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FALKLAND ISLANDS REVIEW COMMITTEE

Note of an oral evidence session held in Room 1/99
Old Admiralty Building, London SW1
on Wednesday 29 December 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 D J Smith } - Secretariat

Witness

Lord Carrington

Note taken by MPO Reporter

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CHAIRMAN: Could I come to the points on which you may wish to comment. The first concerns the Endurance. Of course, we know that the military value of HMS Endurance was limited, but also we know that it had an important symbolic role, and we know that Mr Nott decided that Endurance should be withdrawn, and we are aware that you wrote to him towards the end of 1981 and again in early 1982 asking him to reconsider that decision, which he did not do. The view that we have formed is that the decision to withdraw Endurance was probably not a wise one and that we think it would have been better if the government, and I suppose that means the Foreign Secretary, had insisted more strongly on the retention of Endurance, either in his relationship with the Defence Secretary or by taking it to Cabinet, but that is what is in our mind.

- A. (LORD CARRINGTON): Before I say anything about that I would like to say something else. I understand that I am the only person who is being asked to come back here, so I take it that I am the only person who is being criticised, and that of course is...

Q. I am sorry. I was asked by Lord Carrington on the way up the stairs and I said yes, he is the person we have asked to come. It is the case that no other named person was criticised. It is not the case that nobody or no institution or nothing else is criticised. I would be wrong if I left you with that feeling.

- A. Therefore the fact that you intend, unless I persuade you differently today, to criticise me is central to your report, therefore of very great importance to me. I would make two observations, and I know the first you will agree with because we discussed this last time. I hope that you will judge my actions on what I knew and not on what you know now and what I know now, because these two things are very different. When a committee is asked to inquire into a matter which they know happened they must necessarily inquire into it knowing it happened. Now, this is not what I knew at the time. That is the first point. The second point is this, that I studiously avoided the last time I was here talking about my relations with my colleagues - I do not mean my personal relations with my colleagues, but the fact that we actually did not agree

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about this matter. Now I think it is necessary for me to say something about that.

On the first point, you say in your letter to me, Lord Franks, that in the second half of 1981 relations with Argentina deteriorated, but I do not think they did. What happened was that we were in a difficulty, and particularly we were in a difficulty about the negotiations, not so much because of what the Argentines had done, but because of the reaction in parliament to the report of what had taken place in the middle of the year, and this obviously presented us with a difficulty, but I do not think our relations with the Argentine were deteriorating. I had a very friendly meeting with Mr Camilion at the end of September, and indeed Mr Ure when he was over in the Falkland Islands learnt - and I will come to this in a moment in the other criticisms you make - that there was a possibility, a probability, of the Argentines themselves putting some proposals forward which were far from merely just a claim of sovereignty. So there was not a deterioration in the sense that it appeared likely that there was going to be anything like a military confrontation or military difficulties: it was merely our difficulty in proceeding with the talks because of the reaction in parliament.

When I heard - and of course I was not consulted about Endurance - that it was proposed to scrap the Endurance I immediately wrote a letter in June, and in June we had a discussion about this. It was quite clear to me that there was no possibility whatever of getting my colleagues to change their mind about this, and this did not have much relation to the Falkland Islands, it had relation to the Defence Review, because it was the Defence Review in which the Endurance was being scrapped. As you may well imagine, the Defence Review was a package, and a very difficult package for the Cabinet as a whole to swallow. It was perfectly obvious to us that it was going to cause very considerable trouble, more in my party than in the opposition party. It was decided that we had to go forward with this because of the need to save money. It was a package which nobody after a period of time was prepared to upset.

One of the things that I have discovered - and I have been in politics a very long time - is that one of the things

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that you should do as a Cabinet minister is to know precisely how far you can go and how likely you are to be able to reverse things, what your power is. I was absolutely sure that this decision about Endurance was wrong. If you read my minute of 3 June you will see that I said on 3 June that it was sending the wrong political signal. So I was determined that it was going to be reversed. But I knew that there was no prospect whatever of getting it reversed. I had nobody supporting me when I tried to reverse it, I had not one single person on my side in the Cabinet. So I knew that unless something happened which had not happened so far it was not going to be reversed.

There were only two ways in which I could get this reversed. The first way was by allowing parliamentary pressure in my own party to build up, and there was a naval lobby and a Falkland Islands lobby which believed that this was the wrong decision to take. I do not believe that it is right that ministers who have a collective responsibility should encourage back-bench MPs of their own party to take the opposite view from that which has been the collective decision of the government, but I do not see any harm in letting it run. This was indeed building up, and it built up over six months; it was increasing, this pressure against the Endurance being scrapped.

