

CAB

292 /
 / 22

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

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

Witness

Lord Carrington

Note taken by MPO Reporter

SECRET

SECRET

CHAIRMAN: Thank you very much for coming to see us. I thought I would begin by asking you whether you would like to make any sort of statement to us.

- A. (LORD CARRINGTON): No, not really. Anything I can do to help I will.

Q. Thank you. We have a list of questions. I would like to begin, if I may, with some rather general questions about your relations with your junior ministers, this kind of thing, the way that work was set up in the Foreign Office in our relevant period, which I think we can say begins in a way about the time of your talk in the margins of the Assembly with Camilion in September 1981 and goes through to April 1982. First, we are very much aware that the Foreign Secretary has a very large number of problems with which he has continuously to be dealing. How did you see in this period the issue of the Falklands in relation to your other responsibilities?

- A. When I became Foreign Secretary in May 1979 the main issue was Rhodesia. That is the one that was at that moment far and away the most immediate issue because we had a Commonwealth prime ministers' conference coming up in August. When I took over I went round the world to see what the difficult spots were, purely from the British point of view as opposed to the international point of view. There were a number of them. We were having some trouble with what was then the New Hebrides, with the condominium there, and we had to decolonise that. We had Belize, which was proving very difficult. There was Gibraltar. There was Hongkong, though at that time perhaps on a rather longer timescale than it appears now. Then of course there were the Falkland Islands, which had been a running difficulty. All these had to be looked after. The Foreign Secretary had to have his priorities about what he was most concerned with. At that time I had quite a number of ministers. The way I organised it was to give them the various parts of the world for which they were primarily responsible and for which they did what

SECRET

you might call the devilling. They came to me and talked to me about the policy, and we jointly decided what we should do and how we should carry it out. This is what we did about the Falkland Islands quite early on. Nick Ridley did the South American and the Latin-American desk. He took a grip on this and we had a conversation quite early on about what we ought to do about the Falkland Islands.

Q. And then the same with Richard Luce?

- A. Richard Luce took over from Nick Ridley when Nick Ridley was moved. The policy by that time was more or less fixed. Nick Ridley had done the work about where we thought we ought to be going and Richard Luce really inherited that - I do not think he disagreed with it, but he inherited it.

Q. Would it be fair to say that the way you worked it was to delegate responsibility for certain areas but the delegation of course was not absolute, it could not be, you reckoned that they would come to you on any point that worried them?

- A. Absolutely.

Q. But subject to that they would get on with it?

- A. Yes - and they did come to me about points that worried them, always. Let me make it clear: they never did anything on their own of which I either disapproved or was unaware. It was my responsibility.

Q. So that their guidelines were a generally established policy and their discretion existed within the limits that you have described?

- A. Yes. I think it would be true to say that all new governments take a look afresh at policy. We took a look at the Falkland Islands policy and it took a good deal of thrashing out. When that had been established I think the policy was broadly speaking laid down - or what we wanted to do was laid down.

Q. Given that there was this measure of delegation - of course Nick Ridley or Richard Luce would see all the

telegrams, the secret reports and so forth. Did you also receive them, or did you rely on them to draw your attention to anything that appeared significant?

- A. One relies very much in a job like that on one's private secretaries. I relied upon them more than anything else to keep me informed about what was happening. But I knew that if there was anything of any significance, then either Nick Ridley or Richard Luce would let me know about it. But how much I saw of what there was to see I really do not know, to be truthful. I do not know how much there was, but I imagine there was so much that it had to be sifted and somebody took a decision. I suppose it was partly the people in the Foreign Office who looked after Latin-America and partly my private office.

Q. Yes - Mr Fearn, Mr Ure, and so on?

- A. Yes.

LORD LEVER: It was their duty to bring to your personal notice any of the telegrams or papers that seemed to have some significance that ought to be in your mind?

- A. So far as I know, yes.

CHAIRMAN: In this broad context that we are talking about one of the apparent oddities is that the Defence Committee did not meet through all this period - I am talking about the Defence Committee dealing with the Falklands, of course they met on other occasions for other purposes, but I am talking about when the Falkland Islands was on the agenda, so to say. This I think was in January 1981 and then it did not meet again until the end of March 1982, which is a long time. Do you think there were any particular reasons why it did not meet? As we read the papers we see repeatedly references to a future meeting of OD. For example, Mr Ridley had a meeting in June 1981 and at the conclusion of the meeting it talked about preparing contingency plans for a future meeting in September 1981 and then later on there is a reference to a meeting in March, and so on. But in fact it did not happen.

SECRET

Was there a reason why the Falklands issue over this period I am talking about, say September 1981 through to the end of March 1982, never required the joint consideration of ministers in Defence Committee or maybe Cabinet?

- A. We had a difficult decision to make originally about the Falkland Islands. If you looked at the situation - and I still actually believe it to be true - if you had to keep negotiating with the Argentine, however difficult it was, you could not not talk about sovereignty - what else were they interested in? The only way that you could talk about sovereignty and maintaining the position of all governments, that the wishes of the Falkland Islanders were paramount or of the first importance was to devise some way in which the Falkland Islanders did get an assurance of the continuation of what they had. I came to the conclusion that the only way in which you could do that was by lease-back. That was a difficult decision to take because it was quite obviously not very easy to convince quite a lot of people that lease-back was not, in the current fashionable phrase, a sell-out. Therefore it took a long time to convince my colleagues and myself that this was the right thing to do. Nick Ridley then started the negotiations and went to the Falkland Islands and had some conversations with the Argentines. As I recollect, the Argentine conversations did not go too badly and to begin with the Falkland Islanders did not react too strongly, but the House of Commons reacted very strongly. So the whole thing got into third gear. Everything was put off. First there were the elections, and then, "Let us not do anything until we see whether we can persuade the islanders that lease-back is not such a bad idea after all" and "Let us see whether the mood in the House of Commons and the Conservative Party and the Labour Party changes a bit. Therefore there was not the immediacy. If I may be very frank and rather crude, you had to keep the ball in the air with the Argentines. That was the object. We did not have any cards in our hands. What you had to do

was to keep the negotiations going. As long as you could keep the negotiations going and it did not bust there was not such immediacy. It was only worth talking about when you got to the point that you were going somewhere different from the policy which had already been decided and there was not the immediacy to do it.

Q. I would like to come back to that later on, if I may, when we look at the events of January, February and March 1982. I understand entirely at the moment the position, that a policy had been devised that even though the prospect got darker it was not dead and that therefore you felt that there was no call for a series of fresh decisions such as might have required the sanction of the Defence Committee.

- A. Exactly, nor did I think that there was another policy that we could pursue at that time; therefore there did not seem much to talk about.

LORD WATKINSON: If I could just check, chairman. The whole lease-back concept and the policy was in fact approved by an OD committee. I forget when now. But when Ridley first started chewing the thing all over again, if I remember correctly it ended up in Defence Committee and this took the formal decision that lease-back was the only way out. I had assumed...

- A. With qualifications. You have to carry people along with you. It was not just said "We are going to do this": it was "This seems the way to do it".

CHAIRMAN: This was December 1981.

LORD WATKINSON: I am still on the point of why it did not appear in subsequent OD meetings. The question I am really asking is, and I think you have already answered it, having set that course the government continued to pursue it as best it could. I know all the difficulties, Ridley getting the bird in the House of Commons and all that sort of thing, but nonetheless that policy remained as the policy of HMG.

SECRET

- A. Yes, but not only that, there was positive advantage in going slowly if you could keep the negotiations going. The last thing we wanted to do was to go fast.

LORD LEVER: Yes. You had not merely a lease-back in mind but an extra lease of life for the negotiating posture?

- A. Yes.

MR REES: Could I raise the question of the House of Commons and the government. I notice reading through the papers - and it would be true of all parties to a degree - that whereas in government they are prepared to talk about sovereignty, in opposition it is made clear by front bench spokesmen - who one knows from Cabinet papers had been talking about sovereignty before - in their speeches they say, "Sovereignty cannot be an issue, we are not prepared" and so on. This leads me on to the question of the House of Commons itself, when Nicholas Ridley had a difficult passage and there seems to have been no attempt to lead the House of Commons. Nicholas Ridley was left by himself, as many junior ministers often are, and had a difficult time. If there is this view that there was no other policy there seems to have been no attempt partywise - and that is the way the system works; it is not the way the text books put it, it is the party - to lead from the government, whatever was said in their papers, no attempt via the whips, via the party meeting, via all the other devices that there are, to say, "This is the policy, this is what we are going to do and this is how we are going to proceed". It is the House of Commons aspect that I would like to raise. How do you see that from the House of Commons point of view? Was Nicholas Ridley left by himself, an able young man - young to me - who goes there, has a difficult time, and the whole thing is rolling on, however let us pull back a little bit? What about that?

- A. In a sense you will have to ask Nick Ridley about that. I am in a difficulty not being in the House of Commons. But

what we decided after Nick's original difficulty - not just the difficulty on the floor of the House but the difficulty in the party - was that he and others had to work very hard on the Conservative Party to try to persuade them that this lease-back was not a sell-out but was good sense, that perhaps you could not develop the islands while the Argentines were threatening to take them over and there were all sorts of good reasons why a settlement was to the advantage of everybody. He did a great deal of work on it. I am afraid I really could not tell you what the machinery was that he set up in the House of Commons to do that. I do not know whether he was helped by the whips or not. But I know he did it because I asked him to do it and we agreed that he should.

Q. If I may, because we have to be blunt to get our way through this, we have to take the things that people are saying in the House - there are other things as well, allegations which we will come to later on about policy in the last month or two - but this does mean that if you had been in the House of Commons you would have led on that; by the nature of it it had to be left to a junior minister with all the difficulties that a junior minister has in this sense because he is a junior minister.

- A. I do not recollect but I imagine that Ian Gilmour - the set-up we had was that we had a Cabinet minister in the Foreign Office in the House of Commons and I have no doubt that Ian Gilmour and Nick Ridley did it together. Nick Ridley being the expert probably saw all the people concerned, but Ian Gilmour was very much concerned with it.

LORD LEVER: I do not know whether you have read the previous Hansards in similar circumstances when there was a Foreign Secretary in the House of Commons. Would you have noticed that he did not fare much better in mobilising all-party support once the sovereignty issue came up?

