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806

PREM 19/654

Falkland Islands Enquiry

ARGENTINA

PART 1

April 1982

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
24.5.82							
1.6.82							
11.6.82							
18.6.82							
24.6.82							
25.6.82							
29.6.82							
30.6.82							
1.7.82							
2.7.82							
5.7.82							
8.7.82							
PR 5.82							

PREMIA/654

TERMS OF REFERENCE

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

PART 1 ends:-

CAW JETA

5/7

PART 2 begins:-

CAW JETA 6/7



File 508

Argentina

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

FALKLAND ISLANDS REVIEW

Thank you for your minute A08909 of 5 July 1982 about the Falkland Islands Review.

I have arranged with Sir Tom McCaffrey for Mr. Foot to put down today a Written Question in the terms of the draft attached to your minute.

The Prime Minister amended slightly the draft Answer to Mr. Foot, and I now attach for your information the Answer in its final form.

I also attach copies of the letters she has now sent to Mr. Foot, Mr. Steel, Mr. Jenkins, Mr. Stewart and Mr. Powell. These follow very closely the drafts submitted with your minute.

I am sending copies of this minute and of the attachments to Mr. Halliday (Home Office), Mr. Fall (Foreign and Commonwealth Office), Mr. Omand (Ministry of Defence), Mr. Heyhoe (Lord President's Office) and Mr. Maclean (Chief Whip's Office).

C. A. WHITMORE

5 July 1982

CONFIDENTIAL

UNSTARRED Mr Michael Foot: To ask the Prime Minister, whether
NO. she will now make a statement, further to her reply
to the Rt Hon Gentleman the Member for Orkney and
Shetland on 8 April, on the proposed review of
matters leading up to the Argentine invasion of the
Falkland Islands.

Following consultations with the Rt Hon Gentleman
the Leader of the Opposition and leaders of other
Opposition parties, the Government has decided
to appoint a Committee of Privy Counsellors with
the following terms of reference:

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

I am glad to be able to say that the Rt Hon the Lord
Franks, OM, GCB, CBE, has agreed to be the Chairman
of the Committee. I will inform the House of the names
of the other members as soon as possible, but I can say
that they will include Privy Counsellor representatives
of the two main political parties, chosen in consultation
with the Rt Hon Gentleman the Leader of the Opposition.

appd by PA1 5/7



10 DOWNING STREET

THE PRIME MINISTER

5 July 1982

Dear Michael

FALKLAND ISLANDS REVIEW

I have now had an opportunity of taking further with my colleagues the matters we discussed this morning.

We are ready to agree that there should be a short debate in the House on the proposed review. As I said when we met, I am keen that we should now lose as little time as possible in getting the inquiry set up. We should therefore like to take up your suggestion that the debate should take place from 4.00 p.m. to 7.00 p.m. this Thursday, 8 July, that the Supply debate on the Army should start at 7.00 p.m., and that the rule should be suspended to allow that debate to run on after 10.00 p.m. for as long as may be appropriate.

The debate on the review would be on a Government motion, to approve the statement which I should by then have made in reply to a Question which you agreed you would put down. We should need a Business motion before the debate on Thursday afternoon, and discussions are doing on through the usual channels about whether the statement which John Biffen will need to make on the change of business should be tomorrow afternoon or Wednesday. So I think that it would be best if you could put your Question down today, for Written Answer tomorrow.

I suggest that the Question might read on the following lines:

/ "To ask the

"To ask the Prime Minister, whether she will now make a statement, further to her reply to the right hon. Gentleman the Member for Orkney and Shetland on 8 April, on the proposed review of matters leading up to the Argentine invasion of the Falkland Islands."

In the reply I would say that we were proposing to appoint a Committee of Privy Counsellors; I would set out the terms of reference as agreed between us this morning; and I would disclose the name of the Chairman.

I am writing to the leaders of other Opposition parties to tell them what is now proposed, following my earlier consultations with them and our discussion this morning.

Yours sincerely
Margaret Thatcher

The Rt. Hon. Michael Foot, MP.



10 DOWNING STREET

THE PRIME MINISTER

5 July 1982

Dear Mr Steel,

Falkland Islands Review

I have now had an opportunity to reflect on the comments which you and leaders of other Opposition parties made on the matters raised in the letter I sent you on 21 June; and I have also been able to have a further word with Michael Foot.

There is general agreement that this review should be undertaken by a Committee of Privy Counsellors. The official Opposition have pressed strongly that there should be two Labour representatives on the Committee; that would of course mean two from the Government side. I propose that there should be one other independent member; and a Chairman who should also be independent of the two main political parties. I am glad to be able to tell you, in strict confidence, that Lord Franks has agreed to be the Chairman of the Committee.

As to the terms of reference, it has always been my intention that it should concentrate on the period leading up to the Argentine invasion of the Falkland Islands on 2 April; but it remains my view that the decisions and events of that period can be rightly viewed only if they are seen in the perspective of the previous

/history.

history. It has been suggested that the draft terms of reference which I suggested in my letter of 21 June did not get the balance of that quite right. I am accordingly suggesting revised terms of reference, with which Michael Foot tells me he would be content. They read as follows:

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

I propose to announce tomorrow, in a Written Answer to a Question which Michael Foot will put down, that the review is to be entrusted to a Committee of Privy Counsellors with these terms of reference.

We then propose to put down a Motion inviting the House of Commons to approve the proposals for a review announced in my reply. The House will be invited to consider this Motion in a short debate as first business on Thursday 8 July; the debate on the Army can then begin at 7.00 pm, and we shall invite the House to agree that the rule should be suspended so as to allow the debate on the Army to run on after 10.00 pm.

I am writing similarly to the leaders of other Opposition parties to whom I wrote on 21 June.

The Rt. Hon. David Steel, M.P.

Yours sincerely
Raymond Theobald



10 DOWNING STREET

THE PRIME MINISTER

5 July 1982

Dear Mr. Jenkins,

FALKLAND ISLANDS REVIEW

I have now had an opportunity to reflect on the comments which David Owen and leaders of other Opposition parties made on the matters raised in the letter I sent him on 21 June; and I have also been able to have a further word with Michael Foot.

There is general agreement that this review should be undertaken by a Committee of Privy Counsellors. The official Opposition have pressed strongly that there should be two Labour representatives on the Committee; that would of course mean two from the Government side. I propose that there should be one other independent member; and a Chairman who should also be independent of the two main political parties. I am glad to be able to tell you, in strict confidence, that Lord Franks has agreed to be the Chairman of the Committee.

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I am writing similarly to the leaders of other Opposition parties to whom I wrote on 21 June.

Yours sincerely
Roy Jenkins



10 DOWNING STREET

THE PRIME MINISTER

5 July 1982

Dear Mr. Stewart,

FALKLAND ISLANDS REVIEW

I have now had an opportunity to reflect on the comments which you and leaders of other Opposition parties made on the matters raised in the letter I sent you on 22 June; and I have also been able to have a further word with Michael Foot.

There is general agreement that this review should be undertaken by a Committee of Privy Counsellors. The official Opposition have pressed strongly that there should be two Labour representatives on the Committee; that would of course mean two from the Government side. I propose that there should be one other independent member; and a Chairman who should also be independent of the two main political parties. I am glad to be able to tell you, in strict confidence, that Lord Franks has agreed to be the Chairman of the Committee.

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I am writing similarly to the leaders of other Opposition parties to whom I wrote on 22 June.

Yours sincerely
Margaret Thatcher

The Rt. Hon. D.J. Stewart, MP.



10 DOWNING STREET

THE PRIME MINISTER

5 July 1982

Dear Keith.

FALKLAND ISLANDS REVIEW

I have now had an opportunity to reflect on the comments which you and leaders of other Opposition parties made on the matters raised in the letter I sent you on 22 June; and I have also been able to have a further word with Michael Foot.

There is general agreement that this review should be undertaken by a Committee of Privy Counsellors. The official Opposition have pressed strongly that there should be two Labour representatives on the Committee; that would of course mean two from the Government side. I propose that there should be one other independent member; and a Chairman who should also be independent of the two main political parties. I am glad to be able to tell you, in strict confidence, that Lord Franks has agreed to be the Chairman of the Committee.

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I am writing similarly to the leaders of other Opposition parties to whom I wrote on 22 June.

Yours sincerely

Raymond Thatcher

The Rt. Hon. Enoch Powell, MP.



cc co

DSG/HU

Delivered to hard home
by Michael Pownall
on 6/7.

10 DOWNING STREET

THE PRIME MINISTER

5 July 1982

Dear Alan.

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

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

/ In so far

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

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

- a. the documents will be made available to all members of the Committee by virtue of their being Privy Counsellors and solely for the purposes of this Review;
- b. any member of a previous administration who is invited to give evidence to the Committee will be able to exercise his normal right to see documents which he saw as a member of that administration;
- c. officials and former officials invited to give evidence to the Committee will be able to see documents which they saw as advisers to Ministers on matters covered by the Review;
- d. documents of previous administrations will not be disclosed to members of the present administration or of other previous administrations (other than those who are members of the Committee), or to any other persons not entitled to see them;

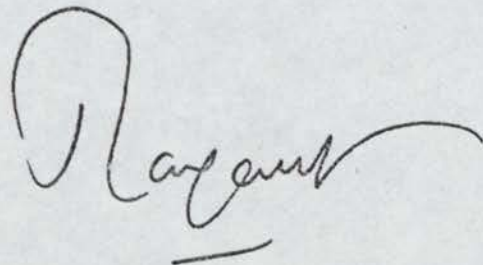
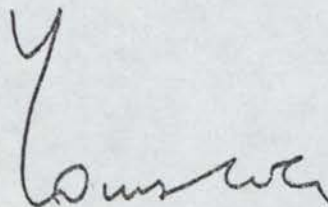
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- e. the documents made available to the Committee, and any copies made of those documents for the use of members of the Committee, will be returned to the Departments from which they came as soon as they are no longer required for the purposes of the Committee's Review;

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

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

I am writing in similar terms to Harold Macmillan, Harold Wilson, Ted Heath and Jim Callaghan.



The Right Honourable The Lord Home of the Hirsel, K.T., D.L.



cc Co

DSG/tcl

sent to Sussex
address on 6/7

10 DOWNING STREET

THE PRIME MINISTER

5 July 1982

Dear Mr. Hamilton

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

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

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

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

- a. the documents will be made available to all members of the Committee by virtue of their being Privy Counsellors and solely for the purposes of this Review;
- b. any member of a previous administration who is invited to give evidence to the Committee will be able to exercise his normal right to see documents which he saw as a member of that administration;
- c. officials and former officials invited to give evidence to the Committee will be able to see documents which they saw as advisers to Ministers on matters covered by the Review;
- d. documents of previous administrations will not be disclosed to members of the present administration or of other previous administrations (other than those who are members of the Committee), or to any other persons not entitled to see them;

- e. the documents made available to the Committee, and any copies made of those documents for the use of members of the Committee, will be returned to the Departments from which they came as soon as they are no longer required for the purposes of the Committee's Review;
- f. while it is understood that the Committee may need to describe in their report the gist or purport of documents made available to them, so far as is consistent with the protection of national security and the conduct of international relations, Cabinet and Cabinet Committee documents and documents which carry a security classification will not be reproduced in the Committee's report or otherwise published without the agreement of the Government, who will consult the former Prime Minister of the administration concerned as to whether such agreement should be given.

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

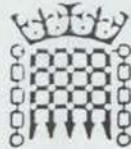
I am writing in similar terms to Alec Home, Harold Wilson, Ted Heath and Jim Callaghan.

I have been very grateful for your support and advice - which I have followed throughout the campaign.

Yours sincerely

The Right Honourable Harold Macmillan, O.M., F.R.S.

Raymond Shubert



J. Stradling Thomas, Esq. M.P.
House of Commons.
S.W.1A.

HOUSE OF COMMONS
LONDON SW1A 0AA

Strictly Confidential

29th June, 1982.

Dear John,

Thank you for your welcome last night during which you asked for a note arising out of our conversation.

Since there has been speculation in the press already that the Government may be considering the employment of an historian as a participant in the Inquiry, may I mention, after giving the matter careful thought, that it does seem that the most highly qualified person to do this is Lord Dacre of Glanton, whom I remember as Professor Hugh Trevor-Roper, the Regius Professor of Modern History.

He worked for Intelligence in the war, at a time when a great many persons, with Left Wing views, were involved in Intelligence.

Hugh, to the best of my knowledge, has always been a strong Conservative and a patriot. He knows his way about the captured German war documents after the Second World War extremely well and, indeed, is one of the leading historians on the Second World War, having written "The Last Days of Hitler" and edited a large number of other books. *I understand that he wrote his book on Arch Bishop Laud, which he was a student although it was published later.*

At Oxford, whilst I was there, the other leading historians were on the Left and I include, A.J.P. Taylor, Max Beloff and Christopher Hill (who at one time was a Communist until the invasion of Hungary, and was my Tutor at Balliol!). Of all of them I knew Hugh best, as he has a house in Scotland in the Borders, being married to Field Marshal Haig's daughter, Lady Xandra, and I have always regarded him in Tory terms as a friend and ally with a very strong mind with a sharp edge.

Hugh defended the Conservative cause very vigorously and quite often on his own. He was extremely highly regarded by Harold Macmillan and, if I remember correctly, was made Regius Professor during Harold Macmillan's Leadership. Most not all of his books have been published by Macmillan & Co. *It is also very highly regarded by Lord Home, who certainly knows him very well.*

It does seem that if a Labour Government were in power they would almost certainly appoint a historian with Labour leanings and as Hugh is as well, if not better qualified than anyone, it seems it would be a ^{great} pity if somebody less well qualified were to be chosen because they might be more acceptable to the Labour Party.

There are no doubt many very competent historians less well known. For example one brilliant historian who was Senior Tutor and is now a tutor at Peterhouse College, Cambridge, and who comes from Portsmouth and served in the Army, is Dr. Roger Lovatt. *It is reasonable to believe* He is a Conservative and I am sure that he would be good and reliable, although he obviously has not had the Second World War ~~and~~ experience of Intelligence that Lord Dacre had, being much younger (about 45). I would imagine he has high standing in his profession, but I am now not as closely in touch with the historical profession.

I hope these impressions are of some assistance to you and I would have thought that Hugh had the standing, experience, ability and balance to do the job really well. I do, of course, have no idea whether the Government is thinking in terms of providing a historian or not, and write to you merely because it has been the subject of press comment, although I appreciate that the subject may not come up.

The letter has in any case been marked strictly confidential.

(P.S. I understand Hugh Trevor-Roper's connection with Intelligence was in the 1940s. I was in the Intelligence Section at the time. I was in the Intelligence Section at the time. I was in the Intelligence Section at the time.)



Government Chief Whip

12 Downing Street, London SW1

5th July 1982

Dear Willie

I enclose a copy of a letter which the Deputy Chief Whip has received from Lord James Douglas-Hamilton.

May I ask you to deal with it as appropriate.
It has been acknowledged.

Yours ever,
M Maclean

M MACLEAN

W F S Rickett Esq
Private Secretary
10 Downing Street
London SW1

CONFIDENTIAL

JWP



10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

FALKLAND ISLANDS REVIEW

Thank you for your minute A08910 of 5 July 1982 with which you submitted a revised version of the draft letter to former Prime Ministers.

As I told Mr. Wright earlier this evening, the Prime Minister has approved the draft letter subject to the deletion of the words "appointed by and reporting to the Government" at the end of the second sentence of the first paragraph. She would be grateful if you would try to see Sir Harold Wilson, Mr. Heath and Mr. Callaghan tomorrow morning. She is content for you to show them the draft letter, but she agrees that you should not leave copies with them.

In the meantime she will write to Mr. Macmillan and Lord Home in the terms of the draft letter.

I am sending copies of this minute to Mr. Halliday (Home Office), Mr. Fall (Foreign and Commonwealth Office), Mr. Omand (Ministry of Defence) and Mr. Heyhoe (Lord President's Office).

C. A. WHITMORE

5 July 1982

CONFIDENTIAL



Ref. A08910

MR WHITMORE

Falkland Islands Review

I attach a revised version of the draft letter to former Prime Ministers, taking account of this morning's discussions.

If the Prime Minister is content, I will go and see Sir Harold Wilson, Mr Heath and Mr Callaghan (it was agreed that it was not necessary to go to see Mr MacMillan or Lord Home). I will speak to them on the lines of the draft letter, and feel free to show it to them; but I will not leave copies with them.

I should try to see them all tomorrow morning.

I am sending copies of this minute to the private secretaries to the Home Secretary, the Foreign and Commonwealth Secretary, the Defence Secretary and the Lord President.

REA

ROBERT ARMSTRONG

5 July 1982

DRAFT LETTER TO

XX The Rt Hon Harold MacMillan, OM, FRS ✓
The Rt Hon the Lord Home of the Hirsel, KT DL ✓
The Rt Hon Sir Harold Wilson, KG, OBE, FRS, MP ✓
The Rt Hon Edward Heath, MBE, MP ✓
The Rt Hon James Callaghan, MP ✓

Falkland Islands Review

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

We propose to make available to the Committee all the papers relating to the most recent period. The fact that the review is being entrusted to a Committee of Privy Counsellors will make it possible for it to be given access to all the relevant documents, including Cabinet and Cabinet Committee papers and intelligence

assessments and reports, while ensuring protection from disclosure for information which ought to be protected in order to avoid prejudice of national security or of the conduct of international relations.

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

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

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

c. officials and former officials (~~including officers of the Diplomatic Service~~) invited to give evidence to the Committee will be able to see documents which they saw as advisers to Ministers on matters covered by the review;

d. documents of previous Administrations will not be disclosed to members of the present Administration or of other previous Administrations, or to any other persons not entitled to see them;

(Other than those who are members of the Committee)

e. the documents ^{made available} ~~given~~ to the Committee, and any copies made of those documents for the ~~personal~~ use of members of the Committee, will be returned to the Departments from which they came as soon as they are no longer required for the purposes of the Committee's review;

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

Y

If you would like to inspect the Cabinet and Cabinet Committee documents of your own administration, in so far as they dealt with matters which are or may be relevant to the Committee's review,

for Wilson.

the Secretary of the Cabinet would of course be ready to make the necessary arrangements for you to do so.

I am writing in similar terms to Harold MacMillan and Alec Home and Harold Wilson and Ted Heath and Jim Callaghan.

5 July 1982

CONFIDENTIAL



1
Prime Minister
Consent?

Ref. A08911

Mr
Sui

MR WHITMORE

Falkland Islands Review

I attach a draft of the Motion to be debated in the House on Thursday 8 July.

I am sending copies of this minute and the attachment to the Private Secretaries to the Home Secretary, the Foreign and Commonwealth Secretary, the Defence Secretary, the Lord President and the Chief Whip.

RA

ROBERT ARMSTRONG

5 July 1982

CONFIDENTIAL

CONFIDENTIAL

That this House approves the decision of Her Majesty's Government,
as reported to the House in the Prime Minister's reply to a Question
by the Rt Hon Gentleman the ^{Member of the Opposition} ~~Member for Ebbw Vale~~ on 6 July, to appoint
a Committee of Privy Counsellors to review the way in which the
Government departments concerned discharged their responsibilities in
the period leading up to the Argentine invasion of the Falkland Islands,

~~taking into account etc.~~

taking account of all such factors in former years
as are relevant.

(we must have the previous periods in
as we have to much of the history of
reference).

CONFIDENTIAL

SUBJECT



cc: LCO
FCO
MOD
LPO
LPS
CDL
LOD
CWO
CO

sketch

10 DOWNING STREET

From the Principal Private Secretary

5 July 1982

FALKLAND ISLANDS INQUIRY

The Prime Minister, accompanied by the Home Secretary and Sir Robert Armstrong, saw Mr. Michael Foot and Mr. Denis Healey in the Prime Minister's Room in the House of Commons this morning to discuss further the proposed Falkland Islands Review.

The Prime Minister said that she had now seen Mr. Steel, Dr. Owen and Mr. Stewart and she had exchanged letters with Mr. Enoch Powell. They had all accepted that the Review should be conducted by a Committee of Privy Counsellors which would include two Conservative and two Labour representatives. They all thought that Lord Franks would make an excellent Chairman, and provided he accepted her invitation to head the Review, neither the SDP nor the Liberal Party was seeking additional representation. Sir Robert Armstrong had approached Lord Franks on her behalf over the weekend, and he had now indicated that he was ready to chair the Inquiry. Sir Patrick Nairne had also agreed to serve as a member of the Committee. The Committee would therefore be six strong in all. She would shortly be approaching former Prime Ministers to seek, as a matter of courtesy, their agreement that the papers of their administrations should be available to the Review.

Mr. Healey said that the Labour Party would prefer terms of reference for the Review which followed closely the Answer which the Prime Minister had given to Mr. Grimond on 8 April, rather than those proposed in her letter of 21 April. Terms of reference on these lines would emphasise that the Review was concentrating primarily on the events leading up to the invasion. If the Committee wanted to go back further in time, that was up to them and no obstacle should be put in their way. The trouble with the terms of reference proposed in the Prime Minister's letter of 21 April was that the emphasis was the wrong way round. He was, moreover, doubtful about the suggestion that 1965 was the year to which the Committee should go back. There were military incidents involving the Argentine which went back as far as 1957, and 1965 seemed to him an arbitrary date. He thought it better that no guidance should be given to the Committee about how far back in time they should go. Provided the focus of the Review was on the period leading up to the invasion, the Committee should be free to decide what was relevant to their inquiry, and if that involved historical inquiry, they should be free to go back as far as they chose. They should, of course, be able to consult any person and any papers they wished.

/ The Prime Minister

889

The Prime Minister said that she had always intended that the Review should concentrate on the period immediately before the invasion. But it was important that the Committee should be able to compare what had happened in that period with other periods of tension with the Argentine over the Falklands in the past. The year of 1965 had been chosen because that was when the Argentine had revived its claim to sovereignty over the Falkland Islands. Nonetheless, she agreed that it would be for the Committee to decide what was relevant to its inquiry.

After further discussion, the meeting agreed that the terms of reference should be revised to read as follows:

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

Mr. Foot said that he was concerned about how the Prime Minister would announce the establishment of the Review in the House of Commons. There was of course a great deal of interest in the Inquiry, and he believed that there was a risk that some parts of the House might be irritated if the Prime Minister announced the setting up of the Committee of Privy Counsellors by means of a statement. He thought that her announcement would be much better received if it was done in a half-day's debate. If the Government did not take this course of its own choice, he thought that there was a distinct possibility that there would be a Standing Order No. 9 Debate.

After discussion, the Prime Minister said that, subject to the views of her colleagues whom she would now consult urgently, she was prepared to accept Mr. Foot's suggestion that there should be a three hour debate. This could most conveniently take place from 4.00 p.m. to 7.00 p.m. on Thursday 8 July. This would involve postponing the start of the Supply Debate on the Army until 7.00 p.m. and suspending the rule to allow that Debate to run on after 10.00 p.m.. As a preliminary to the debate she would give Mr. Foot the following day a Written Answer setting out the terms of reference of the Review and announcing that the Chairman would be Lord Franks. The debate on the Review would be on a Government Motion inviting the House to approve her Answer to Mr. Foot. She would be in touch later in the day with Mr. Foot about the terms of his Question to her.

The Prime Minister said that she was thinking of asking Lord Barber and Lord Watkinson to be the Conservative members of the Inquiry. As regards the Labour names mentioned by Mr. Foot at their first meeting, she was content with that of Mr. Merlyn Rees, but she wondered whether Lord Elwyn-Jones might not command wider confidence than Mr. John Morris. She hoped to be able to announce the names of the members of the Inquiry in her speech in Thursday's debate.

Mr. Foot undertook to let the Prime Minister have the names of the two Labour representatives in the next day or so.

