

SUBJECT

SECRET



Argentine
ZLAA 7

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cc master

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

THE FRANKS REPORT : INTELLIGENCE CONCERNS

The Prime Minister discussed with you this morning your minute of 6 January (A083/0033) about amendments which the intelligence agencies felt it necessary to propose to the Franks Report before publication in the interests of national security.

The Prime Minister agreed that it was necessary to propose the amendments listed in the schedules to your minute in the interests of protecting and maintaining sources of intelligence and agreed that you should discuss them on this basis with Lord Franks. The Prime Minister was concerned about the scope which the Report in its original form provides for detection of sources of intelligence, and you agreed that you would inquire from Lord Franks how many copies of the report had been circulated outside Government (e.g. to members of the Review Committee) and whether the holders of these copies should be warned of their sensitivity and perhaps asked to surrender them when the printed report was available.

F.R.B.

7 January 1983

SECRET

Argentina: Falklands Islands Revereis

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The National Archives

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Subject

✓ Most Secret

Points which emerged from a conversation with Lord Barber on 6.1.83.

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Argentinian Review

Aide Memoire of important points in the final chapter of the Franks Report

Paragraph 262:

This is a very significant paragraph, indicating that there was no information about the Argentine decision to invade the Falklands for the Intelligence or other agencies to pick up.

Paragraph 265:

In dealing with allegations that the Government was warned that an invasion in early April was likely, it is significant that all of those who gave evidence to the Committee, including the British Ambassador in Buenos Aires and other Embassy staff, stated categorically that they did not expect it.

Paragraph 270:

Note that all Governments since 1966 had been prepared to negotiate over sovereignty - compare particularly Dr. Owen's statement quoted in paragraph 60.

Paragraph 278:

Lists a series of "signals" to the Argentines of reducing British commitments in the South Atlantic - useful in dealing with criticisms of withdrawal of ENDURANCE. Note also the statement that successive Governments had accepted that the islands could not be defended against sudden invasion.

Paragraph 279:

A useful reference to occupation of Southern Thule as a "signal".

Paragraph 280:

References to previous Governments' decisions to continue arms sales and not to implement some of the recommendations of Lord Shackleton's 1976 Report also useful examples of "signals".

Paragraph 283:

Paragraph 283:

Brings out that the dilemma faced by the present Government had been shared by successive Governments.

Paragraph 287

Acknowledges Committee's recognition of limited value of ENDURANCE, also described as only "symbolic". Compare with paragraph 44 indicating that previous Governments had also announced decisions to withdraw ENDURANCE.

Paragraph 290:

Worth noting that, although the Committee say that "the Government were in a position of weakness", and that the effect of Lord Carrington's decision was to pass the initiative to the Argentine Government, they do not say that this was necessarily a bad thing. They record in the previous paragraph Lord Carrington's view that it was the best diplomatic tactic in the circumstances, a view which could be sustained.

Paragraph 291:

The statement that policy towards Argentina and the Falkland Islands was never formally discussed outside the Foreign and Commonwealth Office after January 1981 could be focus of criticism. One answer was that it was not worth having a discussion unless there were decisions to take; and what change of policy could have been decided on?

Paragraph 294:

A very useful paragraph giving three reasons in justifying FCO belief that Argentines would not move to confrontation so early. Compare with paragraphs 73/76 which support them in detail.

Paragraph 295:

Paragraph 295

Absence of military contingency planning more difficult to deal with than civil contingency planning in view of paragraph 113 indicating that there was some MOD anxiety about lack of detailed contingency plans, and that they were waiting for a meeting of OD - also the regret in paragraph 303 that the Prime Minister's inquiries about contingency planning did not receive a prompt response. Answer by reference to technical meaning of "contingency planning" in paragraph 109; also that it was wrong to regard such an exercise as dependent on an OD discussion; and acknowledgement by the Committee that it did not affect the outcome.

Paragraph 296:

References to FCO's "misjudgement" are all qualified by the introductory sentence that the view was one which could reasonably be taken in the light of all the circumstances at the time.

Paragraph 304:

NB: Reference to Argentina and Falklands being "in a relatively low category" for intelligence collection masks the fact that it was in the lowest category.

Paragraph 306:

An important category indicating that Ministers and officials were guided by the last intelligence assessment made, summarised in more detail in paragraphs 94 and 95. (Compare paragraph 316 - "we do not regard the view taken by those concerned of a need for a new assessment as unreasonable in the light of the information available to them at the time").

Paragraph 314:

Important paragraph for defending Ministers and senior officials since Committee says that, even with hindsight, it believed intelligence was accurate.

Paragraphs 326-328:

Important in disposing of the idea that the Government could have deterred invasion by despatching Task Force.

Paragraph 333:

President Reagan's reference to "Causus Belli" important since it was a stronger warning than the Prime Minister's statement that "Government could not acquiesce".

Paragraph 336:

Important statement that report cannot be selectively quoted.

ANNEX A

Paragraph 3:

Phrasing of the last sentence is important since it saves the Government from having to accuse either press or British Embassy of a falsehood.

Paragraph 5:

Last sentence very important since Mr. Callaghan was among those who gave evidence.

EARLIER PART OF THE REPORT

Paragraph 125:

Important that "confrontation" does not necessarily mean military confrontation.

Paragraph 131:

The intelligence report is important in rebutting criticisms of the Government discounting press reports - the Government had reason to think that they were inspired as part of the campaign.