LORD BARBER: I think it is the normal custom that when a minister has been to a meeting, junior minister though he may be, when he comes back he is the man who reports to

SECRET

the Commons. In other words, I was suggesting that if we had had a Foreign Secretary in the Commons it would be the man who attended the meeting who would normally make the report.

MR REES: Would make the report, but looking through all the Hansards - and I am only concerned with the House of Commons, not with individuals - Foreign Secretaries do speak in the House, but it is deeper than that. It is, to put it bluntly, the arm twisting and all that had to be done over Rhodesia for example, which caused problems in the Conservative Party, but nevertheless the whole of the government was behind it and those who disagreed lumped it.

SIR PATRICK NAIRNE: Could I ask a question on the procedural point about OD? I was perhaps a little surprised - I may have missed something and it may not be a point of great significance - that there seemed to be no report back to Cabinet this year, particularly after what were expected to be rather tricky talks in New York at the end of February. I wondered whether you did regard it as part of normal practice to let colleagues know under foreign affairs just how things stood.

- A. Have you looked for it? Did I not do that? I would be surprised if I had not.

Q. I would have thought it was likely. We asked to be provided with all the papers.

- A. But you could not find it?

SIR PATRICK NAIRNE: We have not found that.

LORD LEVER: Did you follow the normal practice at Cabinets of being offered by the PM the opportunity to summarise? I assume you did.

- A. Yes. I did four or five items every Cabinet meeting. Of course I was not always there. I am surprised if I did not do it.

CHAIRMAN: Of course all we can go by is what is printed.

- A. Yes.

SECRET

MR REES: There is no record.

LORD BARBER: I think this is important and I think it is right that you should know that this has been something which has been noticed and therefore it is right that it should be put to you so that you can deal with it. The suggestion is that between January 1980 and March 1981 the Falklands was never mentioned.

- A. I do not think it would have been between those dates.

LORD WATKINSON: No - 1981 to 1982.

- A. I would have thought probably the first time that I would have mentioned it in Cabinet would have been talks that Richard Luce had in February.

CHAIRMAN: And it is that of which we have no record.

- A. I would be surprised...

LORD BARBER: This is a problem that one would like to find the answer to.

MR REES: I have here a minute that was sent to the Prime Minister on 15 February on the Falkland Islands.

CHAIRMAN: That is before the Luce talks.

MR REES: Yes. "...but there is one new element. The Argentine Government have given us as a prior notification of their position and objectives at New York a substantial and toughly worded document which accepts that the sole purpose of the negotiations is to seek sovereignty for Argentina, denies the relevance of the islanders' wishes as opposed to interests and without explicit threats refers to the islanders' dependence on services provided by the Argentines". In this respect of what we are talking about that is a new element, as you call it, in your minute to the Prime Minister. Nothing seems to have happened cabinetwise with this new element - a minute to the Prime Minister.

- A. The trouble is it is so difficult to remember exactly what one did, but by that time we were getting a bit worried about this. Of course I did talk with her and my colleagues. In a sense the government of which I was a member did work rather more on the basis of not having a great many committees

and so on rather than everybody being informed about everything all the time. Quite frankly, the Prime Minister and I did do a lot without getting everybody together.

Q. In that case this new element, with hindsight - which is one of our problems, hindsight is easy - but it was a new element on sovereignty and so on. There may have been a talk out of Cabinet, in which case there is no note of it, but it is an important element that one would have thought would have been discussed.

- A. My recollection is that as a result of that I wrote a minute to the Chancellor of the Exchequer in which I said that the implicit threat was of cutting off communications and we had to have a look around to see how we would replace this if they did actually cut off communications. So there was action taken on all that.

SIR PATRICK NAIRNE: And the minute that Mr Rees quotes was copied to other members of OD, was it?

- A. Yes. There was a meeting and everybody knew.

Q. And could have chipped in?

- A. Yes.

LORD BARBER: Could I ask whether Lord Carrington would like to elaborate on something that he said which may be important, and that is the way in which the government worked. As I say, in the interests of natural justice it is right that he should know that this question of no record of discussions seems to have loomed rather large. It was the case, was it, that quite a lot of discussions took place without a record?

- A. Telephone conversations and so on.

Q. I had lots of conversations with the Prime Minister which were never recorded. It may be a leading question the way I am putting it, but I think it is important to get some feel of the way in which it worked.

- A. Of course if anything of substance was decided it was put on record. As Patrick Nairne says, if I sent a minute it was sent to all members of OD.

SECRET

MR REES: If I may pursue that, I can see that minutes go around, and that is often done in place of having a meeting. This minute was sent round, but what was done as a result of its going round. There was a new element in it, namely no sovereignty - alarm bells, should we have taken any steps? What happened as a result of that minute going round?

- A. I think I sent a minute to the Chancellor. The JIC assessment of what was likely to happen was that there would be a whole series of events before...

CHAIRMAN: This is the JIC of July 1981?

- A. That is right. This had been repeated in conversations, that there would be a series of events before military action, and the first step would be the cutting off of the communications between Buenos Aires and the Falkland Islands, the air communications there. My recollection is that the new element in that was in effect the threat to do that. It was obvious that if they did that it would be a much more difficult situation. So I wrote to the Chancellor and said that we would obviously have to find different ways of keeping the communications and supplies of the islanders going and we would have to hire a ship, and this was the reaction. But the sovereignty point is that as long as you could keep the ball in the air with the Argentines and there was not a breakdown it was all right. I hope I am not wandering too much. When Richard Luce had that quite successful negotiation in New York and it was to an extent repudiated when Ros got back to Buenos Aires that looked fairly serious, but then Costa Mendez came up and said they did not mean it and it was going to be all right. So it did look as if you could keep the negotiations going.

Q. Could I now move to the beginning of 1982. This is after you had talked with Camilion in the margins of the Assembly and in a sense you put the ball into his court and asked him if he would like to make proposals and this seemed to carry with it the promise of future negotiations. Then delays occurred. They were getting rid of Viola, and

SECRET

Mr Luce had preoccupations with Canada and in fact negotiations did not take place until 26/27 February. But if you go back to the beginning of the year one of the things that I have noticed is that there was an annual report from the Governor of the Falklands which came in just after the turn of the year. There was a minute by Mr Fearn of SAMD and there was a formal reply by Mr Ure to the Governor which was certainly seen by Mr Luce. I have no clue whether you yourself saw it. But what emerges from these three pieces of paper is first that the Governor says, "Given the intransigence of the Argentines and the hardened attitude of the islanders I see no way ahead in negotiations". Mr Fearn commenting on that says exactly the same thing, if anything slightly stronger. But when Mr Ure sends the department's reply to the Governor the language which he uses is: "We are now perilously near the inevitable move to confrontation". I take it that when we talk about confrontation we mean that something other than the diplomatic process may occur. Did you at the beginning of this year feel like that yourself? You see, you were saying that the object of the exercise was to keep the ball in the air, there were going to be negotiations, yet there was a strand of thought which I think in effect said, there is no substance to any talking we can do because the circle cannot be squared, the sovereignty demand of the Argentine was getting more vehement, you said so yourself to the Prime Minister in relation to Camilion, the vote of the islanders after their election had hardened their position and if neither side will budge talk will be talk about talk rather than about something. Can you throw your mind back to what you yourself thought? Was the way open at the beginning of 1982 in your opinion?

- A. Just, but I must say that I had never thought that we were likely to get an accommodation with the Argentines. It seemed to me that even if you could persuade public opinion and the islanders that lease-back was a good idea it was fairly unlikely that the length of time that the

SECRET

Argentines would be prepared to have lease-back for would be acceptable to us. Therefore it did not seem to me that it was very likely that we were going to get an accommodation. Quite frankly, if you have a situation in the Foreign Office that you cannot afford to defend a place by having a continual presence down there because it would be too expensive and you cannot afford to spend money to develop it the only conceivable thing that you can do is to keep negotiations going as long as possible whether or not you think they are going to be successful. You must use every device you possibly can to make those negotiations last as long as possible. I mean, hurray that Richard Luce could not meet him in December but had to meet him in February. I think it was admirable. But I thought that in the end there probably would be a point at which there would be a confrontation. But I did not think - this was either my misjudgment or conceivably General Galtieri's misjudgment - I did not think it likely that it would start by an invasion of the islands. I thought it would start by something much more gradual. It seemed to me, and incidentally it still does seem to me, that any normal person in the Argentine looking at the situation, having the whole of the United Nations on his side, having all the pressure that he could bring upon us because the UN was unanimously against us, including the Americans, would not start off by invading the islands but would bring (a) diplomatic pressure and (b) pressure on stopping the allies. But it seemed to me that was going to come some time sooner or later.

Q. Of course you did yourself say in some minute that you thought there might well be trouble later in the year.

- A. This was the assessment of the embassy in Buenos Aires and the JIC as a result of Galtieri's accession, though of course in his inaugural speech Galtieri never really said anything very much about the Falklands.

MR REES: May I pick up a point there? What you have just said is impeccable as far as I am concerned as a

statement of the situation. There is an allegation made, which you will have come across, particularly after the invasion, that there is a Foreign Office view, that ministers come, ministers go, but there is a Foreign Office view. As I say, I think what you have just said is impeccable, but that is also what the Foreign Office would have said. What about the allegation that there is a Foreign Office view on all this? It seems to me that you have just stated what people outside have regarded as a Foreign Office view, but it is your view, not a Foreign Office view.

- A. It is awfully difficult if you happen to have a view which coincides with the Foreign Office, because you are either told that you are a lackey of the officials or they are your lackey. It seems to me permissible to have a view which coincides with that of the officials of the Foreign Office.

LORD LEVER: It was more than your policy surely, it was the policy of the government as a whole, including the Prime Minister.

- A. If anybody should suppose that the Foreign Office was working against any politician in the government to get their own views across that is wholly untrue, absolutely untrue. I have never in my life met a more loyal and more intelligent collection of people to work with.

