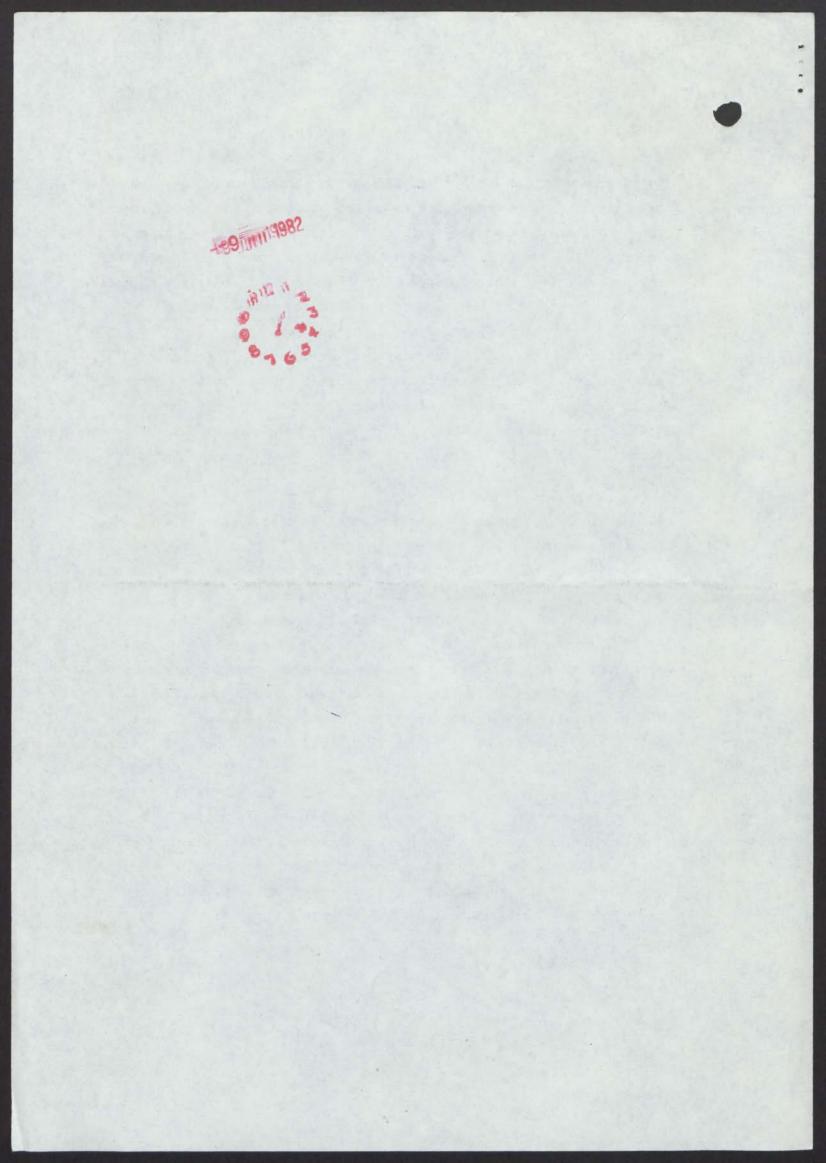
5. Each of the departments and services listed above has been alerted to assemble the papers bearing on the formulation and conduct of policy in relation to the Falkland Islands over the period under review. It

is suggested that, as soon as possible after the Committee has been set up, each set of papers should be made available to the Committee under a covering note prepared by the department or service concerned which will constitute a preliminary guide to the contents and contain any comments or explanations which may be considered necessary. These should be kept to a minimum, on the assumption that the collection of papers will in each case form the basis on which the Committee will wish to examine the Permanent Secretary or Head of Service concerned orally. As in the case of appearances before a Select Committee, each Permanent Secretary/Head of Service will be entitled to be accompanied by other officials of his own choosing who may assist him in answering the questions put by the Committee.

- 6. If in the light of these oral examinations the Committee requests further written evidence on particular points, it is envisaged that this should be submitted in the name of the department or service concerned and not by individual officials. Special procedures will be needed in the case of intelligence reports; in order to put the intelligence in its context, there should be accompanying oral explanations by the representatives of the service concerned and by representatives of customer departments.
- 7. There may be a considerable element of duplication as between the collection of papers prepared by individual departments. It will be for the Committee to decide how to take account of this: the objective in assembling the papers should be for each department to present a self-contained account of its own handling of the issues, identifying all the documents relevant to the decisions taken or advice tendered by it. The Committee may wish to invite each department to prepare a narrative account of the sequence of events, as a basis for subsequent oral evidence.
- 8. The Prime Minister has made it clear in her talks with the Leaders of the Opposition Parties and in Parliament that the Committee will be given access "to all the relevant papers and documents including sensitive intelligence material" and that "every single bit of evidence" should go before it. It is consequently not envisaged that there will

be any document or category of document which it will be proper for a department to withhold in the face of a request from the Committee. It is proposed that Cabinet and Cabinet Committee memoranda and minutes and intelligence reports and assessments should be made available on the understanding that they will not be reproduced in the published report. The Committee will also be entitled to ask any official of any department to appear before it to give oral evidence: it should be suggested that a transcript of the evidence should be made available both to the Head of the department concerned and to participants after each session of oral evidence. If for reasons which cannot now be foreseen genuine doubt arises as to the propriety of disclosing a given piece of evidence or exposing a particular official to oral examination, the Permanent Secretary of Head of Service concerned and the Secretary of the Cabinet should be consulted before any indication of hesitation is given to the Committee.

9. It is of the essence that the Committee should produce a report which can be published, preferably in full. If it needs to draw conclusions or make recommendations which cannot be published, it can be suggested that it should include them in confidential annexes not for publication. The Government will offer guidance to the Committee as to what can or cannot be published in its report. The object should be to avoid the need for the Government to make deletions from the text of the report before it can be published. Nonetheless the Government will retain the right to take out of the report before publication anything whose publication would be prejudicial to national security or damaging to the international relations of the United The Prime Minister has stated publicly that deletions, if any, will be confined strictly to those criteria and will be a matter for consultation with the Chairman of the Committee at the appropriate Officials giving oral evidence to the Committee should in principle not be asked questions, or volunteer answers, which might prejudge the outcome of such discussion on any particular point.





From the Principal Private Secretary

8 July 1982

Falkland Islands Review

I attach the latest version of the Prime Minister's opening speech for this afternoon's debate of the Falkland Islands review.

I should be grateful for any comments you and copy addressees may have by noon today.

I am sending copies of this letter and its enclosure to John Kerr (HM Treasury), Brian Fall (Foreign and Commonwealth Office), David Omand (Ministry of Defence), Jim Buckley (Lord Privy Seal's Office), John Rhodes (Department of Trade), Jim Nursaw (Law Officers Department), Michael Kerry (Treasury Solicitor's Office) and David Wright (Cabinet Office).

ME A WHITMORE

John Halliday Esq Home Office MR. SPEAKER, I BEG TO MOVE THE MOTION STANDING IN THE NAME OF MY RT. HON. FRIENDS AND MYSELF ABOUT THE FALKLAND ISLANDS REVIEW.

As early as 8 April I announced in reply to the Rt. Hon.

Gentleman the Member for Orkney and Shetland

That there would be a review of the way in

which the Government departments concerned had

DISCHARGED THEIR RESPONSIBILITIES IN THE PERIOD

LEADING UP TO THE INVASION.

/ SINCE THEN

SINCE THEN ALTHOUGH SOME HAVE ARGUED THAT IT IS NOT

NECESSARY, THERE IS WIDESPREAD AGREEMENT THAT

A REVIEW OF SOME KIND SHOULD BE CONDUCTED

AND THAT THERE SHOULD BE PRIOR CONSULTATION

WITH THE LEADER OF THE OPPOSITION AND OTHER

Opposition parties in the House.

I THINK THAT IT WOULD BE FAIR TO SAY THAT I HAVE REACHED GENERAL AGREEMENT WITH THEM ON THE NATURE, SCOPE AND COMPOSITION OF THE REVIEW.

ACCORDINGLY I SET OUT THE FORM OF THE REVIEW AND ITS TERMS

OF REFERENCE IN MY REPLY OF TUESDAY TO THE

RT. HON. GENTLEMAN THE LEADER OF THE OPPOSITION:

/ AND I

AND I WELCOME THE OPPORTUNITY TO EXPLAIN TO
THIS HOUSE TODAY THE REASONS WHY THE GOVERNMENT
HAS DECIDED TO APPOINT A COMMITTEE OF SIX
PRIVY COUNSELLORS TO CONDUCT THE REVIEW AND TO
GIVE IT THE TERMS OF REFERENCE SET OUT IN MY
ANSWER TO THE RT. HON. GENTLEMAN.

I SHOULD LIKE NOW TO DEAL IN TURN WITH THE NATURE OF THE REVIEW, ITS SCOPE AND COMPOSITION.

NATURE OF THE REVIEW

AS TO ITS NATURE, THE OVERRIDING CONSIDERATIONS ARE THAT

IT SHOULD BE INDEPENDENT AND COMMAND CONFIDENCE,

THAT ITS MEMBERS SHOULD BE ABLE TO HAVE ACCESS

TO ALL RELEVANT DOCUMENTS AND OTHER EVIDENCE

AND PERSONS AND THAT IT SHOULD BE ABLE TO COMPLETE

ITS WORK SPEEDILY.

/ THESE

HIE ASSESSMENTED

These four considerations taken together led naturally

to a Committee of Privy Counsellors.

Such a Committee has one great advantage over

other forms of inquiry: since it conducts its

deliberations in private and its members are

all Privy Counsellors, there need be no reservations

about providing it with all the relevant evidence

(including much that is highly sensitive), subject

to safeguards upon its use and publication.

A COMMITTEE OF PRIVY COUNSELLORS CAN SEE RELEVANT DEPARTMENTAL DOCUMENTS, CABINET AND CABINET COMMITTEE
MEMORANDA AND MINUTES, AND INTELLIGENCE ASSESSMENTS AND REPORTS, ALL ON PRIVY COUNSELLOR TERMS.

/ Such

SUCH DOCUMENTS COULD NOT BE MADE AVAILABLE TO

A TRIBUNAL OF INQUIRY, A SELECT COMMITTEE OR

A ROYAL COMMISSION.

THE COMMITTEE WILL ALSO BE ABLE TO TAKE EVIDENCE FROM

MINISTERS OR OFFICIALS WHOM THEY WISH TO SEE.

