

Ref: A083/0102

Prime Minister ✓ Sir A. Parsons

It may be convenient to have a word with Sir Robert Armstrong about these papers at the Business meeting tomorrow.

CONFIDENTIAL

The statement does not need to be settled now; but I have written two comments in the margin.

MR. SCHOLAR

The most immediate issue is the telegrams of instructions to Sir O. Wright, which you should approve by tomorrow, Friday.

The Franks' Report

What is believed to be the final proof is now attached

I attach a proof of the Franks' Report. [It is not a final proof and not absolutely correct; I hope therefore that the Prime Minister will not treat it as her working copy. We shall have a further proof by Friday, which I hope can be so treated.]

FERB 13.11

Amendments

2. All but one of the amendments to be made to the Report to protect intelligence interests have been agreed with Lord Franks.

Passage deleted and retained under Section 3(4).

Wayland
7 February 2013.

Statement in the House

3. I attach a draft for the Prime Minister's statement in the House of Commons. The draft has been agreed with the Foreign and Commonwealth Office and the Ministry of Defence and with the Agencies. Paragraph 5 has been discussed with Lord Franks, who has agreed the text of it. If we are to make any changes, particularly in the three sub-paragraphs, I should like to have an opportunity of agreeing them with Lord Franks. In the last sentence but one of paragraph 5 (the sentence before the sub-paragraphs) there is a reference to "minimising potential damage to British intelligence interests". 'C' would have preferred a reference to "national security", in order to reduce the extent to which this paragraph harps on "intelligence". I understand his concern, but I think the more specific reference of "British intelligence interests" is to be preferred: it is a more accurate description and, in my view, less likely to invite comment and probing questions than the vague "national security" which may be thought to cover a lot of other matters and thus may raise suspicions which are unjustified.

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4. Paragraph 7 of the draft statement does not refer to the Committee's proposal for a review of the machinery for preparing and dealing with intelligence assessments. To refer to it in this statement would be very much to highlight that aspect of the Report. We suggest that it should be regarded as in effect cover for the phrase "the machinery of government could have been better used" in the previous sentence. The question of the intelligence assessments machinery will of course need to be dealt with in the Prime Minister's speech in the ensuing debate, and drafting is well advanced on what might be said on that.

Prime Minister's Speech in the Debate

5. I attach a suggested outline for the Prime Minister's speech opening the debate on the Franks' Report. The outline has been agreed with the Foreign and Commonwealth Office, the Ministry of Defence and the Agencies. It is of course a draft for the Prime Minister's approval, and we shall need to consider where the work of putting the speech together is to be done. But in order not to lose time I have asked the Departments indicated to start work on the preparation of the material.

I suggest that the job of turning Departments' material into speech form should be done in No. 10.

Instructions to British Embassy in Washington

6. Sir Oliver Wright is being warned that the Franks' Report is expected to be published on 18th January, so that he can be ready to go into the State Department the previous day, as agreed. I attach drafts of the telegrams of instructions to be sent to him, covering both his instructions for his visit to the State Department and instructions for a parallel visit by the JIC representative to the intelligence community in Washington.

7. I am sending copies of this minute and the annexes to the Secretaries of State for Foreign and Commonwealth Affairs and for Defence.

RIA

Robert Armstrong

12th January 1983

CONFIDENTIAL

Falkland Islands Review Committee

Statement by the Prime Minister

With permission, Mr Speaker, I will make a statement about the report of the Falkland Islands Review Committee.

2. The House will remember that I announced the setting up of the review committee in July 1982, after consultation with the Rt Hon. Gentleman the Leader of the Opposition and leading Privy Counsellors in other parties. At that time I expressed the hope that the committee would be able to complete its work within six months.

3. The committee has justified that hope. I received its report on 31st December 1982, and ^{later} am presenting it to Parliament as a Command paper ^{later} this afternoon. ~~Copies of the report proceedings on this statement will be available in the Vote Office when I sit down.~~

4. ~~(When hon. Members see the report, they will, I know, share my view that it is a remarkable achievement for the committee to have digested the large amount of written material put at its disposal, and the oral evidence it received, and to have produced such a thorough and comprehensive report, in so short a time.)~~ I should like to express the Government's admiration and gratitude to the rt. hon. and noble Lord, Lord Franks, and to his rt. hon. colleagues for the amount of time and effort which they have devoted to making this achievement possible.