SIR PATRICK NAIRNE: I would like to follow up this very difficult question of how confrontation pressure might build up, and I nod my head, Lord Carrington, to what you have just said by way of summarising it. But I suppose what does slightly nag at my mind - and I just want to mention these points to see whether they were brought to your attention at the time - is first what the chairman was quoting, that Mr Fearn and Mr Ure felt at the turn of the year that we might have one more round, we might be lucky and have a bit more than that. But Fearn's own words were, "Lease-back is effectively dead", then Ure in March replying to the Governor, really taking the view that confrontation

SECRET

was very near. Then in parallel with that there was the rather surprising slap in the face with a wet fish by the junta after Ros got back from Buenos Aires. There had been an earlier report from Williams, the ambassador, about Anaya, the chief of the naval staff, having very much got into the driving seat. And I know it had been around a long time and it was in a sense a lower priority one, but the JIC report had always said if impatience leads to a certain point in time we were exposed to the risk of a fait accompli and one could not rule out - I forget the exact words but I could turn it up - military invasion. Reading all this it is difficult not to feel that if I had been an official in the Foreign Office I would have said that there is a kind of scenario on top, the one you summarised, which is entirely credible, and there were intelligence reports at the time, which very much stroked our hand and said, "Do not take the Argentine navy too seriously". But equally they might have built up a bad scenario and said, "Look, should we not consider what the worst case might be?" I wondered, particularly at that rather crucial meeting that you had on 5 March, whether the bad scenario was brought to your attention as a very real possibility.

CHAIRMAN: I think it might be best to move to that meeting on 5 March which you held and just consider the points that were discussed in it and then come back to the issues that you were raising. We think - only guided by the papers, which is all that we have - that the meeting on 5 March was an important meeting.

- A. Could you remind me of who was there?

CHAIRMAN: Yes. You held it. Mr Luce was there, Mr Ure was certainly there, and Mr Fearn. I think the permanent under secretary was not there. It was really us facing the situation after the Luce talks. While I shall not remember exactly...

SIR PATRICK NAIRNE: Would it be in order, chairman, for me to show the minutes to Lord Carrington?

SECRET

CHAIRMAN: Yes. (Document handed). I think it is clear from my reading of Mr Ure's account that the situation had become more difficult and therefore what else could be done was being explored. There was the question of messages to the Argentine foreign office which in effect were never sent, overtaken by events, but a personal message went from Mr Luce to Mr Ros. Then there is the question of the Americans, and there is the question of the contingency plans, and so forth. What is not recorded in Mr Ure's letter, but is separately recorded, is that either Mr Ure or Mr Day - I do not know which - on the instructions of the permanent under secretary told you at that meeting about the action taken by Mr Callaghan in 1977 when he had sent a small taskforce out to the Falklands. I imagine that is within your recollection.

- A. Yes. It was a very brief, almost throw-away thing, because there is a delicacy about it in that one is not supposed to know about it. My recollection of that conversation is that John Ure mentioned it and I said to him, "What happened? Do the Argentines know about it?", and he said No, and the relevance of it seemed to me to be less as a result of that question.

CHAIRMAN: I think we will come back to this.

LORD WATKINSON: Could I just ask one question before we do because I would like to get this quite clear. Certainly the Foreign Office have it on the record that they said that this was not known to the Argentines, but I cannot find any trace of any recommendation being made by any Foreign Office official to Mr Ridley or Mr Luce or you or anybody that we should station any kind of military force in the area. I just wanted to check that it was your recollection too.

- A. Certainly.

Q. Presumably for the reason that if it became known it would really make matters worse. Anyway, I cannot find any record of it and I just wanted to check that your recollection was the same.

- A. Yes.

CHAIRMAN: What I would like to do now, Lord Carrington, if I may, is to try to put before you a possible view for your comment. The burden of the view really would be that if you take the months of January, February, March, the kind of policy which you outlined to us earlier this morning - that is, that it would be possible to keep the ball in the air, that one way or another the aim to keep the talks going would be possible and that therefore though lease-back had failed the total policy of keeping the Argentines in play for as long as possible was still on. In relation to that I want, if I may, just to take you over a series of mainly diplomatic events which we have noticed and which have suggested to some of us that in this period there was a change in the attitude of the Argentines which was so to say qualitative - it was not more of the same, it had become different. May I just go ahead for a moment? I think perhaps it begins with the bout de papier around 23/24 January in anticipation of the talks which eventually Mr Luce held. The main character of that piece of paper after reciting a number of things about delays in negotiations and so on was that it actually proposed a very stringent course of negotiations. It was to be about sovereignty and sovereignty alone. It was to be about the transfer of sovereignty. It was to be done within 12 months. There were to be monthly meetings and there had to be an end. I think I reproduce it correctly. This was accompanied by a quite considerable press campaign in the Argentine, particularly in papers like La Prensa, particularly with journalists like Mr Rouco, and we know from sources that the paper and the journalist were not in fact writing free, they were orchestrated. They were orchestrated in two ways, one from the navy by Admiral Anaya, and secondly from the Argentine Foreign Office through the chef de cabinet of Costa Mendez, through to the editor of La Prensa, who gave directions to Rouco. So there was I think a campaign which was meant to do something, so to say, in relation to this bout de papier.

SECRET

Then we come - and I take one or two salient points - to the actual talks of 26/27 February. To me the report on the talks appears like Janus, two faced. On the one hand, the talks were cordial and they went off well in that sense, and in degree that was reflected in the joint communique which was aborted so to say at the end of the meeting. On the other hand, the record makes it absolutely clear that Ros, who was the chief negotiator to the Argentines, had no room for manoeuvre at all and all he could do was to reassert the conditions stated in the bout de papier, he did not resile from any of them.

Then thirdly, very shortly after the conclusion of the meeting and the joint communique there was this effort from the Foreign Affairs Department in Buenos Aires which took a very different tone and said that the negotiations must be concluded speedily, that the position was unsatisfactory and that they reserved the right to alternative means if talks got them nowhere - I am paraphrasing, but the threat of force was there.

All this of course had occurred before your meeting on 5 March. There is a background. I could produce I suppose five references in Argentine public statements or in the Argentine press about the 150 years, 1 January 1983, "The Malvinas must be ours". And there was the message from our ambassador in Buenos Aires saying first "Admiral Anaya is, I fear, now in the driving seat", and then referring at the end of this short telegram to this 150 years as important.

It seems to me arguable that the attitude of the Argentines in this period I am talking about had become qualitatively different, that all through the 15 years that we have been looking at the talks had come and gone. Other ministers, if I may say so, besides yourself had earlier talked about keeping the ball in the air etc. But there seemed to be a determination on the part of the Argentines not to keep the ball in the air. Therefore it

seems it could be argued that the time for negotiation was visibly past, that given the attitude of the islanders, given our commitment to the attitude of the islanders, and this position of the Argentines, that we were in fact in a confrontation position. I am taking no views about when measures would be taken or what the measures would be. That is a separate question. I do mean by it that we were in a position in which we had to expect sooner or later in 1982 measures. Now, were this picture to be a proper and correct account of the position, then I think it could be argued that the position on 5 March when you reviewed it all was perhaps different from the way in which it presented itself to you, or it was presented to you, and that the problem for us is why the series of events I have described did not strike you in that way. If I may add one last thing: of course there had been previous press campaigns in earlier years. There had been the celebrated one of the 'Cronica' in 1972 or 1973 and that had been damped down and killed by the government. There was the three-week major campaign at the time of the Shackleton expedition when a shot was fired at the ship Shackleton, but this too had been damped down by the government. These campaigns that I am talking about in late January and in March were not damped down, they were orchestrated. It could be argued that there were a number of danger signals being waved at one. Therefore the question which I think I want to hear what you want to say about is whether the nature of the game had not changed, that the general policy that you outlined at the beginning of the talks had really ceased to have any effect, we were, as the Americans say, in a new ball game. Therefore the question is, was there a sufficient reaction to it?

- A. Leaving aside that some of the things you said I did not know until you said them - I had no idea that the campaign was orchestrated, I did not know until you said it - the impression I got from what was said to me was that, yes, there was a campaign, but this had happened before; secondly,

SECRET

that this was a government which was going to be tougher, vis-a-vis the Falklands issue, than the previous one. Incidentally, there were signs the other way. The signs were not all one way. There were signs that they were still interested in a settlement. Costa Mendez went out of his way to say that he was. It was not quite as sharp as saying that there was a qualitative change. Certainly they were harder because it had been going on for a very long time and they were losing patience. But I doubt very much whether at that particular moment you could say that there was no further object in trying to keep the negotiations going. Really what I was saying earlier, putting yourself in the Argentines' shoes, what is the point of themselves being seen to break off negotiations when by having the negotiations they could put us in the wrong? Not to have negotiations at all, having come to the conclusion in New York and then after the repudiation having sent an emollient message, it did not seem to me that it was very likely that they would not have at any rate one more round of negotiations, and the more rounds of negotiation you had the better. Therefore I think it was still very much in the interests of the government and the country to try to keep the negotiations going and I do not think that on 5 March we had got to the point that it was hopeless. It was obviously very much more difficult than it had been but certainly not hopeless. You may say, "If you thought it was much more difficult why did you not do something else?" - but such as what? What were you supposed to be doing? If you were saying that you were getting to a point at which there was a confrontation, if the analysis had been right I had already taken the precaution of saying this was what we were going to have to do for communications, and the confrontation was likely to build up and you would obviously have to respond to it and when it got bad you would have to send the navy down there. But I do not think that at that point you could have done any of those things. There was no point in hiring a ship,

-20-

SECRET

because they had not cut communications. There was no point in sending the navy down there because there was no trigger, and if you had sent the navy down there - how? I would like to congratulate the previous government on managing to keep the fact of sending those ships secret. Nothing else has been secret. When we sent a submarine on the Monday the fact leaked the following day. I would judge that if you had sent any ships down there the information would have leaked the next day from Portsmouth Dockyard or Gibraltar or wherever it was. Would that have been a good thing to do when you were trying to keep the negotiations going? So when you say, "Why did you not do something different?" - what? We could all see that it was boiling up to something but it seemed to me then, and it still seems to me now, that the right thing to do was to try to keep negotiations going and prevent confrontation for as long as you could. We did not. And we were wrong.

LORD WATKINSON: I am the tactless member of this body. First, presumably you have not been provided with all the papers that we have been provided with. We have been through every paper there is. That seems to put you in an unfair position if you have not been given the same rights.

- A. I have seen the papers to which I was privy, but they were not one or two of the ones that you have just mentioned, and I do not suppose I have seen all the ones that I was entitled to look at.