AND I HOPE THAT FORMER MINISTERS OR OFFICIALS

WHO MAY BE INVITED TO ASSIST THE COMMITTEE

WILL THINK IT RIGHT TO DO SO.

THERE ARE SEVERAL PRECEDENTS FOR A GOVERNMENT SETTING UP

A COMMITTEE OF PRIVY COUNSELLORS TO LOOK INTO

MATTERS WHERE THE FUNCTIONING, OF GOVERNMENT.

HAS BEEN CALLED IN QUESTION AND SENSITIVE

INFORMATION AND ISSUES ARE INVOLVED.

/ I WILL

I WILL REFER TO JUST ONE.

A CONFERENCE OF PRIVY COUNSELLORS WAS ESTABLISHED IN NOVEMBER 1955 TO EXAMINE SECURITY PROCEDURES IN THE PUBLIC SERVICES AS A RESULT OF THE DEFECTION OF BURGESS AND MACLEAN.

THE RESULTS OF THIS INQUIRY WERE REPORTED TO THE HOUSE BY THE THEN PRIME MINISTER ON 8 MARCH 1956, ALTHOUGH HE STATED THAT IT WOULD NOT BE IN THE PUBLIC INTEREST TO PUBLISH THE FULL TEXT OF THE REPORT OR TO MAKE KNOWN ALL ITS RECOMMENDATIONS.

In the case of the proposed review information made available

to the Committee whose disclosure would be

prejudicial to national security or damaging to

/ THE

KINGDOM WILL NEED TO BE PROTECTED.

THE GOVERNMENT WILL THEREFORE SUGGEST TO THE

COMMITTEE THAT IT SHOULD SEEK TO AVOID INCLUDING

ANY SUCH INFORMATION IN ITS MAIN REPORT WHICH

IS TO BE PUBLISHED, AND THAT, IF IT NEEDS TO

DRAW CONCLUSIONS OR MAKE RECOMMENDATIONS WHICH,

IF PUBLISHED, WOULD ENTAIL THE DISCLOSURE OF

SUCH INFORMATION, IT SHOULD SUBMIT THEM TO THE

GOVERNMENT IN A CONFIDENTIAL ANNEX WHICH WILL

NOT BE PUBLISHED.

In the last resort the Government must retain the right

to delete from the Committee's report before

publication any material whose disclosure would

be prejudicial to national security or damaging

/ to the

TO THE INTERNATIONAL RELATIONS OF THE UNITED KINGDOM.

THAT IS A DUTY WHICH NO GOVERNMENT COULD EVADE.

BUT I VERY MUCH HOPE THAT THE ARRANGEMENTS

I HAVE JUST DESCRIBED WILL MAKE IT UNNECESSARY

FOR THE GOVERNMENT TO DO THAT.

However, I can give the House the following assurances:

- FIRST, THE GOVERNMENT WILL MAKE NO DELETIONS

SAVE STRICTLY ON THE GROUNDS OF PROTECTING

NATIONAL SECURITY OR INTERNATIONAL RELATIONS:

/ - SECOND,

- SECOND, MINISTERS WILL CONSIDER ANY PROPOSALS
 FOR DELETIONS INDIVIDUALLY AND CRITICALLY
 AND WILL ACCEPT SUCH PROPOSALS ONLY ON
 THE GROUNDS I HAVE SPECIFIED.
- THIRD, THE CHAIRMAN OF THE COMMITTEE WILL

 BE CONSULTED IF ANY DELETIONS HAVE TO BE

 PROPOSED.

AND THE FACT THAT THE COMMITTEE WOULD KNOW
WHAT DELETIONS HAD BEEN MADE FROM THEIR
REPORT OFFERS THE BEST ASSURANCE TO THOSE WHO
MIGHT BELIEVE THAT THE GOVERNMENT WOULD TRY
TO MAKE UNJUSTIFIED DELETIONS.

Nevertheless, I repeat that it is the Government's aim

to present to Parliament the report of the

Committee in full.

/ Scope of THE REVIEW

SCOPE OF THE REVIEW

HERE THE PERSON

SO MUCH FOR THE NATURE OF THE REVIEW.

I TURN NOW TO ITS SCOPE.

FIRST, GEOGRAPHICALLY THIS INCLUDES THE DEPENDENCIES - THAT IS, SOUTH GEORGIA AND SOUTH SANDWICH.

SECOND, THE REVIEW WILL BE DIRECTED TO THE EVENTS LEADING UP TO THE ARGENTINE INVASION OF THE FALKLAND ISLANDS ON 2 APRIL.

If these events are to be fairly viewed, they must be seen against the background of negotiation, actions, intelligence and other assessments over the years.

FOR THAT REASON THE TERMS OF REFERENCE GIVEN
TO THE COMMITTEE EMPOWER IT TO TAKE ACCOUNT OF
ALL FACTORS IN PREVIOUS YEARS AS ARE RELEVANT.

FOR THIS PURPOSE

FOR THIS PURPOSE THE COMMITTEE WILL NEED TO HAVE ACCESS

TO ANY RELEVANT DOCUMENTS OF PREVIOUS ADMINISTRATIONS, AS WELL AS TO DOCUMENTS OF THE PRESENT

ADMINISTRATION.

I HAVE CONSULTED MR. HAROLD MACMILLAN, MY NOBLE FRIEND LORD HOME, THE RIGHT HON. GENTLEMAN AND MEMBER FOR HUYTON AND MY RT. HON. FRIEND FOR BEXLEY SIDCUP AND THE RT. HON. GENTLEMAN THE MEMBER FOR CARDIFF SOUTH EAST, AND THEY HAVE AGREED THAT THE COMMITTEE SHOULD HAVE ACCESS TO THE RELEVANT DOCUMENTS OF THEIR ADMINISTRATIONS, SUBJECT TO THE CONVENTIONS WHICH FOLLOW OR ARE CONSISTENT WITH WHAT HAS BEEN DONE IN THE PAST.

- First, documents will be made available to members of the Committee by virtue of their being Privy Counsellors and solely for the purposes of this review.

/ - SECOND,

- SECOND, ANY MEMBER OF A PREVIOUS ADMINISTRATION WHO IS INVITED TO GIVE EVIDENCE TO THE
 COMMITTEE WILL BE ABLE TO EXERCISE HIS NORMAL
 RIGHT TO SEE DOCUMENTS WHICH HE SAW AS A MEMBER
 OF THAT ADMINISTRATION.
- THIRD, SERVING AND FORMER OFFICIALS AND
 MEMBERS OF THE ARMED FORCES INVITED TO GIVE
 EVIDENCE TO THE COMMITTEE WILL BE ABLE TO SEE
 DOCUMENTS WHICH THEY SAW AS ADVISERS TO
 MINISTERS ON MATTERS COVERED BY THE REVIEW.
- FOURTH, DOCUMENTS OF PREVIOUS ADMINISTRATIONS
 WILL NOT BE DISCLOSED TO MEMBERS OF THE PRESENT
 ADMINISTRATION OR TO ANY OTHER PERSONS NOT
 ENTITLED TO SEE THEM.
- FIFTH, DOCUMENTS MADE AVAILABLE TO THE COMMITTEE,

 AND ANY COPIES MADE OF THOSE DOCUMENTS FOR THE

 USE OF MEMBERS OF THE COMMITTEE, WILL BE

 RETURNED TO THE DEPARTMENTS FROM WHICH THEY CAME

 AS SOON AS THEY ARE NO LONGER REQUIRED FOR THE

 PURPOSES OF THE COMMITTEE'S REVIEW.

SIXTH, IT IS UNDERSTOOD THAT THE COMMITTEE

MAY NEED TO DESCRIBE IN THEIR REPORT THE GIST

OR PURPORT OF DOCUMENTS MADE AVAILABLE TO THEM,

SO FAR AS THAT CAN BE DONE CONSISTENTLY WITH THE

PROTECTION OF NATIONAL SECURITY AND THE

INTERNATIONAL RELATIONS OF THE UK. BUT NO PART

OF CABINET OR CABINET COMMITTEE DOCUMENTS

OR OTHER DOCUMENTS WHICH CARRY A SECURITY

CLASSIFICATION MAY BE REPRODUCED IN THE

COMMITTEE'S REPORT OR OTHERWISE PUBLISHED

WITHOUT THE AGREEMENT OF THE GOVERNMENT, WHO WILL

CONSULT THE FORMER PRIME MINISTER OF THE

ADMINISTRATION CONCERNED AS TO WHETHER SUCH

AGREEMENT SHOULD BE GIVEN.

THIS POINT, I REPEAT THAT NO MEMBERS OF THE PRESENT

GOVERNMENT CAN OR WILL SEE ANY DOCUMENTS OF ANY

PREVIOUS ADMINISTRATION, UNLESS THEY THEMSELVES

WERE MEMBERS OF SUCH AN ADMINISTRATION AND ARE

ENTITLED FOR THAT REASON TO SEE THOSE PAPERS.

/ THERE IS ONE

THERE IS ONE OTHER PROCEDURAL MATTER ON WHICH I SHOULD SAY A FEW WORDS.

THE REVIEW WILL BE CONDUCTED IN PRIVATE.

ALTHOUGH IT WILL BE FOR THE COMMITTEE ITSELF TO

DETERMINE ITS OWN PROCEDURE, IT WILL BE SUGGESTED

TO THE CHAIRMAN THAT SHOULD THE COMMITTEE WISH TO

CRITICISE ANY INDIVIDUAL, IT SHOULD, BEFORE

INCORPORATING THAT CRITICISM IN ITS REPORT, GIVE

THE PERSON CONCERNED DETAILS OF THAT CRITICISM, AND AND

OPPORTUNITY TO MAKE REPRESENTATIONS, ORALLY OR IN

WRITING.

AT THAT STAGE THE COMMITTEE WOULD HAVE TO DECIDE WHETHER TO ALLOW THE INDIVIDUAL CONCERNED TO BE LEGALLY REPRESENTED.

IT IS IMPORTANT THAT INDIVIDUALS SHOULD NOT BE INHIBITED IN GIVING EVIDENCE TO THE COMMITTEE BY FEARS OF BEING VULNERABLE TO CRITICISM WHICH THEY MAY THINK UNJUSTIFIED AND WHICH THEY MIGHT NOT BE GIVEN AN OPPORTUNITY OF REBUTTING BEFORE THE COMMITTEE.

/ COMPOSITION OF THE REVIEW

COMPOSITION OF THE REVIEW

FINALLY, MR. SPEAKER, I COME TO THE MEMBERSHIP OF THE COMMITTEE.

