SUBSTATION OF THE PAYENTS

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From the Principal Private Secretary

30 June 1982

Den 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