

Willis

PRIME MINISTER

Franks

I attach:-

- (a) a draft opening speech
- (b) a passage suggested by Mr. Heseltine for the wind up speech (alternatively, it could be a conclusion to your opening speech if you decide that you want a combative ending - but it will raise the temperature considerably).
- (c) notes for supplementaries (you have seen most of these before, but not the last paper on arms sales - you may want these put into a more helpful form. If so, perhaps you could let me know on Monday.)

Swy  
Didn't see Ice  
Heseltine para  
unfortunate!  
R.

A. J. COLES

21 January, 1983.

Willis

PRIME MINISTER

Franks

I attach:-

- (a) a draft opening speech
- (b) a passage suggested by Mr. Heseltine for the wind up speech (alternatively, it could be a conclusion to your opening speech if you decide that you want a combative ending - but it will raise the temperature considerably).
- (c) notes for supplementaries (you have seen most of these before, but not the last paper on arms sales - you may want these put into a more helpful form. If so, perhaps you could let me know on Monday.)

A. H. COLES

21 January, 1983.

## Ure - Contingency plans

Mr Ure recommended that in the event of the rejection of his recommendation for a public education campaign, consideration should be given to preparing fuller contingency plans for the defence and development of the Islands (paragraph 90).

Civil and military contingency planning was already in hand when Mr Ure made his report/ <sup>in June 1981</sup> These plans were developed as annexes to the proposed paper for the Defence Committee by September 1981: and civil contingency plans were expanded thereafter. The Islands' future development would have depended crucially on their communications with the outside world. It was inherent in the Government's consideration of the situation that if the Argentines were to withdraw services and to isolate the Islands from the mainland, the Islands' economic position would become very difficult.

Warning of Ambassador of B.A.,  
June 81

A2

In June 1981 HM Ambassador in Buenos Aires warned the Foreign and Commonwealth Office that the Argentine attitude could be more threatening by the end of 1981 (paragraph 91). What was done about this warning?

There was a full appreciation of the risks arising from the increasing Argentine impatience. The Report describes the action that was being taken. The review meeting itself chaired by Mr Ridley on 30 June 1981 was held in recognition of the difficulties ahead and the conclusions of that meeting (paragraph 96 of the Report) underlined the problems that would follow a breakdown of negotiations.

Civil contingency plans and an analysis of military responses had been in preparation since early 1981 and were at an advanced stage by September 1981. A revised threat assessment had been commissioned and was issued by the JIC in July 1981. There was a clear understanding that, if negotiations were to break down,

Argentine retaliatory action could be expected. In fact, of course, by the end of 1981 the perspective had shifted. There had been a change in the Argentine Government and there was a proposal of continued negotiations. On the evidence the expectation was that the second half of 1982 would be the crucial period.

HM Ambassador in Buenos Aires described the Government's policy as Micawberism (paragraph 104). Was this not a true indictment of the Government's position?

It was the policy of this Government, as of previous Governments, to seek a negotiated solution to the dispute on a basis acceptable to the Falkland Islanders and to this House. The essential element was that the wishes of the Islanders should be taken fully into account, despite the negotiating constraints which this inevitably imposed. The principle that the Islanders should never be coerced into accepting a status which was contrary to their wishes was for this Government a crucial point, and rightly so. Any attempt to push through solutions over their heads would have been wrong in principle and would have failed in practice. A leaseback concept, which appeared to offer the best prospect of a settlement safeguarding the Islanders' vital interests, had not proved acceptable to the Islanders or to this House. Our attempts to persuade the Argentines to freeze the dispute, in accordance with the Islanders' wishes, had been unsuccessful. In this situation, the right course was to keep the negotiations going in order both to avoid the very difficult consequences of their breakdown and to keep open the prospect of an evolution of both Argentine and Islander opinion which might allow progress to be made. The mere fact of negotiations has often led to the identification of ways forward not previously considered. This was not Micawberism but the only practical policy given the constraints.

MoD - no contingency plan

A4

Why no detailed contingency plans in Ministry of Defence (paragraph 113)?

The Report makes clear that throughout the period 1965-1982 there existed a wide range of possible Argentine threats to British interests in the South Atlantic. These included threats to shipping, occupation of one or more of the uninhabited dependencies and "unofficial" acts of aggression against the Falkland Islands. Full scale invasion of the Falkland Islands was considered to be another, though much less likely, possibility. Contingency planning involves the preparation of a detailed plan, usually one requiring air reinforcement to meet a specific threat. The preparation of detailed contingency plans to cover the wide range of possible Argentine actions would not have been a sensible undertaking. But the Chiefs of Staff periodically submitted to Ministers their assessment of the military options available to the United Kingdom in the event of a range of possible Argentine threats. The Franks Committee has itself remarked on the speed with which the Task Force assembled and sailed, once the extent of the task had become clear.

*Denise J. Leask*

A5

In February the Head of South American Department, in a submission to FCO Ministers, commented that the demise of leaseback left 'no alternative way to prevent the dispute moving sooner or later to more open confrontation' (paragraph 124).

What conclusions were drawn from this for HMG's policy towards the dispute?