AS I ANNOUNCED IN MY REPLY TO THE RT. HON. GENTLEMAN'S QUESTION ON TUESDAY, THE NOBLE LORD THE LORD FRANKS HAS AGREED TO BE THE CHAIRMAN.

I KNOW THAT THAT CHOICE IS ACCEPTABLE AND INDEED WELCOME TO THOSE WHOM I HAVE CONSULTED.

THE WILL BRING AN UNRIVALLED BREADTH OF EXPERIENCE TO THE WORK OF HIS COMMITTEE, AND WE ARE FORTUNATE THAT HE IS READY TO TAKE ON THE TASK.

AS I ALSO ANNOUNCED ON TUESDAY, THE OTHER MEMBERS OF THE COMMITTEE WILL BE MY NOBLE FRIEND LORD BARBER; THE NOBLE LORD, LORD LEVER; SIR PATRICK NAIRNE; THE RT. HON. GENTLEMAN THE MEMBER FOR LEEDS SOUTH; AND MY NOBLE FRIEND, LORD WATKINSON.

THE QUEEN HAS BEEN GRACIOUSLY PLEASED TO APPROVE THAT SIR PATRICK NAIRNE BE SWORN A MEMBER OF HER MAJESTY'S PRIVY COUNCIL.

/THE RT. HON. GENTLEMAN

THE RT. HON. GENTLEMAN THE LEADER OF THE OPPOSITION

PROPOSED THE NAMES OF THE RT. HON. GENTLEMAN THE

MEMBER FOR LEEDS SOUTH AND THE NOBLE LORD,

LORD LEVER.

I HOPE THAT THE HOUSE WILL SHARE MY VIEW THAT A

COMMITTEE WITH THIS MEMBERSHIP GIVES US THE BEST

POSSIBLE ASSURANCE THAT THE REVIEW WILL BE

CARRIED OUT WITH INDEPENDENCE AND INTEGRITY.

IT MUST BE GIVEN THE TIME IT NEEDS TO CARRY

OUT THE REVIEW THOROUGHLY.

BUT THE REVIEW ALSO NEEDS TO BE COMPLETED AS

QUICKLY AS POSSIBLE, AND IT IS MY HOPE THAT

IT CAN BE COMPLETED WITHIN SIX MONTHS.

/ CONCLUSION

CONCLUSION

 $\ensuremath{\mathsf{MR}}$. Speaker, I have confined my comments to the setting up of the review.

THAT IS THE SUBJECT OF THE MOTION.

WE ARE NOT CONCERNED TODAY WITH THE SUBSTANCE OF THE EVENTS THAT LED UP TO THE INVASION OF THE FALKLAND ISLANDS.

THAT IS FOR THE REVIEW ITSELF.

THE HOUSE WILL HAVE AN OPPORTUNITY TO DISCUSS THE COMMITTEE'S REPORT WHEN IT HAS BEEN PUBLISHED.

THAT WILL BE THE TIME FOR HON. MEMBERS TO DEBATE THE

SUBSTANCE OF EVENTS WHICH PRECEDED THE INVASION.

I HOPE THAT HON. MEMBERS WILL WELCOME THE REVIEW AND I COMMEND THE MOTION TO THE HOUSE.

CONFIDENTIAL Ministry.

Ref. A08943

MR. WHITMORE

Mis is an attempt at a superior of the rules.

Contrar?

Yes Mo 7vii

Access to Documents of a Former Administration

I am sorry if the Prime Minister felt that there was confusion as between the minute I sent you on 21st June and the draft letter attached to the minute I sent you yesterday. I am afraid that the minute of 21st June tried to sum up a complicated matter too briefly.

- 2. There is no doubt that the documents of a former Administration are the property of the Crown. It follows from this that the final decisions on giving or withholding access are for the Government of the day.
 - 3. Nor is there any doubt about two long-standing conventions:
 - (a) Ministers of the Administration of the day are not shown documents of a former Administration of a different political party.
 - (b) Members of a former Administration, whether currently in Ministerial office or not, may see but may not retain documents which they saw as members of that Administration.
- 4. There is a grey area about access for Ministers of the Administration of the day to documents of a former Administration of the same political party. In accordance with the convention at 3(b), they can see documents of a former Administration which they saw as members of that Administration. I do not believe that we should normally expect to withhold from a Minister currently in office documents of a former Administration of which he was a member, even if he did not see them at the time; I suppose, however, that there might be special reasons in particular cases where it might seem right to do so (I know of no such cases). I doubt whether we should withhold from a Minister currently in office documents of a former Administration of his own political party, even if he was not a member of that Administration. Nor in either case has it normally been thought necessary to seek the consent of the Prime Minister of the Administration concerned before making documents available to present Ministers in such circumstances.

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- There is also something of a grey area about the need to seek the agreement of a former Prime Minister before access to documents of his Administration is given to somebody other than a member of that Administration a committee of inquiry or a bona fide historian, for instance. There is a convention that such agreement should be sought before the Government of the day gives access to papers of a former Administration of a different political party; it could hardly be otherwise, given that the Government of the day does not itself see such papers. It is clear that that agreement can be sought from and given by the current leader of the party concerned, if the former Prime Minister concerned is not available. Moreover, it appears (though the precedents are not very clear on this) that when the question arises in the course of a matter on which there are discussions on a Privy Counsellor basis between the Prime Minister of the day and the Leader of the Opposition, the Leader of the Opposition (rather than the Prime Minister of the day) may be the person who seeks the consent of the former Prime Minister concerned, if that former Prime Minister is of the same political party as himself.
- 6. The precedents also suggest that it has not been regarded as obligatory for the Prime Minister of the day to seek the agreement of a former Prime Minister of the same party to the grant of access to documents of the Administration for which he was responsible, though it has on occasion been done as a matter of courtesy.
- 7. Developments of the last few days expose the difficulties of these grey areas. When I wrote my minute of 21st June, it seemed to me that the Prime Minister might well wish to leave it to Mr. Foot to consult Sir Harold Wilson and Mr. Callaghan about access for the Franks Committee to documents of the Wilson and Callaghan Administrations; but Mr. Foot showed no disposition to do so, and the Prime Minister did not press him. Mr. Heath, in his intervention in the House of Commons a week ago, seemed to suggest that he was expecting to be consulted as a matter of constitutional right rather than of courtesy about access to documents of his Administration. In the event the Prime Minister has written to all five former Prime Ministers.
- 8. This will constitute a precedent, and I believe that we should now regard it as established that, if there is a proposal to grant access to documents of a former Administration to anyone not entitled to see them, whether that former

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Administration is of the same political party as or of a different political party from the Government of the day, the convention now requires the Prime Minister of the day (or the Secretary of the Cabinet acting on his or her authority) to seek the agreement of the former Prime Minister concerned or, if he is not available, of the current leader of the political party concerned.

- 9. I hope that we can retain the existing element of discretion about showing a Minister of a current Administration documents of a former Administration of the same political party which he did not see as a member of that Administration (or because he was not a member of that Administration). If it was a requirement that the former Prime Minister concerned had invariably to be consulted in such cases, there would have to be frequent consultations, and it would be in my judgment unnecessarily cumbersome. It would indeed mean that the Prime Minister would have to seek Mr. Heath's agreement before she could see papers of the 1970-74 Administration which she did not see at the time. I suggest that the convention here should be that it is not normally necessary to seek the agreement of a former Prime Minister to show to a Minister currently in office a document of a former Administration of the same political party which he did not see at the time; but that there may be exceptional cases when it appears that it would be desirable or prudent to do so, in which event the Secretary of the Cabinet and if necessary the Prime Minister of the day should be consulted.
- 10. To sum up the conventions in this matter, as I think they now stand:
 - Documents of a former Administration are the property of the Crown. The
 grant of access to them for any person not entitled in an official
 capacity to see them requires the agreement of the Government of the
 day until they are released as public records.
 - 2. Ministers of a former Administration, whether currently in office or not, may see but may not retain official documents which they saw as members of that Administration.
 - Ministers of a current Administration may not see documents of a former Administration of a different political party.
 - 4. Ministers of a current Administration may normally see documents of a former Administration of the same political party, whether or not they saw those documents as members of that Administration, provided that

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the requirement to see them arises in the course of their Ministerial duties. There may, however, be exceptional circumstances in which the Secretary of the Cabinet and if necessary the Prime Minister of the day should be consulted about the desirability of seeking the agreement of the former Prime Minister who was in charge of the Administration in question.

5. Before giving access to documents of a former Administration (whether of the same political party as or of a different political party from the Government of the day) to anybody not entitled to see them either in an official capacity or in accordance with these conventions (e.g. a committee of inquiry or a bona fide historian), the Prime Minister of the day (or the Secretary of the Cabinet acting on his or her authority) should seek the agreement of the Prime Minister concerned or, if he is not available, of the current leader of the political party concerned.

ROBERT ARMSTRONG

7th July, 1982

10 DOWNING STREET 7 July 1982 From the Private Secretary Den John, FALKLAND ISLANDS REVIEW: DEBATE ON THURSDAY 8 JULY I sent you earlier this afternoon the draft of the Prime Minister's opening speech for tomorrow's debate on the Falkland Islands review. The Prime Minister will also be winding up the debate, and I now attach some notes for that purpose. I should be grateful if you and the copy addressees of this letter could let me have any comments on these by close of play this evening. I am sending copies of this letter and its enclosures to John Kerr (HM Treasury), Brian Fall (FCO), David Omand (MOD), Jim Buckley (Lord Privy Seal's Office), John Rhodes (Department of Trade), Jim Nursaw (Law Officers' Department), Michael Kerry (Treasury Solicitor's Office) and David Wright (Cabinet Office). you row, John Halliday, Esq., More Khriste.

NOTES FOR THE WIND-UP

A. NATURE OF THE REVIEW

1. No enquiry needed - blame clearly the Prime Minister's

The picture in the period immediately before the invasion was complex. There were many factors at work. There were clear similarities to earlier periods in Anglo-Argentine relations over the Falklands. But as we now all know, events suddenly moved in a totally new direction. Whether this development could and should have been foreseen is one of the major questions the review will address.

2. Enquiry by Tribunal/Select Committee

I explained in my opening speech why I do not believe either a Tribunal or a Select Committee would be as satisfactory a way of undertaking the review as a Committee of Privy Counsellors. The key to the choice of type of enquiry is access to information. If the review is to do a totally thorough and fair job, it will need to take into account a lot of intelligence and other very sensitive information. It would not be possible to make that kind of evidence available to a Tribunal or a Select Committee. But it can be provided to a Committee of Privy Counsellors.