CONFIDENTIAL

5. The report makes it clear that the Committee was provided with all the papers relevant to its terms of reference, including a comprehensive and ^{independent} ~~for certain periods~~ ^{critical} ~~complete~~ collection of reports from the intelligence agencies. ^{The Committee's} ~~Its~~ report contains a considerable number of references to intelligence matters which would not in other circumstances be divulged. These references are essential for a full understanding of the matters into which the Committee was asked to inquire, and the Government has agreed that the public interest requires that on this unique occasion the normal rule against public references to the intelligence organisation or to material derived from intelligence reports should be waived. The Government has, however, agreed with the rt. hon and noble Lord, Lord Franks, amendments to certain of the references to intelligence reports with a view to minimising potential damage to British intelligence interests. Lord Franks has authorised me to tell the House that he agrees that:

- (1) all the references to intelligence reports included in the Committee's report as submitted have been retained in the report as presented to Parliament, most of them without amendment;
- (2) none of the amendments that have been made alters the sense, substance or emphasis of the reference to the intelligence report concerned, or removes anything of significance to the Committee's account of the matters referred to it or to its findings and conclusions;

(3) apart from those agreed amendments, no other deletions or amendments have been made to the Committee's report as submitted.

6. The report is unanimous and is signed by all the members of the Committee without qualification ~~or reservation~~. It falls into four chapters. ~~The first three are narrative.~~ The first ~~chapter~~ gives an account of the dispute from 1965 to May 1979. The second covers the period from May 1979 to 19th March 1982. The third deals with the fortnight from 19th March to 2nd April 1982 which included the South Georgia incident and led up to the Argentine invasion of the Falkland Islands. The fourth and final chapter deals with the way in which the Government discharged its responsibilities in the period leading up to the invasion. There are six annexes, ^{the first} ~~one~~ of which comments on a number of specific assertions made by people who have spoken or written on the matters in question.

7. [In the fourth chapter of the report the Committee notes a number of points where in their judgment different decisions might have been taken, fuller consideration of alternative courses of action might have been advantageous, and the machinery of Government could have been better used. ~~But this final~~ ^{The fourth} ~~chapter of the report is primarily addressed~~ ^{defensive} ~~to~~ ^{and} two crucial questions:

- (1) could the Government have foreseen the invasion of 2nd April 1982?
- (2) could the Government have prevented the invasion?

Omit, since this repeats the words used below in the quotation of para. 339 of the report - see para. 10 below.
is ok

8. The Committee ~~rightly~~ emphasises that its report should be read as a whole, ~~and the House now has an opportunity to do that.~~ At this stage, therefore, I will do no more than quote the words in which the Committee sums up its conclusions on these two crucial questions.

9. On the first question, whether the Government could have foreseen the invasion of 2nd April, the Committee's ~~conclusion~~ conclusion is as follows:

Para 266. " In the light of this evidence, we are satisfied that the Government did not have warning of the decision to invade. The evidence of the timing of the decision taken by the Junta shows that the Government not only did not, but could not, have had earlier warning. The invasion of the Falkland Islands on 2nd April could not have been foreseen."

10. On the second question, whether the Government could have prevented the invasion, the Committee's conclusion is as follows:

339. Against this background we have pointed out in this Chapter where different decisions might have been taken, where fuller consideration of alternative courses of action might, in our opinion, have been advantageous, and where the machinery of Government could have been better used. But, if the British Government had acted differently in the ways we have indicated, it is impossible to judge what the impact on the Argentine Government or the implications for the course of events might have been. There is no reasonable basis for any suggestion - which would be purely hypothetical - that the invasion would have been

prevented if the Government had acted in the ways indicated in our report. Taking account of these considerations, and of all the evidence we have received, we conclude that we would not be justified in attaching any criticism or blame to the present Government for the Argentine Junta's decision to commit its act of unprovoked aggression in the invasion of the Falkland Islands on 2nd April 1982.

