

SUBJECT



10 DOWNING STREET

cc: LCO  
FCO  
MOD  
LPO  
LPS  
CDL  
LOD  
CWO  
CO

*at home*

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.