The only other way in which I could get my colleagues to change their mind was by something happening which brought the issues very clearly to their attention and made them believe that really something serious was going to happen in the Falkland Islands unless they did change their mind about the Endurance.

Nothing happened in 1981, certainly not the meeting which Nick Ridley reported in parliament, which would have caused my colleagues to change their mind at all. But when it did happen, when at the beginning of 1982 it became quite clear that things were getting more difficult, then immediately, if you follow the sequence of events, I sent three separate minutes about the Endurance to the Minister of Defence and my colleagues. I hoped that in that way I would get the situation reversed.

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There was no indication either in the intelligence assessments or in anything I read, or in anything so far as I know that the Foreign Office had, during 1981 that there was going to be any immediate danger of an invasion of the Falkland Islands. So there was a bit of time. The bit of time I was using to build up pressure in parliament, and if things got worse to use the fact that things got worse to persuade my colleagues that they had come to the wrong decision. There was no way, Lord Franks, in which I could have reversed that decision. There was nobody in the Cabinet or in OD who was prepared to support me about the Endurance.

If you will allow me to say so, of course in hindsight if I had in July/September sent a minute saying "Please do not do Endurance" that would be very good for me in this committee, but it would not have had the smallest effect on my colleagues because of the Defence Review and because of the situation as it then existed. I do not believe that it would have been possible or sensible for me at that time to have done anything different than I did. There was no way in which I could have reversed that. If one does not know what one can do with one's colleagues after having sat with them for three years, then I think that one is a bad judge of one's colleagues.

Q. Thank you. May we then come on to the decisions taken around 7 September. I think there were three which really perhaps had flowed from the same meeting, the meeting you will remember you had with Mr Ridley and with officials.

- A. And actually Sir Ian Gilmour was there. So he may have some recollection if you want to ask him about it.

Q. We think that three related decisions were taken then. One was what was proposed to you, which I think was an educational campaign in the Falkland Islands and at home here to try to bring about a different state of mind there so that substantial negotiation might be possible again, but you thought "No, that is not something that at the moment we can go forward with". Secondly, I think you thought you were meeting Camilion quite soon on the margin of the Assembly - 18 or 19 September I think - and that you would then have the opportunity of putting it to him whether he would wish to put forward suggestions or proposals for the future course of

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negotiations. Thirdly, there was a draft defence committee paper at the meeting and you decided not to proceed with it, you judged the time not to be right for that. The views that we are holding are that when you decided to put the ball into Camilion's court, to say to him "Have you any proposals to make?" this deprived us of the initiative in negotiation, something new, in a position therefore where we reacted rather than acted, and to that extent left us diplomatically in a position of weakness. Secondly, you thought that it was inadvisable to hold a defence committee at that time. We are a little surprised that it was not worth seeking the collective judgement of ministers about the Falklands at that time because there was no very clear way ahead. The one lifeline, which was lease-back, for the time being was no longer current, and nobody could see quite which way it would go, and the statements which Camilion had made earlier on in July of that year had been strong and showing impatience, and all that. We wonder whether then, or indeed later, in March, there would have been advantage in taking the collective opinion of your colleagues on the way to move forward in regard to the Falklands.

- A. Lord Franks, I do not think those criticisms are justified. It took me a number of months to persuade my colleagues - and here I have to say this, and I think you must understand my position - it took me a number of months to persuade my colleagues on negotiating on lease-back, because they believed, as did and do - and I do not blame them for it - a great many of the Conservative party today, that lease-back was in point of fact giving away the sovereignty of the Falkland Islands. It took me months to get them to agree that we should negotiate on the basis of trying lease-back. Having persuaded them to do that, and it took a very great deal of persuasion, when the report came back and the reaction of the House of Commons to that became clear, my colleagues were back, if I may put it in the vernacular, to square one: they believed that it was wholly wrong that we should have tried lease-back - look what happened!