/ Following

Following her meeting with Mr. Foot and Mr. Healey, the Prime Minister had a short discussion with the Home Secretary, the Lord President, the Chancellor of the Duchy of Lancaster and the Chief Whip about the Parliamentary handling of the announcement of the Review. There was general agreement that there should be a half-day's debate on Thursday. This would require a statement by the Lord President to announce the revised Business on either Tuesday or Wednesday.

The Prime Minister said that Sir Robert Armstrong should now prepare:

- (i) A draft Written Question for Mr. Foot to put down to her later that day, and a draft Answer for her to give the following day.
- (ii) A draft letter for her to send to the Leaders of the other Opposition Parties telling them what the new terms of reference were and how it was proposed to proceed.
- (iii) A revised draft letter to the former Prime Ministers about access to the papers of their administrations. In the case of Sir Harold Wilson, Mr. Heath and Mr. Callaghan, Sir Robert Armstrong should see them the following day and show them the draft letter. There was no need for him to see Mr. Harold Macmillan and Lord Home and she would simply write to them.
- (iv) The draft of the Motion to be debated on Thursday, 8 July.

I am sending copies of this letter to Michael Collon (Lord Chancellor's Office), Brian Fall (Foreign and Commonwealth Office), David Omand (Ministry of Defence), David Heyhoe (Lord President's Office), Jim Buckley (Lord Privy Seal's Office), Keith Long (Chancellor of the Duchy of Lancaster's Office), Jim Nursaw (Law Officers' Department), Murdo Maclean (Chief Whip's Office) and to David Wright (Cabinet Office).

CAW

John Halliday, Esq.,
Home Office.

CONFIDENTIAL

TMP

SUBJECT

Re



Master

10 DOWNING STREET

From the Principal Private Secretary

5 July 1982

See John,

FALKLAND ISLANDS REVIEW

The Prime Minister spoke to Lord Watkinson this evening in his hotel in Switzerland and invited him to serve as a member of the Committee which is to undertake the Falkland Islands Review.

She explained the background and read over to him the latest form of the terms of reference. She told him that Lord Franks had agreed to chair the Review, that Lord Barber would be the other Conservative representative and that Sir Patrick Nairne had agreed to serve as an independent member. We were waiting for Mr. Foot to let us know who the two Labour members would be. She very much hoped that Lord Watkinson would be prepared to serve on the Committee. She would be announcing the terms of reference and the name of the Chairman in a Written Answer the following day. There would be a three hour debate on the Review on Thursday, and she hoped to be able to announce the names of the other members of the Committee on that occasion.

Lord Watkinson said that he would be very happy to serve on the Review. There were just two points, however, which he should draw to the Prime Minister's attention. First, Lord Carrington had been a member of the Cadbury/Schweppes Board during his time as Chairman of the company. Second, Lord Carrington had been First Lord of the Admiralty when he was Minister of Defence, and so they had worked very closely together. If there was any serious criticism that because of these past connections with Lord Carrington, he was not fitted to serve on the Review, he would not complain if the Prime Minister dropped him. As regards the chairmanship of the Committee, the Prime Minister could not do better than Lord Franks. He was also very much in agreement with the view that the Review would have to go back in time if it was to do a proper job. He was not due back from Switzerland until Wednesday 14 July, and he hoped that this would not cause problems.

The Prime Minister said that she did not believe that his earlier associations with Lord Carrington in any way precluded him from serving on the Review, and she was very grateful for his readiness to join the Committee. That he would not be returning to this country until the middle of the following week would not matter, since Lord Franks would not be ready to start work in earnest for another fortnight.

/I am

CONFIDENTIAL

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CONFIDENTIAL

- 2 -

I am sending copies of this letter to Michael Collon (Lord Chancellor's Office), Brian Fall (Foreign and Commonwealth Office), David Omand (Ministry of Defence), David Heyhoe (Lord President's Office), Jim Buckley (Lord Privy Seal's Office), Keith Long (Chancellor of the Duchy of Lancaster's Office), Jim Nursaw (Law Officers' Department), Murdo Maclean (Chief Whip's Office) and to David Wright (Cabinet Office).

Yours truly,

Alvi Whinn.

J.F. Halliday, Esq.,
Home Office.

CONFIDENTIAL

CONFIDENTIAL

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SUBJECT

NOTE FOR THE RECORD

FALKLAND ISLANDS INQUIRY

When the Prime Minister asked Lord Barber this afternoon to serve on the Falkland Islands inquiry, he said that he was ready to do so but that there were three matters which the Prime Minister should know about in case she felt that one or more of them ruled him out.

First, the Board of BP had recently decided to invite Lord Carrington to become a Director of the company, and the Chairman had asked him, Lord Barber, to convey this offer to Lord Carrington. He had done this about a month ago, and Lord Carrington had not yet responded to the invitation. The Prime Minister commented that she rather thought that Lord Carrington was making no plans for his future until the inquiry was complete. Lord Barber said that he saw no difficulty about keeping the offer in abeyance until the inquiry was over.

Second, he had recently been discussing with his own Board at Standard Chartered the appointment of some new Directors, and one name he had put to them was that of Mr Richard Luce. This proposal was still at an early stage, and there had been no approach to Mr Luce himself. Nonetheless, there were people in his bank who knew about it and might let it become public when it was announced that he, Lord Barber, was to be a member of the Falkland Islands review.

Finally, Standard Chartered were thinking of opening a branch in the Falkland Islands. They had not yet reached a final decision, but their consultations with Government departments were well advanced. For example, they were seeking the agreement of the Ministry of Defence that they should have the Army's account in the Falkland Islands, for without this the venture, which was of marginal commercial value, would certainly not be worthwhile. Again, a connection might be made between this and his membership of the inquiry.

/The Prime Minister...

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CONFIDENTIAL

- 2 -

The Prime Minister said that she was grateful to him for bringing these points to her attention but she did not think that any of them precluded him from serving on the inquiry. If any of them became public and was used as a basis for criticising his membership of the committee, she did not believe that there would be any difficulty in defending the position.

AW.

5 July 1982

CONFIDENTIAL



10 DOWNING STREET

THE PRIME MINISTER

5 July 1982

Dear Frank,

FALKLAND ISLANDS REVIEW

I have now had an opportunity to reflect on the comments which you and leaders of other Opposition parties made on the matters raised in the letter I sent you on 22 June; and I have also been able to have a further word with Michael Foot.

There is general agreement that this review should be undertaken by a Committee of Privy Counsellors. The official Opposition have pressed strongly that there should be two Labour representatives on the Committee; that would of course mean two from the Government side. I propose that there should be one other independent member; and a Chairman who should also be independent of the two main political parties. I am glad to be able to tell you, in strict confidence, that Lord Franks has agreed to be the Chairman of the Committee.

As to the terms of reference, it has always been my intention that it should concentrate on the period leading up to the Argentine invasion of the Falkland Islands on 2 April; but it remains my view that the decisions and events of that period can be rightly viewed only if they are seen in the perspective of the previous history. It has been suggested that the draft terms of reference which I suggested in my letter of 22 June did not get the balance of that quite right. I am accordingly suggesting revised terms of reference, with which Michael Foot tells me he would be content. They read as follows:

/ "To review

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

I propose to announce tomorrow, in a Written Answer to a Question which Michael Foot will put down, that the review is to be entrusted to a Committee of Privy Counsellors with these terms of reference.

We then propose to put down a Motion inviting the House of Commons to approve the proposals for a review announced in my reply. The House will be invited to consider this Motion in a short debate as first business on Thursday 8 July; the debate on the Army can then begin at 7.00 p.m., and we shall invite the House to agree that the rule should be suspended so as to allow the debate on the Army to run on after 10.00 p.m.

I am writing similarly to the leaders of other Opposition parties to whom I wrote on 22 June.

Yours sincerely

Raymond Thatcher

The Rt. Hon. Enoch Powell, MP.

JR



cc: Co

10 DOWNING STREET

THE PRIME MINISTER

5 July 1982

Dear Mr. Stewart,

FALKLAND ISLANDS REVIEW

I have now had an opportunity to reflect on the comments which you and leaders of other Opposition parties made on the matters raised in the letter I sent you on 22 June; and I have also been able to have a further word with Michael Foot.

There is general agreement that this review should be undertaken by a Committee of Privy Counsellors. The official Opposition have pressed strongly that there should be two Labour representatives on the Committee; that would of course mean two from the Government side. I propose that there should be one other independent member; and a Chairman who should also be independent of the two main political parties. I am glad to be able to tell you, in strict confidence, that Lord Franks has agreed to be the Chairman of the Committee.

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Yours sincerely
Margaret Thatcher

The Rt. Hon. D.J. Stewart, MP.



cc: Co

10 DOWNING STREET

THE PRIME MINISTER

5 July 1982

Dear Mr. Jenkins,

FALKLAND ISLANDS REVIEW

I have now had an opportunity to reflect on the comments which David Owen and leaders of other Opposition parties made on the matters raised in the letter I sent him on 21 June; and I have also been able to have a further word with Michael Foot.

There is general agreement that this review should be undertaken by a Committee of Privy Counsellors. The official Opposition have pressed strongly that there should be two Labour representatives on the Committee; that would of course mean two from the Government side. I propose that there should be one other independent member; and a Chairman who should also be independent of the two main political parties. I am glad to be able to tell you, in strict confidence, that Lord Franks has agreed to be the Chairman of the Committee.

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I am writing similarly to the leaders of other Opposition parties to whom I wrote on 21 June.

Yours sincerely
Roy Jenkins

VR



cc: Co

10 DOWNING STREET

THE PRIME MINISTER

5 July 1982

Dear Mr Steel,

Falkland Islands Review

I have now had an opportunity to reflect on the comments which you and leaders of other Opposition parties made on the matters raised in the letter I sent you on 21 June; and I have also been able to have a further word with Michael Foot.

There is general agreement that this review should be undertaken by a Committee of Privy Counsellors. The official Opposition have pressed strongly that there should be two Labour representatives on the Committee; that would of course mean two from the Government side. I propose that there should be one other independent member; and a Chairman who should also be independent of the two main political parties. I am glad to be able to tell you, in strict confidence, that Lord Franks has agreed to be the Chairman of the Committee.

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/history.

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

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We then propose to put down a Motion inviting the House of Commons to approve the proposals for a review announced in my reply. The House will be invited to consider this Motion in a short debate as first business on Thursday 8 July; the debate on the Army can then begin at 7.00 pm, and we shall invite the House to agree that the rule should be suspended so as to allow the debate on the Army to run on after 10.00 pm.

I am writing similarly to the leaders of other Opposition parties to whom I wrote on 21 June.

The Rt. Hon. David Steel, M.P.

Yours sincerely
Raymond Theobald



cc: Co.

10 DOWNING STREET

THE PRIME MINISTER

5 July 1982

*Dear Michael*FALKLAND ISLANDS REVIEW

I have now had an opportunity of taking further with my colleagues the matters we discussed this morning.

We are ready to agree that there should be a short debate in the House on the proposed review. As I said when we met, I am keen that we should now lose as little time as possible in getting the inquiry set up. We should therefore like to take up your suggestion that the debate should take place from 4.00 p.m. to 7.00 p.m. this Thursday, 8 July, that the Supply debate on the Army should start at 7.00 p.m., and that the rule should be suspended to allow that debate to run on after 10.00 p.m. for as long as may be appropriate.

The debate on the review would be on a Government motion, to approve the statement which I should by then have made in reply to a Question which you agreed you would put down. We should need a Business motion before the debate on Thursday afternoon, and discussions are doing on through the usual channels about whether the statement which John Biffen will need to make on the change of business should be tomorrow afternoon or Wednesday. So I think that it would be best if you could put your Question down today, for Written Answer tomorrow.

I suggest that the Question might read on the following lines:

/ "To ask the

"To ask the Prime Minister, whether she will now make a statement, further to her reply to the right hon. Gentleman the Member for Orkney and Shetland on 8 April, on the proposed review of matters leading up to the Argentine invasion of the Falkland Islands."

In the reply I would say that we were proposing to appoint a Committee of Privy Counsellors; I would set out the terms of reference as agreed between us this morning; and I would disclose the name of the Chairman.

I am writing to the leaders of other Opposition parties to tell them what is now proposed, following my earlier consultations with them and our discussion this morning.

Yours sincerely
Margaret Thatcher

The Rt. Hon. Michael Foot, MP.

CONFIDENTIAL



10 DOWNING STREET

File Out

ccs	LCO	
	Fco	LPSO
	MOD	CDO
	LPO	LOD
		CWO
		CO

From the Principal Private Secretary

5 July 1982

Dear John,

FALKLAND ISLANDS INQUIRY

The Prime Minister saw Lord Barber for about half an hour this afternoon to ask him to serve as a member of the committee which would be carrying out the Falkland Islands review. She showed him the terms of reference of the inquiry which she had agreed with the Leader of the Opposition earlier in the day, and she told him that Lord Franks had agreed to chair the committee. She also told him that Sir Patrick Nairne had agreed to serve as a member and that she was trying to contact Lord Watkinson to ask him to be the second Conservative representative. She mentioned that Mr Foot had put forward the names of Mr Merlyn Rees and Mr John Morris, although he was still considering the suggestion that Lord Elwyn-Jones might make a better member than Mr Morris.

Lord Barber said that he was very happy to accept the Prime Minister's invitation to serve on the inquiry. She then told him that she hoped to be able to announce his name and those of the other members of the inquiry in her speech in the debate now planned for Thursday of this week. She would, however, confirm that she would be doing so nearer the time.

I am sending copies of this letter to Michael Collon (Lord Chancellor's Office), Brian Fall (Foreign and Commonwealth Office), David Omand (Ministry of Defence), David Heyhoe (Lord President's Office), Jim Buckley (Lord Privy Seal's Office), Keith Long (Chancellor of the Duchy of Lancaster's Office), Jim Nursaw (Law Officers' Department), Murdo Maclean (Chief Whip's Office) and David Wright (Cabinet Office).

Yours now,

Sheila Whinnery

John Halliday Esq.,
Home Office.

AH

CONFIDENTIAL

Ref. A08909

MR. WHITMORE

Falkland Islands Review

As agreed at the end of this morning's
discussions, I attach a draft Question for the Leader
of the Opposition to put down today, for Written
Answer by the Prime Minister tomorrow; a draft
Answer to the Question; and a letter for the Prime
Minister to send to Mr. Foot as soon as possible.

2. Letters to other Opposition Leaders will follow
directly (now attached).

3. I am sending copies of this minute and the
attachments to the Private Secretaries to the Home
Secretary, the Foreign and Commonwealth Secretary,
the Secretary of State for Defence, the Lord President
and the Chief Whip.

RTA

ROBERT ARMSTRONG

5th July, 1982

DRAFT LETTER FROM THE PRIME MINISTER TO
THE RT. HON. MICHAEL FOOT, MP

Falkland Islands Review

I have now had an opportunity of taking further with my colleagues the matters we discussed this morning.

We are ready to agree that there should be a short debate in the House on the proposed review. As I said when we met, I am keen that we should now lose as little time as possible in getting the inquiry set up. We should therefore like to take up your suggestion that the debate should take place from 4.00 pm to 7.00 pm ~~this~~ Thursday, 8 July, that the Supply debate on the Army should start at 7.00 pm, and that the rule should be suspended to allow that debate to run on after 10.00 pm for as long as may be appropriate.

The debate on the review would be on a Government motion, to approve the statement which I should by then have made in reply to a Question which you agreed you would put down. We should need a Business motion before the debate on Thursday afternoon, and ~~John Biffen would make a statement about the change of business on Wednesday afternoon.~~ So I think that it would be best if you could put your Question down today, for Written Answer tomorrow.

I suggest that the Question might read on the following lines:

To ask the Prime Minister, whether she will now make a statement, further to her reply to the rt. hon. Gentleman the Member for

discussions are going on through the usual channels about whether the statement which John Biffen will need to make on the change of business should be postponed to tomorrow or Wednesday.



Orkney and Shetland on 8 April, on the proposed review of matters leading up to the Argentine invasion of the Falkland Islands.

In the reply I would say that we were proposing to appoint a Committee of Privy Counsellors; I would set out the terms of reference as agreed between us this morning; and I would disclose the name of the Chairman.

I am writing to the leaders of other Opposition parties to tell them what is now proposed, following my earlier consultations with them and our discussion this morning.

DRAFT QUESTION

To ask the Prime Minister, whether she will now make a statement, further to her reply to the rt. hon. Gentleman the Member for Orkney and Shetland on 8 April, on the proposed review of matters leading up to the Argentine invasion of the Falkland Islands.

DRAFT ANSWER

Following consultations with the rt. hon. Gentleman the Member for Ebbw Vale and leaders of other Opposition parties, the Government has decided to appoint a Committee of Privy Counsellors with the following terms of reference:

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

I am glad to be able to say that the Rt. Hon. the Lord Franks, OM, GCB, CBE, has agreed to be the Chairman of the Committee. I will inform the House of the names of the other members as soon as possible, but I can say that they will include Privy Counsellor representatives of the two main political parties, chosen in consultation with the rt. hon. Gentleman the Member for Ebbw Vale.

DRAFT LETTERS FROM THE PRIME MINISTER TO:

THE RT. HON. DAVID STEEL MP
THE RT. HON. ~~DAVID OWEN~~ MP
THE RT. HON. D.J. STEWART MP
THE RT. HON. ENOCH POWELL MP

Ray Jenkins

Falkland Islands Review

I have now had an opportunity to reflect on the comments which you and leaders of other Opposition parties made on the matters raised in the letter I sent you on 21st June; and I have also been able to have a further word with Michael Foot.

There is general agreement that this review should be undertaken by a Committee of Privy Counsellors. The official Opposition have pressed strongly that there should be two Labour representatives on the Committee; that would of course mean two from the Government side. I propose that there should be one other independent member; and a Chairman who should also be independent of the ^{two} main political parties. I am glad to be able to tell you, ⁱⁿ that Lord Franks has agreed to be the Chairman of the Committee.

As to the terms of reference, it has always been my intention that it should concentrate on the period leading up to the Argentine invasion of the Falkland Islands on 2nd April; but it remains my view that the decisions and events of that period can be rightly viewed only if they are seen in the perspective of the previous history. It has been suggested that the draft ^{new} terms of reference which I suggested in my letter of 21st June did not get the

*For the letter to Jenkins:-
... comments which David
Owen and leaders ...
... with I saw him on
21st June; and I have ...
* Letter to Stewart &
from me by 22nd June.*

*their
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CONFIDENTIAL

balance of that quite right. I am accordingly suggesting revised terms of reference, with which Michael Foot tells me he would be content. They read as follows:

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

Mr. Foot's question

I propose to announce tomorrow, in a Written Answer to a Question which Michael Foot will put down, that the review is to be entrusted to a Committee of Privy Counsellors with these terms of reference.

We then propose to put down a Motion inviting the House of Commons to approve the proposals for a review announced in my reply. The House will be invited to consider this Motion in a short debate as first business on Thursday 8 July; the debate on the Army can then begin at 7.00 pm, and we shall invite the House to agree that the rule should be suspended so as to allow the debate on the Army to run on after 10.00 pm.

I am writing similarly to the leaders of other Opposition parties to whom I wrote on 21st June.

CONFIDENTIAL

cc Mr ~~Whitmore~~

PRIME MINISTER

Falkland Islands Review: Terms of Reference

1. If the terms of reference are to be different from those which you have shown to Mr. Foot and other Opposition leaders, you will want to show the revised terms of reference to Mr. Foot when you see him tomorrow. I thought therefore that it might be worth giving you something on which you could reflect overnight.

2. The terms of reference suggested in your letter of 21 June to Mr. Foot were:

~~responsibilities of Gov. Dept.~~

been discharged

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

and their dependencies

3. As you have suggested, the simplest way of dealing with the concern expressed by Mr. Heath and Mr. Callaghan might be to revert to the text which we looked at on 11 June, which read as follows (I have added a reference to the dependencies):

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

4. If you wanted terms of reference which focused even more sharply on the recent period, an alternative might be:

"To review the manner in which the Government Departments concerned discharged their responsibilities in relation to the Falkland Islands and their dependencies in the period leading up to the Argentine invasion of 2 April 1982,

/ having regard

having regard to the bearing upon policies and events during that period of policies and events in previous years and of relations with successive Argentine Governments on questions affecting the Islands; and to report."

SIR ROBERT ARMSTRONG

4 July 1982

PRIME MINISTER

Falkland Islands Review: Terms of Reference

1. If the terms of reference are to be different from those which you have shown to Mr. Foot and other Opposition leaders, you will want to show the revised terms of reference to Mr. Foot when you see him tomorrow. I thought therefore that it might be worth giving you something on which you could reflect overnight.

2. The terms of reference suggested in your letter of 21 June to Mr. Foot were:

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

3. As you have suggested, the simplest way of dealing with the concern expressed by Mr. Heath and Mr. Callaghan might be to revert to the text which we looked at on 11 June, which read as follows (I have added a reference to the dependencies):

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

4. If you wanted terms of reference which focused even more sharply on the recent period, an alternative might be:

"To review the manner in which the Government Departments concerned discharged their responsibilities in relation to the Falkland Islands and their dependencies in the period leading up to the Argentine invasion of 2 April 1982,

/ having regard

having regard to the bearing upon policies and events during that period of policies and events in previous years and of relations with successive Argentine Governments on questions affecting the Islands; and to report."

SIR ROBERT ARMSTRONG

4 July 1982

EDWARD HEATH MP

Transcript from BBC Radio 4, Today Programme. 2 July 1982.

PRESENTER: The Commons, yesterday, witnessed one of the most heated exchanges between a Prime Minister and a former Prime Minister - certainly between Prime Ministers of the same Party. Mrs Thatcher had announced that the inquiry into the Falklands crisis would cover the responsibility of Mr Edward Heath's Government as well as her's. Mr Heath asked, at the end of Prime Minister's question time, by what constitutional right she presumed to institute an inquiry into the policies and management of previous Administrations. There was anger at Mr Heath's remarks on the Tory Back Benches and obvious delight on the Labour side, from which, among the murmers and roars, came a shout of 'Exocet', a reference, no doubt, to the low level and unexpected way in which Mr Heath had delivered his attack. But what did he mean? Last night Julian Marshall asked Mr Heath what his constitutional objections were?

HEATH: It's a very important constitutional principle[✓] which we've held for a long time and that is that a Government does not have access to the papers of a previous Government. When you take over as a Government you can't say I want to see what the last Government was doing - well you can see it but you're promptly told by the permanent Civil Servants that the constitutional practice is that you cannot see it. Now there's a very simple reason for this and it is that if a Government were able to seize all the papers of its predecessor, it's so open to abuse - blatant abuse - and they could tear things out of context, they could pull out anything which they thought was objectionable and try to get great publicity for it. But it would also have the effect that no Government would

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be prepared to have confidential discussions amongst itself, or with Civil Servants, about any particular issue, because it would know ~~that~~ the next Administration would publish whatever they had proposed, even though they then disregarded it. So this is a constitutional practice which is a very important principle and it's long been observed. In the old days, of course, members of Governments used to take all their papers away with them so that no incoming Administration could see them. Once it was the practice to leave ~~the~~, then it was also the constitutional practice that a new Administration would not see them.

MARSHALL: But surely, this Government could not conduct a thorough inquiry into the Falklands were it not to go back over previous Administrations. I mean this issue has been on the boil for, what, 17 years?