/Establishment Whitewash?

- 2 -3. Establishment Whitewash? I do not believe that anyone who knows Lord Franks and his colleagues will seriously believe that they would lend themselves to any kind of cover-up for the Establishment. They are all individuals of complete integrity who will be concerned only to arrive at as fair and dispassionate an assessment as possible. None of them has been immediately associated with the Falkland Islands problem in recent years. A purely Parliamentary enquiry would be much more likely to divide on party lines. And it would not be able to have access to the highly classified information which will be an important part of the evidence the review will need to consider. Change of line on access to papers of previous Administrations? 4. The papers of both present and previous Administrations are the property of the Crown. Thus the grant of access to them for anyone not entitled in an official capacity to see them requires the agreement of the Government of the day, until they are released as public records. But the convention is that the agreement of a former Prime Minister is sought if it is proposed to give access to papers of his Administration; and that members of the current Administration never see the papers of a previous Administration, unless they happen to have been members of it. I do not believe that what I said on 1 July to my Right Hon. Friend the Member for Bexley Sidcup was inconsistent with that. /5.

5. Speed of Review

It is in everybody's interest that the Committee reports as quickly as possible. I am sure that the members are already well seized of this point. But equally they will want to do as fair and thorough a job as possible; and the House will endorse that. There is therefore a balance to be struck. But even so I do not envisage the Committee taking more than six months to complete their task, and I should not be surprised if it was not a good deal less.

Whether they wish to submit an interim report is up to them.

B. Scope of the review Why go back into history? The dispute between Britain and the Argentine over the Falkland Islands is a long-standing one which has gone through many different phases. It has produced periods of tension from time to time, but these never led to large-scale military action by the Argentines until the invasion of 2 April. It would seem to be important to try to establish by a comparison of the weeks and months immediately before the invasion with earlier periods of tension to what extent the pre-invasion period was similar to these earlier occasions and whether there were any crucial differences.

But it will be for the Committee to decide whether it wants to attempt this kind of historical comparison. The terms of reference make it possible for the Committee not to go back in time if that is what it wants to do.

2. Defeat for the Prime Minister on terms of reference?

The terms of reference I originally proposed were:-

"To review the way in which the Departments concerned have under successive Governments discharged their responsibilities in relation to the Falkland Islands, with particular reference to the period leading up to the Argentine invasion of 2 April, 1982, and to report."

But these were very much for discussion with Opposition
Party leaders: there would not have been much point in holding
consultations otherwise. The right hon. Gentleman the
Leader of the Opposition suggested some changes, and he and
I had no difficulty in agreeing on the terms of reference
I have since announced. These are not fundamentally
different from the original version.

3. Arms sales to Argentina and similar regimes

If the Committee feels that arms sales by previous British Governments, including Labour Governments, are relevant to the review, no doubt it will arrange to take the necessary evidence.

I should doubt whether they will see any need to examine the export of arms more generally. But, again, that is up to them.

C. Composition of the Committee

1. Why not a judge as Chairman?

The Government considered whether it would be appropriate for a judge to chair the Committee but concluded that it would not. The Committee will not be dealing with justiciable matters. On the contrary, much of its work will be in the area of political judgement, and the Government felt that it would not be right to ask a judge to become involved in this field.

2. No Conservative member from the Commons

The Government was concerned to find the best possible members of the Committee, regardless of which House they were in. I am sure that my hon. Friends and indeed the whole House will have the utmost confidence in my noble Friends Lord Watkinson and Lord Barber.

3. A Committee of geriatrics

(Mr. Dalyell's amendment to the Government's motion reads in part "regrets that, however distinguished, none of the proposed members of the inquiry is under 60 years of age, that their average age is above that of retirement pensioners")

I am not concerned with the age of the members of the Committee but only with the contribution they will make to the review. On that score I do not believe that we could have a better Committee, and I am sure that the great majority of hon. Members will share my view.



PIECE/ITEM 655 (one piece/item number)	Date and sign
Extract/Item details:	
Letter from Whitmore to	
Letter from Whitmove to Moove dated 7 July 1982	4
CLOSED FORYEARS UNDER FOI EXEMPTION	31 May 2012 Mayland
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
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10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

FALKLAND ISLANDS REVIEW

Thank you for your minute A08918 of 6 July 1982 which I showed to the Prime Minister yesterday evening.

For the reasons which I mentioned to you on the telephone last night, she has decided that it would be better if you did not write to Dr. Owen. She is grateful to you for securing the agreement Of Sir Harold Wilson, Mr. Heath and Mr. Callaghan to what the Government wants to do about access for the Committee of Privy Counsellors to the papers of their Administrations.

CAW

7 July 1982

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10 DOWNING STREET

From the Private Secretary

7 July 1982

The Chief Whip's Office have passed on to us the letter which you wrote to the Deputy Chief Whip on 29 June about the Falkland Islands Review. The Prime Minister has asked me to assure you that the names of many academics were considered as possible members of the Review, including that of Lord Dacre. But you will by now have seen from the Prime Minister's pursuant answer to Mr. Grimond yesterday (Official Report, Column 51-52) the results of the Prime Minister's consultations with the Leader of the Opposition and the Leaders of the other political parties on the composition of the Committee.

. W. F. S. RICKETT

Lord James Douglas-Hamilton, M.A., LL.B., M.P.



PIECE/ITEM 655 (one piece/item number)	Date and sign
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FM F C 0 Ø71514Z JUL 82
TO FLASH ROME
TELEGRAM NUMBER 195 OF 7 JULY

FOR COLES, PRIME MINISTER'S PARTY, ROME, FROM WHITMORE FALKLAND ISLANDS REVIEW

MIFT CONTAINS THE TEXT OF THE SECOND DRAFT OF THE PRIME MINISTER'S OPENING SPEECH FOR TOMORROW'S DEBATE ON THE FALKLAND

ISLANDS REVIEW.

IT INCORPORATES THE NEW MATERIAL WHICH THE PRIME MINISTER DECIDED LAST NIGHT SHE WANTED. THIS HAS MADE THE SPEECH RATHER LONGER THAN IS DESIRABLE FOR A THREE HOUR DEBATE IN WHICH A LOT OF MEMBERS WILL WANT TO SPEAK. I HAVE DELIBERATELY NOT REDUCED THE DRAFT AT THIS STAGE. I THOUGHT IT BETTER THAT THE PRIME MINISTER SHOULD SEE THE TEXT AS IT STANDS ON THE BASIS OF HER INSTRUCTIONS OF LAST NIGHT. BUT IT CAN BE TRIMMED FAIRLY READILY. FOR EXAMPLE, WE CAN CUT OUT THE PARAGRAPHS DEALING WITH PREVIOUS ENQUIRIES BY COMMITTEES OF PRIVY COUNSELLORS (PARAGRAPHS 18-21) WHICH WE COULD THEN USE, IF NECESSARY, IN THE WIND-UP SPEECH.

PYM

1846/7

Ref. A08914

MR WHITMORE

m

Falkland Islands Review

I attach a first draft of a speech for the Prime Minister to make when opening the debate on the Falkland Islands Review in the House of Commons on Thursday 8 July.

- 2. As you will see, it is based on the draft statement which I prepared before the weekend. It incorporates comments on that draft received from the Foreign and Commonwealth Office. It also includes a section (paragraphs 13, 14 and 15) on the protection of officials who give evidence to the Review. There are some signs of concern on this particular point, and it has been represented to me that it would be useful if the Prime Minister could say something about it in her speech.
- 3. I am circulating copies of this draft to the Departments principally concerned, with a request for urgent comments. If the Prime Minister has a chance to look at the draft either overnight, or on her way to Rome, you could perhaps let me have her thoughts and comments too, so that I could aim at having a revised draft ready, either to telegraph out to Rome, so that the Prime Minister could look at it on her way home, or to await her return in the evening.
 - 4. I am also sending a copy of the draft to Lord Franks.

ROBERT ARMSTRONG

6 July 1982

DRAFT SPEECH BY THE PRIME MINISTER

Falkland Islands Review

Mr. Speaker, I beg to move the motion standing in the name of my Rt. Hon. Friends and myself about the Falkland Islands Review.

- 2. There has been much discussion both in this House and outside about the need for and possible form of a review of the events which led up to the Argentine invasion of the Falkland Islands on 2 April and the decision to dispatch a Task Force to repossess the Islands, as we have now successfully done.
- 3. I welcome this opportunity of giving the House an account of the reasons why the Government has decided to set up the inquiry in the form and with the terms of reference which I indicated in my answer to the Rt. Hon. Gentleman the Leader of the Opposition the day before yesterday.
- 4. I should say by way of introduction that I have consulted the Rt. Hon. Gentleman the Leader of the Opposition and Privy Counsellor Leaders of other parties represented in the House, and I think that, without wishing to hold them to every detail of what I am about to propose, I can fairly say that I have reached broad agreement with them on the nature, scope and composition of the review.
- 5. As to the nature of the review, the overriding considerations are that it should be independent and authoritative and that it should

outer evidence

have access to all relevant documents and persons. I have repeatedly made it clear to the House that I am willing and anxious to have every single bit of evidence before the body which undertakes this review. It will of course need to see the relevant Departmental documents, Ministers and officials. But this is unlike other inquiries in that it will not be complete unless those conducting it are able also to see the relevant Cabinet and Cabinet Committee memoranda and minutes and intelligence assessments and reports. This will include much highly sensitive information: I want the nature of the review to be such that all the relevant evidence can be made available to it without reservation.

- 6. With these requirements in mind the Government has considered the various forms of review that might be envisaged. We thought of course about a Parliamentary Select Committee. We thought about a Tribunal of Inquiry. Either of those could have been given the formal powers to call for persons and papers that are available to such bodies. But we have come down clearly in favour of a Committee of Privy Counsellors.
- 7. In my judgment the requirement that all the relevant evidence should be available without reservation can be satisfied only if the review is entrusted to a Committee of Privy Counsellors appointed by and reporting to the Government. In no other way can sensitive information be given the protection it requires. Only if it is given that

protection can it be freely forthcoming to the review.