This comment reflected the FCO view on the increasing intractability of the dispute and on the difficulties of avoiding a breakdown of negotiations. The word 'confrontation' was intended to cover the full range of possible Argentine reactions to an ending of the dialogue. It did not imply an expectation that the Argentines would necessarily use force. It was the Government's view that the situation would need to be fully reviewed once the situation had crystallised following the New York talks. As the Report states (paragraph 264) no-one consulted by Lord Franks's Committee had expected there to be an Argentine invasion at the beginning of April.

There was no immediate response to the Prime Minister's request for contingency planning (paragraphs 152 and 303).

The Prime Minister's request, as conveyed to those concerned on 3 March, was that Lord Carrington's proposed memorandum for OD should contain an account of contingency planning. This was already what was envisaged and civil and military contingency papers had already been prepared for inclusion as annexes to an OD memorandum. Both papers were later circulated to members of the Defence Committee. The civil contingency paper on 24 March: the military paper on 26 March.

Military contingency planning existed in the shape of a Chiefs of Staff paper, approved in September 1981, which described the military options available to the United Kingdom against a range of possible Argentine threats to British interests in the South Atlantic. This paper was under review by the Secretary of State for Defence and the Chiefs of Staff at the time of the Prime Minister's request in March 1982 and was approved by them with little or no change to its conclusions. When it became clear that a major Task Force would be required, detailed plans were produced with remarkable speed.

#### Background

The Prime Minister minuted on Buenos Aires Telegram No 60 of 3 March "we must make contingency plans". This was communicated to the FCO, and copied to the MOD and Cabinet Office, in a minute dated 3 March. This minute also suggested that the account of our contingency planning might be contained in the forthcoming OD paper on the Falkland Islands.



Work in the MOD proceeded on that basis. Separately, the Prime Minister asked the Secretary of State for Defence on 3 March how quickly RN ships could be deployed to the Falkland Islands. The answer to this question was contained in a letter from the MOD to No 10 dated 12 March.

Why was the paper on civil contingency planning, which was submitted on 19 March, not circulated until 24 March (paragraph 155)?

The paper on civil contingency planning, together with a further approach to the Defence Secretary about HMS Endurance, were submitted for Lord Carrington's consideration on Friday 19 March. The landing on South Georgia took place before they could be approved. The drafts were amended to take account of the new situation and re-submitted on Monday 22 March, approved on 23 March and issued on 24 March.

*Treasury refuse costs*

On 29 March 1982 (ie three days before the Argentine invasion) the Treasury refused to agree to meet the cost of civil contingency planning from the Contingency Reserve (paragraph 188).

The relevant correspondence took place in the week leading up to the conflict and could not have affected the course of events. In responding to the Foreign Secretary's suggestion for additional expenditure, the Chief Secretary said that he had no objection to contingency planning for a sea service. But he pointed out that he would expect there to be sufficient flexibility within the Foreign Office's agreed budget for 1982-83 to absorb the relatively small costs involved; so resort to the Contingency Reserve would not be necessary.

C in C Fleet - prepare to  
detach ships to South Atlantic

A9

Meeting of the Defence Operations Executive of the Ministry of Defence -

Why no recommendation to send surface ships on 30 March (paragraph 224-225)?

As the Report makes clear, every effort was being made to resolve the crisis by diplomacy. No clear evidence pointing to an invasion was available on 30 March. A decision at this point to deploy surface ships, whose movements could not have been kept secret, carried the serious risk of prejudicing the prospects of finding a diplomatic solution and, at worst, of provoking the very action it was designed to deter. As a contingency measure, however, the Commander-in-Chief Fleet on the 29 March ordered Flag Officer First Flotilla to prepare to detach ships to the South Atlantic if required.

Arg's belief in U.S. response

A10

The Report suggests that the Argentines may have come to believe that the Americans would not actively oppose forceful action: and that the initial American response to our request for their help was too even-handed.  
(Paragraph 276).

These are matters for the United States Government to comment on. We remain deeply grateful to President Reagan's Administration both for Mr Haig's efforts and for the splendid support and assistance given to Britain during the crisis.

Effect of successive defence reviews on the United Kingdom's posture in the South Atlantic (paragraphs 278-279).

Successive Governments have conducted defence reviews which have had the effect of concentrating British defence forces in Europe in support of NATO, notably the decisions in the mid-1960s to withdraw from the Far East and to phase out large Fleet Carriers and to terminate the Simonstown Agreement in 1974. There is no doubt that these reviews - especially those earlier ones - were seen to reduce the United Kingdom's ability to conduct operations outside the NATO area. At no time, however, since the resuscitation of Argentine claims to the sovereignty of the Falkland Islands, has a United Kingdom Government maintained sufficient forces in the vicinity of the Falkland Islands to repulse a full-scale Argentine invasion. In this respect the successive defence reviews had no real impact on the United Kingdom's ability to defend the Islands.

Para 278 "Successive governments had to accept that the Islands could not be defended against sudden invasion."

Wray sends.

There were other British Government policies which may have served to cast doubt on British commitment to the Islands and their defence, including continued arms sales to Argentina, the decision not to implement the recommendations of the 1976 Shackleton Report and the failure of the British Nationality Act (1981) to extend British citizenship to those inhabitants of the Islands who were either not themselves patrial or did not have a UK born grandparent (paragraph 280).

The effect of these three different matters on the Argentine Junta must, at the end of the day, be a matter of judgement.