HEATH: Yes, but that doesn't mean to say that the particular question, at the moment, has got to involve an inquiry into the past 20 years. The issue or question which has been raised is, how did the Argentines become able to invade, successfully, the Falkland Islands. Now that is a matter of the present and this Government has been here for 3 years. Now if the Prime Minister wants to have an inquiry into ~~her~~ Administration that's up to ~~her~~ - and to discuss with the Leader of the Opposition what form the inquiry should take and to agree about the membership - that is what has always been done in the past. There's no need for her, then, to consult previous Prime Ministers. If, for some reason at present unexplained, she wants to have an inquiry which goes back over the past 20 years, then she has got to discuss it with the previous Prime Ministers and we have got to maintain this present constitutional practice because it is most important to the workings of our democracy. I mean, just let me give you one example from

the time when I was Leader of the Opposition. Mr Wilson said to me that many people had raised with him the question of the 50 year rule - in other words, that documents can't become public for 50 years - many historians were arguing that, in modern times, this period ought to be shortened: and so he invited me to go and discuss this with him. No decision had been reached and he said he thought perhaps 30 years was the right period. Would I like to formulate my views about this? and then he said, would you like to discuss it with previous Prime Ministers because, of course, they will be affected, and I discussed it with Sir Anthony Eden, Mr Harold MacMillan and Lord Holt; and, together, we agreed on what we thought would be right and I then went back to Mr Wilson and we reached agreement on changing the 50 year rule to a 30 year rule. Now this is all perfectly possible. But you have to respect the position of the other Prime Ministers who are responsible for their Administrations - nobody else is, they are.

MARSHALL: So you would challenge Mrs Thatcher's contention that she, in fact, has a legal right to access to these papers?

HEATH: Yes I would. No Prime Minister, however powerful, has the right to order an inquiry into the operations of a previous Administration and if she's been advised that, then she's been advised wrongly and it's also contradictory to the advice which previous Prime Ministers have had, including myself.

MARSHALL: What about the dealings of your Administration over the Falklands. Do you feel you have a clean slate?

HEATH: Oh, absolutely, but then we had a different regime in Buenos Aires. Again, it's not comparable.

MARSHALL: Can I take it ~~that~~, Mr Heath, that if Mrs Thatcher

Continues to demand access to the papers of your Administration, you will refuse to co-operate?

HEATH: The Prime Minister has to explain to Parliament the sort of inquiry she wants - why it's that sort of inquiry; what it's terms of reference are; why it's necessary to go back beyond her own Administration - that's the job of the Prime Minister. And she's then got to discuss with the Opposition Parties, if it's just her own period, who are going to be members of the inquiry and that's very important if we are to have confidence in the inquiry itself.

MARSHALL: Do you feel, Mr Heath, that there is any way in which the present Government is trying to dodge its responsibilities and escape the blame for the Falklands crisis by referring this inquiry back to previous Administrations?

HEATH: Unless the Prime Minister can give a satisfactory explanation - much more satisfactory than she gave in answer to my question - people will say that the proposal to go back over 20 years is nothing more than a means of providing a distraction from what actually happened prior to the invasion of the Falklands by the Argentines. That would be their conclusion, and that's why I say it's the Prime Minister's responsibility to give a full and complete reason why it is necessary to cover a period other than the 3 years of this Government.

PRESENTER: Mr Edward Heath.

Prime Minister.

We make on the phone + memo for this right early on Mon. morning

Ref. A08893

MR WHITMORE

The draft statement covers the ground very fully and should make it abundantly clear that the inquiry will be totally independent and able to see any papers or witnesses it wants. Are you content with it?

Falkland Islands Review

I have had the letters to the former Prime Ministers typed for your signature. They are in the attached folder.

I attach drafts of:

We have to be very diplomatic in the letter. I think it would be better if we could have a reference to express the better what we want.

- (i) A statement by the Prime Minister announcing the setting up of the Review.
- (ii) A letter for the Prime Minister to send to Sir Harold Wilson, Mr Heath and Mr Callaghan, seeking their agreement that the Committee of Privy Counsellors should be given access to relevant papers of their administrations.

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As to the draft statement, it seems to be likely to be advantageous that the Prime Minister should set out clearly, and as succinctly as possible, both the arrangements for ensuring that the Committee has access to all the relevant documents and people and at the same time that there are no disclosures which would prejudice national security or the conduct of international relations; and the arrangements under which the Committee will have access to the papers of previous administrations. These points add somewhat to the length of the statement; but it may save a good deal of trouble later if they are clearly on the record from the outset.

3. I have not dealt in the draft statement with the question of protection of individual witnesses. There is some apprehension about this in Whitehall, and the question may be raised when the Prime Minister makes her statement. I will provide material for supplementary questions on this. Briefly, I think we should take the position that the primary purpose of the Review is to examine institutions and systems, and to ascertain whether and where the machinery of Government failed to function effectively or where errors of judgments occurred. This is not an Inquiry of a kind which involves an attempt to assign responsibility and allocate blame to individual officials: if that were the purpose of the exercise, a different kind of Inquiry would be called for, and one which would take very much longer. Nor is this Inquiry to be expected to lead to matters which might be the subject of legal charges against officials, whether Ministers or civil servants.

It will, therefore, be proposed that individuals should be invited to give evidence on the assumption that individuals will not be named or blamed; but that, if as a result of its inquiries the Committee finds itself obliged to criticise an individual, it will give that individual details of the criticism which it proposes to make and give him or her an opportunity to make representations, orally or in writing, before incorporating the criticism in its report. At that stage the Committee would have to consider whether to allow the individual concerned to be legally represented.

4. As to the letter to former Prime Ministers, I have assumed that the same letter should be sent to all three, and that, if (as proposed) I deliver Mr Heath's letter, that will give me an opportunity to straighten him out where necessary. I should judge that the main reason for his outburst yesterday was the feeling that other people were being consulted and not himself. The constitutional point which he seems to have been concerned to protect was the convention that members of a current administration do not have access to the papers of a previous administration. As to the first point: the Prime Minister made clear in the House of Commons, as she had previously said to Dr Owen, ^{that} she intended to consult former Prime Ministers about the release to the Committee of papers of previous administrations. As to the second point, what is proposed does not imply any breach of the convention that papers of previous administrations are not shown to members of a current administration. The papers of previous administrations will be made available only to the members of the Committee of Privy Counsellors, and for their use only. I hope that the draft makes this sufficiently clear.

5. There is a good precedent for such arrangements of the kind now proposed. On 23 November 1955, the then Prime Minister announced the appointment of a Conference of Privy Counsellors to examine the security procedures applied in the public services in the wake of the Burgess and Maclean affair. The Conference consisted of three Ministers in the then Government and three front bench members of the Opposition, together with the Permanent Secretary to the Treasury (in the absence of the Secretary of the Cabinet). The members were Lord Salisbury, Lord President, Lord Kilmuir, Lord Chancellor, Mr Lloyd-George, the Home Secretary, Lord Jowitt, Mr Herbert Morrison and Mr G R Strauss, together with Sir Edward Bridges. The Inquiry needed to have access to the papers of previous

administrations. Some concern was expressed that this meant that members of the then Government seeing the papers of the previous Labour Governments. It was agreed between the Prime Minister and the Leader of the Opposition that the papers of previous administrations should be available to members of the Conference of Privy Counsellors on a personal basis for the purposes of that Inquiry. The report was not published, but the Prime Minister made a statement and published a White Paper on the Conference's findings.

RA

ROBERT ARMSTRONG

2 July 1982

I am circulating copies of the draft statement (without para. 12) to the Permanent Secretaries of the departments concerned, so as to collect their comments in time for a second draft on Monday which can take account of their comments as well as the Prime Minister's.

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FALKLAND ISLANDS REVIEW

Draft Statement by the Prime Minister

With permission, Mr Speaker, I should like to make a statement on the proposed review of the events leading up to the Argentine invasion of the Falkland Islands on 2 April.

2. I have consulted the rt hon Gentlemen the Leader of the Opposition and Privy Counsellor Leaders of other Parties represented in the House, and I think that, without wishing to hold them to every detail of what I am about to propose, I can fairly say that I have reached broad agreement with them on the nature, scope and composition of the review.

3. As to the nature of the review, the overriding considerations are that it should be independent and authoritative and that it should have access to all relevant documents and persons. It will need to see ^{not} only the relevant departmental documents and officials but also Cabinet and Cabinet Committee memoranda and minutes and intelligence assessments and reports. This will include much highly sensitive information; and I want the inquiry to be such that all the relevant evidence can be made available to it without reservation.

4. In my judgement this can be achieved only by entrusting the review to a Committee of Privy Counsellors appointed by and reporting to the Government. In no other way can sensitive

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information be given the protection it requires. Only if it is given that protection can it be freely forthcoming to the review.

5. The independence of the inquiry will be ensured by its composition, which I will come to later.

6. A Committee of Privy Counsellors set up in this way does not have the formal powers to call for persons and papers that would be conferred upon a Tribunal of Inquiry set up under a Resolution of the two Houses of Parliament. I can assure the House, however, that there is no need for such powers in this instance. This is a review of the activities and performance of Government Departments, and the Departments and individuals concerned are under instructions to give the Committee every document and access to any person as may be required for it to carry out its task.

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

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

9. As to the scope of the inquiry, it will be primarily concerned with the events leading up to the Argentine invasion of the Falkland Islands on 2 April this year. But ^{if} these events are to be viewed rightly they have to be seen against the background and in the context of the history which led up to them, including the decisions and actions of successive Governments on the administration, development and defence of the Falkland Islands and the dependencies, and their relations with successive Argentine Governments, from the time when the Argentine claim to sovereignty was revived in 1965.

10. The terms of reference of the Committee of Privy Counsellors will therefore be as follows:

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

Prime Minister.
The words "... and their dependencies" are new. They were not, for example, in the terms of reference set out in your letter to the leaders of the Opposition parties. But I think they are necessary.

These terms of reference will enable the Committee to examine, at least as far back as 1965 and indeed further back if that seems necessary, and in as much detail as the Committee itself considers necessary, the historical background to recent events, the handling of issues relating to the Falkland Islands and their dependencies, and relations with successive Argentine Governments concerning the islands.

11. The review will thus cover decisions and events for which previous Administrations were responsible, and the Committee will need to have access to the relevant documents of those previous Administrations. I have consulted the right hon. Gentleman the Member for Hylton, my right hon. Friend the Member for Bexley Sidcup and the right hon. Gentleman the Member for Cardiff South East,

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and they have agreed that the Committee should have access to the relevant documents of the Administrations for which they were responsible, subject to the following conventions, which follow or are consistent with the precedents of what has been done in the past in such circumstances, namely that:

- (a) the documents will be made available to members of the Committee by virtue of their being Privy Counsellors and solely for the purposes of this review;
- (b) any member of a previous Administration who is invited to give evidence to the Committee will be able to exercise his normal right to see documents which he saw as a member of that Administration;
- (c) officials and former officials (including officers of the Diplomatic Service) invited to give evidence to the Committee will be able to see documents which they saw as advisers to Ministers on matters covered by the review;
- (d) documents of previous Administrations will not be disclosed to members of the present Administration or of other previous Administrations, or to any other persons not entitled to see them;

- (e) the documents given to the Committee, and any copies made of those documents for the personal use of members of the Committee, will be returned to the Departments from which they came as soon as they are no longer required for the purposes of the Committee's review;
- (f) while it is understood that the Committee may need to describe in their report the gist or purport of documents made available to them, so far as is consistent with the protection of national security and the conduct of international relations, documents which carry any security classification will not be reproduced in the Committee's report or otherwise published without the agreement of the Government, who will consult the former Prime Minister of the Administration concerned as to whether such agreement should be given.

12. As to the composition of the Committee, I am glad to be able to tell the House that its Chairman will be the Right Hon. the Lord Franks (~~OM, GCB, CBE~~). The members will be my Right and noble Friend ~~the~~ Lord Barber; the Right Hon, Noble and Learned Lord Elwyn-Jones; Sir Patrick Nairne ~~GCB~~; the Right Hon. Gentleman the Member for Leeds South; and my Right Hon and Noble Friend Lord Watkinson. The Queen has been graciously pleased to approve [I shall recommend to The Queen] that Sir Patrick Nairne be sworn a member of the Privy Council.

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

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DRAFT LETTER TO:

The Rt. Hon. Sir Harold Wilson, KG, OBE, FRS, MP

The Rt. Hon Edward Heath, MBE, MP

The Rt. Hon. James Callaghan, MP

Falkland Islands Review

I have, as you know, been consulting the Leaders of Opposition parties in the House of Commons about the nature and scope of

Chairmanship
and Remembrance
of the Falkland Islands
of the period leading up to the invasion
of the Falkland Islands
which should take into account all relevant factors and circumstances in member records.

the proposed review of the way in which Governments discharged their responsibilities in the period leading up to the Argentine

invasion of the Falkland Islands on 2 April 1982.

Following those consultations I shall shortly be making a statement to the House, announcing that the review is to be entrusted to a Committee of Privy Counsellors appointed by and reporting to the Government. This will enable the Committee to be given access to all the relevant documents, including Cabinet and Cabinet Committee papers and intelligence assessments and reports, while ensuring protection from disclosure for information which ought to be protected in order to avoid prejudice of national security or of the conduct of international relations.

Those whom I have consulted have accepted my view that the events of the period leading up to the Argentine invasion can be rightly viewed only against the background and in the context of the history which led up to them, including the decisions and actions of successive Governments on the administration, development

and defence of the Falkland Islands and the dependencies, and their relations with successive Argentinian Governments, from the time when the Argentine claim to sovereignty was revived in 1965. The review will thus cover the period(s) of your Administration(s), and the Committee will need to have access to the relevant official documents of the time. I hope that you will agree that the Committee should have access to any relevant documents of the Administration(s) for which you were responsible, subject to the following conventions, which follow or are consistent with the precedents of what has been done in the past in such circumstances, namely that:

- (a) the documents will be made available to members of the Committee by virtue of their being Privy Counsellors and solely for the purposes of this review;
- (b) any member of a previous Administration who is invited to give evidence to the Committee will be able to exercise his normal right to see documents which he saw as a member of that Administration;
- (c) officials and former officials (including officers of the Diplomatic Service) invited to give evidence to the Committee will be able to see documents which they saw as advisers to Ministers on matters covered by the review;
- (d) documents of previous Administrations will not be disclosed to members of the present Administration or of other previous Administrations, or to any other persons not entitled to see them;

- (e) the documents given to the Committee, and any copies made of those documents for the personal use of members of the Committee, will be returned to the Departments from which they came as soon as they are no longer required for the purposes of the Committee's review;
- (f) while it is understood that the Committee may need to describe in their report the gist or purport of documents made available to them, so far as is consistent with the protection of national security and the conduct of international relations, documents which carry any security classification will not be reproduced in the Committee's report or otherwise published without the agreement of the Government, who will consult the former Prime Minister of the Administration concerned as to whether such agreement should be given.

I am writing in similar terms to Harold Wilson and Ted Heath and Jim Callaghan.

PERSONAL

Argentina

PRIME MINISTER

Falkland Islands' Inquiry and Lord Carrington

I spoke to Lord Carrington this morning and invited him, on your behalf, to come over to Chequers at some point during the weekend to talk about the Falkland Islands' inquiry.

As Hilary will have told you by now, we have settled on 1030 on Sunday morning. I initially suggested lunch on Sunday but Lord Carrington has people staying the weekend and is giving a large lunch party on Sunday. Similar considerations make it impossible for him to come to Chequers on Saturday evening. But he can detach himself from his guests on Sunday morning to come and see you.

He reiterated to me what he had said a day or so ago to Robert Armstrong about his desire to see the inquiry started and completed as quickly as possible. He also expressed strong criticism of Mr. Heath's intervention at Question Time yesterday.



John

2 July 1982

1010
C.A. Whitmore, Esq.



CABINET OFFICE

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

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

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CABINET OFFICE

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

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

Prime Minister.

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To see.

This is very helpful

proceedings.

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Ref. A08885

2nd July, 1982

mt.

Falkland Islands Review

We spoke on 28th June about the need for guidance to Departments about the relationship between the forthcoming Falkland Islands review and the officials who might be invited to appear before it. Until the Committee has been constituted and has decided how it wants to tackle its remit, we cannot address the various procedural problems in detail, but the enclosed note represents a first shot at identifying the most important of them and suggesting how they should be handled. I should be grateful if you and the other recipients of this letter could let me have your comments and suggestions for improving it.

Once the note has been agreed it could perhaps serve as a basis for discussion with the Chairman of the Committee, before he and his colleagues get down to work. On present plans the Prime Minister will be announcing the appointment of the Committee and its terms of reference in Parliament next week; and the Committee will presumably want to get started as soon as possible thereafter. I should be grateful therefore if you could let me have your comments and suggestions on the note by close of play on Monday 5th July. We can perhaps decide then whether we need to meet to discuss it.

I am sending copies of this letter and the enclosure to Douglas Wass, Brian Cubbon, Frank Cooper, Michael Franklin and James Nursaw.

ROBERT ARMSTRONG

Sir Antony Acland, KCMG, KCVO

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DRAFT

Falkland Islands Review

Purpose and Terms of Reference

The Falkland Islands review is to be undertaken by a Committee of Privy Counsellors appointed by and reporting to the Prime Minister. The terms of reference proposed by the Prime Minister are -

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

2. The review is not intended to be an investigation of the conduct of individuals, such as would be undertaken by a Tribunal of Inquiry, but an examination of the performance of institutions and systems, and of the handling of the issues by departments separately and collectively. In other words, it is to be a review of the way in which the governmental machinery operated in relation to the Falkland Islands over the relevant period.

3. The Committee will want to identify any areas in which the machinery failed to function effectively or where errors of judgment occurred; and to draw lessons for the future conduct of affairs. But the form of the inquiry, and the pressure for an early report, imply an assumption

that this will not involve an attempt to assign responsibility and allocate blame to individual officials. If that were the purpose of the exercise, a different type of inquiry would be called for. It should accordingly be proposed to the Chairman that he should conduct the review and that officials should be invited to give evidence on the assumption that individual officials will not be named or blamed; and that, if as a result of their inquiries the Committee finds itself obliged to criticise an individual, it will give that individual details of the criticism which it proposes to make and give him or her an opportunity to make representations, orally or in writing, before incorporating the criticism in its report. At that stage the Committee would have to consider whether to allow the individual concerned to be legally represented.

Departments Concerned

4. Departments with which the Committee will be concerned fall into two categories -

- (a) departments which are considered to have participated directly and throughout in the main decisions affecting the Falkland Islands; and
- (b) departments which, although not normally involved in the formulation or management of policy towards the Falkland Islands, have been responsible for specific decisions or advice which may in the Review Committee's judgment have had a bearing on the outcome.

The departments in category (a) are likely to be the Prime Minister's Office, the Foreign and Commonwealth Office (including ODA), the Ministry of Defence, the Treasury and the Cabinet Office. Within the Cabinet Office the Committee is likely to be particularly concerned with the JIC and the Assessments Staff. Departments in category (b) are likely to include the Law Officers' Department (in relation, for example, to advice on the legal status of Argentina's claim to sovereignty), the Home Office (in relation to nationality legislation affecting the Falkland Islanders), the Department of Trade (communications links with the Falkland Islands) and the Department of Energy; and the SIS and GCHQ. It is assumed that the Committee will in the first instance concentrate its attention on the departments in category (a); it may well also wish at an early stage to take evidence from the intelligence agencies about the intelligence bearing on the issues, whether or not it was made available at the time to departments or to the JIC.

Presentation of Evidence

5. Each of the departments and services listed above has been alerted to prepare a dossier of papers bearing on the formulation and conduct of policy in relation to the Falkland Islands over the period under review. It is suggested that, as soon as possible after the Committee has been set up, each dossier should be made available to the

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

6. If in the light of these oral examinations the Committee request further written evidence on particular points, it is envisaged that this should be submitted in the name of the department or service concerned and not by individual officials. Special procedures will be needed in the case of raw intelligence, where it is envisaged that there should be an oral presentation by the representatives of the service concerned designed to put the intelligence in its context. It is for consideration whether the representatives of the service should be accompanied at such presentations by representatives of customer departments.

7. There may be a considerable element of duplication as between the dossiers prepared by individual departments. It will be for the

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Committee to decide how to take account of this: the objective in assembling the dossiers should be for each department to present a self-contained account of its own handling of the issues, identifying all the documents relevant to the decisions taken or advice tendered by it. The Committee may wish to invite each department to prepare a narrative account of the sequence of events, as a basis for subsequent oral evidence.

8. The Prime Minister has made it clear in her talks with the Leaders of the Opposition Parties and in Parliament that the Committee will be given access "to all the relevant papers and documents including sensitive intelligence material" and that "every single bit of evidence" should go before it. It is consequently not envisaged that there will be any document or category of document which it will be proper for a department to withhold in the face of a request from the Committee. It is proposed that Cabinet and Cabinet Committee memoranda and minutes and intelligence reports and assessments should be made available on the understanding that they will not be reproduced in the published report. The Committee will also be entitled to ask any official of any department to appear before it to give oral evidence. If for reasons which cannot now be foreseen genuine doubt arises as to the propriety of disclosing a given piece of evidence or exposing a particular official to oral examination, the Permanent Secretary or Head of Service concerned

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and the Secretary of the Cabinet should be consulted before any indication of hesitation is given to the Committee.

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

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2 JUL 1982





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Argentina

FROM THE PRIVATE SECRETARY TO THE LEADER OF THE HOUSE
AND THE CHIEF WHIP

1 July 1982

Dear Willie.

Lord Denham has asked me to forward the enclosed letter which he has received from Lord Ferrier about the terms of reference etc. of the proposed Falkland Islands Enquiry. Lord Denham has acknowledged the letter and he does not see the need for any further reply by the Prime Minister, at any rate prior to the announcement of the Enquiry.

*Yours sincerely
Mervyn Pownall*

M G POWNALL

W Rickett Esq
Private Secretary to the Prime Minister



*From the Government Chief Whip
House of Lords*

1 July 1982

Dear Victor,

Many thanks for your letter of 28 June about the Falkland Island Enquiry.

Although I have taken careful note of what you say both in your letter to me and in your letter to 'The Scotsman' on 26 June, I have taken the liberty of forwarding your letter direct to the Prime Minister's Office. The terms of reference of the Enquiry are very much a matter for the Prime Minister herself.

I, of course, fully understand that it is impossible for you to come to the House while the current strikes are taking place. I look forward to seeing you when you next attend the House.

Yours ever,

Denis.

DENHAM

The Lord Ferrier

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cc of all 4 letters

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FCO	CDLO
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10 DOWNING STREET

From the Principal Private Secretary

30 June 1982

See John,

FALKLAND ISLANDS INQUIRY

The Prime Minister and the Home Secretary met Mr Donald Stewart in the Prime Minister's room in the House of Commons yesterday afternoon to discuss the Falkland Islands inquiry about which she had written to him on 22 June.

The Prime Minister said that since sending her letter to Mr Stewart she had seen Mr Michael Foot and Mr Denis Healey and, subsequently, Dr David Owen about the inquiry. She was seeing Mr David Steel later in the day. She had had in mind originally a committee of only three members, but Mr Foot wanted two Labour representatives. This meant that there had to be two Conservative members. Mr Foot was anxious that at least one Labour representative should be drawn from the House of Commons and, possibly, from his front bench. The chairman would of course have to be independent of the two main political parties, but it was not easy to find a non-political figure who was so highly thought of that he would command widespread public confidence. She had considered whether the chairman should be a judge, but she was reluctant to involve a serving judge in a matter which was both highly political and non-justiciable. These objections did not, however, apply with such force to a retired judge. Nonetheless, her search for an independent chairman was moving in another direction. She also thought that there would be advantage in having a distinguished ex-Civil Servant as a member of the committee, and both the Labour Party and the SDP were content with this suggestion. She had not sounded out any of the possible members of the committee. She had wanted to consult the leaders of the opposition parties first.

Mr Stewart said that he agreed that the chairman should not be drawn from either the Conservative or Labour parties. He would be content with an academic as chairman. He wondered whether Mr Jo Grimond might be a member of the committee: he would be seen to be impartial.