It was suggested to me that this was the right moment to go and persuade my colleagues that there should be a campaign to sell lease-back. I could not sell it to my colleagues, let alone to anybody else. To suggest that the Foreign Office, who

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were already accused of selling out in the way that the Foreign Office had been accused all the way along, should promote a campaign for lease-back, should try to educate the islanders publicly - it would have got out that this is what the Foreign Office were doing and the government were doing - to suggest at that moment when parliamentary opinion was in the position it was that the Foreign Office should operate a campaign of that kind would have been wholly counter-productive. It would have meant that the Foreign Office - or the government if I could ever have persuaded my colleagues, which I never would have because, as I say, they felt I was quite wrong to have suggested lease-back in the first place - it would have been a total disaster for me to have done that, and there is no way in which I would ever have got my colleagues to accept that. Indeed, and I repeat myself, it took me months to persuade them even to think about lease-back in the first place, and the reaction to lease-back was very sharp indeed. Then to suggest that I should persuade my colleagues to go into a campaign for selling lease-back was really not something I thought was a very sensible or very wise proposition. The only way forward in this was exactly the same as with Endurance, to let the facts speak for themselves as time went on.

Of course what we hoped to do was to educate the islanders. Nick Ridley had tried to do that, and the Governor had instructions to try to present these things in a sensible way, also the fact that the islanders were going to take part in the negotiations and they were going to see what the Argentine position was and that would be educative, but a national campaign would really not have done.

The next criticism is that I passed the initiative over to Camilion. The initiative was always with the Argentines, because they were the people who wanted change, we were the people who were seeking broadly speaking the status quo. Now, what was I faced with in September? I was faced with a situation in which we could not go on about lease-back because that had been more or less sunk, for the time being at any rate, because of parliamentary opinion. We tried a freeze and were laughed out of court by the

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Argentines. I wanted the negotiations to go on because there was no other course open to us other than confrontation - and there was one other thing: the islanders were in the middle of an election. How could you go to New York or Geneva or wherever, or ask Richard Luce to go, without any proposals of any kind? You had withdrawn lease-back, you had been laughed out of court on the freeze, you would be faced with going there with nothing at all, nobody had any other ideas. So what was the best thing to do? The best thing to do was to ask Camilion, within the parameters of what I said to him in New York, which were that any proposals had to be acceptable to the Falkland Islanders, whether he had any proposals. It so happened that when Mr Ure was in the Argentine there had been a suggestion from the Argentines that they did have some proposals, which were, if you remember, that we widen the whole scope of the negotiations to include economic co-operation and the development of the islands, and so on. A proposition of that kind was at least something that you could talk about, it was something that you could keep negotiations going by.

Indeed you criticise me for passing the buck, the initiative, to the Argentines, but that in point of fact did not happen because when Richard Luce did meet the Argentines what happened was that we did come to an agreement how we should go forward and it did work more or less as I thought it was going to work, that it was possible to continue the negotiations - later on it was not but at the time it appeared that it was all right. So I do not accept that I passed the initiative to the Argentines, because I think it has always been ~~them~~^{with} them; it is always with people who want to change things rather than with people who want to keep things. I do not accept that at the time if I wanted to keep the negotiations going there was any possibility whatever of going to them without having any proposition at all to put forward.

Your third criticism is that I did not circulate that memorandum. I have explained why I did not circulate the memorandum about an educational campaign to sell lease-back.

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That in my judgment would have been a very counter-productive thing with my colleagues. But of course I did not do nothing. I circulated the memorandum less those proposals on 14 September to the Prime Minister and copied to all my colleagues. You could have a discussion in the OD about these things if you knew what you wanted to come out with. There is some sense in doing that. But there was in my judgment - my colleagues could come up with any ideas, I had sent them all the facts - but in my judgment there was no further step that we could take at that moment other than the one that I was proposing to take, which was to see Camilion and to keep the negotiations going. My intention was after the next meeting when we had seen what had happened to have an OD meeting and then to take stock of what had gone on. This seemed to me to be the sensible way of proceeding.

Q. Thank you. I think the last point that arises takes us through to 5 March. You will remember that you had a brief meeting then, I think with Foreign Office officials, and you decided to do a number of things, such as a draft reply to Costa Mendez, get in touch with the Americans, etc.

- A. And the islanders.

Q. Yes. And Mr Ure mentioned the 1977 covert deployment, and you said, "It was covert, was it?" and he replied Yes, and you said "That makes it seem less significant to me at the present juncture".

- A. More than that, but I will come to that.

Q. Yes. We are inclined to think that the Argentine attitude by that time had become quite distinctly more threatening and it might have been wiser to give fuller consideration to the possibilities of military deterrence in one form or another.