11. Mr. Speaker, ⁽rt. hon. and hon. Members of the House will ^{with} want to read the report ^{in full} for themselves, and ~~study it with the same thoroughness with which it has been prepared.~~
 No doubt we shall then want to debate it: ^{time} I hope that a ~~day~~ can be found for ^a that debate ^{on 1st April} very soon: ^{we} that is a matter ^{will} which can be discussed through the usual channels. ⁽That debate will provide ^{us} me with an opportunity to deal more fully than is possible in this statement with the issues covered by the ^{committee's} report. ~~[and it will provide opportunities for the House to ask and the Government to answer the questions to which the report will no doubt give rise.]~~

omit?

Falkland Islands Review Committee

Outline of Prime Minister's Speech
opening the debate on the
Franks Report

- | | | |
|-------|---|---|
| I. | Origins of the Committee.
Decision to set up inquiry
Consultations on composition
and terms of reference
Announcement of setting up. | Cabinet Office |
| II. | Proceedings of the Committee.
Access to papers.
Numbers of meetings
Oral evidence
Treatment of Cabinet and
Cabinet Committee documents
Treatment of intelligence. | Mr Rawsthorne

Mr Rawsthorne
and Cabinet Office |
| III. | The Committee's report
Summary of report | Mr Rawsthorne |
| IV. | The Committee's comments on
Developments from 1965 to May 1979 | Cabinet Office |
| V. | The Committee's comments and suggestions
on the way in which the present
Government discharged its responsibilities,
and comments, thereon. | Cabinet Office,
with FCO and
Ministry of Defence
(based on Goodall
group) |
| VI. | The Committee's suggestions on the
intelligence organisation, and the
Government's response. | Cabinet Office
with FCO and
Ministry of Defence |
| VII. | The Committee's main conclusions:
Could the Government have known about
the invasion?
Could the Government have prevented
the invasion? | FCO
Ministry of Defence |
| VIII. | Conclusion | 10 Downing Street |

Draft telegram to Washington

For JICREP

From CO-ORDINATOR

FALKLAND ISLANDS REVIEW

The report of the Falkland Islands review committee will be published at 1600Z on 18 January after a short statement by the Prime Minister at 1530Z. Ambassador is being asked to outline ^{to} the Americans the previous afternoon a number of passages in the report which refer to the US and to exchanges between the British and US Governments. There are in addition three references to US intelligence - see MIFT.

2. Subject to the Ambassador's agreement you should arrange for these ^{to intelligence} references to be shown, on afternoon of 17 January, to CIA, INR and DIA.

*Passage deleted and retained under Section 3(4).
Wayland, 7 February 2013*

3. In addition to these references - which are entirely innocuous - the report contains a large number of references to information obtained through secret intelligence. You may assure the CIA that none of the secret intelligence referred to in the report, whether identified as such or not, is based on CIA material. GCHQ representatives in Washington will be speaking to NSA about those passages in the report which are based on SIGINT.

4. In taking action as in paragraph 2 above you and your colleagues should explain that secret intelligence formed such an integral element in the events which the committee were asked to investigate that Lord Franks and his colleagues found it impossible to write the report without referring to intelligence reporting. Wherever possible they drafted the references in such a way as to limit to the greatest possible extent the damage that might be caused to our intelligence collection capability; but ~~it may be necessary~~ ^{may} ~~for~~ the Prime Minister ~~to~~ explain either in her statement on 18 January or during the later debate that this procedure of open reference to the substance of intelligence was agreed to meet the wholly exceptional circumstances and will not be treated as a precedent.

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Draft telegram to Washington

For JICREP

From CO-ORDINATOR

MIPT. Following are the three passages in the report.

A. Paragraph 264. 'It may be thought that, although the Government could not have had earlier warning of the invasion, they must have had fuller and more significant information of Argentine military movements. The fact is that there was no coverage of these movements and no evidence available to Government from satellite photographs.'

B. Paragraph 313. 'There was no coverage of Argentine military movements within Argentina, and no advance information was therefore available by these means about the composition and assembly of the Argentine naval force that eventually invaded the Falklands. There was no intelligence from American sources or otherwise to show that the force at sea before the invasion was intended other than for normal naval exercises. No satellite photography was available on the disposition of the Argentine forces.'

C. Annex A (an Annex dealing with false assertions that have been made).

II. 'Assertion: Clear warnings of the invasion from American intelligence sources were circulating more than a week beforehand.

Comment: No intelligence about the invasion was received from American sources, before it took place, by satellite or otherwise.'