It has been the practice of successive Governments to consider each potential arms sale on its merits, taking a wide range of economic, political and military factors into account before reaching decisions on individual cases. In the case of arms sales to Argentina successive Governments have tried to strike a balance between the economic benefits to be expected from defence sales, the need to maintain good relations with Argentina, concern over human rights and the possibility of a direct military threat to the Falkland Islands. In practice the policy on arms sales to Argentina has become more restrictive over the years, and the majority of arms sales to Argentina were agreed prior to the election of the ~~Conservative~~ <sup>present</sup> Government in 1979, and in recent years a number of proposals have been turned down.

Similarly, it was the last Labour Government which <sup>initially</sup> decided not to accept the more costly recommendations of the first Shackleton survey notably enlargement of the airport and lengthening of the runway (see paragraph 58 of the Report).

Finally, the present Government made it clear during the passage of the British Nationality Bill (1981) that it did not represent any loosening of the United Kingdom's relationship with the Islands and that the Government were committed to protecting the interests of the Islanders.

HMS Endurance (paragraph 288).

Much has been said in the Report and elsewhere about the decision to withdraw HMS Endurance. It was not an easy decision. Nor was it one taken lightly. Nor was it the only difficult decision that had to be taken at a time when there was a real necessity to get our defence programme and resources into line. And there were many elements of the decision which made up the reshaping of our defence programme which attracted more stringent criticism at the time. The closure of Chatham and Gibraltar Dockyards and the size of the surface fleet are examples. So it is important to see the issue of HMS Endurance in perspective.

It is also important to remember the facts. HMS Endurance has a limited defence capability, a point well known to the Argentines, who were not inhibited from launching their invasion by her presence in the South Atlantic at the time, any more than her presence in the area deterred the Argentines from attacking RRS Shackleton in 1976.

As to the effect on the Argentine Junta, this must at the end of the day be a matter of judgement. But it would be wrong and irresponsible to suggest that the Government had any intention of giving a signal that the Falklands were free for the taking, or that it neglected the need to make it clear - as we did - that the garrison in the Falklands would remain and that HM Ships would from time to time visit the Islands.



in September 1981 Lord Carrington decided against recommending to his colleagues a policy of active education in favour of leaseback. Instead he invited the Argentine Foreign Minister to make proposals for continuing negotiations (paragraph 239). This put the Government in a position of weakness and passed the initiative to the Argentine Government (paragraph 290).

The implication in the Report that the more forceful Argentine attitude in late 1981 and early 1982 was in some way a consequence of inviting the Argentines to put forward proposals of their own is not argued. Lord Carrington's reasons for his decision are set out in the Report (paragraphs 99 and 289). Leaseback continued to be seen as the most promising basis for an eventual solution to the dispute. But there were obvious difficulties in pursuing the leaseback concept following Mr Ridley's consultation of Islander opinion and the reaction in this House to this report at the end of 1980. Attempts by successive Governments to persuade the Argentines that the joint development of the economic resources of the area was the best means of making progress and of resolving the political issue had been unsuccessful. The 'freeze' proposal, which the Islanders favoured, had also been rejected. Yet the negotiations had to be maintained if a situation causing serious difficulties for both the Islanders and the Government were to be avoided. Lord Carrington made clear to the Argentine Foreign Minister that no solution could be contemplated which did not have Islander agreement. On this basis his suggestion to the Argentines that they should advance constructive ideas of their own which might lead to progress was a proper tactic to keep the negotiating process alive. Indeed the subsequent Argentine proposals for broadening the scope of the negotiations away from a narrow concentration on the sovereignty issue appeared at the end of 1981 to offer scope for a more substantive dialogue.

At Lord Carrington's office meeting on 5 March 1982, it was decided that a paper for OD should be drafted (paragraph 147). Why in the event was no paper circulated to OD in March? (See also paragraphs 291 and 292).

It was agreed within the FCO before the New York talks that there should be an OD meeting soon afterwards to discuss the position reached and future options. On 15 February Lord Carrington alerted his OD colleagues to the need for an OD meeting in March. The purpose of the proposed memorandum for OD was to review the wider implications of the dispute and the policy options in the light of the New York talks and to circulate civil and military contingency papers.

Following the New York talks, it was intended to recommend to OD that the establishment of a Negotiating Commission on the lines worked out in New York should be agreed. However, the unilateral Argentine communique of 1 March and the accompanying hostile press comment introduced a new and difficult element. It was clear that the Government could only continue the negotiations if these were to be on a basis acceptable to the Islanders and to British public and Parliamentary opinion. At Lord Carrington's meeting on 5 March, it was seen as essential that Lord Carrington's proposed message to Costa Mendez setting out the criteria for continuing negotiations should be endorsed by Island Councillors before delivery. It was also Lord Carrington's view that OD consideration of the wider implications would be better focussed once the Argentine response had been received and the prospect for continuing negotiations was clear. The draft message was sent to the Governor on 8 March and it was not until 16 March that Councillors were able to meet and endorse the text. Arrangements were accordingly made to despatch the message to Costa Mendez but, before it could issue, the Davidoff landing intervened. Meanwhile, the question of political and financial authority for carrying forward civil contingency planning was pursued by Ministerial correspondence and Ministers remained in contact on other aspects of the situation.