The Prime Minister said that one objection to Mr Grimond was that he had never been in government and he would therefore be at a considerable disadvantage. She wanted the committee to work hard and fast, and she thought that it could complete its

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task in six months at the very outside. It would have to go back to the mid-1960s so that it could compare the immediate pre-invasion period with earlier periods of tension over the Falkland Islands.

Mr Stewart commented that 1965 seemed to be going back a very long time, but this was not a major issue in his eyes. Plainly the committee would need access to a lot of highly classified material, and that aspect would have to be carefully handled.

The Prime Minister said that this was why she proposed that the committee should be made up of members of the Privy Council. They would be given access to whatever papers they wished to see. Great care would have to be taken about what they said in their report about intelligence and similarly sensitive matters. It would be for the Government to decide what deletions, if any, were necessary, but it would agree these with the chairman of the committee

Mr Stewart said that he had no other points to raise and he was content for the Prime Minister to proceed as she proposed.

I am sending copies of this letter to Michael Collon (Lord Chancellor's Office), Brian Fall (Foreign and Commonwealth Office), David Omand (Ministry of Defence), David Heyhoe (Lord President's Office), Jim Buckley (Lord Privy Seal's Office), Keith Long (Chancellor of the Duchy of Lancaster's Office), Jim Nursaw (Law Officers' Department), Murdo Maclean (Chief Whip's Office) and David Wright (Cabinet Office).

Yours ever,

Alwi Whinnam.

John Halliday Esq.,
Home Office

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10 DOWNING STREET

From the Principal Private Secretary

30 June 1982

See John,

FALKLAND ISLANDS INQUIRY

The Prime Minister and the Home Secretary met Dr David Owen in the Prime Minister's room in the House of Commons yesterday afternoon to discuss the Falkland Islands inquiry about which she had written to him on 21 June.

The Prime Minister thanked Dr Owen for his letter of 28 June. She had seen Mr Foot and Mr Healey the previous Friday. She had originally had in mind a committee of inquiry of three members, since it was likely that a small group would work more quickly than a larger one. But Mr Foot had argued strongly for two Labour representatives, and that meant that there would have to be two Conservative members too. He also thought that the Labour members should be active politicians, and he would want at least one of them to be a Member of the House of Commons and, possibly, to come from his front bench. This put her in some difficulty, since she plainly could not appoint a Minister to the committee and the field of Conservative ex-Cabinet Ministers in the Commons was narrow. She also saw some advantage in having the House of Lords represented on the committee. If there were to be two Conservative members and two Labour members - and she now accepted that there would have to be -, it would be all the more necessary for the chairman to be and to be seen publicly to be politically independent. One possibility was to appoint a judge as chairman, but there were strong arguments against involving a member of the judiciary in a matter which was not only non-justiciable but also highly political. She thought that the best choice by far would be Lord Franks. He was neither Conservative nor Labour but took the Liberal whip. She understood that he was still fit, even though he was now seventy-seven. He had a very wide range of appropriate experience and had the necessary public standing. Mr Foot would be happy with Lord Franks as chairman.

The Prime Minister went on to say that she had raised in her letter the possibility of including an historian in the membership of the committee, and one name she had had in mind was that of Lord Dacre. Mr Healey had suggested Professor Michael Howard. Finally, the role of Civil Servants in the events leading to the Argentinian invasion of the Falkland Islands had come under fire and was something which the inquiry would have

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to investigate. For this reason she believed that there would be advantage in having a retired Civil Servant on the committee, and she was minded to appoint Sir Patrick Nairne in this capacity. He had the right background, although he had not been directly associated with the Falkland Islands for many years. He was completely acceptable to Mr Foot and Mr Healey, who had welcomed the suggestion that he should be a member of the committee.

Dr Owen said that the SDP agreed with the Government that the inquiry should deal not just with the period immediately before the Argentinian invasion but should also go back in time, though it was important that this should not delay the completion of the review. Above all, it was essential that the inquiry should be seen to be an independent one. The membership of the committee would plainly be an important factor in establishing the independence of the inquiry. He was very happy with the suggestion that the chairman should be Lord Franks. Moreover, he accepted that since Lord Franks was a declared Liberal, there could not be, in addition, an SDP representative on the committee. He had already told Mr David Steel that if he had an outstanding Liberal candidate to serve on the inquiry, he would not press for an SDP representative. They had discussed the possibility of suggesting the name of Mr Jo Grimond, but they were concerned that he had never served in government, and when they had raised the matter with Mr Grimond himself, he had volunteered precisely the same objection to his appointment. Other possible names were Mr William Rodgers and Lord Mayhew. Mr Rodgers had a particularly suitable background for the task but he might not be able to spare enough time. If it proved impossible to appoint Lord Franks as chairman, he hoped that further thought would be given to the inclusion of Mr Rodgers or another SDP representative as a member of the committee. As regards the Prime Minister's suggestion that there should be an ex-Civil Servant on the committee, he thought that this was a good idea and he was very content that Sir Patrick Nairne should be approached. He was inclined to think that a committee made up of Lord Franks, Sir Patrick Nairne, two Conservative members and two Labour members would be enough and he doubted whether there was any need to add an historian.

Dr Owen said that the only other question he wished to raise was how the inquiry should be established. The SDP believed that the public would see it as a national, independent inquiry if it was set up by the House of Commons rather than by the Government. Ministers must recognise that the committee would be investigating the actions of the present and previous governments, and it would look better if they were not seen to be appointing a body which was going to look into their own conduct. There were precedents for Parliament establishing inquiries of this kind: one example was the investigation into the Dardanelles campaign which had been established by an Act of Parliament. He acknowledged that an inquiry set up by Parliament would give rise to problems over access to intelligence and other sensitive material and over the possible inclusion in the report of the inquiry of passages dealing with such matters. He accepted that the Government could

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not relinquish control in this area, but he did not think that they would need to do so if the inquiry took the form of a committee of Privy Counsellors set up by resolution of the House of Commons. He did not see any difficulty in getting such a resolution through the House, provided the Prime Minister had obtained in her consultations with the leaders of the opposition parties their broad agreement to what the Government was proposing to do. If she proceeded in this way, it would be seen to be in accord with her desire to make the inquiry as independent and as open as possible and it would help to reduce the effectiveness of criticisms which the left wing of the Labour Party were likely to level against the review.

The Prime Minister said that she regarded it as essential that the committee should have access to all the papers that it wished to see. This applied as much to the papers of past governments as to those of the present administration, and she would be in touch not only with Mr Foot but also with Sir Harold Wilson, Mr Heath and Mr Callaghan about this. A central feature of the committee's work would be to consider what intelligence about Argentinian plans and capabilities was available and she did not believe that the committee would be able to discharge its remit in this area as fully as was desirable if it had been set up by Parliament and not by the Government. She repeated that she wanted the committee to be able to see all the papers and to question all the witnesses it thought necessary. It was also likely that there would be parts of the committee's report which it would not be in the interests of national security to publish. Only the Government could be the judge of what needed to be omitted. But on this point she proposed to proceed as she had done with the recent report from the Security Commission and to seek the agreement of the chairman of the committee to the omission of passages that could be damaging to security. The Government could not forgo this responsibility, but this would not in any way impair the independence of the committee since its members would have had access to all the information they wanted and they would know what the Government was deleting from their report.

The Home Secretary said that there were other objections to setting up the committee by a resolution of both Houses. Such a resolution would be debatable, and this would give the House of Commons an opportunity to try to anticipate the work of the inquiry. There would also be a risk that individual members of the committee would come under attack in the course of the debate, and this might undermine the inquiry before it had even begun.

Dr Owen said that the resolution need not include the names of members of the committee. They could be announced later. But he saw the difficulties in the way of proceeding as he had suggested and he was not pressing his proposal. He hoped, nonetheless, that the Prime Minister would think further about it.

The Prime Minister agreed to do so. She was, however, clear that however the committee was set up, it had to report to her

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and not to the House. As regards the membership of the committee, if Lord Franks was unable to take the chair, she might wish to return to the idea of appointing a judge. She would also in that event give further consideration to the possibility of having an SDP member. She agreed that an historian was not essential to the inquiry. She had not yet approached any of the people who had been mentioned as possible members of the committee. She wanted to conclude her consultations with the opposition parties first.

I am sending copies of this letter to Michael Collon (Lord Chancellor's Office), Brian Fall (Foreign and Commonwealth Office), David Omand (Ministry of Defence), David Heyhoe (Lord President's Office), Jim Buckley (Lord Privy Seal's Office), Keith Long (Chancellor of the Duchy of Lancaster's Office), Jim Nursaw (Law Officers' Department), Murdo Maclean (Chief Whip's Office) and David Wright (Cabinet Office).

Yours ever,

Blair Whitman.

John Halliday Esq.,
Home Office.

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10 DOWNING STREET

From the Principal Private Secretary

30 June 1982

Dear John,

FALKLAND ISLANDS INQUIRY

The Prime Minister and the Home Secretary met Mr David Steel yesterday evening in the Prime Minister's room in the House of Commons to discuss the Falkland Islands inquiry about which she had written to him on 21 June.

The Prime Minister said that she had seen Mr Foot and Mr Healey the previous Friday. They felt strongly that Labour should be represented on the committee to undertake the inquiry by two members rather than one. She was prepared to agree to this, even though she had originally had in mind a small committee in the hope that it would work more quickly. But this meant that there would have to be two Conservative members as well. She had not yet decided who they should be. Mr Foot was thinking of putting forward at least one Member of the Labour front bench in the Commons. This put her in some difficulty since she would need to find at least one member from Conservative ex-Cabinet Ministers in the Commons, and the field from which to choose was limited.

She had suggested in her letter that the chairman of the inquiry might be an academic but she was not wedded to this idea. What was important was that the chairman should command public confidence and be seen to be above Party political considerations. Nonetheless, there would be a highly political element to the inquiry, and for this reason she did not think it right to appoint a serving judge as chairman. There would, however, be less difficulty about making a retired judge the chairman. She thought that by far the best choice to chair the inquiry would be Lord Franks. He had a wealth of experience which was appropriate to the task. It was true that he was now seventy-seven, but she understood that his health was good. He was of course a Liberal. Mr Foot would be very happy with him as chairman. If Lord Franks was not available, another possible chairman was Lord Plowden. He was of much the same age as Lord Franks but he too was still fit.

She also thought that it would be helpful to have a retired Civil Servant as a member of the committee, not least because the role of the Civil Service in the events leading up to the Argentinian invasion of the Falkland Islands had been strongly criticised in a number of quarters. She had in mind Sir Patrick

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Nairne for this purpose and she was sure that he would make an invaluable contribution to the inquiry. Mr Healey had also raised the name of Professor Michael Howard. He might serve on the committee as an independent member, though she was inclining to the view that if both Lord Franks and Sir Patrick Nairne agreed to take part in the inquiry, it might not be necessary to have Professor Howard as well.

Mr Steel said that he would be very content for Lord Franks to take the chair. His only reservation about him was his age but that did not matter if he was as fit as the Prime Minister believed. Lord Franks's appointment would also help him by providing an Alliance member for the inquiry. He had talked to Mr Grimond about the possibility of putting his name forward but they had both concluded that this would not be a good idea, since Mr Grimond knew nothing of the departments that would be involved in the inquiry and he would have a great deal of learning to do. As for other possible chairmen, he knew Lord Plowden well and would be content with him as an independent chairman. But he was not of course an Alliance figure. He thought that another possible chairman was Mr John Freeman. He also knew Professor Howard fairly well and had a high regard for him as an historian. He agreed that he would make a good independent member. Lord Mayhew was a possible member of the committee, and he knew that Dr Owen had in mind Mr William Rodgers. More generally, he thought it important that the committee included a good proportion of independent members of high public standing, particularly if the Conservative and Labour members were all or mainly ex-Ministers who had only recently been in office.

Turning to the terms of reference, Mr Steel said that he hoped that the inquiry would not be delayed by going back too far in time.

The Prime Minister said that she hoped that the committee would be prepared to work two or three days a week. She did not think that it would take them too long to examine the papers they would need to see, though they would be given access to all the documents of the present and past governments which they felt they needed to look at. What was likely to be most time consuming would be questioning the witnesses. She thought that the whole inquiry need take no more than six months at the outside and she hoped that it would be a good deal less. When they submitted their report the Government would have to decide whether any parts of it would have to be withheld on grounds of national security. She would seek the agreement of the chairman to any such deletions.

Mr Steel said that he was glad to learn that the inquiry would not be delayed by going back some way in time. He would like to know whether the Prime Minister proposed to set up the committee by announcing it in a simple statement in the House or by means of a resolution of the House.

The Prime Minister said that if the committee was established by a resolution, there would be a debate, and she was worried that some Members would take advantage of the opportunity to attack

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individual members of the committee. This could well undermine the inquiry before it had even started. In fact if she announced the establishment of the committee in a statement, the House would have a better opportunity to cross-examine her than it would if it proceeded by means of a resolution and a debate. She hoped that, as a result of her consultations, it would be possible for her to say in her statement that she had reached broad agreement with the leaders of the opposition parties on the nature, scope and composition of the inquiry.

I am sending copies of this letter to Michael Collon (Lord Chancellor's Office), Brian Fall (Foreign and Commonwealth Office), David Omand (Ministry of Defence), David Heyhoe (Lord President's Office), Jim Buckley (Lord Privy Seal's Office), Keith Long (Chancellor of the Duchy of Lancaster's Office), Jim Nursaw (Law Officers' Department), Murdo Maclean (Chief Whip's Office) and David Wright (Cabinet Office).

Yours truly,

Alvi Shrivastava.

John Halliday Esq.,
Home Office.

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Jim Buckley (Lord Privy Seal's Office), Keith Long (Chancellor of the Duchy of Lancaster's Office), Jim Nursaw (Law Officers' Department), Murdo Maclean (Chief Whip's Office) and David Wright (Cabinet Office).

Yours truly,

Alwi L. Williams.

John Halliday, Esq.,
Home Office.

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10 DOWNING STREET

From the Principal Private Secretary

30 June 1982

See John,

Falkland Islands Inquiry

The Prime Minister took the opportunity to have a word after OD this morning with the Home Secretary, Foreign and Commonwealth Secretary, Defence Secretary and Lord Privy Seal about the possible Conservative members of the Falkland Islands Inquiry. Sir Robert Armstrong was also present.

The Prime Minister said that Mr. Foot felt strongly that the Labour representatives on the Inquiry should be active politicians if they were to carry conviction within their own Party. He was thinking of putting forward members of the Commons and at least one member of his own Front Bench. When she had seen him and Mr. Healey last Friday, he had mentioned the names of Mr. Merlyn Rees and Mr. John Morris, though in discussion **he had appeared ready to exchange Lord Elwyn-Jones for Mr. Morris.** It would be important for the Conservative members of the Committee broadly to match the Labour representatives. She and the Home Secretary had already given a good deal of thought to who the Conservative names should be, but this was not easy for the choice was in practice fairly narrow.

In discussion it was agreed that if Labour put forward a member drawn from the Commons, the Government should ideally do the same. The meeting then considered a number of Conservative ex-Ministers who were Privy Counsellors and still in the Commons but, for one reason or another, discarded them all. There was agreement that the best combination of Conservative representatives would be Lord Barber and Lord Watkinson.

The Prime Minister said that she would arrange for an approach to be made shortly to Lord Barber and Lord Watkinson. Sir Robert Armstrong should see Lord Franks, on her behalf, as soon as possible to invite him to chair the Inquiry. He should also sound out Sir Patrick Nairne to see how he would respond to an invitation from the Prime Minister to serve as a member of the Committee. She would like these approaches to be made before she saw Mr. Foot again early next week.

I am sending copies of this letter to Michael Collon (Lord Chancellor's Office), Brian Fall (Foreign and Commonwealth Office), David Omand (Ministry of Defence), David Heyhoe (Lord President's Office).

CONFIDENTIAL

/ Jim Buckley

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Ref A08857

MR WHITMOREFalkland Islands Inquiry

The Prime Minister is to see Dr David Owen MP and Mr David Steel MP later today to discuss with them the Falkland Islands Inquiry.

2. In advance of this meeting, Dr Owen has written to the Prime Minister raising a number of points about the Inquiry.
3. Dr Owen says that the Social Democratic Parliamentary Committee believe that the Inquiry should not be established by the Government but by Parliament. Dr Owen appears to accept that the Committee of Inquiry should be composed of Privy Counsellors but takes the view that their appointment is a matter for Parliament rather than for the Government. The impartiality of the Inquiry is, however, less a matter of who appoints its members than who they are and what are their terms of reference. The Government is consulting other political leaders about these points.
4. The requirement that the Committee should be appointed by and report to the Government stems from the sensitivity of the material which the Committee will have to see, if the inquiry is to do its job properly. It is bound to require access to very highly classified intelligence assessments and indeed to raw intelligence material. It would be impossible to be as open as will be required with an inquiry reporting to the House than with a Committee of Privy Counsellors reporting to the Government. The agencies will not be willing to release such material unless they have an unqualified assurance that it will be protected and are satisfied about the reliability of those to whom it is entrusted. A Committee of Privy Counsellors appointed by and reporting to the Government would be able to have full access to all the relevant intelligence material. It could be given guidance as to what could or could not be published in its report; and in the last analysis the Government could take out of the report before publication anything whose publication would be prejudicial to national security or damaging to international relations. There would have to be an undertaking by Government

that deletions would be confined strictly to those criteria, and that there would be no question of deleting any material on any other grounds (eg domestic political or official embarrassment). It has to be the Government which decides in the last resort whether the publication of something would be prejudicial to national security or international relations; but some additional safeguard could be offered by promising that the (independent) Chairman of the Committee would be consulted about any deletion proposed by the Government.

5. The proposal that the Committee should be one composed of Privy Counsellors reporting to the Government and not Parliament is the best way to deal effectively with Dr Owen's point about exclusions in the national interest. She has already told Dr Owen in her letter that those conducting the Inquiry will need to have "access to all the relevant papers and documents including sensitive intelligence material". She also told the House last week that she wished to have "every single bit of evidence before an Inquiry". She can assure Dr Owen that the Inquiry will be able to do a more comprehensive piece of work in terms of looking at all the available evidence without any exclusions if it is a Committee of Privy Counsellors reporting in the first instance to the Government. The Government's intention will of course be to publish the report, and to do so in full. Deletions will not be made unless they are for compelling reasons.

6. In his penultimate paragraph, Dr Owen questions the reference to "Departments" in the terms of reference. There is no difficulty about the Prime Minister assuring him that, if the inquiry is conducted by a Committee of Privy Counsellors reporting to the Government, it will not face any restrictions on access to Cabinet documents, Departmental papers, intelligence assessments and other intelligence material. Nor is there likely to be any reluctance on the part of the Government on the inquiry's right to question Ministers.

7. Finally, Dr Owen raises the question of the Inquiry's composition. The Prime Minister will wish to give Dr Owen the same indication which she gave to Mr Foot about the Inquiry's composition. Mr Foot was pressing for two representatives of the Labour Party, possibly Mr Rees and Lord Elwyn-Jones.



The Prime Minister told Mr Foot that she would tell Dr Owen that he wanted two Labour and two Conservative representatives on the Committee. She may wish to resist pressure from the SDP/Liberal Alliance for a representative, but she could say that she envisages an independent chairman and possibly one or two independent members.

Robert Armstrong

(Approved by Sir R Armstrong
and signed on his behalf)

29 June 1982

Personal and confidential

Mr Whitmore

I have made discreet inquiries about Lord Franks. All come up with the same answer: that he is in complete possession of all his faculties and in good health. One would probably not contemplate inviting a man of his age to undertake an inquiry which was likely to last for several years; but one expected to last for six months should be well within his capacities.

REA

29. vi. 82

cf D. Wright

From: The Rt Hon Dr David Owen MP



HOUSE OF COMMONS
LONDON SW1A 0AA

28 June 1982

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

Dear Margaret Thatcher,

Thank you very much for your letter of 21 June concerning the Falkland Islands Review. I look forward to discussing this issue with you tomorrow but I thought it might help if I was to indicate in advance the view of the Social Democratic Parliamentary Committee, following a discussion last Thursday on some of the areas.

It is the unanimous view of the Parliamentary Committee that the fundamental requirement is that the enquiry should be independent and be seen to be independent. As to the scope of the enquiry I have already expressed my own personal view in the Times but it is also the view of the Parliamentary Committee that it would be wrong to circumscribe the enquiry to only cover the immediate period prior to the invasion and that it is reasonable that the policy pursued by previous governments should be reviewed. But it was felt that this need not be a time-consuming procedure but that if it was a factor which could lead to a delay in the Report then this aspect should be reduced in thoroughness in order not to sacrifice the major priority which was to have an in-depth study of the events surrounding the lead-up to the invasion.

The Parliamentary Committee was quite emphatic on one point; that it would be totally inappropriate for the enquiry to be appointed by, and to report to, you. It has always been apparent that your decisions will be one of the key areas to be studied and therefore we can see no alternative other than to have an enquiry established by both Houses of Parliament.

There is a difficult question relating to the exclusion of material in the national interest. I would have thought, however, that a Committee of the standing and stature that I would envisage - having taken the view of yourself as to the material that should be excluded and having an opportunity to talk to the professional head of MI6 and if need be MI5 - ought not to have any difficulty in determining what exclusions were in the national interest. I recognise that this raises a difficult precedent, for any government must retain the responsibility for national security and I would be quite happy to look at any other procedure. But I do not think it is right that the Prime Minister and the Government, whose actions are being investigated, should have vested in them the sole right of exclusion.



It may be that an arbitrator, even from within the government but not themselves party to any of the decisions leading up to the invasion, could have that responsibility delegated to them.

On the wording of the terms of reference, reference only to "Departments" does seem a little strange. I imagine it does not envisage any restriction on the right to question Ministers, to see all Ministerial papers including Cabinet papers, and for the Committee to be able to call for any papers including intelligence and raw data that they require.

On the question of who should serve on the Committee I recognise that this is a difficult question of balance but we do not feel that restricting the Committee to three is any guarantee of either speed or thoroughness in producing the Committee's findings. We feel that it is essential that there is at least one person who can speak for the other parties in the House of Commons and that it would be totally inappropriate to restrict the Committee to former Ministers - one Labour and one Conservative. If you accept the case for a third politician then it might be necessary to add another two, making five in all. We would see some advantage in these two people not being politicians and preferably people not associated with any political party. We see great merit in the Chairman in particular being someone without a known political affiliation, and of high standing. We think this is more important than whether the person is an historian, academic or judge. I accept the case that if they are not Privy Councillors, they should be appointed to the Privy Council and I also feel there would be some benefit if they were also given a Life Peerage if they were not already a member of the House of Lords; since in this way the Committee could be established by an amendable resolution carried through both Houses of Parliament.

David Owen



Kilkerran,
MAYBOLE,
Ayrshire KA19 7SJ

28th June, 1982

The Rt. Hon. The Lord Denham, PC,
Chief Government Whip,
The House of Lords,
Westminster,
LONDON, SW1A 0PW

Dear Barbara,

I regret that I cannot face coming to The House with all these strikes on, please forgive me. However I am anxious that you should know of a strong conviction of mine about the Falkland Islands Sovereignty.

Any enquiry should certainly go back to before submission of The Shackleton Report. By their present clamour the opposition are trying to "cover up" that their "Department of Overseas Development (Minister Mrs. Hart)" failed to act on its recommendation (especially in respect of the development of the Airfield regarding which the Commission made a special submission).

I hope Government will insist on their present contention that the enquiry, if any, goes back far enough to include this point.

A handwritten signature in dark ink, appearing to read "Lord Ferrier".