- The independence and authority of the review will be ensured by the composition of the Committee, which I will come to later. As a Committee of Privy Counsellors it will consist of people who have had wide experience of handling public affairs. They will be able to judge, with the benefit of that experience, whether and if so in what respects and at what points the machinery of government failed to function effectively, and whether and if so where errors of judgment occurred. They will have access, on Privy Counsellor terms, to all the relevant documents of this Administration. They will be able to take evidence from anybody in Government, Minister or official, whom they wish to summon. All concerned will be instructed or encouraged to give the Committee every document and access to any person as may be required for it to carry out its task. And I am sure that no former Minister or official who may be invited to assist the Committee will decline to do so.
- 9. It will be the Government's desire and firm intention to present the Committee's report to Parliament in full, as it is submitted. At the same time information made available to the Committee whose disclosure would be prejudicial to national security or damaging to the international relations of the United Kingdom will need to be

protected. The Government will therefore suggest to the Committee that its object should be not to include any such information in its main report which is to be published, and that, if it needs to draw conclusions or make recommendations which if published would entail the disclosure of such information, it should submit them to the Government in a confidential annex which will not be published.

- 10. The Government must retain the right in the last resort to delete from the Committee's report before publication any material whose disclosure would be prejudicial to national security or damaging to the international relations of the United Kingdom. That is a duty which no Government could set aside or put in commission. But I very much hope that the arrangements I have already described will make it unnecessary for the Government to do that. If it were to prove necessary, I can give the House the following categorical assurances:
 - the Government would make no deletions
 save strictly on the grounds of protecting
 national security or international
 relations;
 - the Chairman of the Committee would be consulted if any deletions had to be proposed;
 - Ministers would make no deletions other than those recommended to them on the grounds that I have specified;
 - any recommendations for deletion would be considered individually and critically: we should not regard ourselves as bound to accept such recommendations automatically.

Underland To

So much for the nature of the review. to its scope, as will be clear from the terms of reference set out in my reply to the Rt. Hon. Gentleman the Leader of the Opposition the day before yesterday, the review will be directed to the events leading up to the Argentine invasion of the Falkland Islands on 2 April this year. however, these events are to be viewed rightly, they have to be seen in the context of the history which led up to them, including the decisions and actions of saccessive Governments on the administration, development and defence of the Falkland Islands and the dependencies, and their relations with successive Argentine Governments. It is for that reason that the terms of reference given to the Committee invite it, in carrying out its review of events in the period immediately preceding the invasion of the Falkland Islands, to take account of all such factors in previous years as are relevant. These terms of reference will enable the Committee to examine, as far back and in as much detail as is ary and relevant, the historical background to recent events, the handling of issues relating to the Falkland Islands and their dependencies, and relations with successive Argentine Governments concerning the islands.

12. For this purpose the Committee will need to have access to any relevant documents of previous Administrations, as well as to documents

Right Hon. Friend Mr Harold Macmillan, my Right Hon. and noble Friend Lord Home of the Hirsel, the Right Hon. Gentleman the Member for Huyton, my Right Hon. Friend the Member for Bexley Sidcup and the Right Hon. Gentleman the Member for Cardiff South East, /and they have agreed//inviting them to agree/ that the Committee should have access to the relevant documents of the Administrations for which they were responsible, subject to the following conventions, which follow or are consistent with the precedents of what has been done in the past in such circumstances, namely that:

- (a) documents will be made available to all members of the Committee by virtue of their being Privy Counsellors and solely for the purposes of this review;
- (b) any member of a previous Administration
 who is invited to give evidence to the
 Committee will be able to exercise his
 normal right to see documents which he
 saw as a member of that Administration;
- (c) officials and former officials

invited

to give evidence to the Committee will be able to see documents which they saw as advisers to Ministers on matters covered by the review;

- (d) documents of previous Administrations will
 not be disclosed to members of the present
 Administration or of other previous
 Administrations (other than those who are
 members of the Committee), or to any
 other persons not entitled to see them;
- (e) documents made available to the Committee,
 and any copies made of those documents
 for the use of members of the Committee,
 will be returned to the Departments from
 which they came as soon as they are no
 longer required for the purposes of the
 Committee's review;
- while it is understood that the Committee (f) may need to describe in their report the gist or purport of documents made available to them, so far as that can be done consistently with the protection of national security and the conduct of international relations, Cabinet and Cabinet Committee documents and documents which carry a security classification will not be reproduced in the Committee's report or otherwise published without the agreement of the Government, who will consult the former Prime Minister of the Administration concerned as to whether such agreement should be given.
- 13. There is one other procedural matter on which I should say a few words. This review will not be a Tribunal of Inquiry. If it were, it would

have to have all the procedures appropriate for such a tribunal, and it would inevitably take a lot longer than we would all wish. It will be primarily concerned, as I have already said, with judging whether there were shortcomings or failures in the machinery of government and whether there were errors of judgment. It will conduct its proceedings in private. Nevertheless, we cannot exclude the possibility that in its report the Committee may feel obliged to comment adversely on the performance or judgment of particular individuals, and it may be that some of those who are invited to give evidence will be apprehensive that in doing so they may make themselves vulnerable to such criticism in the Committee's report.

- 14. Ministers and former Ministers are of course able to defend themselves, and to reply publicly to any criticism of that kind to which they may be subject. Officials, and particularly those still serving, have no such opportunity. It is important that they should not be inhibited in giving evidence to the Committee by fears of being vulnerable to criticism which they may think unjustified but which they cannot publicly counter or rebut.
- 15. It will of course be for the Committee to decide whether its findings require it to criticise or blame particular officials. We shall suggest to the Chairman that, if the Committee does find itself

obliged to criticise any individual official, it should before incorporating that criticism in its report give the individual concerned details of the criticism which it proposes to make, and an opportunity to make representations, orally or in writing. At that stage the Committee would have to decide whether to allow the individual concerned to be legally represented. That should reassure any official who is concerned that he or she will not be the subject of criticism in the Committee's report without having been told in advance of the nature of the criticism and given the opportunity to answer or comment upon it.

16. Finally, Mr. Speaker, I come to the membership of the Committee. As I said in my reply to the Rt. Hon. Gentleman's question on Tuesday, the Right Honourable Lord Franks has agreed to be the Chairman. I know that that choice is entirely acceptable to those whom I have consulted, as indeed it is to the Government. I believe that the whole House will agree that we have been very fortunate in being able to persuade this great servant of his country, with his unchallengeable integrity and his unrivalled experience of public affairs, to undertake this further task of public service.

17. The other members of the Committee, all of whom have been invited and have agreed to serve, will be (in alphabetical order): my Right Hon. and noble Friend Lord Barber; the Right Honourable

and noble Lord, Lord Lever: Sir Patrick
Nairne; the Right Hon. Gentleman the Member for
Leeds South; and my Right Hon. and noble Friend,
Lord Watkinson. The Queen has been graciously
pleased to approve that Sir Patrick Nairne be sworn
a member of Her Majesty's Privy Council.

18. I hope that the House will share my view that a Committee constituted as I have indicated gives us the best possible assurance that the review will be authoritative and balanced, and will be carried out with the utmost independence and integrity. It must be given the time it needs to carry out the review thoroughly. But this review needs to be completed as expeditiously as possible, and it is my hope and belief that it can be completed within six months.

C.A. Whitmore, Esq.



CABINET OFFICE

With the compliments of Sir Robert Armstrong KCB, CVO Secretary of the Cabinet

70 Whitehall, London SW1A 2AS Telephone: 01-233 8319

Prome. Muiter.

CABINET OFFICE

70 Whitehall, London swia 2As Telephone 01-233 8319

From the Secretary of the Cabinet: Sir Robert Armstrong KCB, CVO

Ref. A08941

7th July, 1982

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Falkland Islands Review

attached

Thank you for your letter of 6th July about the latest developments in the Select Committee on Foreign Affairs (FAC).

We discussed the matter raised in your letter this evening. I share your view that it would be impossible for officials to co-operate with the FAC on inquiries which overlap the work of the Franks Committee.

As to the tactics, as you pointed out, the Labour members of the FAC have put down an amendment to the Government motion for tomorrow afternoon, to the effect that the Falkland Islands review should be remitted not to the Franks Committee but to the FAC and the Select Committee on Defence. If that amendment is rejected, or not called, the Government is presumably entitled to take the view that the House of Commons has agreed that the review should be undertaken by the Franks Committee rather than by the two Select Committees.

Once we were in that position, it would be necessary to choose between refusing to co-operate with the FAC at all, or agreeing to co-operate only on matters which did not overlap the Franks Committee. An inquiry that concentrated on the future might be something with which the Government could co-operate; and there are a few questions in the questionnaire attached to your letter which could be answered without prejudice to the work of the Franks Committee. Which of these courses should be taken is, I think, largely a matter for political judgment. Whichever way that judgment went, Ministers would clearly have to seek to persuade the Conservative members of the Committee that they should concentrate on future policy, keep off the ground being covered by the Franks Committee, and adjust their questions accordingly.

I am sending copies of this letter to Frank Cooper and Clive Whitmore.

ROBERT ARMSTRONG

Sir Antony Acland, KCMG, KCVO

CONFIDENTIAL

LLIN LANGE



10 DOWNING STREET

FILE BK.
copied to:
Cabiner office.

6 July, 1982

THE PRIME MINISTER

Than Jim

I have, as you know, been consulting the Leaders of Opposition parties in the House of Commons about the nature and scope of the proposed Falkland Islands review. Following those consultations I have announced this afternoon that the review is to be entrusted to a Committee of Privy Counsellors. The terms of reference are directed to the way in which the responsibilities of Government were discharged in the period leading up to the Argentine invasion of the Falkland Islands on 2 April 1982. But the events of that period can be rightly viewed only in the context of the history which led up to them, including the decisions and actions of previous Governments, in so far as they are relevant, and their relations with successive Argentinian Governments. The Committee will therefore be invited, in reviewing the events of the most recent period, to take account of all such factors in previous years as are relevant.

We propose to make available to the Committee all the papers relating to the most recent period. The fact that the review is being entrusted to a Committee of Privy Counsellors will make it possible for it to be given access to all the relevant documents, including Cabinet and Cabinet Committee papers and intelligence assessments and reports, while ensuring protection from disclosure for information which ought to be protected in order to avoid prejudice of national security or of the conduct of international relations.

In so far as the Committee needs to take account of matters which arose and events which happened under previous administrations

it will need to have access to the relevant official documents of the time. How far it will need to go for that purpose, only the members of the Committee itself can say; but I should like to be able to assure them that, in so far as they need access to the official documents of previous administrations, that will be available to them on exactly the same basis as documents of the present administration.