Why did you not discuss the Falklands in the Defence Committee or Cabinet between January 1981 and 25 March 1982? (Paragraphs 291 and 292).

The Government had decided their policy, which was to continue negotiations with the Argentine Government. As specified in the Report, Lord Carrington reported regularly to me and to our Defence Committee colleagues. Discussions in Cabinet and Cabinet Committees are primarily for the purpose of reviewing policy, taking fresh decisions, or resolving disagreements which cannot be settled in correspondence. The execution of agreed policy lies properly in the hands of the responsible Ministers. Up to the New York talks at the end of February 1982 the responsible Minister, Lord Carrington, saw no cause for a reconsideration of agreed Government policy. As the Committee says (paragraph 147), after the New York talks Lord Carrington did in fact commission a review of the situation and a paper to be discussed in the Defence Committee when an Argentine response had been received to the message urging the Argentines to put the negotiations back on the rails. In the event this was overtaken by the South Georgia incident and the developing crisis (see commentary on paragraph 147).

the FCO view of the dispute in early 1982 was reasonable in the light of all the circumstances at the time (paragraph 296). But it proved in the event a misjudgement based on:

- a. underestimating the importance for Argentina of a timetable for a transfer of sovereignty by the end of 1982;
- b. being unduly influenced by the fact that previous periods of tension had not led to confrontation;
- c. believing that there would be an orderly escalation of pressures before military action. Insufficient allowance was made for Argentine unpredictability.

These general criticisms involve a strong element of hindsight. They assume that the Argentine invasion of 2 April could have been foreseen. The Report recognises that the FCO view of the dispute in early 1982 was reasonable in the light of all the circumstances at the time. The importance for Argentina of the Islands' 150th Anniversary in early 1983 was fully understood. Nor was the assessment influenced by a <sup>revised</sup> knowledge of previous periods of tension [of which neither Ministers nor officials had direct and personal experience]: and there is nothing in the papers to suggest that it was. Assessments were made entirely on the basis of the current evidence. The view that, following a breakdown of negotiations, Argentina was likely to exert economic and diplomatic pressures before considering military action was based not only on a judgement of what own best interests: but on the corroboratory evidence of was in Argentina's/intelligence and of more overt insights into Argentine intentions. There is no evidence from either before or after the invasion to suggest that the assessments made in early 1982 represented a misreading of the situation at the time. What upset the judgement was the way the South Georgia incident developed, which - as the Report makes clear - could not have been foreseen.

Use headed  
dept in  
1977

Although FCO officials recognised the seriousness of the situation in early March, they did not:

- a. press Ministers to consider deterrent rather than diplomatic counter-measures;
- b. prompt the JIC urgently to update the July 1981 threat assessment (paragraph 300);

FCO officials did not attach sufficient weight to the changing Argentine attitude at and following the New York talks or to the new and threatening elements in the Argentine position. They should have drawn Ministers' attention more effectively to the changed situation (paragraph 302).  
There would have been advantage in early March in the Government giving wider consideration to the need for some form of deterrent action (paragraph 330).

The Report concludes that the invasion of 2 April could not have been foreseen: that the decision to invade was not taken until very late: and that the Davidoff landing was not contrived to create a major incident. The Report also relates the information available in early March on Argentine intentions: that, despite the increasing Argentine impatience, direct pressures would follow, not precede, a breakdown of negotiations: and that, while the possible need for military action late in the year was under consideration, there was no consensus within the Junta on the use of force. The Report also confirms that FCO officials recognised the seriousness of the situation in early March following the New York talks: and had, in consequence, brought the question of possible naval deployment to Ministers' attention.

What we have to ask ourselves is whether it would have been reasonable in the circumstances obtaining in early March to send a deterrent force. Surely not. The situation was not tense enough. The cost and penalties would have been great: and how long would a force have had to be kept there?

\_\_\_\_\_  
\_\_\_\_\_

Between December and March 1982 there was close contact between the FCO and the Joint Intelligence Organisation on the need to revise the July 1981 threat assessment. Two criteria were seen as determining the timing of such a revision. The first was whether the threat had substantially altered. Prior to the New York talks it remained the considered view that although the background had changed with the tougher posture of the Galtieri Government, the conclusions of the 1981 assessment and the range of options open to the Argentines remained substantially the same. It was however agreed that the assessment should be updated following the New York talks; and, as the Report indicates, work on a revised paper was put in hand in early March. The second criterion was the usefulness of a revised threat assessment to Ministers as a factor in considering broad policy on the Falklands. It was seen (as had also been envisaged with the July 1981 paper) as most effectively associated with the next meeting of OD, which was expected to take place in March. A further factor in completing the revised version undertaken in March was that to be fully valid, it had to take account of the Argentine response to Lord Carrington's proposal and thus of the prospect for continuing negotiations.

Why were Argentina and the Falkland Islands in no more than a "relatively low category" for intelligence collection? (Paragraph 304).

Argentina and the Falklands were in a relatively low category for intelligence collection as compared with, for example, the political and military threat from the Soviet Union and the Warsaw Pact. It is obvious that the scope for intelligence collection on the former target requires much less in the way of resources. But that does not mean that considerable intelligence resources and attention were not devoted to the problem, as the Report demonstrates. Intelligence made an important contribution over the years, and in particular in the period immediately before 2 April, to our understanding of Argentine aims and policies. The increased requirement notified in October 1981 was a reflection of the developing situation.

