



SECRET

Prime Minister

18B

W
2/60MR. COLES

Before the Prime Minister appears before the Falkland Islands Review Committee on 25th October, she may like to have an idea of the lines which the questioning has taken in the two sessions at which I have given evidence.

2. I went on 11th October with the Intelligence Co-ordinator, the Chairman of the JIC, the Head of the Assessments Staff and the relevant Desk Officer from the Assessments Staff to give evidence on the intelligence aspects of the matter. We now have the verbatim record of the discussion and I attach a copy of it.

3. In the intelligence area, they fastened on the gap between the assessment produced in July 1981 and that produced in March 1982. The members of the Committee seemed inclined to think that, if an up-to-date assessment had been produced in the first two months of 1982, or perhaps even early in March, the Ministers in the Departments concerned might have been alerted to straws in the wind - what Lord Franks called "the murmur in the undergrowth" - which suggested that this time might be different from previous times. Captain Tod, the Desk Officer concerned, was able to explain that the need for a new assessment had been constantly under consideration throughout that period - at least once a fortnight. The conclusion had always been that, though some elements in the background had changed, the conclusion had not. They started actively to prepare a new assessment after the New York talks on 26th-27th February 1982, with a view to circulating it before the OD meeting then expected to take place on 16th March. When that meeting was postponed, they continued to work on the assessment but did not circulate it, because they wanted it to be up-to-date when it was circulated in time for the postponed meeting.

4. To get the sense of the Committee's questioning, the Prime Minister may like to read through pages 3 to 17 of the transcript, and from page 27, where Lord Franks sets out his position, to page 46.



SECRET

5. I appeared again before the Committee on Tuesday, 19th October, accompanied by Mr. Facer and Mr. Colvin of the Defence and Oversea Secretariat, to answer questions primarily about the role of OD in the matter. The transcript of this session is not yet available.

6. The Committee, and particularly Lord Franks, fastened on to the fact that there was no OD discussion on the Falkland Islands between January 1981 and April 1982. He contrasted this with experience in at least one previous episode when there had been a series of meetings on the subject (in fact 1976 and 1977). He asked whether this was a matter of style of the Administration or what other explanation there might be.

7. I said that, when the present Administration took office, the Prime Minister and her colleagues had had the feeling that there were too many committees and they met too often: over-reliance on committees was felt to blur Ministerial responsibility and make for "consensus" decision-making. This did not mean that meetings were not held when they were needed; but they were held for the purpose of making specific decisions rather than for general reviews. I could have pointed out, though I did not do so, that OD Committee has met much more frequently under this Government than under either of its two predecessors (the Government's of Mr. Wilson and Mr. Callaghan). But the absence of an OD meeting on the Falkland Islands between January 1981 and April 1982 was not to be explained only or mainly by that. The Foreign and Commonwealth Secretary had, during that period, circulated a series of minutes to his colleagues in OD. For what might be called constitutional and political purposes a minute circulated in that way, to which the Prime Minister and other members of the Committee assented, was no less valid than a paper circulated and decisions taken at a meeting of the Committee. The fact was that throughout that period, though situations developed, there was no major change in Government policy in relation to the Falkland Islands and Argentina.

8. In relation to March 1982 the Committee was interested in two things: the fact that Lord Carrington apparently did not report the outcome of the New York talks to members of the Cabinet or OD until his minute of 24th March;



SECRET

and the fact that there was no OD meeting in the early part of March. We explained that, after Lord Carrington had said in his minute of 15th February that he expected to want a discussion in OD fairly early in March, we had provisionally scheduled a meeting of OD for 16th March. That meeting would have taken other business as well as the Falkland Islands. In the event neither of the other two items was ready by 16th March; and, when we asked the Foreign Office whether they wished to go ahead with the meeting on 16th March on Falkland Islands alone, we were told that the Foreign and Commonwealth Secretary would not be ready for a discussion by that date. His minute of 24th March, inviting his colleagues to agree the line he should take in a message to the Argentine Foreign Minister, and describing the contingency planning in hand, was technically a valid substitute for a meeting of the Committee, as a means of obtaining the assent of his colleagues, and none of them had registered an objection. But it constituted a significant shift of policy, since it was clear that, if the message to the Argentine Foreign Minister was (as it might well be) unacceptable, the Argentines might proceed to sanctions: for instance the withdrawal of air services to the Falkland Islands.

9. The Committee was interested in the fact that the Prime Minister had written on Buenos Aires telegram no. 60 of 3rd March 1982: "We must make contingency plans". They asked whether we knew what contingency plans the Prime Minister had in mind. I said that I did not know for sure, but I surmised that her thinking was related to the terms of the telegram which related to reports in the Argentine Press threatening the use of economic sanctions against the Falkland Islands and canvassing arguments for an invasion later in the year. The Committee seemed inclined to think that your suggestion, in your letter of 8th March in which you conveyed the Prime Minister's comment to the Foreign and Commonwealth Office and the Ministry of Defence, that there should be a report on contingency planning in the papers prepared for the forthcoming OD meeting, did not show a sufficient degree of urgency in response to the Prime Minister's comment. I pointed out that at the time you wrote (your letter of 8th March) you would have still been expecting a meeting of OD on 16th March: you were thus calling for a report within a week.

SECRET



SECRET

10. The Committee was clearly interested in the fact that the Foreign and Commonwealth Secretary did not circulate his minute until 24th March. We said that we thought that the minds of many people had been conditioned by the indications that the threatening noises being made were intended to "make the British sit up and take notice" and that if there were to be economic or military sanctions they were not to be expected until the second half of the year. The difference between an OD meeting just before or just after Easter did not seem to be particularly significant in that timescale.

11. The Committee asked about the decision to dispatch a SSN on 29th March, which was apparently taken by the Secretary of State for Defence without reference to Cabinet or OD. I reminded the Committee that the Prime Minister and the Foreign and Commonwealth Secretary were in Brussels on 29th and 30th March, and the Foreign and Commonwealth Secretary went to the Middle East directly thereafter. I thought it possible that the Secretary of State for Defence might have cleared his decision with the Prime Minister on the telephone.

12. The Committee also asked whether diplomatic steps could or should have been taken to make formally clear to the Argentine Government that military action by them would be met by a military response. I said that I thought that the Prime Minister's message of 31st March to President Reagan was a pretty clear indication that we should respond; President Reagan was known to be in touch with President Galtieri, but I did not of course know whether he had succeeded in conveying the sense of the Prime Minister's message to President Galtieri.

RA

Robert Armstrong

21st October 1982