I hope therefore that you will be able to agree that the Committee should have access to any relevant documents of the administration for which you were responsible, subject to the following conventions, which follow or are consistent with the precedents of what has been done in the past in such circumstances, namely that:

- a. the documents will be made available to all members of the Committee by virtue of their being Privy Counsellors and solely for the purposes of this review;
- b. any member of a previous administration who is invited to give evidence to the Committee will be able to exercise his normal right to see documents which he saw as a member of that administration;
- c. officials and former officials invited to give evidence to the Committee will be able to see documents which they saw as advisers to Ministers on matters covered by the review;
- d. documents of previous administrations will not be disclosed to members of the present administration or of other previous administrations (other than those who are members of the Committee), or to any other persons not entitled to see them;
- e. the documents made available to the Committee, and any copies made of those documents for the use of members of the Committee, will be returned to the Departments from which they came as soon as they are no longer required for the purposes of the Committee's review;

 / f.

f. while it is understood that the Committee may need to describe in their report the gist or purport of documents made available to them, so far as is consistent with the protection of national security and the conduct of international relations, Cabinet and Cabinet Committee documents and documents which carry a security classification will not be reproduced in the Committee's report or otherwise published without the agreement of the Government, who will consult the former Prime Minister of the administration concerned as to whether such agreement should be given.

If you would like to inspect the Cabinet and Cabinet Committee documents of your own administration, in so far as they dealt with matters which are or may be relevant to the Committee's review, the Secretary of the Cabinet would of course be ready to make the necessary arrangements for you to do so.

I am writing in similar terms to Harold Macmillan, Alec Home, Harold Wilson and Ted Heath.

Lows sincely

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Cabiner Office,

THE PRIME MINISTER

6 July, 1982

Pean Ted

I have, as you know, been consulting the Leaders of Opposition parties in the House of Commons about the nature and scope of the proposed Falkland Islands review. Following those consultations I have announced this afternoon that the review is to be entrusted to a Committee of Privy Counsellors. The terms of reference are directed to the way in which the responsibilities of Government were discharged in the period leading up to the Argentine invasion of the Falkland Islands on 2 April 1982. But the events of that period can be rightly viewed only in the context of the history which led up to them, including the decisions and actions of previous Governments, in so far as they are relevant, and their relations with successive Argentinian Governments. The Committee will therefore be invited, in reviewing the events of the most recent period, to take account of all such factors in previous years as are relevant.

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Copied to:

Cabiner Office

10 DOWNING STREET

THE PRIME MINISTER

6 July, 1982

Vear Hanold

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SIR ANTONY ACLAND

London SW1A 2AH

6 July 1982

Sir Robert Armstrong KCB CVO CABINET OFFICE

My dean Robert.

FALKLAND ISLANDS REVIEW

- 1. In preparing the Prime Minister for the debate on the establishment of the Falkland Islands Review you ought to be aware of the latest developments in the Select Committee on Foreign Affairs (FAC).
- 2. We have known for some time that the Foreign Affairs Committee has wanted to hold its own enquiry into the origins of the Falkland Islands conflict, though we knew that part, at least, of the Committee wanted to concentrate on the future rather than the past and recognised the potential conflict with the enquiry being set up by the Government. The Committee Clerk has however now sent us a list of no fewer than 38 questions (I attach the text) which are virtually all retrospective. The Committee will apparently determine the terms of reference for their enquiry when they meet on Monday, 12 July.
- Some basic decisions of principle arise. The FAC's questions would involve a great deal of work if full replies are to be given and would duplicate to a large extent the work of the Committee of Privy Councillors. Furthermore, some of the questions cannot be properly answered without reference to intelligence material, which cannot be revealed to the Foreign Affairs Committee. I shall want to discuss this development with the Foreign and Commonwealth Secretary when he returns to the country though this may not be until Wednesday evening. My preliminary view is that it could be difficult, and perhaps improper, for officials to cooperate fully with the FAC once the Government review is underway. On the other hand, a decision by the Foreign and Commonwealth Secretary to instruct officials not to respond to the FAC would be a major one and could well deserve early discussion with the Leader of the House and other Cabinet



colleagues. Ideally one would seek to persuade the Chairman of the Committee that the Committee's work should be directed to future policy and it may yet prove possible to influence the Committee in that direction before 12 July. You may feel, however, that the Government ought to have at least a preliminary view on how to deal with the issue when it enters the debate on Thursday afternoon.

Juns con

Antony Acland

cc: C A Whitmore Esq NUMBER 10

> Sir Frank Cooper GCB CMG MINISTRY OF DEFENCE

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Ref. A08914

MR WHITMORE

Falkland Islands Review

I attach a first draft of a speech for the Prime Minister to make when opening the debate on the Falkland Islands Review in the House of Commons on Thursday 8 July.

- 2. As you will see, it is based on the draft statement which I prepared before the weekend. It incorporates comments on that draft received from the Foreign and Commonwealth Office. It also includes a section (paragraphs 13, 14 and 15) on the protection of officials who give evidence to the Review. There are some signs of concern on this particular point, and it has been represented to me that it would be useful if the Prime Minister could say something about it in her speech.
- 3. I am circulating copies of this draft to the Departments principally concerned, with a request for urgent comments. If the Prime Minister has a chance to look at the draft either overnight, or on her way to Rome, you could perhaps let me have her thoughts and comments too, so that I could aim at having a revised draft ready, either to telegraph out to Rome, so that the Prime Minister could look at it on her way home, or to await her return in the evening.
 - I am also sending a copy of the draft to Lord Franks.

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ROBERT ARMSTRONG

6 July 1982

DRAFT SPEECH BY THE PRIME MINISTER

Falkland Islands Review

Mr. Speaker, I beg to move the motion standing in the name of my Rt. Hon. Friends and myself about the Falkland Islands Review.

- 2. There has been much discussion both in this
 House and outside about the need for and possible
 form of a review of the events which led up to the
 Argentine invasion of the Falkland Islands on
 2 April and the decision to dispatch a Task Force to
 repossess the Islands, as we have now successfully done.
- 3. I welcome this opportunity of giving the House an account of the reasons why the Government has decided to set up the inquiry in the form and with the terms of reference which I indicated in my answer to the Rt. Hon. Gentleman the Leader of the Opposition the day before yesterday.
- 4. I should say by way of introduction that I have consulted the Rt. Hon. Gentleman the Leader of the Opposition and Privy Counsellor Leaders of other parties represented in the House, and I think that, without wishing to hold them to every detail of what I am about to propose, I can fairly say that I have reached broad agreement with them on the nature, scope and composition of the review.
- 5. As to the nature of the review, the overriding considerations are that it should be independent and authoritative and that it should

have access to all relevant documents and persons.

I have repeatedly made it clear to the House that I am willing and anxious to have every single bit of evidence before the body which undertakes this review. It will of course need to see the relevant Departmental documents, Ministers and officials. But this is unlike other inquiries in that it will not be complete unless those conducting it are able also to see the relevant Cabinet and Cabinet Committee memoranda and minutes and intelligence assessments and reports. This will include much highly sensitive information: I want the nature of the review to be such that all the relevant evidence can be made available to it without reservation.

Selet brown train

- 6. With these requirements in mind the Government has considered the various forms of review that might be envisaged. We thought of course about a Parliamentary Select Committee. We thought about a Tribunal of Inquiry. Either of those could have been given the formal powers to call for persons and papers that are available to such bodies. But we have come down clearly in favour of a Committee of Privy Counsellors.
- 7. In my judgment the requirement that all the relevant evidence should be available without reservation can be satisfied only if the review is entrusted to a Committee of Privy Counsellors appointed by and reporting to the Government. In no other way can sensitive information be given the protection it requires. Only if it is given that

protection can it be freely forthcoming to the review.

- The independence and authority of the review will be ensured by the composition of the Committee, which I will come to later. As a Committee of Privy Counsellors it will consist of people who have had wide experience of handling public affairs. They will be able to judge, with the benefit of that experience, whether and if so in what respects and at what points the machinery of government failed to function effectively, and whether and if so where errors of judgment occurred. They will have access, on Privy Counsellor terms, to all the relevant documents of this Administration. They will be able to take evidence from anybody in Government, Minister or official, whom they wish to summon. All concerned will be instructed or encouraged to give the Committee every document and access to any person as may be required for it to carry out its And I am sure that no former Minister or official who may be invited to assist the Committee will decline to do so.
 - 9. It will be the Government's desire and firm intention to present the Committee's report to Parliament in full, as it is submitted. At the same time information made available to the Committee whose disclosure would be prejudicial to national security or damaging to the international relations of the United Kingdom will need to be

protected. The Government will therefore suggest to the Committee that its object should be not to include any such information in its main report which is to be published, and that, if it needs to draw conclusions or make recommendations which if published would entail the disclosure of such information, it should submit them to the Government in a confidential annex which will not be published.

- 10. The Government must retain the right in the last resort to delete from the Committee's report before publication any material whose disclosure would be prejudicial to national security or damaging to the international relations of the United Kingdom. That is a duty which no Government could set aside or put in commission. But I very much hope that the arrangements I have already described will make it unnecessary for the Government to do that. If it were to prove necessary, I can give the House the following categorical assurances:
 - the Government would make no deletions
 save strictly on the grounds of protecting
 national security or international
 relations:
 - the Chairman of the Committee would be consulted if any deletions had to be proposed;
 - Ministers would make no deletions other than those recommended to them on the grounds that I have specified;
 - any recommendations for deletion would be considered individually and critically: we should not regard ourselves as bound to accept such recommendations automatically.

So much for the nature of the review. As to its scope, as will be clear from the terms of reference set out in my reply to the Rt. Hon. Gentleman the Leader of the Opposition the day before yesterday, the review will be directed to the events leading up to the Argentine invasion of the Falkland Islands on 2 April this year. however, these events are to be viewed rightly, they have to be seen in the context of the history which led up to them, including the decisions and actions of successive Governments on the administration, development and defence of the Falkland Islands and the dependencies, and their relations with successive Argentine Governments. It is for that reason that the terms of reference given to the Committee invite it, in carrying out its review of events in the period immediately preceding the invasion of the Falkland Islands, to take account of all such factors in previous years as are relevant. These terms of reference will enable the Committee to examine, as far back and in as much detail as is necessary and relevant, the historical background to recent events, the handling of issues relating to the Falkland Islands and their dependencies, and relations with successive Argentine Governments concerning the islands.