Lord Ferrier

See House of Lords Hansard:-

20 April 1977 Col.252 *ll* 22/5 and *ll* 19/30

POINTS OF VIEW

6
THE SCOTSMAN
SCOTLAND'S NATIONAL NEWSPAPER
North Bridge, Edinburgh EH1 1YT. 031-225 2468

Reducing arms

The new talks just beginning in Geneva on nuclear weapons mark a significant shift in emphasis in the 13-year dialogue between the Soviet Union and the United States. For the first time both sides are contemplating cuts in their nuclear arsenals, not just limitation. The new Strategic Arms Reduction Talks are also remarkable in that they are taking place at all. Lieutenant-General Edward Rowny and Mr Viktor Karpov, the veterans of the previous arms limitation talks (SALT) who head the two delegations, are meeting against a background of considerable tension between their two countries. Relations between the Soviet Union and the United States are probably as tense as they have ever been, since November 1969, when SALT began. President Reagan is by far the most hardline President in his mistrust of the Soviet Union since that time, and he has backed his strong rhetoric with a massive defence rearmament programme. The already considerable strains between the two countries was escalated by the declaration of martial law in Poland and President Reagan's retaliatory trade measures against Moscow.

In spite of these difficulties the evidence suggests that both the United States and the Soviet Union are taking the new START negotiations very seriously. Unsurprisingly President Reagan and President Brezhnev have both been rather disparaging about each other's initial proposals. However, neither appears to have been discouraged or dissuaded from taking part in the talks and there is even strong speculation that the two leaders might meet later this year. It is highly unlikely that there will be any quick solutions and the latest talks can be expected to last months if not years.

Both sides need an agreement. President Reagan has already suffered setbacks on his budget because of his plans to increase defence spending while cutting back on everything else. He also has a growing peace movement to deal with. The growth in the peace movement has imposed severe strains on the NATO alliance and it has even become a political force in the United States itself. The problems for the Soviet Union are largely economic. Defence is proving to be an impossible burden for the beleaguered Soviet economy. The Kremlin is spending well over 10 per cent of GNP on defence which is more than double the proportion the Americans are spending. The need to defend thousands of miles of border and maintain hundreds of thousands of troops in Eastern Europe is already a massive burden and the cost of the arms race added to that makes military spending out of all proportion to everything else in the relatively backward Soviet economy. In addition the Kremlin is faced with continued unrest in Poland and military setbacks in Afghanistan.

Where Falklands rot set in

Kilkerran,
Maybole, Ayrshire,
June 26, 1982

✕ Sir, — I have carefully read the interesting articles you published under this heading on June 23, 24 and 25, and, with respect, I have the following points to make.

First, all three authors appear to accept the Argentines' claim that we took the islands from them in 1833. According to my information this is not so. They were uninhabited at the time, the previous occupiers having been the US who had no objection to our moving in and indeed regarded the UK's action as simply continuing its eighteenth century settlement.

Of course "no shot was fired" — there was no-one there.

Secondly, I can find no reference to the Commission under Lord Shackleton in 1976/7 and its important report which contained, *inter alia*, their strong recommendation that "if there was any single expenditure which it was necessary for us to recommend immediately it was in the (extension of the) air field."

Why had Lord Shackleton in the same speech (House of Lords, April 20, 1977) to say "I do not believe the Department of Overseas Development begin to understand it" — namely the Falklands situation in general terms.

As I see it this is where the rot set in. Why did not the Government of the time act?

(Lord) Ferrier.

Housing justice

Shelter Housing Aid Centre,
25 Frederick Street,
Edinburgh, June 25, 1982

Sir, — With reference to the annual report of the Scottish Local Ombudsman may I highlight one of the problems mentioned in your coverage of the report yesterday?

In his report the Ombudsman quite correctly suggests that his lack of strong enforcement powers may be a problem in the future and that, at the moment, his only sanction against councils who ignore his report is to issue a second report against

case has meant that the tenants may now wonder if on any future occasion it is worthwhile taking a complaint to the Ombudsman.

Regarding the other major issue highlighted in your report, Shelter would totally agree with Mr Russell's suggestion that legislation should be introduced to permit direct access to the Commissioner. We have found that the present procedure which requires a complaint to be referred to the Ombudsman through a local councillor can be extremely time-consuming. One of the criticisms many complainants have against the way in which the grievance procedure operates is that it is too lengthy. The introduction of legislation which would enable the local councillor to be bypassed would help ensure that justice could be seen to be done quickly.

Keith T. Geddes,
Housing Aid Worker.

Trades councils

4 Priestfield Road,
Edinburgh
June 24, 1982

Sir, — Congratulations both to you for publishing, and to Mr Des Loughney, secretary of Edinburgh and District Trade Council, for writing such an excellent letter!

Nevertheless, many people may have read the letter without realising its source, for inquiries suggest that an astonishingly high proportion of people do not know what a trades council is. It is, in fact, a local federation of branches of trade unions which have affiliated to the TUC.

Since Mr Loughney challenges you, may I challenge him? Will, I am sure, agree that activists who turn up at trade council meetings are not a cross-section of all the union they claim to represent. My observations show that Labour Party and the fur left are well represented, the rest of us are not. It is a courage for a Liberal or Conservative trade unionist to express his views at a trades council meeting.

R. Peter Wass

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SUBJECT

cc NaSw



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FCO CDLO
MoD WOD
LPO CWD
CO

10 DOWNING STREET

From the Principal Private Secretary

25 June 1982

Dear John,

FALKLAND ISLANDS INQUIRY

The Prime Minister, accompanied by the Home Secretary and Sir Robert Armstrong, met Mr Foot and Mr Healey in her room in the House of Commons this morning to discuss the Falkland Islands inquiry about which she had written to Mr Foot on 21 June.

The Prime Minister said that she did not want the inquiry to be overly long. She hoped that the members of the committee would be able to devote two to three days a week to the inquiry until it was completed. They would have access to all the information which they felt they needed, including Cabinet and Cabinet Committee papers. She did not believe that it would take very long to assemble the information. Then the committee would have to examine it with great thoroughness, before they questioned witnesses. Those whom they interviewed would also have to have access to past papers, if they wished to refresh their memories. She believed that it should be possible to complete the inquiry in six months at the very most and she hoped that it would be a good deal less.

Mr Foot said that his biggest concern about the proposals in the Prime Minister's letter was the suggestion that the inquiry should go back a long way in time. He believed that the urgent need was for an investigation into the period immediately preceding the Argentinian invasion of the Falkland Islands. This should be done either as a separate inquiry, to be followed by a further one into the more distant past or as an interim report which preceded a final report which also dealt with earlier events.

Mr Healey added that the period of six months which the Prime Minister had mentioned was much too long. What the inquiry had to do above all else was to examine the mistake that had led directly to the invasion and to the resignations of Lord Carrington and other Ministers.

The Prime Minister said that while she wanted the inquiry to be carried out quickly, speed was not the only consideration.

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- 2 -

So many reputations were at stake that it had to be thorough and fair and be seen to be such. Moreover, the investigation would need to look at the intelligence about Argentinian intentions which had been available over a period of years and compare the assessments that were made on each occasion. When she had talked earlier about how long the inquiry might take, she had made it clear that six months was the very outside. She would much prefer to see it completed in three months and thought that this could be done.

Turning to the membership of the inquiry, she had considered the idea that the chairman should be a judge. But the review was going to be very much concerned with matters of political judgment, and she doubted whether it was right to involve a judge in questions of that kind. On the other hand, she acknowledged that a judge would have an independence and a public standing which might make him particularly suitable to chair this inquiry. She thought that the objections to a judge applied less to an academic and she had therefore suggested that an historian might take the chair. Lord Franks was one name which had been put to her. Another possibility was Lord Plowden. He was not an academic but he might make a good independent member of the review. She also thought that there would be advantage if the committee included a lawyer.

Mr Foot said that the Prime Minister's suggestion that the inquiry should be carried out by a committee of Privy Counsellors was a reasonable proposition. He accepted that there were objections to entrusting the review to a select committee, although there would undoubtedly be continued pressure in the House for this form of inquiry. He was quite ready to see an historian appointed as chairman, provided he was the right individual. As regards the Labour Party's representation on the committee, he would prefer two members rather than one, since he believed that the burden would be too heavy for a sole Labour member to carry. He also believed that if the committee was to carry credibility in the House of Commons, the political parties should be represented on it by active politicians. If this was not done, it would strengthen the hand of those who were arguing for the inquiry to be carried out by a select committee. For these reasons he would like to suggest Mr Merlyn Rees and Mr John Morris as members of the committee. Mr Morris also had the advantage of being a lawyer.

Mr Healey said that Lord Franks would make a good chairman if he was still active enough, although he was something of a figure of the past. A very good non-political member would be Professor Michael Howard. He had a very lively mind and was of course very well known both in the defence community and in the academic world. For this purpose his prestige was equal to that of anybody else. He was not, on the other hand, attracted to the name of Lord Plowden. He would prefer a younger man with more recent relevant knowledge.

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- 3 -

The Prime Minister said that if there were two Labour and two Conservative members, it would be difficult to resist pressure for SDP and Liberal representation. If there were one or more independent members too, this would make the committee rather large. Moreover, Mr Foot's wish to nominate two active politicians from the House of Commons caused her considerable difficulties. She feared that this would cause the inquiry to split on party lines. Further, Mr Rees was an Opposition front bench spokesman. The Government could plainly not match him with a member who was a Minister. She would have to find a Conservative ex-Cabinet Minister, but the field for her to choose from was much narrower than was the case with Labour. She wondered whether one of the Labour members might be Lord Elwyn-Jones. As regards independent members, she thought that Sir Patrick Nairne, who had been Permanent Secretary at the DHSS and was now Master of St Catherine's College, Oxford, would be able to make a very useful contribution. He knew the defence field very well but had not served in the Ministry of Defence for nearly ten years.

Mr Foot said that he had thought of suggesting Lord Elwyn-Jones but did not believe that this would be acceptable to the Labour Party in the House of Commons if he were to be the only Labour representative on the committee.

Mr Healey added that he agreed that Sir Patrick Nairne would be a good independent member. He had a very appropriate background. He was scrupulously honest and objective and he had great ability and enormous application. He and Mr Foot would think further about possible non-political members like Sir Patrick Nairne.

The Prime Minister said that she would reflect on what Mr Foot and Mr Healey had said to her. She would try to see Mr David Steel, Dr David Owen, Mr Donald Stewart, and Mr Enoch Powell on Tuesday of the following week. She would tell them that Mr Foot wanted two Labour and two Conservative representatives on the committee, although she would not mention any names. Thereafter she would be in touch with Mr Foot again. She was very anxious to get the committee set up as soon as possible.

In conversation after Mr Foot and Mr Healey had left the Prime Minister and the Home Secretary agreed that Mr Foot had tacitly accepted the proposed terms of reference of the inquiry and in particular that the review would go back as far as 1965. As regards Labour representation on the committee, he appeared to be ready to nominate Lord Elwyn-Jones rather than Mr Morris, in addition to Mr Merlyn Rees. Possible Conservative members were Mr Geoffrey Rippon and Lord Watkinson.

I am sending copies of this letter to Michael Collon (Lord Chancellor's Office), Brian Fall (Foreign and Commonwealth Office), David Omand (Ministry of Defence), David Heyhoe (Lord President's Office), Jim Buckley (Lord Privy Seal's Office), Keith Long (Chancellor of the Duchy of Lancaster's Office), Jim Nursaw (Law Officers' Department), Murdo Maclean (Chief Whip's Office) and David Wright (Cabinet Office).

John Halliday Esq.,
Home Office.

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Yours sincerely,
Alma Whitman.

Argentina.

SIR ROBERT ARMSTRONG

cc, Mr Whitmore +
ALS.
25th

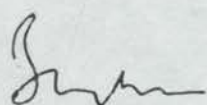
FALKLANDS - MEDIA INQUIRY

The Committee I have chaired each morning during the Falklands crisis to co-ordinate presentation agreed to wind up its operations today, subject to reactivation if there is any renewal of hostilities.

At our last meeting we noted the number of inquiries which are to be held into the Government's handling of the Falklands crisis, and more particularly those into the informational aspects. The engagement by the Defence Committee of Messrs. Pincher, Simon Jenkins and Henry James as advisers was also noted.

The MoD representative, said that guidance to Ministers and officials who might be invited to give evidence was under consideration. We saw the need for that guidance to go wider than the MoD. It seems likely for example, that I might well be invited to give evidence in view of my responsibilities for co-ordination which are well known to Messrs. Jenkins and James; and, of course, in view of the widely reported intervention by the Prime Minister, through me, at the outset of the crisis to send more journalists with the Task Force.

You may care to bear in mind my interest and that of my Falklands Group in any discussion of our approach to inquiries,



B. INGHAM

25 June 1982

CONFIDENTIAL

PRIME MINISTER

Falkland Islands Review

This minute offers guidance on Mr. David Steel's letter of 22nd June. It may also help for your meeting with the Leader of the Opposition on 25th June if, as is possible, he raises the same points.

Composition and Mandate.

2. On this, Mr. Steel makes two separate points. He is against a Government-appointed review committee, preferring one set up by Resolution of the House. Second, he wants to add one or two "independent" persons.

3. On the first point, the sensitivity of much of the material to be examined means that the committee should be appointed by and report to the Government, so that the Government retains the capacity to prevent the disclosure of material that ought to be protected. But the intention is that the committee should produce a report which can be published, and the Government will not seek to take out anything except on strict grounds of protection of national security or avoidance of damage to international relations. There will be no deletions to avoid domestic political or official embarrassment. Only on this basis is it possible for the committee to be given the widest possible access to sensitive material. The fact that the review committee will be Government-appointed does not mean that it will be other than completely impartial in its approach to the facts, or that it will not have the support of Parliament. The important thing is that those appointed to it should be people of experience and judgment who command the respect of all Parties.

4. On the second point, you could say the larger the team the longer the job: only a small team of people with time to devote to the work will get the job done with the speed that everyone favours.

Scope

5. Mr. Steel believes that the review will be unnecessarily delayed if it goes back twenty years rather than concentrating on the immediate prelude to the invasion. If the committee organises itself effectively, there is no

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reason why it should not do a thorough job on the whole period within an acceptable time. It is not envisaged that it should examine the whole twenty year period in the same degree of detail: the proposed terms of reference make that clear. But the inquiry cannot establish the origins and causes of the crisis and help all concerned to draw lessons from it, unless the committee is able to look at the prelude to the Argentine invasion in its historical context. Failure to do this could result in serious distortions.

Terms of Reference

6. Mr. Steel wants to broaden the terms of reference to take in arms sales policy to military regimes. This is inconsistent with his previous point: to examine what is clearly a separate matter would be bound to delay the review. It is hard to see the relevance of arms sales policy to what happened. As to an entirely separate review or inquiry, you might stick firmly to the position that the policies of successive Governments on arms sales had been made known many times in Parliament, which is the right place for such matters to be discussed.

RTA

Robert Armstrong

24th June 1982

CONFIDENTIAL



CPH to Sir Peter Amory.

From: Minister.

Wd you like a talk

with N (now)?

HLI
24th

From: The Rt. Hon. J. ENOCH POWELL, M.B.E., M.P.,

House of Commons,
London, S.W.1.

CONFIDENTIAL

24th June 1982

Dear Margaret,

Falkland Islands Review

The following are my observations on your letter of 22nd June. I would wish to be taken as in agreement with the letter on any matter on which no observations is offered.

Size of Committee

Three, in addition to a Chairman, appears very limited, in view of such contingencies as indisposition, and also of the invidiousness of choosing just one privy councillor not identified with either main Party. The wording appears strictly to rule out all privy councillors who are not Liberal, Scottish National or honoris causa; but perhaps that is not intended.

Access to papers and documents

Presumably there would also be access to persons as witnesses, though not on oath or by virtue of parliamentary privilege.

Timing

How quick is "quick"? By way of concrete example, I would not regard six months from appointment to signature of report as unreasonable.

I will, of course, be at your disposal on these and any other matters if you wish it.

Yours ever,
Enoch.

The Rt Hon. Margaret Thatcher, M.P.,
10 Downing Street,
London, S.W.1.



FILE

RM

Angela

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

FALKLAND ISLANDS INQUIRY

I have shown the Prime Minister your minute A 08768 of 21 June, and she has noted the position on access for the Committee conducting the Falkland Islands Inquiry to the Cabinet and Departmental papers of previous administrations.

CW.

23 June, 1982

AM

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cc. CO

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10 DOWNING STREET

THE PRIME MINISTER

22 June 1982

Dear Mr. Stewart

FALKLAND ISLANDS REVIEW

In reply to a Parliamentary Question by Jo Grimond on 8 April, I said that I thought that there would in due course need to be a review of the way in which the Government Departments concerned discharged their responsibilities in the period leading up to the Argentine invasion of the Falkland Islands. I said that I was considering the form which this review might take, and that I would make a statement to the House of Commons in due course. The Government has now given some initial thought to the timing, form, composition and terms of reference for the review. Before reaching and announcing firm decisions on these, I should welcome your views.

On timing, I think it is clear that the review must be quick and thorough if it is to satisfy Parliamentary and public opinion. This suggests that the group chosen to conduct it should be small, and that its members should be in a position to devote a considerable amount of their time to it over a relatively short period.

If the review is to achieve its purpose, it is evident that those conducting it will need to have access to all the relevant papers and documents, including sensitive intelligence material. This points to the review being undertaken by a Committee of Privy Counsellors. I believe that there should be three of them, two of whom would be former Ministers (one Conservative, one Labour); I have some suggestions as to who they might be. We have considered

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whether the Chairman might be a senior judge, a retired senior civil servant or a distinguished academic. The questions to be examined are not justiciable and will have a high political content. I doubt therefore whether it would be right to have a judge; and since it is successive Governments whose handling of the issue will be under scrutiny I am not sure that it would be right to have a former civil servant. On balance I am inclined to go for an academic, and probably an historian; we already have one or two names in mind of people who would be appointed to the Privy Council and invited to chair this Committee. The secretary would be a civil servant from one of the Departments not directly involved.

On the terms of reference, I am inclined to adapt the formula which I used in the House on 8 April, as follows:

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

When announcing these terms of reference I should make it clear that they would enable the Committee to examine, at least as far back as 1965 when this matter was revived by the Argentine and in as much detail as seemed appropriate to it, the historical background to recent events, the handling of issues relating to the Falkland Islands and relations with successive Argentine Governments concerning the Islands.

We should also need to give careful thought to the arrangements for publication of the Committee's conclusions, given that much of the material under examination will be highly sensitive and of a kind which it would not be in the national interest to publish. The Committee will need guidance in advance on the form in which it should present its report.

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On this I am inclined to the view that the Committee should be asked to produce a report which can be published in full. This will impose on the Committee the need for discretion in the way in which it deals with sensitive material in the report. I would not exclude the possibility of confidential annexes (which would not be published) if the Committee considered that there were matters which needed to be drawn to the Government's attention but could not be made public without detriment to the national interest; but I would hope that anything of this kind would be kept to a minimum.

The Committee would be appointed by and would report to me. I should expect to present the report to Parliament as a Command paper, excluding only material which ought in the national interest not to be published.

I should be glad to discuss these points - and any others which you may wish to raise - with you at an early opportunity. If you agree, my office will be in touch in order to arrange a mutually convenient time and date.

Yours sincerely
Daguerre

The Rt. Hon. D.J. Stewart, M.P.

CONFIDENTIAL

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10 DOWNING STREET

THE PRIME MINISTER

22 June 1982

Dear Brook.

FALKLAND ISLANDS REVIEW

In reply to a Parliamentary Question by Jo Grimond on 8 April, I said that I thought that there would in due course need to be a review of the way in which the Government Departments concerned discharged their responsibilities in the period leading up to the Argentine invasion of the Falkland Islands. I said that I was considering the form which this review might take, and that I would make a statement to the House of Commons in due course. The Government has now given some initial thought to the timing, form, composition and terms of reference for the review. Before reaching and announcing firm decisions on these, I should welcome your views.

On timing, I think it is clear that the review must be quick and thorough if it is to satisfy Parliamentary and public opinion. This suggests that the group chosen to conduct it should be small, and that its members should be in a position to devote a considerable amount of their time to it over a relatively short period.

If the review is to achieve its purpose, it is evident that those conducting it will need to have access to all the relevant papers and documents, including sensitive intelligence material. This points to the review being undertaken by a Committee of Privy Counsellors. I believe that there should be three of them, two of whom would be former Ministers (one Conservative, one Labour); I have some suggestions as to who they might be. We have considered

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whether the Chairman might be a senior judge, a retired senior civil servant or a distinguished academic. The questions to be examined are not justiciable and will have a high political content. I doubt therefore whether it would be right to have a judge; and since it is successive Governments whose handling of the issue will be under scrutiny I am not sure that it would be right to have a former civil servant. On balance I am inclined to go for an academic, and probably an historian; we already have one or two names in mind of people who would be appointed to the Privy Council and invited to chair this Committee. The secretary would be a civil servant from one of the Departments not directly involved.

On the terms of reference, I am inclined to adapt the formula which I used in the House on 8 April, as follows:

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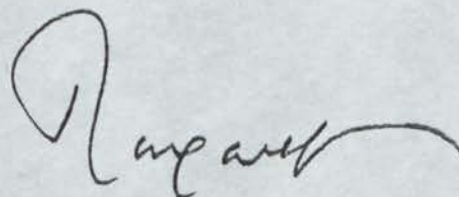
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The Committee would be appointed by and would report to me. I should expect to present the report to Parliament as a Command paper, excluding only material which ought in the national interest not to be published.

I should be glad to discuss these points - and any others which you may wish to raise - with you at an early opportunity. If you agree, my office will be in touch in order to arrange a mutually convenient time and date.

I am writing to you, rather than to Jim Molyneaux, about this because you are the only Privy Counsellor in the House who is a Member of the Official Unionist Party. I understand that he is quite content about this.

Yours ever



The Rt. Hon. Enoch Powell, M.B.E., M.P.

CONFIDENTIAL



HOUSE OF COMMONS
LONDON SW1A 0AA

CONFIDENTIAL.

22nd June 1982.

David Steel

Falkland Islands Review.

Since I understand that an early meeting is impossible, I thought it might be useful to let you have a note of my reactions to your letter of 21st June as you requested.

I share your general approach to the powers and urgency of the enquiry. I am assuming that your proposed terms of reference include access to cabinet and ministerial papers. However, I have the following reservations:

First, and most important, I think it would be a mistake for this to be a Government-appointed enquiry. It must be seen to be generally supported by Parliament. If it is thought to be too difficult to set it up by resolution of the House (though I don't see why), then at least it should be seen to be more broadly representative than you suggest. An ex-Minister of each of the Governments which have dealt with the Falklands scarcely suffices. I take your point about restricting the size of the group, but I would suggest the addition of one or possibly two more independent persons, and am willing to suggest names.

Second, the urgent priority for the enquiry must be the prelude to the invasion. The enquiry's conclusion and report on that matter should not be delayed by delving into the history of the last twenty years, though I entirely agree that this could form a useful second part of the enquiry.

(/cont'd.)

Third, is it your view that the terms of reference are wide enough to take in the policy of arms sales to régimes such as those in the Argentine? I doubt if they are, and I think this ought to be reviewed either by this enquiry or somewhere else.

Lyons

David Hunt

The Rt. Hon. Mrs. Margaret Thatcher, M.P.,
The Prime Minister,
10 Downing St.,
London SW1.

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CONGRATULATIONS

23 JUN 1982



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10 DOWNING STREET

THE PRIME MINISTER

21 June 1982

Mr. Owen

FALKLAND ISLANDS REVIEW

In reply to a Parliamentary Question by Jo Grimond on 8 April, I said that I thought that there would in due course need to be a review of the way in which the Government Departments concerned discharged their responsibilities in the period leading up to the Argentine invasion of the Falkland Islands. I said that I was considering the form which this review might take, and that I would make a statement to the House of Commons in due course. The Government has now given some initial thought to the timing, form, composition and terms of reference for the review. Before reaching and announcing firm decisions on these, I should welcome your views.