LORD LEVER: I am not sure, but presumably you have not seen, and presumably you will not be able to see, the papers that we have seen of previous governments?

- A. No.

Q. Secondly, and I well understand why this is so, you have not been passionately anxious to retrace in detail the role of the Foreign Office and set in its context the whole role of the Foreign Office, you have not studied the whole of the papers, even of your own period?

- A. I looked at them last week - the minutes of the Defence Committee.

SECRET

Q. I do not mean only that. For example, the question has been asked of you about the press campaign in the Argentine and the papers that reached the Foreign Office in relation to that. You have not seen those?

- A. It is impossible to know how much I saw at the time.

Q. I do not mean that at the time, I mean ~~that~~ before coming here. You have not refreshed your mind about the flow of information in its raw form that went into the Foreign Office in order to jog your own mind about what people said to you and what you felt?

- A. I have tried to do that, yes.

LORD WATKINSON: The difficulty about 5 March in my mind is that if you had wanted to send a nuclear submarine or anything that was the last date you could have done it. That is why a certain degree of speciality seems to attach to this date. But as I read the papers it could be held that the British Government - I mean you - were still waiting. You had had a bout de papier which had suggested, as the chairman said, a new procedure and all that, but as I understand it the Foreign Office were preparing a reply to this and the reply was to say that the British Government was prepared to accept this new negotiation subject to the agreement of the islanders to it, which to my mind - and I am really asking a question by trying to say how I read the papers - presents a position in which one could say, "Providing we are prepared to accept this new concept of two negotiating committees - one on fishing and so on and one on sovereignty - providing the islanders would agree to it at least we could keep the talks going for a further period". Our difficulty is that these papers can be read in two different ways. The chairman has very ably and brilliantly put one way of reading them. I am putting another way of reading them. My question to you is, (a) did you read them and (b) if you did, which way did you read them.

- A. I read them that what you had to do was to go on negotiating. Your question is, "Why did you not send a nuclear submarine because the whole qualitative situation

had changed?" It did not seem to me then, and it does not seem to me now, that what happened then was a trigger to do that. I wish I had, do not misunderstand me, but it did not seem to me to be the case at the time.

Q. Another thing that I think is difficult for you, if I may say so, is that we have been through every paper there is, every conceivable kind of paper, and I need not enumerate them to you. I think it is only fair to say that I cannot find any intercepts or any secret papers or any JIC stuff or anything else that indicated at that moment that they were meditating warlike activities.

- A. Certainly the first one I saw which led me to suppose that they were was on that Monday of the week that they invaded.

LORD BARBER: Following upon the first point that Harold Watkinson made, it must be the case that no witness can tell us what he did not see by the very nature of things. We have seen the JIC reports, as you have seen them, but we have also seen the raw material, the background, which you may not have seen. It is difficult to know what you did see and what you did not see.

LORD LEVER: All this negotiation that seems to have gone on interminably for many years really never had any prospect of outcome, because you could not give sovereignty without the islanders' consent and the islanders did not show the slightest sign of moving to that, and the Argentines were not going to be satisfied unless they got sovereignty.
- A. No.

Q. So it was not only known to you, it was known to the Argentines. You had made clear to them, I take it, the stumbling block of the islanders, it is clear from the papers that you did. So 17 years or something like this of negotiations had gone on where both sides were aware that there was a fundamental difficulty in reaching a satisfactory conclusion.

Is it fair to say - and I do not want to lead you, and please contradict me if I am wrong - that you felt at that time that for one reason or another the Argentines had been ready to negotiate, and you had been ready to negotiate in order to avoid confrontation, as previous governments had been ready to negotiate, and you felt that they would still be ready to negotiate even though they were aware of the slender prospect of meeting their fundamental needs?
- A. Yes, but there was obviously going to be a moment when you could not go on negotiating. Patience would run out at some time or another, and the object was not to make it at that particular moment. You had to keep negotiating.

Q. Keep the balls in the air?

- A. With respect I do not think that what happened after New York was an indication that they were not prepared to go on negotiating. I think it was an indication that they were getting tougher, they were putting pressure on us, they were becoming more impatient, but to suggest that because that was so you ought to take action which would have made it absolutely impossible...

Q. I was not suggesting that.

- A. No, not you, but to suggest as some people have that to take action like sending a fleet down there would seem to me actually to make absolutely certain that you were going to have a confrontation unless you could keep it secret, and if you kept it secret what would be the point of it? Therefore it does not seem to me that at that moment was the trigger to do it because it would have wrecked all the negotiations.

SIR PATRICK NAIRNE: Lord Carrington, could I just follow that. Something just slightly nags in my mind really in response, if I may say so, to your very compelling way that you have put the position. Of course, you yourself or the British Government were at the time positively protesting at the loud rather aggressive noises being made in the Argentine press, and I can very readily see that this would have made no kind of sense really to have sent anything over, but when things became a bit trickier when the South Georgia thing got going you did once again return to the charge on the Endurance and said in effect, "For God's sake at least leave the Endurance a bit longer there". It has slightly nagged in my mind, and again one is asking questions which may be more questions for the office, so to speak, than for the Secretary of State personally, as to why at that point there was not consideration given to a secret precautionary move of SSNs. Later on as things got even worse that was readily done. Of course, there was the risk of it blowing and, as you rightly tell us it did blow, but it might not have blown if the greatest

care were to have been taken to prevent it. You may say, "Yes, but what was the purpose? They would not have known this". True, and one would have kept it secret, but as none of us, nobody, knew there was going to be an invasion at the beginning of April there is quite a lot of intelligence evidence that the junta took the decision very much at the last minute. I know the difficulty of disentangling hindsight from what it might have been reasonable to have thought at the time, but, coming back to my central point, what rather nags in my mind is that certainly at the point in time when you and the officials were saying, "Let us have another bash at keeping Endurance there", it strikes me as rather puzzling that consideration was not then given to saying to the Ministry of Defence, "Look, perhaps we should do some secret precautionary moves", which could perhaps have been extraordinarily valuable at the stage when the alarm bells were beginning to ring at a later stage.

- A. I do not want to repeat myself but the assessment of the JIC and of everybody one talked to was that there was going to be a progression. You had three weeks roughly speaking in which you could send a submarine down there, or rather less with a nuclear submarine. If you had a progression from cutting off the air, taking it to the United Nations, having a Security Council, you had time to do all that. It did not occur to me. Maybe it should have occurred to me but it certainly did not occur to me, or the intelligence people or the office or the Ministry of Defence, that the initial reaction before even we had a chance of answering the note which Costa Mendez made was going to be an invasion of the islands, and therefore it did not seem to be a trigger to do this.

SIR PATRICK NAIRNE: I do see that.

LORD LEVER: You are saying in effect that although you were all aware of the growing impatience of the Argentines, even if it ran out it was not going to run out

- A. Not in a week.

SECRET

LORD LEVER: Before it could be usefully precautioned against, if I could put it in rather bad English.

SIR PATRICK NAIRNE: Do you mind my asking one more question on that. I do understand all that but one is simply really asking these questions because they are critical questions which could be raised, and one wants to clear one's mind entirely. One does not want to ask questions of the former Secretary of State which are really questions, shall we say, for the intelligence ~~machine~~, but I have actually been puzzled as to why the view was strongly held at the Foreign Office that the first moves were to be, on the Argentine side, not in terms of confrontation but would necessarily mean the United Nations and economic pressures. Why should that be in their interests? They knew they would have the same difficulties at the United Nations even though - I quite understand this - the United Nations were very much on their side, but they would be wrong-footing themselves very much by doing that. They were up against eventually their desire to secure the Malvinas by the end of the year. The weather was getting bad and so on and so forth. It does seem to be a little surprising that that assumption seems to have ridden right through the papers at this point.

- A. To your previous question could I just make a slightly sharp observation. You know they invaded at the beginning of April. Therefore you go back to March and you say to yourself, "Why did you not send a nuclear submarine?". That is pure hindsight. In the knowledge of what we had at the time there was no reason why the events of February should have triggered that off provided you accepted, which I now go on to, the analysis.

Q. Forgive me, I was trying to say that I was not making that hindsight point myself. I quite understand what you are saying.

- A. Then you come to the next point, the analysis. I personally think that the analysis should have been right, because if you look at it from the Argentine point of view you

want to get the Falkland Islands back and you want to do it with the minimum trouble and you want to do it presumably without bloodshed. What do you do? You know that you have the United Nations on your side. You know that you have a stranglehold, a very inconvenient stranglehold, with the air link between Buenos Aires, and you have all sorts of other things short of an invasion which you can do. You can land more people on Thule, all that sort of thing. I would have thought that from the Argentine point of view it would have been much more sensible for them gradually to build up the pressure against us. Everybody would have been against us. The Americans would have been against us because the Americans at that time were courting the Argentines very vigorously because of their policy in Salvador, and they felt that the Argentines were the only people who were supporting them in Central America and they were their allies. We should have come in the United Nations and with our allies under very very great pressure to settle the Argentine issue if the Argentines had done it that way. That would have been a much more sensible way for them to do it than to invade and, consequently, I think the analysis made by the JIC was logically right. It was actually wrong, that was the trouble, but it was logically right.

CHAIRMAN: Could I just put a point here. I think this comes back to the nub of what we are talking about, perhaps what I was saying earlier. If you go back to the JIC report which goes back to July of the previous year it is **perfectly true that it says** that what is most likely to happen in the event of resort to other measures is economic measures first - cutting off communications, pressure - but it also goes on to say in the next sentence, "But if negotiations break down then the use of force as such cannot be discounted, and even the invasion of the islands cannot be discounted".

- A. Yes.

Q. I am trying not to think about 2 April; I am **trying to think** about the course of 1982 which is a different point.

It seems to me that the **crux** really is whether the events I was trying to describe did or did not amount to a breakdown of negotiations. Your position is that they did not. If they did then the next sentence of the JIC report would come into play.

- A. Yes.

Q. The question I want to ask at this stage is a slightly different one, and I do not want to be drawn into questions about task forces and so on.

- A. Can I go back on that before you ask the question. You are suggesting that negotiations had broken down. What I was trying to do was to prevent them breaking down. The one sure way of absolutely ensuring that they broke down was to send ships.