12. For this purpose the Committee will need to have access to any relevant documents of previous Administrations, as well as to documents

Right Hon. Friend Mr Harold Macmillan, my Right Hon. and noble Friend Lord Home of the Hirsel, the Right Hon. Gentleman the Member for Huyton, my Right Hon. Friend the Member for Bexley Sidcup and the Right Hon. Gentleman the Member for Cardiff South East, [and they have agreed] [inviting them to agree] that the Committee should have access to the relevant documents of the Administrations for which they were responsible, subject to the following conventions, which follow or are consistent with the precedents of what has been done in the past in such circumstances, namely that:

- (a) documents will be made available to all
 members of the Committee by virtue of
 their being Privy Counsellors and solely
 for the purposes of this review;
- (b) any member of a previous Administration
 who is invited to give evidence to the
 Committee will be able to exercise his
 normal right to see documents which he
 saw as a member of that Administration;
- (c) officials and former officials

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to give evidence to the Committee will be able to see documents which they saw as advisers to Ministers on matters covered by the review;

- (d) documents of previous Administrations will
 not be disclosed to members of the present
 Administration or of other previous
 Administrations (other than those who are
 members of the Committee), or to any
 other persons not entitled to see them;
- (e) documents made available to the Committee,
 and any copies made of those documents
 for the use of members of the Committee,
 will be returned to the Departments from
 which they came as soon as they are no
 longer required for the purposes of the
 Committee's review;
- may need to describe in their report the gist or purport of documents made available to them, so far as that can be done consistently with the protection of national security and the conduct of international relations, Cabinet and Cabinet Committee documents and documents which carry a security classification will not be reproduced in the Committee's report or otherwise published without the agreement of the Government, who will consult the former Prime Minister of the Administration concerned as to whether such agreement should be given.
- 13. There is one other procedural matter on which I should say a few words. This review will not be a Tribunal of Inquiry. If it were, it would

have to have all the procedures appropriate for such a tribunal, and it would inevitably take a lot longer than we would all wish. It will be primarily concerned, as I have already said, with judging whether there were shortcomings or failures in the machinery of government and whether there were errors of judgment. It will conduct its proceedings in private. Nevertheless, we cannot exclude the possibility that in its report the Committee may feel obliged to comment adversely on the performance or judgment of particular individuals, and it may be that some of those who are invited to give evidence will be apprehensive that in doing so they may make themselves vulnerable to such criticism in the Committee's report.

- 14. Ministers and former Ministers are of course able to defend themselves, and to reply publicly to any criticism of that kind to which they may be subject. Officials, and particularly those still serving, have no such opportunity. It is important that they should not be inhibited in giving evidence to the Committee by fears of being vulnerable to criticism which they may think unjustified but which they cannot publicly counter or rebut.
- 15. It will of course be for the Committee to decide whether its findings require it to criticise or blame particular officials. We shall suggest to the Chairman that, if the Committee does find itself

obliged to criticise any individual official, it should before incorporating that criticism in its report give the individual concerned details of the criticism which it proposes to make, and an opportunity to make representations, orally or in writing. At that stage the Committee would have to decide whether to allow the individual concerned to be legally represented. That should reassure any official who is concerned that he or she will not be the subject of criticism in the Committee's report without having been told in advance of the nature of the criticism and given the opportunity to answer or comment upon it.

membership of the Committee. As I said in my reply to the Rt. Hon. Gentleman's question on Tuesday, the Right Honourable Lord Franks has agreed to be the Chairman. I know that that choice is entirely acceptable to those whom I have consulted, as indeed it is to the Government. I believe that the whole House will agree that we have been very fortunate in being able to persuade this great servant of his country, with his unchallengeable integrity and his unrivalled experience of public affairs, to undertake this further task of public service.

17. The other members of the Committee, all of whom have been invited and have agreed to serve, will be (in alphabetical order): my Right Hon. and noble Friend Lord Barber; the Right Honourable

and noble Lord, Lord Lever; Sir Patrick
Nairne; the Right Hon. Gentleman the Member for
Leeds South; and my Right Hon. and noble Friend,
Lord Watkinson. The Queen has been graciously
pleased to approve that Sir Patrick Nairne be sworn
a member of Her Majesty's Privy Council.

that a Committee constituted as I have indicated gives us the best possible assurance that the review will be authoritative and balanced, and will be carried out with the utmost independence and integrity. It must be given the time it needs to carry out the review thoroughly. But this review needs to be completed as expeditiously as possible, and it is my hope and belief that it can be completed within six months.





Prime Minuter

PRIVY COUNCIL OFFICE

WHITEHALL, LONDON SWIA 2AT

Chancellor of the Duchy of Lancaster

Paymaster General

You need to be aware of this before Thursday's debate. But there is nothing in the onelosed notes while 6 July 1982

is in the least embassassing.

2. I have told The Jorhinson office, since you may not be able to deal with the before young to home, that they should proceed

as at X. Ared put A.J. C. 5

ARGENTINA

I understand that Mr Michael Foot's office contacted the Department of Trade earlier today to ask for copies of any speeches made by Mr Parkinson when he visited Argentina as Minister for Trade in August 1980. In fact, as the Department stated in a written Parliamentary Answer on 14 May, transcripts of the speeches Mr Parkinson made on that visit are not available: but the notes prepared for one speech, to the Anglo-Argentine Chamber of Commerce, were handed to the Press in Argentina. A copy of the notes is attached. Some quotes from this speech were used by Mr Paul Foot in a "Daily Mirror" article early in the Falklands crisis. Mr Parkinson therefore feels that the best course is to send Mr Michael Foot a copy of the notes, while pointing out that X Mr Parkinson's remarks were directed to economic cooperation and that the economic team in the Argentine Government at the time was very different from that at the time of the Falklands invasion. We should be grateful to know as soon as possible whether the Prime Minister has any objection to this course of action.

We assume that Mr Foot has asked for these notes in preparation for Thursday's debate on the Falklands enquiry. We suspect that when he sees them he will realise that there is little in them which can be used as ammunition, but if he does raise the subject we recommend that the Prime Minister adopt the line indicated above.

I am sending copies of this letter to John Holmes (FCO), John Rhodes (Department of Trade) and David Wright (Cabinet Office).

Yours smearly,

KEITH LONG Private Secretary

A J Coles Esq Private Secretary to the Prime Minister 10 Downing Street London SW1

business schools has recepted forms of Borin Start College Holand Horin Start College Holand Page 1850 with Hermand.

PRITISH CHILBIR OF COMPAND IN ARGENTINA FRIDAY 8 AUGUST

First may I say a few words about the importance of Latin America, and in particular of Argentina, in the context of world trade. It is an importance recognised by OECD in its report "Interfutures" where it is predicted that by the end of the century the region will be enjoying a level of income roughly comparable with Italy today. The GNP among Latin American countries is now much higher than in most other parts of the Third World; and with large natural resources - minerals oil and immense hydro electric potential - the region is, I believe, destined to occupy a position of unique influence. Within the region argentina has a place of its own.

With the third largest GNP in Latin American and the second highest per capita GNP argentina already has a potential which suggests to me that we have held back for too long in taking up the threads of our traditional ties.

I am aware that parts of Argentine industry are in difficulty; and I am equally aware that it is little comfort to be told that others elsewhere in the world are finding the going equally difficult. But let me do so anyway.

A new Government was elected in Britain just over a year ago. That Government, of which I am proud to be a member, is making the most fundamental changes to the economic and industrial fabric of the

country probably since the Second World War - and those changes bear a remarkable similarity to the changes being made by the Government here. We are changing the way Pritain looks at itself. We are changing the way Britain looks at the world. Let me discuss for a minute our role in the world which was in danger of being lost in a near-obsession with our own internal problems. I am sure the change is apparent from here. Britain is looking outwards again both politically and economically. You may not agree with every stance we take, but we are again playing a major part in World affairs. In Europe we are playing a postitive role while trying to force the pace of change in arrangements, like the common agricultural policy, which are of little benefit inside the Community and none at all outside. And I have/left in no doubt, in the past few days, what Argentina thinks about the CAP. We are taking a constructive part in the international agencies which manage world trade and finance - in the GATT, the IMF and in the institutions in which the North/South dialogue is being conducted. Above all we are doing everything we can to keep the open trading /system

that the wor

system a reality. We know that the world is in recession. That recession is having as much an effect in Tritain as elsewhere. The ranks of the world's unamployed are swelling daily and any civilised country must view unemployment as, at best, a tragic waste of hum a resources.

With recession and unemployment come pleas for protection.

Superficially, it is an easy + no politically attractive way out.

I believe that we must turn away from that attraction, it is medicine in a modern developed economy. Our approach internationally has been to take every possible step to avoid the break-down of world trade through the vicious circle of protection and retaliation. It should never be forgotten that trade - not aid or credit - is by for the greatest bringer of wealth and the most vicorous citalyst of economic development. I believe your own Government's rejection of the easy answer of protectionism to be corageous and, above all, right.

It was for these reasons that Britain played a central role in the success of the Tokyo Nound of GAPT trade negotiations which will lead to greatly reduced tariff burriers and real progress in dismantling the unfair obstacles to trade which exist in so many countries. I am pleased to see that Argentina has already signed most of the new GATT codes.

I would point to only one further example of our determination to

look beyond our shares and take the long-term view. That is our attitude to overseas investment by British companies. For many years - 40, in fact - any abitions for foreign investment were stifled by exchange controls. Now, as an important part of our overall economic strategy, we have declined those controls. And it is countries him this that I long till benefit from our decision.

But let me now turn briefly to our domestic policies, especially in the economic and industrial fields.

We are going through a period of enormous industrial upheaval and adjustment. Part of this change is being forced upon us by circumstances beyond our control - in particular, of course, we must point to rising oil prices and recession in much of the developed world. We are also having to adjust to increasing competition in manufactures from low-cost producers in the developing world.

But much of the change reflects a conscious decision by the Government based on a view that Britain has simply not been making enough of its strengths. What are these strengths?

- We are virtually self-sufficient in energy (oil, natural gas, coal, and nuclear power) and that is an almost unique position to hold in the developed world;



- 5 -

- We are still leaders in many areas of high technology (telecommunications, Maddel engineent, oil and gas development, mining equipment, transport systems and so on);

Birth Mullth TTO 2, Many.

- We are one of the world's major experters with one-third of everything we produce coin abroad (twice the level of Japan and four times that of the Ws); A & W W W W.

