SUBJECT



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10 DOWNING STREET

From the Principal Private Secretary

5 July 1982

De 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.

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- 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).

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