- A. Lord Franks, we had a discussion on the last occasion that I came here about whether or not there had been a ~~scene~~ sea-change on 5 March, and I think your view was that there had. My view is that there had not been and my view still is that there had not been. I think what happened was that Ros in New York had come to an agreement with Richard Luce - and I think that this was due to Richard Luce's skill in

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negotiation - which really went rather further in terms of emollient to ourselves than had been agreed when Ros went to New York. I think when Ros came back to Buenos Aires he was in a sense repudiated by Costa Mendez, but not repudiated altogether. What happened was that he made public a number of things that we had said we did not want made public, and it was a fairly tough communique. I think this was more for Argentine public opinion, because the communique in New York had been very mild, and I think it was more for Argentine public opinion than for anything else. I do not think that at that time there was a threat. I do not believe at that time - certainly there was no evidence that I had to prove it, or that the Foreign Office had to prove it - there was any sort of military threat in the offing. You will remember that the assessments - right or wrong - that we were working on were that there would be a series of steps taken before any military action was taken and that if military action were to be taken it would be taken towards the end of what is now this year, and the steps leading up to it would be first of all cutting off communications and secondly there would be diplomatic steps, and so on. There was no evidence on 5 March that there was going to be anything other than another round in the negotiations. What we did on 5 March was to see whether we could get another round of negotiations, we could salvage this, because the consequences of not salvaging it, the consequences of not having another round of negotiations, were to achieve what successive British governments had sought to avoid, which was a large deterrent force in the Falkland Islands and vast expenditure for 1800 people, and this has been the object of successive British governments to avoid. Therefore if you wanted to avoid that you had to try to keep negotiations going. What is the easiest way of actually making sure that no negotiations would take place? I think the easiest way of doing it was sending a deterrent force. In my judgment there was no way in which you could do that and keep it secret. It is perfectly true that those three ships which Dr Owen sent were kept secret, and I must say that this is the biggest mystery of all time how it remained secret,

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because we sent a submarine that Monday, or whenever it was, and before it sailed it became public knowledge. Therefore I thought it was going to leak. But if I may just amplify what I said to Mr Ure, Mr Ure told me of this and I asked him two questions. I said "Did the Argentines know about it?" and "Where was it?" I was told it was 1500 miles away and the Argentines did not know about it. That did not seem to me to be in that case very germane to the situation that I was faced with at that time. What we were doing was trying to keep the negotiations going but at the same time looking at the contingency planning on the assessment of the intelligence people as to what the order of progression of difficulty would be. I hope you will forgive me for going on rather a long time.

Q. Of course.

- A. If I may give you just one more example of the difficulty - and I am not in the least blaming my colleagues about this, do not misunderstand me, it was a difference of opinion, I took one view and they took another view, which is what happens in government - but early in the year I sent a minute to the Treasury, to the Chancellor of the Exchequer, saying I thought that things were getting rather difficult and we ought to make contingency plans about supplying the islanders if the air^{service} was cut off. The answer that I got back from the Chief Secretary of the Treasury was that if I thought there was any money which was available for that sort of thing I was mistaken, and that if I thought it was so important it ought to come off the Foreign Office vote. So you will see the sort of atmosphere even in the beginning of 1982 that I was faced with on this problem.

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You did actually on the telephone raise one other question which you have not actually written to me about in your letter.

Q. I beg your pardon. What was that?

- A. I do not know whether I misunderstood you on the telephone, but you said why had there not been an OD meeting on 5 March? Why had I not recommended an OD meeting?

Q. Yes. I mentioned that when I was talking about the possibility of an OD meeting in September, but I did on the telephone refer to the possibility because there had been a thought of having one in the middle of March, and it was in fact postponed.

- A. Yes. If that is going to be a criticism perhaps I might be allowed to say something about it.

Q. If you would care to make any comments on it?

- A. I do not think that there was any point in having an OD meeting after 5 March until such time as we had the islanders' response to our message to Costa Mendez and Costa Mendez' reaction to that message. Now I do not know whether you recollect the message which we proposed to send to Costa Mendez? I think it was a message which he would probably have rejected, I think it likely, because we toughened it up as a result of what happened. But I do not think that there was any object in having an OD committee until such time as those two particular things had been finished, otherwise my colleagues would merely have said, "We must wait and see what is going to happen with Costa Mendez and the islanders before we can really decide on what to do."

CHAIRMAN: Thank you very much indeed.

(The witness withdrew)

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