Why was it decided on a number of occasions between November 1981 and March 1982 that there was "no need" to revise the assessment made in July 1981 of the Argentine threat to the Falkland Islands, even though there had been significant political changes in Argentina? (Paragraphs 308, 309 and 315).

The Committee record in paragraphs 308, 309 and 315 of their Report, the reasons they were given in evidence for the decision to link a fresh assessment to the next meeting of the Defence Committee. They have also expressed the conclusion that this decision was "not ... unreasonable" in the light of the information available at the time.

Substantive threat assessments of this kind remain valid until they are superseded. The key judgements in the assessment of July 1981 were that Argentina continued to prefer to achieve its objective of extending its sovereignty over the Falkland Islands by peaceful means; and that if Argentina were to conclude that there was no hope of a peaceful transfer of sovereignty, there would be a high risk of its resorting to more forcible measures, and that it might act swiftly and without warning. No information from either open or secret sources which was received between July 1981 and late March 1982 suggested that Argentina had decided to abandon the road of negotiations for that of invasion, as the Committee themselves have concluded. Indeed, again as the Committee themselves report, Argentina decided only at a very late stage to invade, and then for reasons which had nothing directly to do with the negotiations, which were still in being. (Report, paragraphs 266, 294, 312, 328). Nevertheless, with hindsight there would have been advantage in revising the assessment of July 1981 early in 1982, after Galtieri had come to power, even if, as would almost certainly have been the case, it had reached conclusions which were "not significantly different" (Report, paragraphs 315 and 316) from the earlier assessment.

See also  
1577





Why were "additional resources" not allocated to intelligence collection on Argentine intentions and policies after October 1981, when the Joint Intelligence Committee had concluded that the requirement for such intelligence had increased? (Paragraph 311).

The House will not expect me to go into details of the operations of the intelligence services, nor do I intend to do so. I will say this, however. The fixing of priorities of importance for intelligence collection is not synonymous with providing more money or other specific resources though it may mean changes in emphasis. The Committee themselves have recorded what they were told on this point. I am satisfied that in this case the collection effort was closely directed, and produced valuable results.

*Defence Attache - no remit*

A22

did Defence Attache have no remit to obtain detailed information of military movements in Argentina? (Paragraph 312).

British defence attaches have a number of duties including responsibility for advising the Ambassador on general defence matters and collecting readily available information on the armed forces of the country to which they are accredited. Defence attaches must conform with the laws and regulations of the countries to which they are accredited and must not engage in anything which could be regarded as covert information-gathering activity. This is not to say that defence attaches would not report significant movements which came to their attention.

We remain doubtful about two aspects of the work of the Joint Intelligence Organisation":

- a. "First, we are not sure that at all important times the assessments staff were fully aware of the weight of Argentine press campaign in 1982".
- b. "Our second doubt is whether the Joint Intelligence Organisation attaches sufficient weight to the various actions of the British Government". (Paragraph 316).

The assessments staff were kept fully informed by the Foreign and Commonwealth Office of the reporting by the British Embassy in Buenos Aires of the Argentine press campaign, and they discussed with FCO officials the significance of this campaign and its relationship to similar campaigns in earlier years. In doing so they also took into account the intelligence reports on the background to the press campaign. The Committee have summarised the main themes of this campaign (Report, paragraphs 129-132). The message it appeared to convey was that henceforth Argentina would expect progress in negotiations according to a strict timetable, and that if this was not acceptable to Britain, alternative courses, including diplomatic and economic pressures but not excluding military action, would be contemplated. This was in line with the indications from other sources of the mood at that time in the Argentine Government, not least in suggesting that the end of the negotiating road had not yet been reached, though it was closer than before. The press campaign itself gave no more hint than any other piece of information of an intention to invade the Falkland Islands without waiting for an answer from HM Government on the proposal to open talks which had been discussed in New York at the end of February.

The Joint Intelligence Organisation paid close attention to all the material it received on the Argentine response to the actions of the British Government, both over the preceding years (eg the British reaction to Southern Thule, the decision to withdraw HMS Endurance) and in the period after the landing of Sr Davidoff

on South Georgia on 19 March. In the period between 19 March and 2 April 1932, the greater part of the material available on this aspect was from diplomatic reporting from Buenos Aires. Intelligence did not suggest that the Davidoff landing was part of a deliberate plan to provoke hostilities (cf Report, paragraphs 206 and 321), and it was not until 1 April that intelligence was received which suggested that the military leaders in Argentina were close to using the military option (Report, paragraph 250).

We believe that the assessments machinery<sup>7</sup> was too passive in operation to respond quickly and critically, to a rapidly changing situation which demanded urgent attention". (Paragraph 318).

"We consider that the assessments machinery should be reviewed", notably in respect of the arrangements for bringing to its attention information other than secret intelligence reports, and as regards the composition and chairmanship of the Joint Intelligence Committee. (Paragraph 319).