Q. I understand that.

- A. And actually to make a confrontation inevitable.

Q. I understand that. Nor am I talking about sending ships. I am talking about something else: it is that if you take the view that I was putting forward, with which you have disagreed, nevertheless it could have been the case that round about 5 March circumstances were sufficiently changed for you to ask for a new JIC assessment. This did not happen. I get the feeling on the papers that it was all being treated more or less as run of the mill - pressures increasing yes, problems increasing, what had been gloomy in September, difficult before **Luce's** talks (your minute to the prime minister) was now still more difficult, but yet it was still possible for a time to keep the ball in the air. The crucial question seems to me to be whether that confidence that the ball could be kept in the air was sufficient in the light of these other signals to justify not taking active stock of the situation eg by a **JIC** assessment, eg by a meeting of the defence committee. It is not true that the only alternative was to send a fleet down. There are other possibilities which could be considered. I do not consider it is my job to put myself in the place of ministers and decide on the merits. One has to stop somewhere

and that would be silly, but if you are talking theoretically a signal could have been sent to the Argentines to tell them that if they got funny there would be resistance. I am not clear that that was ever done. I am not clear that it was done round about 5 March, and yet at this sort of time over in Downing Street, if you remember, on Rouco's article of 3 March the prime minister was minuting "emergency plans, please". Some bell had rung in her mind. What I still am not quite clear about is the extent to which apparently in the meeting on 5 March no loud bell rang. Clearly some bell rang because you wanted to call the Americans into play, you were considering the UN, you were considering contingency plans - all that is true. It is really a question of how loud the alarm bell was that I am trying to ask you about.

- A. Really I think I have answered that. I think it was obviously getting more difficult. Quite frankly I think at that moment to have sent a signal to the Argentines when you were trying to get negotiations going again saying, "You bloody well better look out", would not have been very advantageous. I absolutely agree with you that there was a possibility of doing it but I do not believe it was the right thing to do.

On the question of the JIC and the updating of the thing, of course they update it all the time, do they not? It is perfectly true that I never asked for another whole thing but there is a continuing process of it and when you get these sort of reports coming in they update them. Maybe one ought to have said, "Please let us have another one", but there were reports coming in all the time and it did not seem to me that that was necessary. Maybe it was.

LORD WATKINSON: Some of us think that the JIC should have done this without having been prodded by ministers.

- A. That is what I am saying really.

LORD WATKINSON: The service required by a senior minister who has plenty of other things to do is that somebody does put a pin in him or one of his officials if they think the

situation is changing, so the thing can be read in several ways.

LORD BARBER: Also it is rather **hypothetical** in the sense that if they had produced another report they might have reached the same conclusion, as they did in fact in their report at the end of March.

MR REES: May I take up the point of the JIC as it has been raised. There is the JIC. There is also, not for mechanistic reasons now but in the strict context of this, MI6/SIS which works to the Foreign Secretary, I think. There is the joint intelligence assessment which comes forward, Cabinet Office-wise, but is that what a Foreign Secretary depends on, the JIC, not on assessments which come in a sense from a department which is within his responsibility?

- A. No, on the JIC because the JIC formulate their assessment on the reports from all the agencies concerned.

Q. I see, so what is the role then - and it is a question I do not know the answer to - of C, of their head of 6? Does he come and talk to the Foreign Secretary or is it all **done through the JIC?**

- A. He can come and talk to one but he would not on an occasion like that. It is all collated by the JIC as I understand it. Is that not what the JIC is for?

SIR PATRICK NAIRNE: Absolutely. Just one comment as you turn to me - the raw material is coming in and I would have thought it quite likely that C would draw the permanent secretary's attention to something if it was exceptional, rather than wait for the JIC's tidying up assessment.

LORD WATKINSON: May I just ask, in the machinery so to speak - I am not now talking about Luce - would it all **go through the PUS** or would you expect to be briefed by Day or Ure or Fearn, or did they not ever come up to your level, so to speak?

- A. Oh yes.

Q. They did?

- A. Yes. I used to see them from time to time. It would be

foolish to say that I saw them when nothing was happening but when Richard Luce came to see me he brought with him Ure and Fearn and so on.

Q. But one of the difficulties we are in, and I do not frankly see why we should not say this to you - all we are trying to do is to get at the truth - is that if you look at the official intelligence sources and all this stuff, and if you look at what **the** British embassy attache in Buenos Aires was saying, or if you look at the JIC on 31 March it said, "Unless the Endurance arrests the remaining men on Leith we still believe that at present the Argentine Government does not wish to be the first to adopt forcible measures". We see all this which seems to us to show that the signals which perhaps should have come up to you did not but then, of course, as the chairman has said, we see this raging campaign in the Argentine press and a lot of what you might call political signs which I imagine should have been available to our ambassador and to other people. It puts us in somewhat of a **dilemma** because we think there were signs which should have been noted but we can find no trace of any of them coming up to ministers. We do not **even** know yet, because we have not gone into it, whether they ever came up as far as Fearn or Ure or Day. What I am asking then - and I think really you have answered this and I apologise for keeping on going over this ground, but we have gone over it a million times - is that you really did have nobody who came **to you and said**, "Look, Secretary of State, I know there is no great intelligence stuff coming forward, and probably if we asked for another JIC we would get the same answer, but I am worried about the situation in Buenos Aires. I think things are brewing up"?

- A. No. I can truthfully say that I never saw until Monday...

CHAIRMAN: March 23/24 - that sort of time?

- A. No, later than that.

SIR PATRICK NAIRNE: It would have been the 29th, something like that.

- A. A piece of paper which led me to suppose that there really was an intention on the part of the Argentines to use force to invade the islands. I never did, and **insofar** as what you might call the mood music is concerned, whether or not there would be, there was contradictory evidence. Clearly it was wrong. I am not in any sense saying I was right about it, but there was no evidence as I saw it then to believe that there was so serious a change in the policy of the Argentine Government as to lead one to do anything other than that sort of thing (indicating a document).

MR REES: But on that, not on intercepts and **straight** intelligence, and again we are looking back with hindsight, in the fall of last year and the spring of this year there were defence policy changes on the part of the government, highlighted dockyards, **sale** of aircraft carriers and all of that. This is a political judgement, maybe, and for Foreign Office officials as well. They were reading over there that the British Government were moving even further away from a possibility of being able to do anything about it. That is a political judgement - not a party political but a political judgement - and taking the point which has just been made **that** did not emerge from the Foreign Office, in their saying, "Look, this is going on. This is the sort of assessment they may well be making"? Nothing of that kind came forward?

- A. Only, I suppose, **insofar as** Endurance was concerned. I did, I think on two occasions, say that I thought that that was sending the wrong sort of signal but I did not think at **the time there was necessarily** evidence that the signal had got through **and they were going to do anything about it. It just seemed to me to be a dangerous thing to be doing.**

Q. But it was part of the same feeling, and you did send minutes about Endurance.

- A. Yes.

SIR PATRICK NAIRNE: It is perhaps right to say that again there was intelligence evidence and also a telegram

reporting on the papers in Argentina which certainly showed **that** on the Argentine side they had reacted in the form of this being a signal that we were probably not going to be ready to defend the islands. I wondered really whether against the background of Southern Thule and your own very considerable efforts to keep the negotiations going - and perhaps I will not put this very well - somehow the impression was created that at all costs we wanted, as indeed we did, a final resolution to this, and that the real block was less Argentina and their views as the islanders and their views. This has been said by the critical press so I am putting it as the devil's advocate really, that in some way or other we were opening the door to Argentina much more sharply than had ever happened under previous governments. Do you think that is a most unfair distortion?

- A. I think it was a bit unfair, but the point is that if you are dealt a hand in which you cannot station an adequate force of deterrence to deter the Argentines from invading the Falkland Islands, and you cannot spend any money there because there is not any money for developing the place, and private enterprise will not go in and develop it because of the Argentine claim over the sovereignty, you are faced with the situation in which either you do nothing or you try and string things along. I would not have thought, given the situation in which we were put with the Argentines becoming more impatient, that we went any further than it was necessary to go to try and keep negotiations going. It was not, with respect, just the wishes of the Falkland Islanders. I made it perfectly clear both times I saw the Argentine foreign ministers that it was not just the wishes of the Falkland Islanders; it was the mood of the parties in the United Kingdom. I made it abundantly plain to both of them that the right wing of the Conservative Party would think it was a **sell-out** and they had to be convinced that it was not, and the left wing of the Labour Party would think it was a **sell-out** to a right wing fascist dictator, and that it was not just the Falkland Islanders and this was going

to be very difficult. I do not think they had any reason to suppose that it was either going to be easy or that we were desperate. Certainly the conversation I had with - I cannot remember what his name was, Costa Mendez' predecessor

SIR PATRICK NAIRNE: Camilion.

CHAIRMAN: The chap you talked to at the UN?

- A. Yes, in September 1981. That chap had no reason to suppose when I left him that we were anxious to do anything except come to an honorable settlement - not over-eager.

SIR PATRICK NAIRNE: Could I just ask this question which follows from that - a lot has emerged from Argentina to suggest that they did miscalculate badly, that Galtieri himself seemed to have assumed that we would never attempt to recapture the islands. Has it surprised you really that there could be that reaction, that they could have taken the view...

- A. Yes it does really, because it seemed to me so obvious that any British Government would have had to do what we did. I find this incredible that they did not understand that.

CHAIRMAN: I find, Lord Carrington, one difficulty in all this. You keep replying to us in the language of an experienced rational and sensible man which, of course, you are, and we are trying to be. It is not true, is it, that the way the Argentines react is necessarily of that kind? It seems to me that funny things like points of honour, the symbolic importance attached to putting a flag up or not putting a flag up or things like that, the symbolic importance of announcing Endurance would be withdrawn saluted in the press at once as "Britain will not defend the islands" - this is **the** inference drawn and blazoned **abroad** - are not rational reactions. They are the reactions of sensitive people with points of pride and elements of macho and all this sort of thing. Do you think - and I think this is really what Patrick is asking - that the actions which we took over time had the effect of conveying to the Argentines the feeling that we would not be interested in doing anything about the islands?