On timing, I think it is clear that the review must be quick and thorough if it is to satisfy Parliamentary and public opinion. This suggests that the group chosen to conduct it should be small, and that its members should be in a position to devote a considerable amount of their time to it over a relatively short period.

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/ whom would be

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whom would be former Ministers (one Conservative, one Labour); I have some suggestions as to who they might be. We have considered whether the Chairman might be a senior judge, a retired senior civil servant or a distinguished academic. The questions to be examined are not justiciable and will have a high political content. I doubt therefore whether it would be right to have a judge; and since it is successive Governments whose handling of the issue will be under scrutiny I am not sure that it would be right to have a former civil servant. On balance I am inclined to go for an academic, and probably an historian; we already have one or two names in mind of people who would be appointed to the Privy Council and invited to chair this Committee. The secretary would be a civil servant from one of the Departments not directly involved.

On the terms of reference, I am inclined to adapt the formula which I used in the House on 8 April, as follows:

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I should be glad to discuss these points - and any others which you may wish to raise - with you at an early opportunity. If you agree, our private offices might be in touch in order to arrange a mutually convenient time and date.

Yours sincerely
Margaret Thatcher

The Rt. Hon. David Owen, M.P.

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JK

10 DOWNING STREET

THE PRIME MINISTER

21 June 1982

Dear Richard,

FALKLAND ISLANDS REVIEW

In reply to a Parliamentary Question by Jo Grimond on 8 April, I said that I thought that there would in due course need to be a review of the way in which the Government Departments concerned discharged their responsibilities in the period leading up to the Argentine invasion of the Falkland Islands. I said that I was considering the form which this review might take, and that I would make a statement to the House of Commons in due course. The Government has now given some initial thought to the timing, form, composition and terms of reference for the review. Before reaching and announcing firm decisions on these, I should welcome your views.

On timing, I think it is clear that the review must be quick and thorough if it is to satisfy Parliamentary and public opinion. This suggests that the group chosen to conduct it should be small, and that its members should be in a position to devote a considerable amount of their time to it over a relatively short period.

If the review is to achieve its purpose, it is evident that those conducting it will need to have access to all the relevant papers and documents, including sensitive intelligence material. This points to the review being undertaken by a Committee of Privy Counsellors. I believe that there should be three of them, two of

/ whom would be

CONFIDENTIAL

whom would be former Ministers (one Conservative, one Labour); I have some suggestions as to who they might be. We have considered whether the Chairman might be a senior judge, a retired senior civil servant or a distinguished academic. The questions to be examined are not justiciable and will have a high political content. I doubt therefore whether it would be right to have a judge; and since it is successive Governments whose handling of the issue will be under scrutiny I am not sure that it would be right to have a former civil servant. On balance I am inclined to go for an academic, and probably an historian; we already have one or two names in mind of people who would be appointed to the Privy Council and invited to chair this Committee. The secretary would be a civil servant from one of the Departments not directly involved.

On the terms of reference, I am inclined to adapt the formula which I used in the House on 8 April, as follows:

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

When announcing these terms of reference I should make it clear that they would enable the Committee to examine, at least as far back as 1965 when this matter was revived by the Argentine and in as much detail as seemed appropriate to it, the historical background to recent events, the handling of issues relating to the Falkland Islands and relations with successive Argentine Governments concerning the Islands.

We should also need to give careful thought to the arrangements for publication of the committee's conclusions, given that much of the material under examination will be highly sensitive and of a kind which it would not be in the national interest to publish. The committee will need guidance in advance on the form in which it should present its report.

/ On this I

CONFIDENTIAL

- 3 -

On this I am inclined to the view that the committee should be asked to produce a report which can be published in full. This will impose on the committee the need for discretion in the way in which it deals with sensitive material in the report. I would not exclude the possibility of confidential annexes (which would not be published) if the committee considered that there were matters which needed to be drawn to the Government's attention but could not be made public without detriment to the national interest; but I would hope that anything of this kind would be kept to a minimum.

The committee would be appointed by and would report to me. I should expect to present the report to Parliament as a Command paper, excluding only material which ought in the national interest not to be published.

I should be glad to discuss these points - and any others which you may wish to raise - with you at an early opportunity. If you agree, our private offices might be in touch in order to arrange a mutually convenient time and date.

Yours sincerely
Roger Shephard

The Rt. Hon. Michael Foot, M.P.

CONFIDENTIAL

CONFIDENTIAL



BK
fe

10 DOWNING STREET

THE PRIME MINISTER

21 June 1982

Dear David,

FALKLAND ISLANDS REVIEW

In reply to a Parliamentary Question by Jo Grimond on 8 April, I said that I thought that there would in due course need to be a review of the way in which the Government Departments concerned discharged their responsibilities in the period leading up to the Argentine invasion of the Falkland Islands. I said that I was considering the form which this review might take, and that I would make a statement to the House of Commons in due course. The Government has now given some initial thought to the timing, form, composition and terms of reference for the review. Before reaching and announcing firm decisions on these, I should welcome your views.

On timing, I think it is clear that the review must be quick and thorough if it is to satisfy Parliamentary and public opinion. This suggests that the group chosen to conduct it should be small, and that its members should be in a position to devote a considerable amount of their time to it over a relatively short period.

If the review is to achieve its purpose, it is evident that those conducting it will need to have access to all the relevant papers and documents, including sensitive intelligence material. This points to the review being undertaken by a Committee of Privy Counsellors. I believe that there should be three of them, two of

/ whom would be

CONFIDENTIAL

CONFIDENTIAL

- 2 -

whom would be former Ministers (one Conservative, one Labour); I have some suggestions as to who they might be. We have considered the Chairman might be a senior judge, a retired senior civil servant or a distinguished academic. The questions to be examined are not justiciable and will have a high political content. I doubt therefore whether it would be right to have a judge; and since it is successive Governments whose handling of the issue will be under scrutiny I am not sure that it would be right to have a former civil servant. On balance I am inclined to go for an academic, and probably an historian; we already have one or two names in mind of people who would be appointed to the Privy Council and invited to chair this Committee. The secretary would be a civil servant from one of the Departments not directly involved.

On the terms of reference, I am inclined to adapt the formula which I used in the House on 8 April, as follows:

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

When announcing these terms of reference I should make it clear that they would enable the Committee to examine, at least as far back as 1965 when this matter was revived by the Argentine and in as much detail as seemed appropriate to it, the historical background to recent events, the handling of issues relating to the Falkland Islands and relations with successive Argentine Governments concerning the Islands.

We should also need to give careful thought to the arrangements for publication of the committee's conclusions, given that much of the material under examination will be highly sensitive and of a kind which it would not be in the national interest to publish. The committee will need guidance in advance on the form in which it should present its report.

/ On this I

CONFIDENTIAL

CONFIDENTIAL

- 3 -

On this I am inclined to the view that the committee should be asked to produce a report which can be published in full. This will impose on the committee the need for discretion in the way in which it deals with sensitive material in the report. I would not exclude the possibility of confidential annexes (which would not be published) if the committee considered that there were matters which needed to be drawn to the Government's attention but could not be made public without detriment to the national interest; but I would hope that anything of this kind would be kept to a minimum.

The committee would be appointed by and would report to me. I should expect to present the report to Parliament as a Command paper, excluding only material which ought in the national interest not to be published.

I should be glad to discuss these points - and any others which you may wish to raise - with you at an early opportunity. If you agree, our private offices might be in touch in order to arrange a mutually convenient time and date.

Yours sincerely
Rogers

The Rt. Hon. David Steel, M.P.

CONFIDENTIAL



CONFIDENTIAL AND PERSONAL

Prime Minister.

To note.

MS
22m

MS

MR. WHITMORE

Falkland Islands Inquiry

Thank you for your minute of 16th June about access for the Committee conducting the Falkland Islands Inquiry to Cabinet and Departmental papers of previous Administrations.

2. I think that the formal position is that the papers concerned are the property of the present Government, and only the present Government can give or withhold access. It is for the present Government to decide who to consult before granting access. I do not think that there is any obligation on the Prime Minister to consult former Prime Ministers. If that were the case she would have to consult Mr. Heath as well as Sir Harold Wilson and Mr. Callaghan. She will obviously need to consult Mr. Foot; whether she or Mr. Foot consults Sir Harold Wilson and Mr. Callaghan is something which she could discuss with him.

RA

Robert Armstrong

21st June 1982

PM's letters of 21 June
to Michael Foot, David Owen,
& David Steel copied to
recipients of letter of
16 June.

CONFIDENTIAL

Argentina

From the Private Secretary



Management and Personnel Office

Whitehall London SW1A 2AZ

Telephone 01-273 } 4400
GTN 273 }

Clive Whitmore Esq
Principal Private Secretary
to the Prime Minister
10 Downing Street

18 June 1982

Dear Clive

FALKLANDS ISLANDS REVIEW

The Lord Privy Seal has no comments on the draft attached to your minute of 16 June to John Halliday and thinks the names mentioned in your minute would be very suitable. Should Lord Watkinson prove unavailable for any reason, Lady Young thought that Lord Eccles might be an alternative worth considering.

A copy of this goes to David Wright only.

*Yours sincerely,
Jim Buckley.*

J BUCKLEY

CONFIDENTIAL

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

18 June 1982

Dear Clive,

Falkland Islands Review

Thank you for sending me a copy of your letter of 16 June to John Halliday. Mr Pym is content with the terms of the draft letter from the Prime Minister to the Leaders of the Opposition Parties.

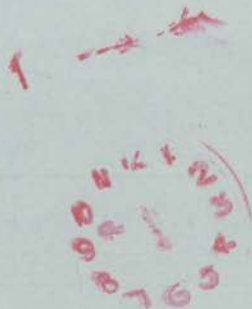
I am sending a copy of this letter to the recipients of yours.

Yours ever,

(B J P Fall)
Private Secretary

C A Whitmore Esq
10 Downing Street

CONFIDENTIAL





MINISTRY OF DEFENCE
 MAIN BUILDING WHITEHALL LONDON SW1
 Telephone 01-~~836 7621~~ 218 2111/3

MO 5/21/5

18th June 1982

Dear Clive,

FALKLAND ISLANDS REVIEW

✓ My Secretary of State has seen your letter of 16th June to John Halliday (Home Office), and is quite happy with the form of the proposed draft letter from the Prime Minister to the Leaders of the Opposition Parties. Mr Nott has, however, suggested that in the formal terms of reference of the Review the words "over a period of years" might with profit be replaced by "under successive Governments", thus giving a better impression of the constitutional position as well as the historical perspective involved.

Copies of this letter go to recipients of yours.

Yours ever
David Omand
 (D B OMAND)

C A Whitmore Esq



Government Chief Whip
12 Downing Street, London SW1

Prime Minister

hwl

mi

ms

PRIVATE AND CONFIDENTIAL

THE PRIME MINISTER

I understand that Humphrey Atkins has been spending some time looking through various Foreign Office papers on the Falkland Islands.

He has been saying that the papers make it clear that after an inquiry the Treasury will come out as the major culprits. He fears that in the end this will cause considerable extra pressure on you.

16th June 1982

SUBJECT
as Mark's

10 DOWNING STREET

 CC MOD AG
 WPSO CWO
 LCO
 FCS
 WPO
 CAR

From the Principal Private Secretary

16 June, 1982.

Dear John,

Falkland Islands Review

At the end of the meeting of OD on 27 May, the Prime Minister took the opportunity to discuss the Falklands review with the Ministers who had attended OD (less the Chancellor of the Exchequer and the Secretary of State for Trade, but including the Chief Whip). This discussion followed the earlier meeting on Saturday, 22 May, of a much smaller group of Ministers about which I wrote to you on 24 May.

There was general agreement that a review of some kind was unavoidable, although doubts were expressed about its usefulness. The term "review" was to be preferred to "inquiry". It was also agreed that the review would need to evaluate recent events in their longer context, going back in time at least to 1965, when it appears to have become accepted that the Falkland Islands were not in the last resort defensible and that our long term objective should therefore be some kind of accommodation with Argentina. Finally, it was agreed that the review would have to have discretion to examine intelligence assessments during the period leading up to the Argentine invasion, although it would probably not need to examine raw data or be informed of the sources from which the intelligence had been procured. This pointed to a Committee of Privy Counsellors.

The meeting then discussed possible candidates for membership of the committee, going over much of the ground covered on 22 May. Once again the names most strongly favoured (but without final agreement) were those of Lord Dacre as Chairman, and Lord Watkinson and Lord Cledwyn as the Conservative and Labour members respectively. (Since the meeting Lord Elwyn Jones has been mentioned as a possible Labour member.)

The meeting agreed that, as the next step, the Prime Minister should consult the Leaders of the Opposition Parties. The question whether the Prime Minister would consult those concerned orally or in writing (or both) was left open. We have therefore prepared the enclosed draft in the form of a letter from the Prime Minister to the Leader of the Opposition, the Leader of the Liberal Party and the SDP Spokesman for Foreign Affairs, proposing a meeting to discuss the

matter. It could be adapted to serve as a speaking note for the Prime Minister's use, but would then need to be more specific about names.

I am copying this letter to the Private Secretaries of the Ministers present at the meeting on 27 May, and should be grateful to have any comments on the draft by midday on Friday, 18 June.

Yours ever,

Alvie Whittam.

John Halliday, Esq.,
Home Office.

CONFIDENTIAL

CONFIDENTIAL

DRAFT LETTER FROM THE PRIME MINISTER TO:

The Rt. Hon. Michael Foot, MP.
The Rt. Hon. David Steel, MP.
The Rt. Hon. David Owen, MP.

Falkland Islands Review

In reply to a Parliamentary Question by Jo Grimond on 8 April, I said that I thought that there would in due course need to be a review of the way in which the Government Departments concerned discharged their responsibilities in the period leading up to the Argentine invasion of the Falkland Islands. I said that I was considering the form which this review might take, and that I would make a statement to the House of Commons in due course. The Government has now given some initial thought to the timing, form, composition and terms of reference for the review. Before reaching and announcing firm decisions on these, I should welcome your views.

On timing, I think it is clear that the review must be quick and thorough if it is to satisfy Parliamentary and public opinion. This suggests that the group chosen to conduct it should be small, and that its members should be in a position to devote a considerable amount of their time to it over a relatively short period.

If the review is to achieve its purpose, it is evident that those conducting it will need to have access to all the relevant papers and documents, including sensitive intelligence material. This points to the review being undertaken by a Committee of Privy Counsellors. I believe that there should be three of them, two of whom would be former Ministers (one Conservative, one Labour); I have some suggestions as to who they might be. We have considered whether the Chairman

CONFIDENTIAL

/ might

might be a senior judge, a retired senior civil servant or a distinguished academic. The questions to be examined are not justiciable and will have a high political content. I doubt therefore whether it would be right to have a judge; and since it is successive Governments whose handling of the issue will be under scrutiny I am not sure that it would be right to have a former civil servant. On balance I am inclined to go for an academic, and probably an historian; we already have one or two names in mind of people who would be appointed to the Privy Council and invited to chair this Committee. The secretary would be a civil servant from one of the Departments not directly involved.

On the terms of reference, I am inclined to adapt the formula which I used in the House on 8 April, as follows:

successive governments
governments

'To review the way in which the Government Departments concerned have ~~over a period of years~~ discharged their responsibilities in relation to the Falkland Islands, with particular reference to the period leading up to the Argentine invasion of 2 April 1982, and to report.'

When announcing these terms of reference I should make it clear that they would enable the Committee to examine, at least as far back as 1965 when this matter was revived by the Argentine and in as much detail as seemed appropriate to it, the historical background to recent events, the handling of issues relating to the Falkland Islands and relations with successive Argentine Governments concerning the Islands.

We should also need to give careful thought to the arrangements for publication of the committee's conclusions, given that much of the material under examination will be

highly sensitive and of a kind which it would not be in the national interest to publish. The committee will need guidance in advance on the form in which it should present its report.

On this I am inclined to the view that the committee should be asked to produce a report which can be published in full. This will impose on the committee the need for discretion in the way in which it deals with sensitive material in the report. I would not exclude the possibility of confidential annexes (which would not be published) if the committee considered that there were matters which needed to be drawn to the Government's attention but could not be made public without detriment to the national interest; but I would hope that anything of this kind would be kept to a minimum.

The committee would be appointed by and would report to me. I should expect to present the report to Parliament as a Command paper, excluding only material which ought in the national interest not to be published.

I should be glad to discuss these points - and any others which you may wish to raise - with you at an early opportunity. If you agree, our private offices might be in touch in order to arrange a mutually convenient time and date.

FILE

CONFIDENTIAL AND PERSONAL

da



10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG
CABINET OFFICE

Falkland Islands Inquiry

I have shown the Prime Minister your minute A08677 of 15 June 1982 about access for the Committee conducting the Falkland Islands Inquiry to Cabinet and Departmental papers of previous Administrations.

She is content that we should proceed in the way you suggest. She has, however, commented ... "Mr. Foot cannot give access to the papers of a previous Labour Administration. Only Mr. Callaghan and Sir Harold Wilson can do that. We shall have to write to them".

JHW.

16 June 1982

CONFIDENTIAL AND PERSONAL

da

Ref: A08677

*N.P. The Post cannot
give access to papers
No previous adm. Only*

Prime Minister.

Agree x/1 and 7/1

CONFIDENTIAL AND PERSONAL

How?

MR. WHITMORE

*The Callaghan - Dr. Wilson
can do that. We*

15/11

*shall have to write to
them.*

Yes

Falkland Islands Inquiry

If and when the Prime Minister sees Opposition Leaders, I think that she will need to consult them about access for the Committee to Cabinet and Departmental papers of previous Administrations.

2. The Committee is bound to seek access to Cabinet and Cabinet Committee papers dealing with Ministerial discussions of the Falkland Islands not only by this Administration but also by the Callaghan Administration, and probably also by the Wilson and Heath Administrations. There can presumably be no question of withholding these papers. They will show the nature of the propositions which successive Administrations were prepared to consider. Those propositions could of course have implications for future dealings with Argentina and the Falkland Islanders, and it might well be argued that it would be prejudicial to international relations that they should be made public. They could also have considerable domestic political implications. Since Dr. Owen was Foreign Secretary when the Callaghan Administration was considering these matters, it is not only the official Opposition which is affected.

3. I have not been able to discover any exact precedents to guide us in this situation. I believe that the right course will be that the Committee should (as a group of Privy Counsellors) be given access to Cabinet and Cabinet Committee documents of the present and previous Administrations relating to the Falkland Islands, that that access should be on Privy Counsellor terms, and that the Committee should not in any document for publication include any material, the publication of which would be prejudicial to national security or international relations. In the end the Government of the day has to be the judge of what is prejudicial to national security or international relations. If the Committee needs to consult during the course of its proceedings on what it would or would not be prejudicial to disclose, the

X

CONFIDENTIAL AND PERSONAL

Secretary of the Cabinet is the natural point of contact for the purpose; he can consult as necessary within Government. The Government will have to retain the right to withhold publication of any parts of the report which seem to them likely to be prejudicial; but it will clearly be preferable, if possible, to avoid having to do that.

4. Such an arrangement would not wholly preclude the possibility of domestic political embarrassment from the publication of positions adopted or decisions taken by the present or a previous Administration which were not announced at the time. In the nature of the case I see no practicable or acceptable way of avoiding that, by means of guidance to the Committee or by restrictions placed upon its right of access to or use of Cabinet and Cabinet Committee papers. It has in effect to be left to the discretion and good sense of the Privy Counsellors who serve on the Committee: one of the purposes of adopting this form of inquiry is to ensure that it is undertaken by people who are sensitive to that kind of problem and who understand the need for the exercise of this kind of discretion.

Y | 5. It may be suggested that, once the Committee's report is available, it should be shown to Opposition Leaders on Privy Counsellor terms as a basis for discussion on whether any part of the report should be withheld from publication. Any such arrangement would create obvious scope for political embarrassment; it would be better not to volunteer it and to avoid it if possible.

REA

Robert Armstrong

15th June 1982

CONFIDENTIAL

MR. WHITMORE

Falkland Islands Review

When I discussed with the Prime Minister my minute of 9th June and the draft attached to it, she asked me to have another look at the proposed terms of reference in the draft letter to Opposition Leaders; she wanted the terms of reference to make it clearer that the Committee would be looking into the conduct of affairs over a longer period of years than recent events.

2. I suggest that you might delete the paragraph which runs from line 11 to line 21 on page 2 of the draft letter submitted with my minute of 9th June and substitute the attached:-

"On the terms of reference, I am inclined to adapt the formula which I used in the House on 8th April, as follows:

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

When announcing these terms of reference I should make it clear that they would enable the Committee to examine, as far back and in as much detail as seemed appropriate to it, the historical background to recent events, the handling of issues relating to the Falkland Islands and relations with successive Argentine Governments concerning the Islands."

ROBERT ARMSTRONG

Robert Armstrong

11th June 1982

CONFIDENTIAL

SECRET



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26 AH

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

FALKLAND ISLANDS : FUTURE

The Prime Minister discussed your minute A08639 of 10 June 1982 with you this morning.

She said that she agreed that we should set up a new sub-committee of OD, under her chairmanship, to deal with the longer term future of the Falkland Islands. The members other than herself should be:-

Home Secretary
Chancellor of the Exchequer
Foreign and Commonwealth Secretary
Secretary of State for Defence
Secretary of State for Trade
Attorney General

The Minister of Agriculture and the Secretary of State for Energy could be invited to attend as necessary.

TAH.

11 June 1982

SECRET

A

Ref. A08639

PRIME MINISTER

Falkland Islands: The Future

I have been giving some thought to arrangements for handling Ministerial consideration of the problems which will need to be addressed once United Kingdom repossession of the Falklands has been completed. These include the immediate and longer term arrangements for administering the Islands and guaranteeing their security, to which preliminary thought is already being given in papers under consideration in OD(SA); the budgetary implications of these arrangements, on which an official sub-committee of OD(SA) is due to report in the course of next week; and the possibilities for economic and social development on the Islands and their dependencies, on which Lord Shackleton will be reporting early in July. All these problems raise wider issues than those connected with the conduct of the present military and diplomatic operations, with which OD(SA) is primarily concerned; and that the Treasury in particular ought to be involved in any discussion of the budgetary aspects. Other economic Departments also have a direct interest in arrangements to restore peacetime communications and to develop the Islands' economic resources.

2. You will want to keep OD(SA) in being, with its present composition, for day-to-day handling of military and political issues so long as the conflict on the Falkland Islands lasts and perhaps until there has been a complete cessation of hostilities. But we need a wider Ministerial grouping to deal with the problems of the constitutional, administrative and economic future of the Falkland Islands. We could do this by inviting additional Ministers to attend OD(SA) when those problems were under consideration; but that would be in effect to enlarge the membership of OD(SA), which you will not want to do, and I think that it would be better to set up a new sub-committee of OD, under your Chairmanship, which might be given the title of OD(FAF) (Future Arrangements for the Falklands). I would suggest the following membership:

A.G.

Prime Minister ✓

Foreign and Commonwealth Secretary ✓

Chancellor of the Exchequer ✓

Secretary of State for Defence ✓

Minister of Agriculture, Fisheries and Food ✓

Secretary of State for Energy ✓

Secretary of State for Trade ✓

A.G.

The Foreign and Commonwealth Secretary would speak also for the ODA, which will carry much of the primary responsibility for rehabilitating and administering the Islands; the Department of Trade will have a special interest in communications and tourism, the Department of Energy in mineral resources, and the Ministry of Agriculture, Fisheries and Food both in agricultural development (on which the Islands' economic life in the short term will mainly depend) and in the fishery possibilities.

3. Perhaps we could discuss this at my business meeting with you tomorrow.



ROBERT ARMSTRONG

10 June 1982

CONFIDENTIAL



2-6 AA

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

FALKLAND ISLANDS INQUIRY

The Prime Minister had a brief word with you this morning about your minute A08614 of 9 June 1982 about the Falkland Islands inquiry.