*wmg*  
Under its present terms of reference, the assessments machinery is essentially responsive, not initiatory. The Joint Intelligence Committee is charged with the responsibility "to assemble, evaluate and present such intelligence on events ... as may be required by ... Departments ... or as the Committee may deem necessary". The assessments machinery works under the direction of the Committee. The Joint Intelligence Organisation depends critically on Government Departments tasking it, and making full use of its resources. As soon as evidence began to suggest that there was a threat of invasion (and the Committee have concluded that there was no reason to believe before 31 March that an invasion was imminent) (Report, paragraph 261), the assessments machinery responded both quickly and critically and continued to do so throughout the crisis. Paragraph 307 lists the occasions between July 1981 and March 1982 when consideration was given to the need to update the July 1981 assessment.

The relationship of the Joint Intelligence Committee to the Cabinet and to Government Departments was a matter which was already under consideration before Lord Franks and his Committee made their Report. It is clearly important that there should be available to the Government a source of advice on developing external threats to British interests which has access to information from all sources, including secret intelligence, which is independent of the policy preoccupations of particular Departments, and which can serve to identify situations which require immediate policy consideration. The role given to

the Joint Intelligence Committee and its assessments staff is crucial to this. Close liaison between these bodies and the Foreign and Commonwealth Office and the Ministry of Defence already exists, but the Government accept the views of the Committee on the need for even closer liaison and for a clearer understanding of the role of the Joint Intelligence Committee. We are already considering certain organisational changes to achieve this.

The Government is also considering changes in the composition and chairmanship of the Joint Intelligence Committee. It has been the practice for many years for the chairmanship to be held by a Deputy Under Secretary in the Foreign and Commonwealth Office. Appointments to that post are only made after consultation with the Secretary of the Cabinet and with my concurrence. Although the Foreign and Commonwealth Office official concerned is not engaged full time in the chairmanship of the Joint Intelligence Committee, he nevertheless fulfils that role independently of his Foreign and Commonwealth Office responsibilities, and reports in that capacity to the Secretary of the Cabinet and myself. Consideration is also being given to how best to ensure that the Joint Intelligence Organisation receives all the information other than from secret sources which it needs if it is to carry out properly the responsibilities laid on it.

There should have been closer monitoring of Davidoff's operations after December 1981 and better liaison between the FCO, the Embassy in Buenos Aires and the Governor (paragraph 323).

Prior to Davidoff's visit to South Georgia in December 1981, the Governor was informed by the Embassy in Buenos Aires as soon as they themselves received notification. Details of the proposed visit were also passed to the Governor from Salvesens both directly and via the Foreign and Commonwealth Office. Following the December episode, the Embassy sought to make contact with Davidoff but were told by his office that he was away (this was in the Argentine summer holiday season). The Embassy eventually succeeded in contacting Davidoff on 22 February and a full discussion with him of the ~~of the~~ circumstances of his December visit and of his proposed further visit in March took place on the following day. He claimed to be unaware of the problems caused by him in December and said that, as he had only been on Leith for four hours, he had not thought it necessary to seek formal authorisation at Grytviken. Davidoff was again reminded of the requirement to comply with the appropriate immigration formalities. The Governor was informed and both he and the Base Commander at Grytviken were also informed when Davidoff notified the Embassy of his departure in March.

There was a full exchange of information between the Embassy, the FCO, the Governor and the Base Commander at Grytviken on Davidoff's intended movements in both December and March. The Embassy had sought to make contact with Davidoff following his December visit and eventually did so. Davidoff appeared to understand the need to observe the necessary formalities and to be ready to comply with them. His contract was legally valid and he could not have been prevented from seeking to fulfil it. HMG's interest lay in ensuring that it was carried out properly and with the minimum fuss. The Government and the Base

Commander were informed. There was no further action which could usefully have been taken in the circumstances. For the Embassy to have sought to involve the Argentine Government at that stage would have unnecessarily drawn their attention to the political aspects and would have been entirely counter-productive.



An SSN should have been sent out earlier (paragraph 332)

The Report suggests that there was a case for ~~making~~<sup>taking</sup> the decision to despatch the first nuclear submarine just after the 24/25 March. It must, of course, be a matter of judgement at what point Argentine intentions towards the Davidoff incident became sufficiently clear to justify taking an SSN off other tasks and deploying her to the South Atlantic. But at that time - the 25 March - it was still expected that the situation could be resolved by diplomatic means. And while steps were taken to ensure that HMS Endurance could remain on station longer than originally planned and consideration was given separately to possible means of naval reinforcement, should it be needed, it was not thought necessary at that stage to despatch an SSN. But by the beginning of the next week 29 March there were firmer indications of Argentine intentions towards South Georgia and it was therefore thought prudent to order the despatch of a submarine.

didn't the Prime Minister make it clear that we would answer force with force (paragraph 333)? Was not her language ("the Government could not acquiesce in action against the Falkland Islands") too weak?

As the Committee had concluded, there was no reason to believe before 31 March that an invasion was imminent. Our actions, including the tone of our public statements and our communications with the Argentine Government, were determined accordingly. The language used by Mr Luce in the House on 23 March and by the British Ambassador at Buenos Aires on instructions on 25 March was designed to make our resolve to defend the Falkland Islands clear, without using language which the Argentines could have interpreted or represented as being threatening or provocative. I was equally firm in speaking to President Regan who, as the Report records, subsequently made it clear to General Galtieri that we would regard action against the Falklands as a casus belli. Even after the invasion had taken place, our objective was to get the Argentines off the Islands by peaceful means, backed by the deployment of the Task Force and the political and economic action we took at once against Argentina. That remained our objective up to the moment when it became clear beyond any possibility of doubt that nothing short of force would induce the Argentines to withdraw their troops from the Islands.