OUT TELEGRAM

	Classification and Caveats CONFIDENTIAL DEYOU	Precedence/Deskby IMMEDIATE 171300Z
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ZCZC 1 ZCZC
 GRS 2 GRS
 CLASS 3 CONFIDENTIAL
 CAVEATS 4 DEYOU
 DESKBY 5 171300Z<<< DESKBY 171300Z
 FM FCO 6 FM FCO
 PRE/ADD 7 TO IMMEDIATE WASHINGTON
 TEL NO 8 TELEGRAM NUMBER

9
 10 FROM PUS
 11 MY TELNO : FALKLAND ISLANDS: FRANKS REPORT
 12 1. MIFT gives a summary of those parts of the Franks
 13 Report which refer to the US Government. The Report will be
 14 published at 1600Z on 18 January, ^{immediately after} when the Prime Minister has
 15 ~~will~~ made a statement in the House. A full debate on the
 16 Report is expected to take place before the end of January.
 17 2. You should now inform the State Department at the highest
 18 appropriate level of the timing of the Report's publication
 19 and of the references in it detailed in MIFT. You should
 20 emphasise that this advance warning is being given in strict
 21 confidence and that the Government attach the greatest
 22 importance to the contents of the Report remaining confidential
 23 before publication. You may also say that the Report as a
 24 whole, in describing and commenting on the actions of both
 25 the British and US Governments, has set out to be as full

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File number	Dept PUS's	Distribution Minimal PS/PUS Sir R Armstrong, Cabinet Office
Drafted by (Block capitals) M H JAY		
Telephone number 233 5501		
Authorised for despatch		
Comcen reference	Time of despatch	

OUT TELEGRAM (CONT)

Classification and Caveats

CONFIDENTIAL DEYOU

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 2 and frank as possible, so that the facts should be clear.
 3 ~~While~~ We appreciate that this may perhaps cause some difficulties
 4 for the Americans, ^{but} we hope that they will understand why it
 5 has been done. You may tell them that, if asked about the
 6 details of US involvement, the Government intend to take the
 7 line that these are matters for the Americans to comment on
 8 but that we remain deeply grateful to the US Government both
 9 for Mr Haig's efforts ^{at mediation} and for the invaluable support and
 10 assistance given to Britain ^{after Mr Haig's efforts had failed,} during the crisis.
 11 3. Please report State Department reactions by immediate
 12 telegram.

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OUT TELEGRAM

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ZCZC	1	ZCZC
GRS	2	GRS
CLASS	3	CONFIDENTIAL
CAVEATS	4	DEYOU
DESKBY	5	DESKBY 171300Z
FM FCO	6	FM FCO
PRE/ADD	7	TO IMMEDIATE WASHINGTON
TEL NO	8	TELEGRAM NUMBER
	9	FROM PUS
	10	MIPT: FALKLAND ISLANDS: FRANKS REPORT
	11	1. Following is outline of main references in the Franks
	12	report to US involvement (numbers refer to paragraph numbers
	13	in the report):
	14	120: Factual account of improving US/Argentine relations
	15	in 1981.
	16	129/ 129 Argentine press allegations in early 1982 that US
	17	139: Government would support Argentine military action
	18	and might perhaps be offered naval facilities in the
	19	Islands.
	20	142-4: Account of Mr Luce's briefing of Mr Enders on 1 March;
	21	attempts to brief him further before he visited Buenos
///	22	Aires; the visit itself; and Mr Enders' account of it
//	23	to Mr Luce.
/	24	157: Details of Lord Carrington's message of 8 March to
	25	Mr Haig and Mr Haig's reply.

