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From the Principal Private Secretary

24 May 1982

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Den John,

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.

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FCONFIDENTIAL 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 unweildy. 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). Turs m, Khoi Lahinna. John Halliday Esq., Home Office. CONFIDENTIAL