- A. Only **insofar** as if somebody is genuinely trying to negotiate and seems willing to negotiate that is taken as a sign of weakness. I agree about Endurance actually. It is no good pretending that I thought it was a **good** idea, I did not. I thought it was a very bad idea. I think on the whole it is not true but there is another explanation of why the Argentines did this which we all know, and that is that it had precious little to do with the negotiations and precious little to do with the Endurance and a great deal more to do with internal politics in the Argentine. It is quite possible that none of this - I think it probable - was decided, that the actual intention to invade was not actually made until a very few days before this happened.

Q. We would not want to argue with you on that.

- A. Yes, but in a sense all the questions which have been asked of me presuppose that that precisely was what they were proposing to do.

Q. I would not wish to be impaled on that fork. It is a very good dialectic point but my concern is not with 2 April. My business is to try and put it out of my mind and not calculate events and weight events in relation to the number of weeks up to that date. If you say I am using hindsight I am vulnerable if I am because I ought not to be, but it does seem to me still to be a different question when you take 1982 as **a whole**. When you take all the indications there were that they were jolly well going to have the Malvinas in time for the 150th anniversary repeated again and again in different contexts, and you set that against this very much stiffened attitude etc etc, you yourself saying risk of force later in the year - forget about April - I think the thing I do not understand is why **if** one is looking at the longer run of the year, and the journalists saying, "Give them three or four months and then by God we will let them have it", etc etc, why this did not involve a change in the Foreign Office's **way of** thinking, a change of attitude, and make it difficult to think that the so-called negotiating process really could go on. It

seemed to me that the evidence that maybe it was going to be economic measures and not ships - I am not raising that point but the evidence that at some point not too far away they were going to move from talking to acting, Ure to the Governor 'perilously near to the point of inevitable confrontation' writing 3 March. What I do not see is that this was reflected in any degree of different emphasis, different urgency, different attitude in the Foreign Office. Is this a misunderstanding on my part?

- A. Lord Franks, it is not your job or the job of anybody in this committee to invent policies which the government should have pursued on 5 March, given what you have just been saying. What I am saying is that on 5 March there were no new policies which I could think of, or which anybody in the Foreign Office could think of, or anybody in the Ministry of Defence could think of, which at that moment we could pursue other than first of all to try to see that the negotiations did not break down, so that you postponed what probably in the end was inevitable, that you took some precautions about what you did if the air link was cut off, that the Ministry of Defence knew what the position was vis-a-vis the defence of the Falkland Islands, you did something in the United Nations, you tackled the Americans, you tried to get the Americans to use what influence they could. That seemed to me honestly just about all you could do. If you were faced with a breakdown, having analysed the situation that the only way you could have negotiations was to talk about lease-back and that fell to the ground, you were faced with confrontation, and what you wanted to do was to avoid confrontation as long as you could. When you were faced with the confrontation you had actually to take action to deal with it but what went wrong here - you have to talk about 2 April because that is what we are all on about - was that we were wrong that the first thing the Argentines would do would not be to invade, and it was the first thing they did, and that is why it all went wrong and we were wrong.

LORD BARBER: Could I just say one thing and then ask a leading question because I think it is right to get back to the fundamentals.

THIS IS A COPY. THE ORIGINAL IS
RETAINED UNDER SECTION 3 (4)
OF THE PUBLIC RECORDS ACT

- A. But that was what came up to me, that the press campaign was pressure and nothing very significant and different from what it was.

LORD BARBER: Looking at these things and even trying to avoid hindsight the fact is that there were developments over this period and it was, as Lord Carrington said, hotting up. Nevertheless am I not right in thinking that virtually all, if not all, the advice and intelligence which the Foreign Secretary was getting at that time was that if it came to the crunch what would happen would be, to use his words, a progression of events of an economic and commercial character, **and that that was something for which there were plans.** They may be good or bad or ineffective, I do not know, but there were plans in existence which had been made to deal with that, and that was something with which we could cope and would give us time? I do not want to put words into his mouth but that is my interpretation broadly speaking of what he has been saying, trying to summarise it.

CHAIRMAN: Yes.

- A. That is what I am trying to say, yes. You did it rather better.

LORD WATKINSON: If I might remind Lord Carrington at least I have done my homework and my colleagues have had a 37-page report on the Falklands from me, and what it says is

that the FCO position at this time, namely early in February, was that if negotiations break down the Argentines will look in the first instance to the withdrawal of services, economic sanctions, and action at the UN as the best means of applying pressure. That presumably is the piece of paper which went to you?

- A. Yes.

Q. The military attache in Buenos Aires on 10 March said, "The military option is not under active consideration at this time". If we are to get at the truth, and I think we have been set a totally impossible task, one has to wade through all this stuff and try to decide in the end what was sensible and what was not, but I cannot find anything - secret reports or anything else - which indicates that Galtieri was going to invade the Falkland Islands. Therefore I am assuming, as you did not have second sight or something, that nobody came to you and no indication was given to you that this was a possibility.

- A. That is right. Could I just say one thing about that because I do not feel that I am helping the committee in their inquiries in the sense of a police inquiry but I would like to defend myself in the sense that I have been accused, and was accused violently after 2 April in the House of Commons and in the press and elsewhere, of wilfully ignoring signs and statements and evidence, and just ignoring it. I can truthfully say that I did not do any of those things.

Q. They were not there?

- A. They were not there.

Q. Could I just ask one other quick question on that. Enders apparently after he went to BA - and some people seem to think he made a complete muck of it and some people do not - is on the record as saying, "The Argentines did not give the impression of being about to do anything desperate".

- A. Yes.

Q. And I think you got much the same message from Al Haig. This is the question because at that famous meeting

SECRET

which we have laboured so much you did decide to send a message to Al Haig. Did you read the American position as being helpful - I mean that they were really trying to cool it - or did you think at lower level, Kirkpatrick & Co, that they were really encouraging them to do something bloody stupid, because it would help us very much, I think, to get your view on that American angle?

- A.

CHAIRMAN: May I say something of a sort of procedural kind so that we are quite clear with each other. First of all nothing which you say goes outside this room unless we wanted to say something about it in our report. In that case we should send it to you to see if it was okay by you, and there would be a question of whether it was okay by the government of the day also.

- A. That is fine.

I do not know whether this has appeared in the papers you have read but after the occupation of South Georgia by the scrap merchants who then went there I sent a personal message to Haig. Have you seen that?

Q. Yes.

- A. The answer which came back was indicative in a sense of the involvement which the Americans had with the Argentines and, quite frankly, I find that quite intolerable. I saw Streater; I sent for him and said that this was not good enough, but it is indicative that the Americans were very ambivalent about it. First of all they do not think **that we have a** claim to the Falkland Islands because it is a nuisance to their relations with the South Americans and, secondly, they were trying to get along **side** the Argentines, and I do not think that until it all started they were in any sense helpful, no.

LORD WATKINSON: In fact some of us think that they may - and I will be kind and say inadvertently - really have encouraged Galtieri who, after all, was a great buddy and had

THIS IS A COPY. THE ORIGINAL IS
RETAINED UNDER SECTION 3 (1)
OF THE PUBLIC RECORDS ACT

SECRET

been to West Point and knew **Walters** and all these people, to think he could have a go and the Americans would be at worst even-handed.

- A. I would doubt it went as far as that.

LORD LEVER: In **Enders'** immediate comments he did not seem to react with shock and revulsion at what they had done. I want to put to you that the difficulty of enlisting American support was that it was contrary to their political position which they were developing and, secondly, that in fact they only came out as it were on our side after the Argentines had behaved as they did, namely the open breach of law and the invasion, and after we had reacted by taking action. In other words it was not possible to enlist **them before (a) the Argentine** action adequately and (b) our reaction to their invasion. Is that a fair judgment to make?

- A. It was worth trying, though, whether or not. I thought we were not going to get very far, I must admit, but this is one of the reasons it seems to me that the Argentines were not very sensible to do what they did. If they had the Americans on their side they had a big card in their hand, and I think they could have played it.

MR REES: On this question of the Americans, just now you made a remark something like this - you would have been surprised if the Argentines did not know that if they did invade we would do something about it.

- A. Yes.

Q. That is afterwards, which is not our concern. It is my view - I just put it like that - and it is being said in Washington by a number of people who were involved, that the American Government had no idea that we would act in this way, and neither did the Argentine Government. Were any steps taken through the Americans before 2 April to let it be known to them, "If they do, even at a late stage, we will be going back"? The Americans I think are saying, "We had no idea that the Brits would behave in this way".

SECRET

- A. I do not think specifically in those terms. There was a difficulty about that, and that was the chiefs of staff assessments of whether or not it would be possible to do it.

MR REES: Their chiefs?

CHAIRMAN: No, our chiefs of staff.

- A. Yes.

MR REES: I see.

- A. Right until the last they were in some doubt. I remember when I was Secretary for Defence the analysis in those days was that it was not possible to do it. I think there was a little bit of an inhibition in categorically saying to the Americans, "If they do it we will jolly well go back and take it, and watch out".

Q. I thought you said you would be surprised if they did not know.

- A. I personally think we had no alternative. Whatever the chiefs of staff said I do not think we had any alternative except to try to do it, but it would have been difficult I think without the whole Cabinet, MOD and all the rest of it actually to say you are going to do it like that, when you had that rather equivocal thing from the chiefs of staff.

LORD WATKINSON: I am quite sure.

SIR PATRICK NAIRNE: It is fair to say that I have come across in the papers certainly references at official level that this might appear, so to speak, to promise to the islanders what we could not be dead sure of. None of us could know what the circumstances would be of us being able to deliver. Chairman, at the risk of being slapped down and being very obtuse, I wonder if I could just go back to one point because I think it is so important in relation to the way confrontation might work out. I am still, I am sorry, just a bit puzzled as to why we should take the view that the Argentine Government could reasonably be expected to have weighed up that a process of garrotting, if one might put it that way, by economic measures gradually - which would have produced a very strong reaction in this country, it seems to me, on the side of standing on behalf of the Falkland Islanders

- would be a better way for them to proceed once they felt on their side that negotiations had come to the end of the road. The more I reflect on it the more I am driven to the conclusion that they would have said to themselves, particularly if they felt the Americans were going to be pretty acquiescent, "The only thing to do is the coup de main, to go straight for it". It seems to me, although I know there would be these South American/United Nations pressures saying, "Bloody British. Why do they not settle in some way or other?", that we would have had to dig in in support of the islanders. The islanders would have stuck it out and they would never have got the Malvinas. I am not clear what the answer to that is.

