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From the Principal Private Secretary

25 June 1982

Den 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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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. 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 mid 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.

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 split on party lines. Further, She would have to find a Conservative a member who was a Minister. She would have to find a Conservative examember who was a Minister. She would have to find a Conservative examember 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 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).

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John Halliday Esq., Home Office.