Points in Chapter 4  
on Franks' attempt to  
force.

ANNEX 3

POINTS IN CHAPTER 4 OF THE FRANKS REPORT AFFECTING LABOUR  
AS WELL AS (OR INSTEAD OF) CONSERVATIVE GOVERNMENTS

(the 4 pages  
drawn out)

HMG TO

- B1 - ~~British Government prepared to cede sovereignty~~ (paragraph 270)
- B2 - ~~Response to the Argentine occupation of Southern Thule~~ (paragraph 279) RESPONSE
- B3 - ~~Failure to <sup>or</sup> implement the Shackleton Report of 1976~~ (paragraphs 280 and 286)
- B4 - ~~Comparison with deployment of ships in 1977~~ (paragraph 327) 1977 TASK FORCE

Points in Chapter 4 of the Franks Report affecting Labour Governments as well as (or instead of) Conservative Governments.

British Government prepared to cede sovereignty (paragraph 270)

This crucial change in the negotiating position of the British Government dates from 1966. It was the Labour Government which in March 1967 first told the Argentine Government formally that they would be prepared to cede sovereignty over the Islands under certain conditions. It was only this House which prevented the Labour Government from going ahead with negotiations on the basis of a Memorandum of Understanding which would have recognised Argentina's sovereignty over the Islands from a date to be agreed.

And it was Mr Callaghan's Government which responded to a deteriorating situation after 1975 by agreeing to fresh negotiations covering sovereignty. When we came to power we decided that it was undesirable that talks should be renewed on the basis of the terms of reference announced by Dr Owen in April 1977 which made clear that sovereignty was negotiable and which also specifically included the Dependencies in the scope of the negotiations. But we thought it was in the interests of the Islanders to keep negotiations going, and the Islands Joint Council agreed. If we had refused to continue negotiating, we could have precipitated a crisis then and there. But we always made it unequivocally clear both to Parliament and to the Argentines that an essential condition was that any settlement must be acceptable to the Islanders.

Response to the Argentine Occupation of Southern Thule (paragraph 279)

The history of the dispute recorded by the Committee shows that an Argentine military presence on Southern Thule was discovered within a month or so of its being established towards the end of 1976. But the Labour Government's reaction was merely to make a low-level diplomatic protest. And apparently they accepted the Argentine claim that it was only a scientific station, while taking pains over a period of two years to avoid its existence becoming known to this House or to the British public. It is hardly surprising that this led the Committee to conclude that Argentina "no doubt always had in mind that what it saw as the weakness of Britain's response to the establishment on Southern Thule in 1976 was an indication that it might be able to mount similar operations, at least in the uninhabited islands, without provoking serious retaliatory action". Thus was sown the seed of the adventure which took an Argentine party to South Georgia in March 1982.

Failure to implement the Shackleton Report of 1976 (paragraph 280 and 286)

This was a decision of the Labour Government under Mr Callaghan. The key recommendation was the lengthening of the airport runway. This would have reduced the Islands' dependence on Argentina for air communications. And, as the Committee itself acknowledges, the decision to reject some of Lord Shackleton's recommendations including this important one, may have served to cast doubt on Britain's commitment to the Islands and their defence.

---

---

CONFIDENTIAL

Comparison with deployment of ships in November 1977 (paragraph 327)

Those responsible in the Labour Government of the time must explain their reasons for despatching ships covertly to the South Atlantic to buttress forthcoming negotiations. The deployment cannot have acted as a deterrent, since the Committee itself comments (Annex A - paragraph 5) that they have had no evidence that the Argentine Government became aware of the deployment.

But the Committee concludes that the circumstances leading up to the New York talks at the end of February 1982 were different and did not warrant a similar naval deployment, and it comments that Lord Carrington's view after the New York talks that nothing had happened to trigger the sending of a deterrent force was not an unreasonable view to take at the time.

CONFIDENTIAL

## INTERNATIONAL RELATIONS IN THE TWENTIETH CENTURY: MAJOR EPISODES AND NOTES ON A NUMBER OF ENQUIRIES

1. The Franks Committee is unusual in being composed entirely of Privy Counsellors. In the main committees of Privy Counsellors have been appointed to look into questions of procedure or principles rather than particular incidents. Two fairly recent examples are the Radcliffe committee on ministerial memoirs which followed the publication of the Crossman diaries, (Lord Franks was a member) and the Houghton committee on Cabinet document security. There does not appear to be any Privy Counsellor enquiry parallel with the present Franks Committee.

2. During the present century it has not generally been the practice for the Government to appoint public enquiries into military campaigns or diplomatic incidents. Domestic and colonial rather than international affairs have been the subject of major investigation during the past 80 years and only the following eight enquiries can be considered as relating to major episodes in our international relations.

## A. SOUTH AFRICAN WAR, REPORT 1903

By a Royal Warrant of September 1902 a Commission was appointed to 'inquire into the military preparations and other matters connected with the War in South Africa'. The Commissioners seem to have been in some doubt as to the main purpose of the inquiry but decided that it was to discover inefficiency or defects in the administration of the Army and to indicate their causes wherever possible. The Commission heard evidence from 114 witnesses and the Minutes of Evidence, together with some of the more important documents submitted, were published.