- A. I would have thought the opposite. I would have thought that in recent years armed aggression has become extremely unfashionable in the sense of public opinion. Look what happened to the Russians in Afghanistan. Look how they were taken aback by the reaction to that. Look at Poland, the reaction to the threat of a Soviet intervention in Poland. On the whole armed aggression of that kind when other means are available, however unlikely they are to succeed quickly, does not seem to me to be advantageous to a country, and so it has proved.

Q. That is very helpful.

- A. But as the chairman says maybe that is too logical. It was too logical.

SECRET

LORD WATKINSON: We paid some attention to this great demonstration which was organised in front of Galtieri's palace on 30 March. Undoubtedly there was a hell of a lot of trouble in the Argentine brewing. That is one factor in trying to find out why this chap did this thing. The other thing is that it looks as though Admiral Anaya had got into the driving seat, and Williams said that he had at one point. Would you assume from what you know now or what you knew then that this was something which was not really cooked up logically at all, but they had a fleet at sea on joint exercises with Uruguay; we then pushed them into putting two frigates across the path of the Endurance because of the Davidoff thing,

? Do you think that is a reasonable assumption, that this was a kind of four or five-day decision just taken like that by the junta on very little logical reasoning at all? - A. Insofar as one can make a judgment about that, and with hindsight, I would think that the navy were the hawks who were pushing to do this, the navy having made all the preparations to be able to do it, and that the junta did not decide until...

CHAIRMAN: Very late on?

- A. Very late on, yes.

LORD WATKINSON: Everything seems to show that in our book because there is no logic in the thing at all. I was very impressed with what the Governor told us yesterday. He said that if this had dribbled on and we had had the measures **and** everything had got very miserable - I remember his phrase - he said it would have fallen like a rotten apple into the Argentines' hands.

SIR PATRICK NAIRNE: Over quite a long time.

LORD WATKINSON: It seems so incredible, the whole thing.

LORD LEVER: Could I have a summary comment. I have been listening to all the detailed questions, and

I gather your position is, given the constraints on policy actions which resulted from the decision taken years before, and renewed by every government over the years, that we could not garrison the island, subject to those constraints you are saying that the policy you pursued of giving primacy to negotiations as the deterrent was the right one?

- A. Decisions to which I was a party.

Q. Certainly, and that a reasonable man acting without hindsight on the whole body of information available to you would have pursued the same policy?

- A. Yes.

Q. And that in fact if we ignore what has happened, if you were put in the same position again you are in effect saying that that is what you think was the reasonable course to pursue?

- A. Going through the papers that I saw - I did not see anything like the same number as you but going through the papers I saw - I have asked myself that question, what would I have done differently, not knowing what was going to happen, and I find it very difficult actually to say what.

Q. My final question is this: you have enlightened us somewhat on the difficulties of an explicit threat as to action you would take if they did invade, an invasion which you did not think likely. You gave no encouragement to the Argentines to believe that we would be quiescent if they invaded; rather the reverse. You emphasised the state of British opinion on that?

-A. But when you are talking to the foreign minister you do not say, "Of course, if you seize it by force we will take it back", but he had no reason to suppose we were just open to any deal in order to get rid of the place - very far from it.

MR REES: Coming back to 5 March and a possible task force, given what might have been done - and it is not clear from the papers - in what context, in what sense, in what way, and why, did the Foreign Office tell you that there had been a task force in 1977? What was it all about?

SECRET

- A. I know very little and, incidentally, if I may say so I do think that is something which perhaps ought to be looked at about this business. It was not even remotely party political, and it does seem to me that we ought to look at whether or not that is the right procedure. My recollection of what was said, and a lot of water has passed under the bridge since then, is that I think this was in the context of the force having been sent not against a possible invasion of the Falkland Islands but more trouble in the Sandwich Islands or something. Is that wrong?

LORD LEVER: It is my reading of the papers too.

- A. I just have that feeling and, therefore, it was in the context of...

MR REES: Why did they tell you? You are having a meeting on this and...

- A. Possible economic trouble.

LORD LEVER: Harassment?

- A. And harassment.

MR REES: The MOD and the Foreign Office are never very keen on action of this kind but nevertheless they did tell you eventually on 5 March?

- A. Yes.

Q. Why?

- A. I think because, as Lord Franks has said, the situation had obviously deteriorated. There was the possibility in the not too distant future of harassment of one kind or another, and the previous government had actually sent this force to something, but I do not know exactly what it was.

MR REES: So they did not even spell it out?

LORD LEVER: That was my own reading of it, if it helps Lord Carrington to comment. It may not be everybody's reading. My own reading of it was that it was not sent as a deterrent but was sent secretly, according to the papers, and that the purpose was to deal with serious harassment which might arise.

SECRET

- A. It was against shipping, was it not? That is what I think I was told.

MR REES: But the reason you ask it in that way is that they did not brief you properly?

- A. It was a bit of a throw-away really, yes, but for this reason, I think, that it was improper.

LORD WATKINSON: I just want to say this again - it was not coupled in any way with a recommendation that you should do the same?

- A. No.

MR REES: That is the point; it was a throw-away line. On the point you have made that it is something that needs to be looked at that is as may be, but it has been possible in my experience when civil servants do not want to tell you what a previous government has done in a situation, to put the argument, "What could be done?", and in fact I know they spelt out exactly the same paper as the previous government had had without saying so, but they did not do that? Whether it was the right thing to do is immaterial now. It was, as you put it, cursorily dealt with?

- A. Yes, except that John Ure will give evidence and he probably has a much clearer recollection of it than I have, but it was quite clear that the situation was deteriorating and I remember him saying to me that this had happened. As I said earlier, I remember the question I asked. I said, "Did the Argentines know about it?", and he said no. I thought (a) for that reason and (b) because sending ships risked the leak, that this was the wrong moment to contemplate doing it because it would put the kibosh on the negotiations.

LORD WATKINSON: Which were still in progress at that time.

SIR PATRICK NAIRNE: Since you have mentioned it yourself I think I should say that it struck me that the Foreign Office rather distorted the Constitution Act on this. Ministers are not entitled to see the papers of the previous government but there is no reason at all why they

SECRET

should not have said quite straightforwardly that consideration had been given for certain purposes.

- A. I think in the future it would be better to have this very much clearer than it appears to be at the moment. I do not suppose it would have made much difference but I think it was fairly silly not to give the full facts about what had happened when you were in a situation like that.

CHAIRMAN: It was nothing whatever to do with party politics as such.

- A. Nothing at all.

SIR PATRICK NAIRNE: And I suppose the real point, Lord Carrington, really is whether you or they wished to raise the whole general issue of some cautionary deterrent moves, quite irrespective of what any previous government had done but actually in the circumstances of the time.

LORD WATKINSON: Just coming back to negotiations for a moment, and just to finish the story which is not quite finished in my mind, I take it that if the Davidoff incident had not happened, and with the deteriorating threats and so on, probably you would have replied to Costa Mendez saying that his proposals were accepted - the two negotiating commissions and so on - because the Falkland Islands had agreed to this, so had it not been for that almost irrelevant incident negotiations would have started again?

- A. I do not know about that.

CHAIRMAN: It was under a sovereignty umbrella from our point of view, not from theirs.

- A. Yes, but whether negotiations would have started again, I am inclined to think that they might not have started again. I was proposing to send this message back, which I would have done but for Davidoff, and I think we all felt that it was very much in the balance as to whether this would be rejected by the Argentines or not and, of course, if they had rejected it you would have then thought that the whole process of attrition and so on would have started.

SECRET

LORD WATKINSON: But you had not got to that because you had not in fact sent your reply. You had had the Falkland Islands' agreement to send it so there were no problems there, so to speak, and then of course the Davidoff thing came and put a spanner in the works?

- A. That is right.

Q. So the point I want to establish is that in your mind, and I think in the mind of the government, if I may say so, the negotiating process had not come to an end?

- A. No.

LORD LEVER: And your concept, to use the chairman's Americanism, of a new ball game, would arise when the negotiations had come to an end, not before?

- A. That is right, and in a sense one was preparing because I had already sent the minute.

LORD WATKINSON: But then you expected measures and not military action.

SIR PATRICK NAIRNE: I feel we ought to ask just a quick question about South Georgia because it is difficult to disentangle that story and, indeed, to put it rather crudely I found myself really coming to the conclusion that the Davidoff incident in South Georgia was, so to speak, pretty irrelevant to a decision taken by the junta to invade the Falkland Islands, but it is very difficult to know that. If you do not mind can you tell me how you saw it at the time?

- A. I think it was the opportunity they used. I think the fact that it happened, that we reacted like that, that we were fairly patient about it, we did not remove the people with endurance, we went on negotiating and that gave them the opportunity to cook up a national feeling against us on what was happening in their island of South Georgia, I think contributed to their decision to invade.

Q. Was it opportunist, do you think, or do you think they had planned it?

- A. No, I think it was opportunist - maybe not but I think it was.

SECRET

Q. Your opinion obviously is terribly valuable to us. It is a very difficult question.

- A. Certainly the navy was involved with Davidoff. There were naval ships there but Davidoff did have a contract.

LORD WATKINSON: Yes, a legal contract.

- A. And no Argentine is going to go cap in hand and ask for a permit. It all seemed quite above board. On the other hand they did take advantage of it very quickly, so I am not sure.

SIR PATRICK NAIRNE: They did put up their flag rather too readily perhaps.

- A. Yes.

LORD WATKINSON: We have not come to the end of all this yet but did you have any feeling that possibly the Davidoff thing had been somewhat mishandled both by Williams in Buenos Aires and by Hunt in the Falklands? There is no doubt that the Governor thought it was Thule all over again. We have no information which indicates that that was so.

- A. No.

Q. What we think possibly is that this man had paid £130,000 for his salvage contract and that he was starting to implement it in a very clueless way and, of course, in the Argentine way of going with a white card instead of going round to Grytviken. It looks to me anyway - I am only speaking for myself - as if the thing was very much mishandled really and that this gave the junta just what they wanted - an excuse to put some ships there and take another move towards military action.

- A. You mean mishandled by over-reaction?

Q. Yes, not by ministers.

- A. I wonder about that.