She told you that it had been suggested to her that Lord Elwyn-Jones would be a better Labour member of the committee of inquiry than Lord Cledwyn. You said that you would make some discreet inquiries to ensure that Lord Elwyn-Jones would be able to make a full contribution to the review, if he were invited to be a member.

The Prime Minister also said that, on reflection, she was concerned that the proposed terms of reference of the inquiry were too restrictive. She feared that the reference to "the period leading up to the Argentine invasion" might lead the committee to concentrate its review almost exclusively on the weeks immediately before the invasion and not, as she thought was necessary, go back a number of years to identify the underlying causes of the problem and the way successive governments had dealt with them. You undertook to see how the terms of reference could be amended to take account of the Prime Minister's point.

JWW

11 June 1982

CONFIDENTIAL

AA

Ref: A08654

See 2 parts below

Prime Minister

If you are content with X/ below, we can circulate the draft letter to the Opposition parties to OS(SA) for comment.

CONFIDENTIAL

MR. WHITMORE

*JRW
14.6*

Falkland Islands Review

When I discussed with the Prime Minister my minute of 9th June and the draft attached to it, she asked me to have another look at the proposed terms of reference in the draft letter to Opposition Leaders; she wanted the terms of reference to make it clearer that the Committee would be looking into the conduct of affairs over a longer period of years than recent events.

2. I suggest that you might delete the paragraph which runs from line 11 to line 21 on page 2 of the draft letter submitted with my minute of 9th June and substitute the attached:-

This is the draft letter to the Opposition parties.

"On the terms of reference, I am inclined to adapt the formula which I used in the House on 8th April, as follows:

'To review the way in which the Government Departments concerned have *over a period of years* discharged their responsibilities in relation to the Falkland Islands, with particular reference to the period leading up to the Argentine invasion of 2nd April 1982, and to report.'

X

When announcing these terms of reference I should make it clear that they would enable the Committee to examine, *as far back as 1960* as far back and in as much detail as seemed appropriate to it, the historical *was* background to recent events, the handling of issues relating to the Falkland Islands and relations with successive Argentine *was* Governments concerning the Islands." *was reviewed by the*

RA

Argentina was

Robert Armstrong

11th June 1982

CONFIDENTIAL

1.

Prime Minister

CONFIDENTIAL

MR. WHITMORE

Agree with J should
circulate the draft letter to
the Opposition (later for discussion
by OD (SA)?

Falkland Islands Review

take
Grip

As agreed at the ad hoc meeting of Ministers after OD on 27th May,

I enclose:-

- (a) a draft letter from you to Mr. Halliday in the Home Office recording the main conclusions of the discussion and enclosing
- (b) a draft letter from the Prime Minister to the Leaders of the Opposition Parties.

2. The draft of (b) is in a form which could easily be adapted for use as a speaking note if that is what the Prime Minister would prefer. A speaking note would need to be more specific than a draft letter about possible names.

If you prefer, we could clear the draft from here, + report to you on Friday

RIA

Robert Armstrong

9th June 1982

CONFIDENTIAL

DRAFT LETTER FROM MR A. J. COLES TO
JOHN HALLIDAY, ESQ. HOME OFFICE

Falkland Islands Review

At the end of the meeting of OD on 27th May, the Prime Minister took the opportunity to discuss the Falklands review with the Ministers who had attended OD (less the Chancellor of the Exchequer and the Secretary of State for Trade but including the Chief Whip). This discussion followed the earlier meeting on Saturday 22nd May of a much smaller group of Ministers about which ~~Clive Whitmore~~ wrote to you on 24th May.

There was general agreement that a review of some kind was unavoidable, although doubts were expressed about its usefulness. The term "review" was to be preferred to "inquiry". It was also agreed that the review would need to evaluate recent events in their longer context, going back in time at least to 1965, when it appears to have become accepted that the Falkland Islands were not in the last resort defensible and that our long term objective should therefore be some kind of accommodation with Argentina. Finally, it was agreed that the review would have to have discretion to examine intelligence assessments during the period leading up to the Argentine invasion, although it would probably not need to examine raw data or be informed of the sources from which the intelligence had been procured. This pointed to a Committee of Privy Counsellors.

The meeting then discussed possible candidates for membership of the committee, going over much of the ground covered on 22nd May. Once again the names most strongly favoured (but without final agreement) were those of Lord Dacre as Chairman, and Lord Watkinson and Lord Cledwyn as the Conservative and Labour members respectively. (Some of the meeting had Elwyn Jones has been mentioned as a possible Labour member).

CONFIDENTIAL




CONFIDENTIAL

The meeting agreed that, as the next step, the Prime Minister ^{should} ~~would wish~~ to consult the Leaders of the Opposition Parties. The question whether the Prime Minister would consult those concerned orally or in writing (or both) was left open. We have therefore prepared the enclosed draft in the form of a letter from the Prime Minister to the Leader of the Opposition, the Leader of the Liberal Party and the SDP Spokesman for Foreign Affairs, proposing a meeting to discuss the matter. It could be adapted to serve as a speaking note for the Prime Minister's use, but would then need to be more specific about names.

I am copying this letter to the Private Secretaries of the Ministers present at the meeting on 27th May and should be grateful to have any comments on the draft by ~~the end of this week.~~

~~the end of this week.~~ ^{midday} ~~the end of this week.~~ ^{Friday, 18th} ~~the end of this week.~~ ^{the June.}


CONFIDENTIAL

DRAFT LETTER FROM THE PRIME MINISTER TO:

The Rt Hon Michael Foot MP
The Rt Hon David Steel MP
The Rt Hon David Owen MP

Falkland Islands Review

In reply to a Parliamentary Question by Jo Grimond on 8th April, I said that I thought that there would in due course need to be a review of the way in which the Government Departments concerned discharged their responsibilities in the period leading up to the Argentine invasion of the Falkland Islands. I said that I was considering the form which this review might take and that I would make a statement to the House of Commons in due course. The Government has now given some initial thought to the timing, form, composition and terms of reference for the review. Before reaching and announcing firm decisions on these, I should welcome your views.

On timing, I think it is clear that the review must be quick and thorough if it is to satisfy Parliamentary and public opinion. This suggests that the group chosen to conduct it should be small, and that its members should be in a position to devote a considerable amount of their time to it over a relatively short period.

If the review is to achieve its purpose, it is evident that those conducting it will need to have access to all the relevant papers and documents, including sensitive intelligence material. This points to the review being undertaken by a Committee of Privy Counsellors. I believe that there should be three of them, two of whom would be former Ministers (one Conservative, one Labour); I have some suggestions as to who they might be. We have considered whether the Chairman might be a senior judge, a retired senior civil servant or a distinguished academic.

CONFIDENTIAL

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The questions to be examined are not justiciable and will have a high political content. I doubt therefore whether it would be right to have a judge; and since it is successive Governments whose handling of the issue will be under scrutiny I am not sure that it would be right to have a former civil servant. On balance I am inclined to go for an academic, and probably an historian; we already have one or two names in mind of people who would be appointed to the Privy Council and invited to chair this Committee. The secretary would be a civil servant from one of the Departments not directly involved.

On the terms of reference, I am inclined to adopt the formula which I used in the House on 8th April, namely:-

"To review the way in which the Government Departments concerned discharged their responsibilities in the period leading up to the Argentine invasion of the Falkland Islands, and to report."

When announcing these terms of reference

I should make it clear that the ~~by terms of reference~~ were designed to give the committee discretion to decide how far back and in what detail to examine the historical background and the handling of the issues.

We shall also need to give careful thought to the arrangements for publication of the committee's conclusions, given that much of the material under examination will be highly sensitive and of a kind which it would not be in the national interest to publish. The committee will need guidance in advance on the form in which it should present its report.

On this I am inclined to the view that the committee should be asked to produce a report which can be published in full. This will impose on the committee the need for discretion in the way in which it deals with sensitive material in the report.



CONFIDENTIAL

I would not exclude the possibility of confidential annexes (which would not be published) if the committee considered that there were matters which needed to be drawn to the Government's attention but could not be made public without detriment to the national interest; but I would hope that anything of this kind would be kept to a minimum.

The committee would be appointed by and would report to me. I should expect to present the report to Parliament as a Command paper, excluding only material which ought in the national interest not to be published.

I should be glad to discuss these points - and any others which you may wish to raise - with you at an early opportunity. If you agree, our private offices might be in touch in order to arrange a mutually convenient time and date.

CONFIDENTIAL

Fu
AS
MR WHITMORE

cc:- Mr Pattison

FALKLANDS REVIEW

Mr Fall rang today to say that the Foreign and Commonwealth Secretary had had some contact with Sir Anthony Kershaw MP and Sir Timothy Kitson MP, respectively Chairman of the Select Committees on Foreign Affairs and Defence. Mr Pym would want to give them reasonable notice of the announcement establishing the review and therefore asked that when a decision had been taken about the timing of an announcement we should give him some 48 hrs to talk to Sir Anthony Kershaw and Sir Timothy Kitson again.

A.J.C.

1 June, 1982

Argentina



pw.

10 DOWNING STREET

Clive Falklands Inquiry

RTA starts from PM's
written answer to J Brunard,
but ignores her oral exchange
with David Owen the
same day, in which she
undertook to consult.

Copy now attached.

MAD 24/1 v.

Dr. Owen: In the light of the debate yesterday and the clear wish of all right hon. and hon. Members to unite and avoid endless post mortems, will the Prime Minister institute discussions between the parties about the form of an inquiry which will have to take place? The House should be given an assurance about that matter at the earliest possible moment so that we may look at the whole conduct of the affair up to the invasion of the Falkland Islands.

The Prime Minister: I am in some difficulty. There is a later question on the Order Paper, tabled by one of the right hon. Gentleman's distinguished colleagues. Although, in my view, the precise form of the inquiry that the question asks for would not be appropriate, I think that some form of review is appropriate. We are considering exactly what form that review or inquiry should take and

1982

Oral Answers

1086

what its timing should be. I am quite happy to consult on that matter. What I want to make clear is that we think that some form of review of inquiry is advisable under the circumstances, and we shall consult later.

CONFIDENTIAL

File AH

SUBJECT



ees	LCO	LOD
	Fco	CWO
	MOD	CO
	LPO	

10 DOWNING STREET

From the Principal Private Secretary

24 May 1982

getharter

Dear Jan,

FALKLAND ISLANDS INQUIRY

Immediately after the meeting of OD(SA) on Saturday 22 May the Prime Minister took the opportunity to have a word with the Home Secretary, Foreign Secretary, Attorney General and Sir Robert Armstrong about the inquiry into the events leading up to the Argentinian invasion of the Falkland Islands.

The Prime Minister said that she believed that the inquiry would have to go back in time to the mid-1960s when decisions were taken which established the basic attitude of successive governments to the Falkland Islands.

The meeting then considered, in the light of the paper attached to Sir Robert Armstrong's minute of 20 May 1982, the names of possible candidates for the inquiry. It was argued that Lord Dacre would make a good chairman. He was a man of formidable intellect; he wrote very well; and he had had first hand experience of the intelligence world. On the other hand, he remained a controversial figure, and Professor Michael Howard might be a safer if less brilliant bet.

The meeting discussed the names of one or two judges who might serve on the inquiry, but there was general agreement that it would not be right to involve a serving judge in such a political matter.

The choice of Labour member of the inquiry seemed to rest between Mr Merlyn Rees and Lord Cledwyn. Mr Rees had let it be known that he would like to be invited to serve on the inquiry. The principal argument against Mr Rees was that he had been a senior member of the Ministerial committee which had dealt with the Falklands issue during Mr Callaghan's administration. Lord Cledwyn had also had an earlier association with the Falklands problem: he had been Minister of State for Commonwealth Relations in 1964-66. This was an important period in the history of Ministerial handling of the matter. On the other hand, it could be argued that it was long enough ago not to rule out Lord Cledwyn.

CONFIDENTIAL

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CONFIDENTIAL

- 2 -

Another Labour name was that of Lord Shackleton, but while he was not ruled out on grounds of Ministerial involvement in the Falklands issue in the past, he had so strong a personal interest arising from the study he had carried out in the mid-1970s that he could not be considered a serious runner.

The meeting then discussed various Conservative names, including those of Lord Barber, Lord Boyd-Carpenter, Lord Carr, Lord Windlesham and Lord Watkinson. There was general agreement that of these Lord Watkinson would be most suitable. He had not held Ministerial office since 1962 and had therefore had no recent involvement in the Falkland Islands.

It was pointed out that there might be pressure from the Alliance to be represented on the inquiry, but this would make the inquiry rather unwieldy.

The Prime Minister, summing up the discussion, said that the meeting had tentatively concluded that the chairman of the inquiry should be Lord Dacre or Professor Howard and that the members should be Lord Watkinson and Lord Cledwyn. Their discussion had been a useful preliminary to the meeting which they were due to have the following week when other colleagues would be present too. That meeting had been arranged for Friday 28 May, but she would like to dispose of the matter if possible, immediately after the meeting of OD on Thursday 27 May.

I am sending copies of this letter to Michael Collon (Lord Chancellor's Office), Brian Fall (Foreign and Commonwealth Office), David Omand (Ministry of Defence), David Heyhoe (Lord President's Office), Jim Nursaw (Law Officers' Department), Murdo Maclean (Chief Whip's Office) and David Wright (Cabinet Office).

Yours sincerely,

Shirley Williams

John Halliday Esq.,
Home Office.

CONFIDENTIAL

CONFIDENTIAL



Argentina

Government Chief Whip

12 Downing Street, London SW1

Secretary of State for Home Affairs

FALKLAND ISLANDS INQUIRY

Thank you for sending me a copy of your minute of 22 May to the Prime Minister suggesting the addition of Merlin Rees. I am afraid to say that I question the inclusion of someone who has been involved so recently.

I am copying this to the recipients of yours.

24 May 1982

26 MAY 1962



CONFIDENTIAL



NRPM - M Whitley
has mentioned this
to his secretary.

AKS

24/1

PRIME MINISTER

FALKLANDS ISLAND INQUIRY

I have seen a copy of Sir Robert Armstrong's minute of 20 May to you. To the list of former Labour Ministers in paragraph 5 of the memorandum enclosed with that minute I should like to suggest the addition of Merlyn Rees.

~~I am copying this minute to the Lord~~
I am copying this minute to the Lord Chancellor, the Foreign and Commonwealth Secretary, the Secretary of State for Defence, the Lord President, the Attorney General, the Chief Whip and Sir Robert Armstrong.

W.W.

22 May 1982

CONFIDENTIAL



CONFIDENTIAL AND PERSONAL

MR. WHITMORE

KWJ
2W

Falkland Islands Inquiry

As instructed in your minute of 13th May I have prepared and am circulating a memorandum as a basis for a discussion at an ad hoc meeting.

2. In preparing the memorandum I have taken account of some of the points made in the Attorney General's minute of 30th April; but I have not referred to that minute because it was not copied to anyone else than the Prime Minister. Moreover in a number of respects the consensus of views differs from that expressed by the Attorney General.

RTA

Robert Armstrong

20th May 1982

CONFIDENTIAL AND PERSONAL

Ref: A08485


CONFIDENTIAL

Prime Minister.

We are due to discuss
this at a meeting to be held
next Friday.

PRIME MINISTER

RM
21.5.

Falkland Islands Inquiry

The Foreign and Commonwealth Secretary sent you a minute on 5th May, proposing that Ministers should take an early decision in principle on the form and composition of an inquiry into the events leading up to the Argentine invasion of the Falkland Islands. The Lord Chancellor, the Secretary of State for Defence and the Lord Privy Seal commented in subsequent minutes. You asked me to draw these comments together into a memorandum as a basis for discussion.

2. I attach such a memorandum herewith. I am sending copies of this minute and the memorandum to the Home Secretary, the Lord Chancellor, the Foreign and Commonwealth Secretary, the Secretary of State for Defence, the Lord President, the Attorney General and the Chief Whip, with whom I understand you propose in the first instance to discuss this subject.


RTA

Robert Armstrong

20th May 1982

CONFIDENTIAL

CONFIDENTIAL

FALKLAND ISLANDS INQUIRY

Memorandum by the Secretary of the Cabinet

On 8 April 1982 the Prime Minister answered a Parliamentary Question by Mr. Grimond in the following terms:

"Q. 34 MR. GRIMOND asked the Prime Minister if she will order an inquiry into the conduct of the Foreign and Commonwealth Office in recent years and the sufficiency of the advice and information supplied to Ministers.

A. THE PRIME MINISTER: I do not think that so wide an inquiry would be appropriate. I believe, however, that there should be a review of the way in which the Government Departments concerned discharged their responsibilities in the period leading up to the Argentine invasion of the Falkland Islands. I am considering the form which this review might take, and I will make a statement to the House in due course."

(Hansard, Column 416, 8 April 1982)

2. This memorandum seeks to collate the views expressed by the Foreign and Commonwealth Secretary in his minute of 5 May, and by the Lord Chancellor, the Secretary of State for Defence and the Lord Privy Seal in their minutes commenting on the Foreign and Commonwealth Secretary's minute; and makes proposals as to how the review should be carried out, under six headings:-

- a. Timing
- b. Form of Inquiry
- c. Composition
- d. Terms of Reference
- e. Procedures for taking evidence
- f. Publication of findings

TIMING

3. There is general agreement that the inquiry must be quick and thorough if it is to satisfy Parliamentary and public opinion. This suggests that the team chosen should be a small team, consisting of people with sufficient spare time to devote a considerable amount of time to the inquiry over a relatively short period.

FORM OF INQUIRY

4. The possibilities seem to be:-

i. Tribunal of Inquiry under the 1921 Act

There is no support for this. Any inquiry of that kind would be a long drawn out affair, with elaborate procedures for formal taking of evidence and for legal representation. There will be no need of the statutory powers to compel evidence, since all the evidence will come from the Government. The inquiry will have to be able to take evidence in private, because much of its material will be sensitive. A tribunal of inquiry might be inevitable, despite all its disadvantages, if the primary purpose of the inquiry was to sit in judgment on the conduct of individuals; but its function will be to consider possible failures of institutions and systems.

ii. Select Committee

There are insuperable objections on the grounds of the sensitivity of much of the evidence.

iii. Ad hoc Committee of Privy Counsellors

Lord Jaws? There is general agreement that a small Committee of Privy Counsellors would be the most appropriate form for the inquiry to take, and the general view is that it should consist of three people (two members in addition to the Chairman). It is generally agreed that the two members should be ex-Ministers, one Conservative, one Labour. The Chairman might be a judge, a retired senior civil servant, or a distinguished academic. Lords of Appeal in Ordinary and Lords Justices of Appeal are all members of the Privy Council. The Lord Chancellor has considerable reservations about including a judge in the committee, on the grounds that the political sensitivity of the inquiry could lead to embarrassment if a judge took part. There are only two retired senior civil servants not associated with the Foreign and Commonwealth Office who are Privy Counsellors: Lord Franks (now aged 77) and Lord Trend. Lord Trend, as Secretary of the Cabinet, had the responsibilities for security and intelligence matters associated with that post. A number of distinguished academics suggest themselves; but any of them would have to be appointed to the Privy Council.

COMPOSITION

5. A number of names have been mentioned. The full list is as follows:

Former Conservative Ministers	Lord Carr Lord Jellicoe Sir Derek Walker-Smith Lord Windlesham
Former Labour Ministers	Lord Cledwyn of Penrhos Lord Shackleton Lord Shepherd Mr Sam Silkin
Senior Judges	Lord Bridge Lord Justice Griffiths
Senior Retired Law Lord	Lord Wilberforce
Distinguished Academics (None are Privy Counsellors, but any could be so appointed)	Lord Blake Professor Hedley Bull Lord Dacre of Glanton (Hugh Trevor-Roper) Professor S E Finer Professor Michael Howard Mr. Michael McCrum
Senior Retired Civil Servants	Lord Franks Lord Trend
Others	Lord Chalfont Lord Charteris of Amisfield Lord O'Brien of Lothbury Mr. Gordon Richardson

6. The inquiry would need a Secretary who might be a civil servant from one of the Departments not involved. It might also be usefully assisted by Mr D R Nicoll who has already completed a thorough investigation of the role of the intelligence community, including the Joint Intelligence Committee, into the affair.

TERMS OF REFERENCE

7. It would be hard to improve on the words used by the Prime Minister on 8 April. Clearly the review should cover the performance of all the Departments and agencies of Government concerned, for which purpose it will need full access to all relevant documents, including highly classified intelligence material.

CONFIDENTIAL

8. The question also arises how far back in time the inquiry should delve in order to place the Government's reactions to events in their proper context. In so far as previous crises may have conditioned the present Government's response, it would seem essential that the inquiry should go back at least as far as the Shackleton incident and withdrawal of Ambassadors in 1976 and the naval deployments in November and December of the following year. The Foreign and Commonwealth Secretary believes that the terms of reference should not exclude examination of evidence well prior to that. It seems sensible to leave to the inquiry the decision how far and in what detail to go into the historical background, and to adopt terms of reference which leave it that freedom.

9. Accordingly I suggest:-

"To inquire into the way in which the Government Departments concerned discharged their responsibilities in the period leading up to the Argentine invasion of the Falkland Islands; and to report."

PROCEDURES FOR TAKING EVIDENCE


10. Given the sensitivity of much of the material, the evidence, both written and oral, will need to be taken in private. I suggest that it is neither necessary nor desirable to have inquisitorial procedures of a kind associated with a formal Tribunal, involving, as they would, the use of Counsel and legal representation.

PUBLICATION OF FINDINGS

11. The groundrules for publication should be made clear at the outset. The general view is that, in order to carry conviction with Parliament and public opinion, as much as possible of the inquiry's conclusions should be published. I suggest that the inquiry should be asked to prepare a report in a form which could be published, but to avoid including information in it whose publication would be detrimental to security or to international relations. This implies that, if the inquiry were to lead to conclusions or recommendations which could not be published, they would have to be submitted in a confidential and unpublished annex.

CONFIDENTIAL

12. I attach a draft of a statement which might be made by the Prime Minister, once the members of the inquiry had been identified and nominated.

 ROBERT ARMSTRONG

Cabinet Office

May 1982

CONFIDENTIAL

To ask the Prime Minister, whether she will now make a statement on the form, composition and terms of reference of an inquiry into the events leading up to the invasion of the Falkland Islands.

The Government has decided that this inquiry should be referred to a Committee of Privy Counsellors, who will be invited to report to me. I am glad to be able to tell the House that the following people have accepted my invitation to undertake this inquiry:

A	B	(Chairman)
C	D	
E	F	

The Queen has graciously approved my recommendation that
A B should be sworn a member of the Privy Council.]

The terms of reference of the inquiry will be:

"To inquire into the way in which the Government Departments concerned discharged their responsibilities in the period leading up to the Argentine invasion of the Falkland Islands; and to report."

These terms of reference will allow the Committee to look into the historical background to the events in question to whatever extent they consider appropriate for the purpose of preparing their findings.

The Government hopes that the Committee's inquiry will be both quick and thorough. Accordingly the Government Departments concerned will submit to the Committee with all reasonable speed all the evidence, written or oral, that they require. Much of the evidence will be classified and thus unsuitable for publication. The evidence will therefore have to be taken in private and to remain unpublished.

The Committee will be asked to prepare their report in a form in which it can be presented to Parliament and published. This will mean that they will not be able to include in it any material whose publication would be prejudicial to national security or international

relations. If any of their findings or conclusions are of such a nature as may require them not to be published on that account, such findings and conclusions will have to be submitted in a confidential and unpublished annex to the report.



10 DOWNING STREET

Miss Stephens,

Can you please fix
the matter referred to in
paragraph 2 above. RTA should
of course be there as well.

Can you make it towards
the end of his week rather
than use beginning - to give RTA
time to prepare his report.

AW

14.11.