- in the city of London we have the world's biggest concentration of burning, insurance and connectities expertise;

- above all perhaps we have a secure, stable and democratic political system, and the enormous personal strength of our people. Why the Curum.

so the view the international press takes of Britain is often much too gloomy. - Swhite There is NY,

Certainly, we have problems at present: our inflation is too high and our level of unemployment is of no comfort to anyone in Britain. But our policies have had to take the long-term view, even if some of these policies seem harsh in the short-term.

At the boot of those policies has been the need for a radical shake-up in British industry. The need to completely change relationships and put them on a more constructive footing - principally the relationships between industry and government

and between labour and managements.

We are making industry repressible for its own future while environment for companies to prosper. creating the right We are encount ing constition. We are ending the monorchy powers of some of the ciunt state-ounce industries and privatising whenever possible. I car only applied your own efforts in this direction.

We are keeping a tight hold on public spending - a hold which, I believe, will succeed in bringing down interest rates to industry. We are gradually reforming the tax system - moving from taxes on personal income to taxes on spending.

So you can see just how close Argentina and Britain are in their economic policies. I truly believe that they represent the only road open to us.

It seems to me that this identity of purpose in the economic field gives us the basis for a very close relationship in the future. In my meetings with your ministers, this week, we have discussed not only direct trade but the prospects for more UK investment, joint ventures, technology transfer. I see also the scope for bilateral cooperation in third markets.

We have discussed the ideas for the Latin American free trade area which would have an important bearing on investment discussions.

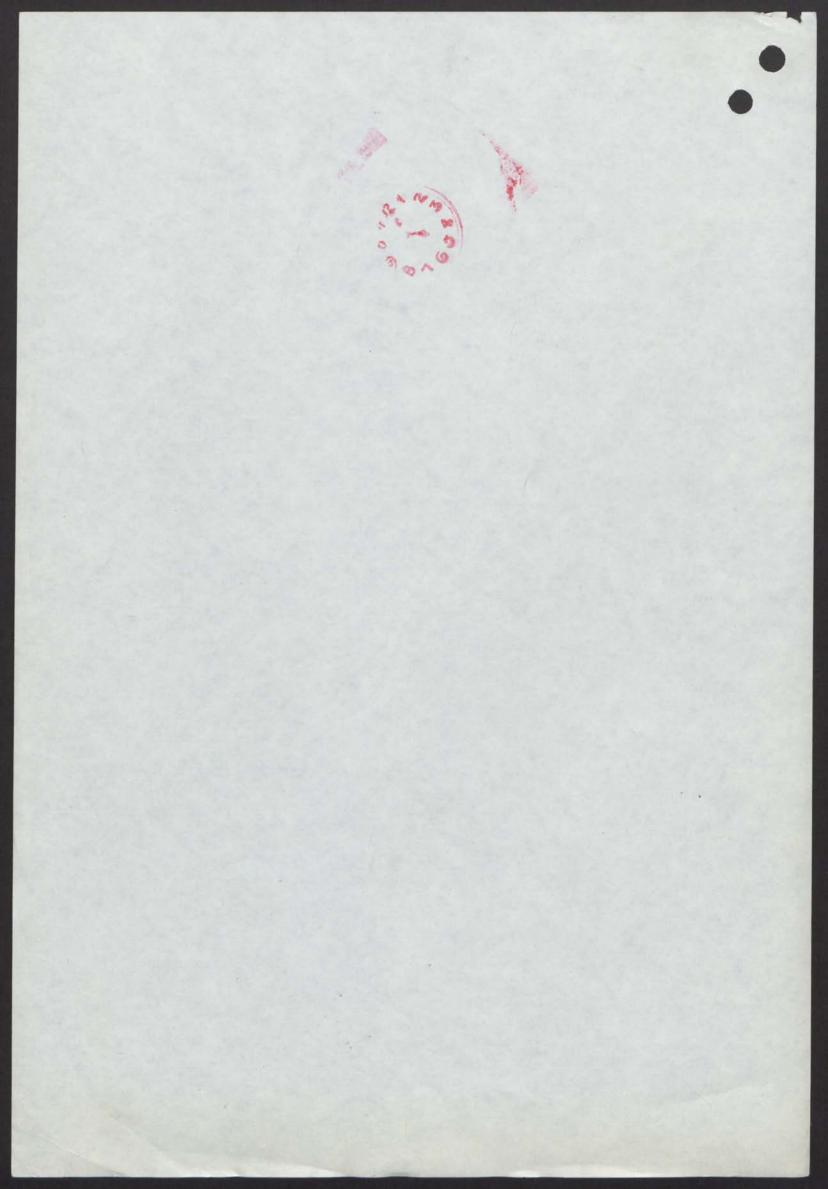


We have also discussed the agreem Comion agricultural policies. On that subject, I have already said something publicly and I hope you are in no doubt of the tritish Government's position - we don't like it, we don't want it and we are going to do whatever possible to chan e it.

Finally may I say that your the her old an important role in sumporting our trade interests here, and I beloome this opportunity to may tribute to it.

It is efforts such as your, coming from within the community here in Ruenos Aires, which do so such to strengthen our commercial ties in a manner and to a degree which external contacts cannot achieve.

This has been a memorable and rewarding visit. If it has done anything to help establish a stronger British presence here or to encourage argentines to think of Britain as a natural partner in a weath of charles - all of



CONFIDENTIAL Commer the Ribardo Ref. A08918 MR WHITMORE Falkland Islands Review I went to see Mr Heath at 12.15 pm today. 2. I explained that the Prime Minister would be announcing the decision to set up a Committee of Privy Counsellors under the chairmanship of Lord Franks and its terms of references in a Written Answer this afternoon, and that she would follow that up with other details about the Committee when she opened a short debate on Thursday afternoon. I said that the Prime Minister had asked me to come and see him about the terms upon which documents of his administration might be made available to the Committee. It had always been her intention to write to him and to other Prime Ministers, seeking their agreement to this, subject to the appropriate safeguards. I then gave him the draft letter to read. Mr Heath read the draft, and then handed it back to me, saying that that fully safeguarded the constitutional position so far as he was concerned. He said that Dr Owen had told him that the Prime Minister had told him 5. (Dr Owen) that I had advised the Prime Minister that "she could do what she liked" with the papers of former administrations. Mr Heath did not believe that I could have given such advice, but thought that I ought to be aware that it was being said, and not only to him. A rather similar impression of what Dr Owen thought the Prime Minister had said was conveyed in the Press reports last Sunday. If the Prime Minister has no objection, I should rather like to put the record straight on that, by writing a letter to Dr Owen on the lines of the draft attached. 7. I have also spoken to Sir Harold Wilson (on the telephone, in Liverpool) and to Mr Callaghan. Both are content with what is proposed. The way is therefore clear for the Prime Minister's other three letters to 8. issue. ROBERT ARMSTRONG 6 July 1982 CONFIDENTIAL

DRAFT LE ER FROM SIR ROBERT ARMSTRONG TO DAVID OWEN, MP

The reports in last Sunday's papers about what you had said about the conventions governing access to documents of previous administrations suggest that it may be useful for me to write to you, with the Prime Minister's agreement, to set out what I understand to be the position.

The official papers of previous administrations, as of the current administration, are the property of the Crown. Thus the grant of access to them for any one not entitled in an official capacity to see them requires the agreement of the Government of the day, until they are released as public records.

There are certain long-standing conventions covering these matters:

- (1) Ministers in a previous administration are allowed to see, but not to retain, copies of official documents which they saw as members of that administration.
- (2) Documents of Ministers of an earlier

 administration are not disclosed to Ministers
 in the current administration, if that is formed
 by a different political party, or by Ministers
 in any other previous administration.

Any exception to this convention requires the consent of the Prime Minister of the earlier administration in question (or, if he is not available, the current leader of the party concerned).

(3) Within the closed period prescribed by the

Public Records Acts, there is no publication

of Cabinet and Cabinet Committee documents

in whole or in part. During this period

Cabinet and Cabinet Committee documents and cognate papers of the inner workings of Government are not disclosed in court proceedings. By the same token they are not made available to public inquiries. Cabinet and Cabinet Committee documents have on occasion been made available to Committees of Privy Counsellors, subject to appropriate safeguards and to the agreement of the Prime Minister in the administration concerned.

(4) If it is proposed to grant access to documents of previous administrations not yet released as public records to any one not entitled to see them (eg to a bona fide historian), the agreement of the Prime Minister in the administration concerned should be sought.



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10 DOWNING STREET

From the Principal Private Secretary

6 July 1982

FALKLAND ISLANDS REVIEW

You had a copy of Sir Robert Armstrong's minute, A08911 of 5 July 1982, to me with which he submitted a draft of the Motion to be debated in the House on Thursday, 8 July.

The Prime Minister has seen this draft but thinks that we should aim to put down a Motion which is shorter and more difficult to amend. Subject to the views of her colleagues, she has approved the following version:-

"That this House approves the decision of Her Majesty's Government to set up a Falkland Islands review as announced by the Prime Minister in her reply to a Question by the rt. hon. Gentleman, the Leader of the Opposition on 6 July 1982."

I am copying this letter to John Halliday (Home Office), Brian Fall (Foreign and Commonwealth Office), David Omand (Ministry of Defence), David Heyhoe (Lord President's Office), Michael Pownall (Government Whips, Lords) and David Wright (Cabinet Office).

G. A. WHITMORE

Murdo Maclean, Esq., Chief Whip's Office.

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CONFIDENTIAL

That this House approves the decision of Her Majesty's Government to set up a Falkland Islands review as announced by the Prime Minister in her reply to a Question by the rt. hon. Gentleman, the Leader of the Opposition on 6 July 1982.

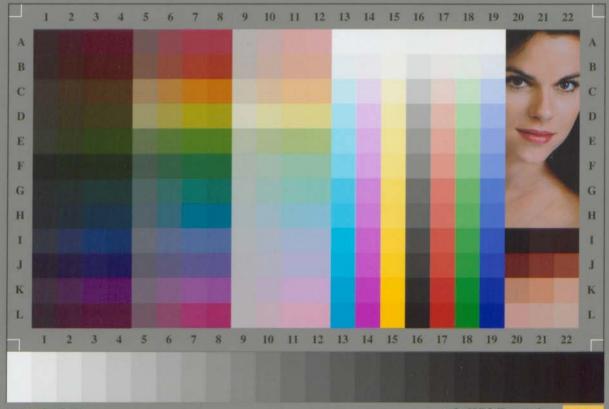
PART ends:-

5/7 CAW DRTD #55

PART 2 begins:-

CA ~ to Chap why 6/7





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