Q. I am interested to have your view if you are willing to give it.

- A. I think that you have always got to consider the political factors in this in this country. To have that sort of a situation in which without permission a lot of

SECRET

Argentines go and put themselves on South Georgia in the light of having Thule, and having done nothing much about Thule over a period of years, I think it would have been politically very difficult for us to react in the sort of way that, "All right, let it go". I think that what we tried to do was right, which was to try and legitimise it. The thing which makes me wonder whether it was a put-up job or not was that they were so determined not to legitimise it because we leant over backwards to make it easy for them to do it.

LORD WATKINSON: It was not quite that story in my book but I do not think we want to go into it at this point. I think there were misjudgments both on Williams' part and on the Governor's part which elevated this into what you might call an invasion as opposed to an Argentine behaving in a very Argentinian way to get his value for money for his £130,000. I do think it pushed the junta a bit nearer into taking the final decision.

LORD BARBER: But the fact is that the messages which went from the Foreign Office to the Governor, almost all of them, were telling him to cool it and not to take provocative action which might be fine from his point of view and from the islanders' point of view but which could have put you in difficulty with your negotiations.

- A. Cool it to the point of getting a satisfactory conclusion but not accepting the situation - I want to make that clear.

Q. No, but to try and legitimise it rather than taking action.

- A. Yes.

SECRET

CHAIRMAN: Have we any more questions for Lord Carrington?

MR REES: Just one on South Thule - and I am looking at the House of Commons of course. When South Thule happened it happened in the days of the previous administration and nothing was done. I think you will find in Hansard that this arose. It happened in the days of the previous government and nothing was done and it is much more difficult for a new government - I am not making a value judgment about it - but the new government decided to do nothing about it either. It did not arise?

- A. It was a sort of fait accompli by then. You did not like it, you asked questions about it and so on, but you were not prepared to go and take them by force.

LORD WATKINSON: Could I just clear my mind, going backwards so to speak. First, negotiations in the government's view had not finished and possibly would not have finished if it had not been for the Davidoff incident. At least you would have made a reply, so there would have had to be another reply and the thing would have gone on for some weeks or possibly months.

- A. More time, yes.

CHAIRMAN: With doubtful omens but not finished, in your view?

- A. That was my view, yes - doubtful.

LORD WATKINSON: Second, I am not trying to put words into your mouth, but the government did not feel under great pressure because what you were expecting if you had a confrontation were measures which were tolerable, if inconvenient, but not war.

- A. Yes.

Q. And thirdly, that nobody, as far as you can recollect - and I mean nobody - ever told you that there may have been signs, like the press and certain political things and certain conclusions that you could draw, probably all with afterthought. But anyway nobody told you it was time you had

SECRET

another look at the Falklands because it might be boiling over?

- A. That is a terribly difficult question to answer because it obviously was getting worse. It is a matter of degree, is it not?

Q. No, I do not mean that. I mean, let us put it quite frankly, that there was the liability that the Argentines were going to take Port Stanley?

- A. Not at that time, no.

Q. Anyway, that they were going to have a military invasion?

- A. No, because of this assessment which we have discussed at great length this morning, that was not likely to happen.

CHAIRMAN: I think we have talked about two reasons for the assessment: the economic measures first, and the rest later perhaps.

- A. Diplomatic first, I think.

LORD WATKINSON: UN?

- A. Yes.

CHAIRMAN: There is the JIC assessment, which is one element. But then I think you gave another element: the true interest of the Argentines if they consulted it, that they would see that going to the UN, putting some economic pressures on - we were isolated, the pressures on us would be very great indeed - that it might be almost impossible for us not to have to give in that situation?

- A. Force you back to the negotiating table I think, yes.

Q. The second is clear to me: it is a rational look at what they might well think. What I am not clear about is why everybody accepted the JIC report. It was different from earlier JIC reports. The report we are talking about in the middle of 1981 is very similar to the one in 1980 but the tone, as it were, is milder in terms of the threat from the Argentine. It began to be milder because of their preoccupation with Chile and all that. And if you go back beyond that, to 1976, 1977, 1978, the tone of the JIC assessments is rather harder, with rather more emphasis on risk, rather more emphasis

SECRET

on the possible use of force, etc etc - they went milder. Did you, or did anybody, ever wonder why this particular JIC report of July 1980 said what it said, and whether it was out of date or not etc? I know that the process is going on week by week, but the fact is that it never coughed up anything.

- A. I did not know that the tone of the JIC reports had altered. I saw the 1980-81 one, I suppose.

Q. My colleagues would confirm that this is in fact so.

- A. It seemed to me that what they were saying was how you read these things and you have to make a judgment whether you think it sensible or not. These are experienced people and what they said seemed to me to be logical and made good sense. The only thing that would have altered would have been intelligence which had come to them which made them think it was more likely that the Argentines were going to invade, but so far as I know they had not got that, or if they had I did not have it and therefore it did not seem to me that they would probably update it. They would have updated it if they had.

Q. I think we ought to say that as far as hard intelligence is concerned, [redacted] what you say is correct, it was not there. The argument, if there is one, turns on the public stuff: the diplomatic relationships, the press campaign, the statements about by the end of the year, the statements about within three or four months, and what you make of that. It is not true that the basic raw material of the secret stuff was doing anything except saying "Not very much on now". I think that is right.

- A. I suppose really it depends how you assess that information and I think that the assessment could have been, and presumably was, that it was a factor in twisting our arm on the negotiations rather than on anything else. I think that is probably what the JIC must have felt because their assessment did not change.

SIR PATRICK NAIRNE: It could of course have depended upon the sources of intelligence. Could I ask just one last

SECRET

-54- THIS IS A COPY. THE ORIGINAL IS
RETAINED UNDER SECTION 3 (1)
OF THE PUBLIC RECORDS ACT

question which in a way follows that and perhaps it is impossible to answer. On 27 March, which is the Saturday before the invasion, Williams in Buenos Aires did send a telegram in which he said, "Costa Mendez has been less than honest with us. In fact the Argentines have been playing us along". The impression I have at the end of all this is that it was really inevitable that we were led by the nose in that way. Do you feel that that is true, that it really was inevitable that our man on the spot, the one man who in theory one would see ringing alarm bells to his Secretary of State at home, should, so to speak, have been 'played along', to use his own words?

- A. You mean you want me to make a judgment on whether Williams did well or badly?

Q. I suppose on Costa Mendez, yes, as well as on...

- A. I do not know. I simply cannot make a judgment about that. Certainly the reporting from Buenos Aires was not alarmist. How am I to judge whether he had the necessary capacity, feel, anything else, to know whether it should have been different? I cannot judge that. All I know is that nothing from Buenos Aires led one to suppose that what happened was going to happen.

MR REES: Could I come back, just to clear my mind. I have asked whatever needs to be asked from my point of view about that meeting on 5 March about the task force, and thank you for filling us in. Was this point discussed with, or made available to, Cabinet colleagues - Prime Minister and Cabinet colleagues?

- A. I do not think so. Of course we talked about what measures to take but I do not think that particular point was made, that the previous government had done it. Certainly I did not mention it.

Q. I see. That is as may be on that. One last question, again to clear my mind. We have touched on structures with regard to junior ministers and we have touched on structures

of intelligence. In a big department like the Foreign Office, with different parts of the world, what is the role of the Permanent Under Secretary with regard to, let us stick to the Falklands? Is there a sense in which a PUS is an adviser on this or is it the man in charge at the desk, or somebody lower down the line? Is there a sense in which one would expect a Permanent Under Secretary to get involved in this?

- A. Oh yes. When you get an issue of this magnitude the Permanent Secretary is involved in it.

Q. I see.

- A. You have not asked me, but perhaps I might just say this. You said there were a lot of other things happening to the Foreign Secretary. I was greatly criticised because I went to Israel on Tuesday. The Prime Minister and I went to Brussels on Monday and we had this very worrying telegram. I talked to her about going to Israel and in hindsight it looks a very remarkable thing to have done. But actually at that moment - and so much has happened that it does not seem very important now - the Israelis had just sacked all the mayors on the West Bank and there were riots and difficulty on the West Bank. I had already postponed a visit to Israel. I was considered, generally speaking by Jewish opinion and some political opinion here, to be violently pro Arab and anti Israel. I had already postponed the meeting. I was under considerable pressure from the Arabs not to go to Israel because of what they had done to the mayors and they had made it public that they would deplore my visit. I was thereby faced with the situation that if I put it off again - and I did not know whether they were going to invade or not although it looked rather gruesome - the damage done to our relations with Israel and political relations with the Jewish community here would be very serious indeed and I thought on the whole it was the best thing to do to go. You had an aeroplane, you had a telephone where you could keep in touch, and Richard Luce was here. But I suppose it appeared very odd at the time. In hindsight it appears odd but when you are Foreign Secretary and

SECRET

you have all these things on your plate, which are really very important - the Middle East is very important - you do really have to have regard to that.

SIR PATRICK NAIRNE: But much less odd when the true intelligence picture available at the time is more publicly known.

- A. Yes.

LORD BARBER: Could I ask one question, harking back to the relationship between the Minister of State and Secretary of State. We shall be seeing Richard Luce and he, if I may say so, like you, is an honorable man and will not try to pass the buck in any way, but it has been suggested that in the Foreign Office ministers of state who are not in the Cabinet are given greater responsibility for decision-making and so on than ministers of state in other departments, the suggestion being that it is because you have such an enormous area to cover that you are bound to leave it to them - the Secretary of State is travelling a great deal and so on. This is perhaps a rather simplistic way of putting it but since we will be seeing him - and I am sure he will shoulder his responsibilities - as far as you know, anything of any consequence in relation to the Falklands as far as you know he would have consulted you about - anything of any significance?

- A. Absolutely. I do not think Richard Luce put a foot wrong and he did not do anything that I did not know about. I think the ministers of state are there to have responsibility. I think it is a great mistake to have a department in which we treat ministers of state as if they were lackeys and you have to make all the decisions yourself. So what you do, surely, as you do in any good organisation: they have the authority to do what is right but not the authority to do what is wrong.

LORD BARBER: Who judges that?

CHAIRMAN: I think that is a very good note to end on. Thank you very much indeed, Lord Carrington.

- A. Thank you.

(The witness withdrew)