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File number	Dept PUS's	Distribution Minimal PS/PUS Sir R Armstrong, Cabinet Office
Drafted by (Block capitals) M H JAY		
Telephone number 233 5501		
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OUT TELEGRAM (CONT)

Classification and Caveats		Page
CONFIDENTIAL DEYOU		2
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4	197: Briefing of the US Charge in London about the Davidoff	
5	landing.	
6	211: Details of Lord Carrington's message of 28 March to	
7	Mr Haig.	
8	216: Sir N Henderson's discussion on 29 March with	
9	Mr Stoessel.	
10	222: Lord Carrington's summoning of the US Charge on	
11	30 March.	
12	227: Account by the US Ambassador in Buenos Aires of	
13	Costa Mendez's rejection (on 30 March) of the US	
14	Government's offer of good offices.	
15	231: Report to the British Naval Attache in Buenos Aires	
16	by the US Naval Attache (31 March) that the Argentine	
17	fleet was at sea, unexpectedly.	
18	235: Details of the Prime Minister's message of 31 March	
19	to President Reagan.	
20		
21	* ~~~~~ *	
22		
23	243: Details of Mr Haig's message of 1 April to Lord	
24	Carrington and of President Reagan's to the Prime	
25	Minister.	
26	248: Account of the US Ambassador in Buenos Aires' meetings	
27	on 1 April with both Costa Mendez and Galtieri and of	
28	the State Department's decision, in the light of the	
29	Ambassador's conclusion that the Argentines would	
30	carry out the invasion, to ask President Reagan to	
31	intervene.	
32	252: Account of Mr Haig's and President Reagan's attempts	
33	to speak to the Argentine leaders on 1/2 April.	
34	254/5: President Reagan's telephone call to the Prime	
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* ~ * Passages deleted and retained under Section 3(4). (Wayland, 7 February 2013.)

OUT TELEGRAM (CONT)

	Classification and Caveats CONFIDENTIAL DEYOU	Page 3
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 2 Minister on 2 April, informing her of his discussion
 3 with Galtieri; and the Americans' subsequent account
 4 of it.
 5 276: Refers again to improved US/Argentine relations in
 6 1981 and suggests that Argentines may have believed
 7 the US Government were sympathetic to their claim
 8 to the Falklands.
 9 2. All these references, except the last, occur in the
 10 narrative part of the Report. Most should cause no
 11 difficulty for the US Government, as they relate facts which
 12 are already widely known, although some give details of
 13 previously confidential messages and conversations. There are,
 14 however, some potentially awkward passages which are related
 15 below:
 16 144: Reporting on Mr Enders' visit to Buenos Aires in
 17 March, the British Ambassador said that "his
 18 information from the American Embassy was that
 19 Mr Enders had not taken the opportunity specifically
 20 to advise the Argentines to keep the temperature
 21 down". The paragraph goes on to record that Mr Enders
 22 did subsequently ask that Mr Luce be informed of his
 23 discussion with Costa Mendez on the dispute.

*Passage deleted and retained under
 Section 3(4).*

*Wayland
 7 February 2013.*

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 32 216: This paragraph describes Mr Stoessel's relaying
 33 (29 March) of Mr Haig's concern that there should be
 34 restraint on both sides and his insistence that the

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OUT TELEGRAM (CONT)

Classification and Caveats

CONFIDENTIAL DEYOU

Page

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2 US would not take sides: Sir N Henderson's reply
 3 that the Americans could surely not remain neutral
 4 when British territory had been occupied illegally:
 5 and Mr Stoessel's assurance that while the US
 6 remained neutral on the underlying dispute, they would
 7 use their good offices to solve the immediate South
 8 Georgia problem.

9 222: On 30 March Lord Carrington["] summoned the US Charge
 10 to express his displeasure at the message from Mr Haig
 11 "... which had put the British position on the same
 12 footing as Argentina's."

*Passage deleted and retained under Section 3(x).
 @Wayland, 7 February 2013*

17 276: Following a section on improved US/Argentine relations
 18 in 1981, mentioning Galtieri's two visits to the
 19 US, the Report says "it seems likely that the
 20 Argentine Government came to believe that the US
 21 Government were sympathetic to their claim to the
 22 Falkland Islands and, while not supporting forcible
 23 action in furtherance of it, would not actively oppose
 24 it. When initially asked to intervene, the US did
 25 adopt an "even-handed" approach, while using their
 26 good offices to attempt to find a solution."

28 PYM

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NNNN ends
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Catchword



10 DOWNING STREET

Franks Report Distribution

Prime Minister

FERB

AJc

SFS Defence

PUS Defence

Foreign Sec

PUS FCO

RTA

Colvin (Cab Office)

Deputy Secretary to Cabinet

Lord Carrington

- Spare photocopy with Duty Clerk
- Top copy with Duty Clerk.
- Sir A Parsons