AW

CONFIDENTIAL

FILE SW



10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

Falkland Islands Inquiry

The Prime Minister has now been able to consider the various minutes from members of OD on the question of the Falkland Islands Inquiry, as well as your minutes A08122 of 15 April, 1982 and A08344 of 7 May, 1982.

She thinks that the best way of making progress on this matter would be to hold an ad hoc meeting with the Home Secretary, Lord Chancellor, Foreign Secretary, Defence Secretary, Lord President, Attorney General and Chief Whip. We will try to arrange such a meeting for next week.

She has in mind the possibility of following the ad hoc meeting with a discussion in OD.

You suggested in your minute of 7 May, 1982 that you should prepare and circulate a memorandum as a basis for discussion, and the Prime Minister would be very grateful if you would do this. I am afraid, however, that she has not provided any indication whether she believes that your thinking about the inquiry is on the right lines.

C. A. WHITMORE

13 May, 1982

CONFIDENTIAL

CONFIDENTIAL

PRIME MINISTER

*Small ad hoc meeting to decide
what to do - then OD.*

FALKLAND ISLANDS INQUIRY

net

You agreed yesterday that we should try to fit in a meeting next week to discuss the form and membership of the inquiry into the events that led up to the invasion of the Falkland Islands.

I raised with you this morning the question of which Ministers should attend the meeting. You agreed that the Home Secretary, the Foreign Secretary and the Defence Secretary had to be there. Of your other OD(SA) colleagues, I do not think that we need trouble the Chancellor of the Duchy of Lancaster, but it would obviously be a good idea to have the Attorney General.

The Foreign Secretary circulated his minute on this subject to the whole of OD, and this has prompted contributions from the Lord Chancellor and, now, from the Lord Privy Seal (her minute is attached). The Chief Whip has also let it be known that, because of the substantial Parliamentary aspect to the inquiry, he would like to be consulted about the establishment of the inquiry. The Lord President could similarly claim an interest.

I think you have a choice between taking the matter to a meeting of OD, to which we would also have to invite the Chief Whip, and having an ad hoc meeting at which I think the following would be essential:

Home Secretary
Foreign Secretary
Defence Secretary
Attorney General
Chief Whip

To this list I think you would have to add the Lord Chancellor: he has a clear interest if you want to include a Judge among those conducting the inquiry, and in any case I think he would be distinctly put out if he was not consulted about a matter of this kind.

/ Do you

CONFIDENTIAL

Do you wish to go for OD or an ad hoc meeting?

Sir Robert Armstrong, in the more recent of his two minutes on this subject, offered to prepare and circulate a memorandum as a basis for discussion. Since we have now had contributions from a number of Ministers, I think that it would be helpful if Sir Robert Armstrong pulled together in a single paper the various ideas that have been floated. May I tell him to do so?

Yes please

mb

RAW

12 May 1982

CONFIDENTIAL



PRIME MINISTER

FALKLAND ISLANDS INQUIRY

I would like to support the proposal put forward by the Foreign and Commonwealth Secretary in his minute to you of 5 May, that there should be an inquiry by a small group of Privy Councillors.

I also agree that the review must be quick and effective, both for its own sake and in order to meet Parliamentary and public opinion. As the Foreign Secretary points out, to be effective the inquiry will need full access to papers; but equally, to satisfy public opinion, I think it may be necessary to say something at the outset about publication of a version of the inquiry's conclusions. Generally speaking it seems to me wiser - and in line with our policy - to take the initiative in being as forthcoming as is prudent.

I am copying this minute to other OD colleagues and to Sir Robert Armstrong.

Baroness Young

BARONESS YOUNG

11 May 1982

CONFIDENTIAL

FROM:

THE RT. HON. LORD HAILSHAM OF ST. MARYLEBONE, C.H., F.R.S., D.C.L.



HOUSE OF LORDS,
SW1A 0PW

C O N F I D E N T I A L

Prime Minister.

Prime Minister

*for
10.v.*

Falkland Islands Inquiry

I agree generally with the Foreign and Commonwealth Secretary's suggestions in his minute of 5th May about the possible form of an inquiry into the way Government Departments discharged their responsibilities in the period leading up to the invasion of the Falklands. In particular, I am sure he is right to reject the possibility of a Tribunal of Inquiry under the 1921 Act.

I have considerable reservations about the suggestion that the proposed team of three Privy Counsellors might include a Judge. I appreciate the advantage of judicial independence and impartiality, but any inquiry such as is proposed is bound to be politically very sensitive and I can foresee considerable embarrassment if a Judge took part. I do not think their training suitable for this inquiry. If, however, our colleagues think it essential that the team of Privy Counsellors should include someone with judicial experience, we might perhaps consider a senior retired Judge, e.g. Lord Wilberforce, but the field is limited as the inquiry is limited to Privy Counsellors.

Copies of this minute go to the members of OD and Sir Robert Armstrong.

H: of S: M

10th May, 1982

C O N F I D E N T I A L

10 MAY 1982



[Faint, illegible text, likely bleed-through from the reverse side of the page.]



MO 5/21

2 M's
Prime Minister.

ALL

10.v.

PRIME MINISTERFALKLAND ISLANDS INQUIRY

I should be very glad to join in a discussion of the Foreign and Commonwealth Secretary's minute of 5th May.

2. In general I support his proposals. In particular I think he is right to reject the notion of a Tribunal of Inquiry and to point out the difficulties which the Defence Committee and the Foreign Affairs Committee would have, despite their speed off the mark, in conducting an investigation which must necessarily involve sensitive intelligence matters if it is to carry conviction. I would be happy to have a word myself to Sir Timothy Kitson at the appropriate time, towards the establishment of an inquiry by three Privy Councillors. I agree that Lord Carr and Lord Cledwyn would seem eminently suitable. The third member might with advantage be someone with substantial experience of handling intelligence material; one possibility would be Lord Trend.

3. I am copying this minute to our colleagues on OD and to Sir Robert Armstrong.

Ministry of Defence
10th May 1982

* now plus minutes from the Lord Chancellor and the Defence Secretary which arrived today.

JWJ
10x.

CONFIDENTIAL

Prime Minister

Did you discuss this with Lord Carrington on Saturday?
If so, how do you wish to proceed now?
The previous papers are JWJ in the attached folder. 10.V.P.L.

MR. WHITMORE

I sent you a minute (A08122) on 15th April about the form, composition and terms of reference of an inquiry on the way in which Government Departments discharged their responsibilities in the period leading up to the Argentine invasion of the Falkland Islands.

2. Since then the Prime Minister has received minutes on the same subject from the Attorney General (30th April) and the Foreign and Commonwealth Secretary (PM/82/33 of 5th May).

3. There seems to be general agreement on the form of the inquiry: that it should be a Committee of Privy Counsellors, of whom two would be senior former Ministers, one Conservative and one Labour. The Conservative possibilities mentioned are Lord Carr and Lord Jellicoe; the Labour possibilities mentioned are Lord Cledwyn of Penrhos (a.k.a. Cledwyn Hughes), Lord Shackleton and Lord Shepherd (I assume that Mr. Heath and Mr. Callaghan are not starters). I wondered about Sir Derek Walker-Smith and Mr. Sam Silkin; but neither was ever close to intelligence affairs, and, if the Chairman was a judge, they would give the Committee a strong legal bias. The Foreign and Commonwealth Secretary and I suggest a Committee of three members (two members in addition to the Chairman); the Attorney General suggests that it should have five members (four in addition to the Chairman), to include a senior retired civil servant with no FCO connection and a politically independent Privy Counsellor. So far as I am aware the only senior retired civil servant with no FCO connection who is a Privy Counsellor is Lord Trend.^{*} Would some people criticise the choice of the man who conducted the review of the Hollis investigation? There are not a great many politically independent Privy Counsellors other than Lords of Appeal in ordinary and Lords Justices of Appeal; names that occur to me are Lord Charteris of Amisfield, Lord O'Brien of Lothbury and Mr. Gordon Richardson.

4. I still favour a chairman plus two members.

except for Lord Franks;
but he is 77 years old. -1-

CONFIDENTIAL

5. As to the chairman, I do not think that it could be Lord Trend, so that we seem to come back to a judge - the Attorney General suggests Lord Justice Griffiths, the latest appointment to the Security Commission - or an academic: I suggested a number of names in my earlier minute. If it is to be a judge, the Lord Chancellor will need to be consulted.

6. The Attorney General suggests (paragraph 2) detailed and inquisitorial terms of reference, of a kind which would be suitable for a Tribunal of Inquiry, and a procedure which would resemble that of a Tribunal and involve the employment of Counsel and legal representation. With respect I wonder whether this is necessary or right. The Foreign and Commonwealth Secretary suggests that the inquiry will need to be "quick and thorough": it will certainly not be quick if the Attorney General's procedure is adopted. That procedure, and the terms of reference proposed by the Attorney General, would be appropriate if the inquiry was investigating possible failures or lapses of individuals. This one will surely be primarily concerned with failures of institutions and systems. It seems to me that it would be more appropriate to have brief terms of reference, sufficiently general to cover the detailed matters specified by the Attorney General but not to limit the Inquiry as those might be held to do. I would suggest that it should have a civil servant, from one of the Departments not involved, as its Secretary; and I believe that it could be usefully assisted by Mr. D.R. Nicoll, who has already completed a thorough investigation of the role of the intelligence community, including the Joint Intelligence Committee, into the affair (I shall be submitting this to you shortly). I suggest that witnesses should not have the option of being legally represented.

7. The evidence, both written and oral, will need to be taken in private. With respect, I question whether the Attorney General is right in thinking that the report should not be published. I doubt whether it will carry conviction to publish the conclusions only. I believe that the Committee will have to be asked to prepare a report in a form which can be published. They will have also to be asked not to disclose information whose publication would be detrimental to security or to international relations. This implies that, if the Inquiry leads to any conclusions or recommendations which could not be sensibly published without

CONFIDENTIAL

that disclosure, those conclusions and recommendations will have to be submitted in a confidential and unpublished annex.

8. The Foreign and Commonwealth Secretary suggests that this subject should be considered with one or two colleagues. The colleagues concerned could well be the members of OD(SA) and the Attorney General, and this could be the subject of a memorandum for OD(SA). If the Prime Minister would like me to do so, I should be ready to prepare and circulate a memorandum as a basis for discussion; in this way she need not be committed by the suggestions I make, though I should welcome some indication whether she thought that I was thinking on the right lines.

RTA

Robert Armstrong

* I think that you would need to have President
and the Chief Ship too.
JRA.

7th May 1982

CONFIDENTIAL



CONFIDENTIAL

Prime Minister

May we now set up a meeting

Peter Templeton
Richard Lunn

PM/82/33

PRIME MINISTER

hold shop

weir don't think
matter. I will see
what John says

- with :-
- Home Secretary
- Foreign Secretary
- Defence Secretary
- Lord Chancellor
- Attorney General
- Chief Whip?

Falkland Islands: Inquiry

Do you want his Lord Chancellor
to be there? I suppose he should be if
we want to use a judge.

John
5.11.82

1. You have told Parliament that you accept that there should be a review of the way in which the Government Departments concerned discharged their responsibilities in the period leading up to the Argentine invasion of the Falklands. You have promised to consult the Leader of the Opposition and to make a statement in due course. You will wish to consider with one or two of our colleagues and with Sir Robert Armstrong what form such a review should take. I believe that we should have an early discussion.
2. The review will need to be quick and thorough and it must carry conviction. It should cover the performance of all the relevant departments and agencies of government. In examining the origins of, and the events leading up to, the invasion of the Falklands, and in assessing the government's reactions to these events, it will be essential for the inquiry to have full access to all the relevant documents. And it will have to be able to examine carefully and in detail all the available intelligence. The review will clearly need to look back as far as the Shackleton incident and the withdrawal of Ambassadors in 1976, but the terms of reference should not exclude putting recent events in the perspective of the ten years of negotiation before that.
3. These requirements tend in themselves to dictate the composition of the team we choose to undertake the task. I do not think that a Tribunal of Inquiry would be appropriate. It would be too cumbersome, slow and expensive: and there would be additional problems because Tribunals of Inquiry have to take evidence in public unless they find that this is against the public interest (which would certainly be the case as regards

/intelligence

CONFIDENTIAL



intelligence matters). Nor do I think that a statutory inquiry would be relevant in the present context. Consequently, I would favour an ad hoc enquiry of some kind. I doubt if the task can be left to one person, however eminent or wise, and suggest that three people should be nominated to conduct it. They should, I think, all be Privy Councillors and the names of Robert Carr and Cledwyn Hughes come to mind. There could be advantage as well in drawing upon wider sources of expert and impartial judgement, either from amongst the judiciary or from an experienced former civil servant.

4. Whatever we decide, however, it is important that we should be able to make an early public response to the calls for an inquiry that have already been made, in Parliament and elsewhere. I also believe that the two Select Committees would be relieved if the House were soon to decide to appoint a special body to report on the whole subject - not least because they themselves must understand that they cannot adequately investigate something which necessarily involves sensitive intelligence matters.

5. I hope therefore that we will be able to take an early decision in principle on this question, and thereafter to obtain the agreement of the Opposition parties through the usual channels. At the same time John Nott and I could speak to Tim Kitson and Tony Kershaw. Thereafter, although the work of the inquiry clearly need not begin in earnest until the present crisis is over, we should be in a position to make a statement in the House as soon as is practicable.

6. I am copying this to the members of OD and to Sir Robert Armstrong.

(FRANCIS PYM)

5 May 1982

Foreign and Commonwealth Office



01-405 7641 Extn

30. IV. 82.

Dear Prime

SECRET
MFI

ROYAL COURTS OF JUSTICE

Prime Minister. LONDON, WC2A 2LL

This is a very helpful paper. You should, however, have in mind that you have just appointed Lord Justice Griffiths to be a member (and alternate chairman) of the Security Commission (although we have not announced this).

AKL

I enclose my paper on 30. IV.

the form of the enquiry. It is longer than I would have liked

but the problems are not simple!

I have discussed it with my two Senior Officials (one for the PO and one for the Home Office) and they consider it the most lively runner.

The major problem which

restrict our options to the probably
high degree of sensitivity of
the material involved. I would
have liked to have been able
to advise a public hearing
for as much as possible but
I suspect unknowns will
have to refer back to
Secret material to justify
their answers and this will
lead to endless speculation
and misinformed comment.

I hope you manage to
have some rest and vacation
time to see "Character of Fire"

Yours etc. Michael.



PRIME MINISTER

OBJECTIVE

To set up a form of enquiry which will satisfy the public that there is no cover up on mistakes made in the past and that any defects that still exist in communications and access to information by Ministers are identified and eliminated. This will require the terms of reference to permit the review of "treatment" of information about the intentions of the Argentine Government towards the Falkland Islands as far back as may be relevant (the brinkmanship theory).

This objective points to terms of reference on the following lines: "to consider the arrangements that were in operation, in the period leading up to the Argentine invasion of the Falkland Islands, for the collection and evaluation of information concerning Argentine intentions and for communicating that information to those responsible for the relevant decisions of policy; and to consider whether there were any defects in those arrangements or any errors or misconduct in their implementation and whether there were any defects of procedure or errors of judgment or other misconduct in the taking of the relevant policy decisions.

Before considering the appropriate form of enquiry I think it essential to look ahead to the time when the enquiry has reached its conclusion and a report has to be prepared. I cannot see that it would be right for that report, and the evidence on which it is based to be published. Much of the evidence will be classified and



it would not be in the public interest to reveal the extent of the information available to the Government about these events or the way in which such information is obtained. If this is right, the most that can be promised is that the conclusions reached by the Tribunal will be made public. It will not be possible for the enquiry as a whole to be conducted in public and it would provide a distorted picture of events to have public hearings on those occasions - which would, in any event, occupy a relatively small part of the Tribunal's activities - when there was a witness whose evidence was not sensitive. In these circumstances, the Tribunal must be such that its conclusions will command respect even though it is unable to justify them to the public by reference to the evidence.

FORM OF TRIBUNAL

I would therefore suggest a Committee of Privy Councillors presided over by a Judge. I would favour a Lord Justice of Appeal (all of whom are Privy Councillors). I believe there would be an advantage in not choosing a Law Lord - Diplock would be unsuitable because of his special responsibilities and his wish to give up this sort of work. The Law Lords have recently, collectively, been associated with some unpopular decisions and I see presentational advantages in having a chairman who carries the respect of a senior Judge but is virtually unknown to the general public. My choice would be Lord Justice Griffiths. He is 59 years old, won an M.C. in the war and was a Cambridge cricket Blue. He is a strong but courteous Judge and highly intelligent. He has previous experience of presiding

/over



over a Tribunal of Inquiry (Ronan Point). He would be able to control the "Tribunal" without being aggressive or discourteous.

I would advise that the "Tribunal" should consist of four members in addition to the Chairman. One to be nominated by the Prime Minister, one by the Opposition, and the remaining two, selected by agreement, if possible made up of a senior retired civil servant (not of course, having any FCO connection) and a politically independent Privy Councillor or, if suitable, an ex-trade union Privy Councillor. The ex-civil servant would be necessary to deal with the processes of the Civil Service and their responsibilities in keeping Ministers informed.

PROCEDURE

It will be necessary for the "Tribunal" to have its own Counsel who will sift the evidence to exclude irrelevant material and avoid overloading the Tribunal and will examine the witnesses.

There is an argument that the Attorney-General, a Privy Councillor, should undertake this task but I feel that there might be allegations that my links with the Ministers involved would make it difficult for me to present the case impartially. This is nonsense of course, but since, as I have explained, the Tribunal would not sit in public, I should not have the opportunity (contrast the Lynskey Tribunal) to demonstrate publicly the independence of my approach to my duties. Accordingly, you may think that it would be wiser instead to arrange for the Tribunal to have the assistance of a suitable Silk who has been positively vetted.

/POSITION



POSITION OF INDIVIDUALS

There is no question of this Tribunal finding anybody guilty of a criminal offence. Nor, since it will not sit in public and will not disclose the evidence it has received, need we bother about the risk of defamatory statements being published. Given that the witnesses will all be either Ministers (or ex-Ministers) or civil servants, there will therefore be no need for it to have a power to compel witnesses and no need for protection against civil actions arising out of its proceedings. Accordingly, there is no need to invoke the powers of the Tribunals of Inquiry (Evidence) Act 1921. The Tribunal may, however, conclude that a particular Minister or civil servant was guilty of a lack of judgment or of a failure to give or accept proper advice or otherwise failed in his duty and this could be very damaging to the person concerned. I think that we must therefore be prepared to allow any person who seems to the Tribunal to be at risk of such a finding to be legally represented, if he so wishes, at public expense.

ALTERNATIVES

1. 1921 ACT TRIBUNAL

Although I have drawn many of my proposals from this precedent, I have sought to avoid the major drawbacks involved in the full-scale type of Tribunal. ("The blunderbuss enquiry"). Such a Tribunal is also not equipped to deal with how the Civil Service operates and how Ministers rely upon advice. It is also unsuitable to deal with what may be a considerable amount of sensitive evidence.

2. A SELECT COMMITTEE

This must be rejected at once on the ground of the sensitivity of the evidence. The "Tribunal" must have access to all relevant material however sensitive.



GCHQ and M.I.6 may have to give detailed accounts of the information which they furnished and its reliability or otherwise.

M.H.
—

CONQUEROR

LAW OFFICERS' DEPARTMENT

30 April, 1982

Prime Minister.

Ref. A08122

MR WHITMORE

We shall have to decide how - when to consult - the appropriate party. It would probably be best to have some proposals drafted.

Agree to discuss this with Mr Whitmore, Mr Pyon and Mr NGH? As soon as next week? Or would you prefer to delay a while? My intention is to postpone a decision for a couple of weeks.

I have been giving some thought to the form, composition and terms of reference of the inquiry which the Prime Minister has agreed to set up into the way in which Government Departments discharged their responsibilities in the period leading up to the Argentine invasion of the Falkland Islands.

2. It seems to me that we should have the following requirements in mind:

Why?

- (1) if pressures for investigations by Select Committees are to be avoided, there will need to be a political component in the inquiry;
- (2) as the conduct of Ministers as well as civil servants is at issue, the inquiry should include someone who is neither a politician or a civil servant;
- (3) those conducting the inquiry should be sensitive to the problems of dealing with the intelligence material and assessments involved.

3. These considerations point to a Committee consisting of two senior Privy Counsellors, one Conservative and one Labour, under an independent chairman, who might be a judge or an academic.

I fear this would lead to 'political' findings.

4. If the Privy Counsellors should come from the House of Commons, there are two former Prime Ministers to bear in mind: Mr Heath and Mr Callaghan. Nobody would suppose that in appointing Mr Heath the Prime Minister would be doing herself a favour. Mr Heath was Prime Minister when the 1971 agreement with Argentina was concluded; Mr Callaghan was involved in the events of November and December 1977. Both men were familiar with intelligence matters.

Don't Callaghan has already publicly criticised us over the Falkland position

5. If Privy Counsellors in the House of Lords can be chosen, there are suitable candidates in Lord Carr and Lord Shackleton, both of whom have had relevant Ministerial experience. Lord Shackleton has personal links with the Falkland Islands and Antarctica. Other possibilities include Lord Jellicoe and Lord Shepherd; but neither was close to intelligence matters.

6. If the Prime Minister wanted to go for a judge as chairman, it would be necessary to consult the Lord Chancellor. If there were a suitable Lord of Appeal or Lord Justice, he would be a Privy Counsellor, and we should have a Committee of Privy Counsellors. I doubt whether Lord Diplock would want to take it on. Lord Bridge is a possibility; but I suppose that we may have to ask the Security Commission to review *Passage deleted and retained under Section 3(4).* *AWayland. 17 May 2012* and Lord Bridge would have to chair that review. If the Prime Minister would like me to pursue other possibilities, I will talk to the Lord Chancellor.

7. But I am inclined to think that an academic might be more suitable than a judge for this inquiry, if we could find the right one. Possible names that occur to me here are Lord Dacre of Glanton (alias Hugh Trevor-Roper), now Master of Peterhouse, and Professor Michael Howard, both of whom are familiar with intelligence matters. Either would do a thorough job; Michael Howard would be less liable to be idiosyncratic than Lord Dacre. Michael McCrum, the Master of Corpus Christi College, Cambridge, though an ancient historian by discipline, is a man of good judgement and considerable authority. Lord Blake, the Provost of The Queen's College, would do it excellently, but is perhaps too closely associated with the Conservative Party. Other possibilities are Professor Hedley Bull (an Australian by birth), Professor of International Relations at Oxford, who has had experience of working in the Foreign and Commonwealth Office, and Professor S E Finer, Professor of Government and Administration at Oxford; either would do a thorough and sensible job, though Professor Finer has not (so far as I know) any familiarity with intelligence matters.

8. None of these is a Privy Counsellor; but any of them could be appointed a Privy Counsellor, if it were thought desirable that the inquiry should be constituted entirely of Privy Counsellors. Lord Trend is a Privy Counsellor, and head of an Oxford college; but he is now 68, and I doubt whether it would be right to have a former civil servant as the chairman of this inquiry (though as Lord Allen has shown on the Crown Agents Tribunal former poachers can be the fiercest of gamekeepers).

do you
want a
judge to
chair the
inquiry?
If you do,
what about
Roskill?
AWL
16/5



9. As to terms of reference, I do not believe that we are likely to do better than the words which the Prime Minister used in her answer to Mr Grimond:

To inquire into the way in which the Government Departments concerned discharged their responsibilities in the period leading up to the Argentine invasion of the Falkland Islands; and to report.

10. The Prime Minister may like to discuss this with the Home Secretary, the Foreign and Commonwealth Secretary and the Secretary of State for Defence; and (if she has a judge in mind) with the Lord Chancellor.

RA

ROBERT ARMSTRONG

CONQUEROR

15th April 1982