The Commission's report was critical of defects in government organisation which lead to our military unpreparedness for war in South Africa, and the fact that there was no preparation for utilising the reserves of military strength in the United Kingdom, colonies and dependencies. The structure of the War Office and its Intelligence Department were also found to be defective.

## B. DARDANELLES COMMISSION, REPORT 1917

A Special Commissions (Dardanelles and Mesopotamia) Act was passed in 1916 which provided for the appointment of a Commission to be appointed 'for the purpose of inquiring into the origin, inception and conduct of operations of war in the Dardanelles and Gallipoli,

/including



including supply of drafts, reinforcements, ammunition and equipment to the troops and Fleet, the provision for the sick and wounded, and the responsibility of those departments of Government whose duty it has been to minister to the wants of the forces employed in that theatre of war'. The Commission took evidence in secret session from 26 witnesses including the Prime Minister, Cabinet Ministers and military and naval commanders and had access to papers of the Cabinet and War Council.

The Commission found that it had been a mistake to confine the first attack to a naval bombardment rather than an amphibious attack on the Gallipoli Peninsula and were critical of the Prime Minister, the First Sea Lord and the members of the War Council for coming to decisions without much fuller investigations being made.

#### C. MESPOTAMIA COMMISSION, REPORT 1917

Under the provisions of the Special Commission (Dardanelles and Mesopotamia) Act of 1916 a second Commission was appointed with similar terms of reference to inquire into the war in Mesopotamia. The Commission held 60 meetings and interviewed over 100 witnesses including the Secretary of State for India and the Viceroy. They obtained evidence on oath, enforced the attendance of witnesses and examined all official documents relevant to their inquiry.

The Commission reported that the expedition to Mesopotamia was a justifiable military enterprise but was administratively mishandled by the India Office and the Indian Government. Individual officers, government officials and ministers were criticised for their part in this military misadventure and for the inadequacies of equipment, transport and medical provision.

#### D. DISTURBANCES IN THE PUNJAB, REPORT 1920

In October 1919 a Committee was appointed by the Government of India to 'investigate the recent disturbances in Bombay, Delhi and the Punjab, their causes, and the measures taken to cope with them', with Lord Hunter as president. The Committee heard evidence at Delhi, Lahore, Ahmedabad and Bombay and all but four of the witnesses were heard in public. Some of the witnesses were represented by counsel who were permitted to cross-examine

/witnesses

witnesses put forward by the authorities and call witnesses of their own. In its report the Committee was highly critical of General Dyer on whose orders troops opened fire at Amritsar on 13 April 1919, killing at least 379 people.

E. PALESTINE ROYAL COMMISSION, REPORT 1937

The Commission was appointed on August 1936 to ascertain the underlying causes of the disturbances which broke out in Palestine in the middle of April, to enquire into the implementation of the Mandate in Palestine in relation to Britain's obligations towards the Jews and the Arabs respectively and ascertain whether either had any legitimate grievance. The Commission took evidence in Jerusalem and heard 60 witnesses in public and a further 53 in camera. It was decided not to admit counsel. A further 10 witnesses were examined when the Commission returned to London. As the Commission had been directed to establish the underlying causes of the disturbances and not to apportion blame its recommendations were mainly concerned with improvements in the machinery of government in Palestine. It also made detailed proposals for a lasting settlement in Palestine.

F. CYPRUS SELECT COMMITTEE, REPORT 1976

A Select Committee of the House of Commons was appointed in August 1975 to consider the situation in the Republic of Cyprus with particular reference to the current position of United Kingdom residents there. The Committee took evidence in London from Ministers and officials, visited Cyprus and Greece for discussions with members of the respective governments, but were unable to produce their report before the end of the Parliamentary Session. The Committee was re-established in January 1976 and heard further evidence in London. Their Report, published in April 1976 is however largely based on information obtained during the visit to Cyprus and Greece in September 1975. In the view of the Committee Britain had a legal right, a moral obligation and the military capacity to intervene in Cyprus at the time of the Turkish invasion during July and August 1974, but did not intervene for reasons which the Government refused to give. The Committee also found that the decision by the Foreign Secretary to move Turkish Cypriot refugees from the Sovereign Base Area was an error of judgment and that the British Government had failed to cope adequately with the problem of Cypriot refugees coming to the United Kingdom in 1974.

/G. BINGHAM

G. BINGHAM REPORT, 1978

Mr T H Bingham, QC and Mr S M Gray, FCA were appointed in May and July 1977 respectively by Dr David Owen, then Foreign Secretary, to conduct an investigation to establish the facts concerning operations whereby supplies of petroleum reached Rhodesia since 17 December 1965; to establish the extent to which persons and companies within the scope of the Sanctions Orders have played any part in these operations; and to obtain evidence of evasion of the Sanctions Orders. The investigation heard oral evidence from 40 witnesses and had access to a large volume of government papers. These included a small number of Cabinet Committee papers for the years 1966-1968 which were passed inadvertently to Mr Bingham. Those who were the subject of criticism in the draft report were given the opportunity to challenge criticisms and rebut adverse findings of fact.

The report found that BP and Shell subsidiaries had effectively supplied oil to Rhodesia for most of the period of sanctions. The British Government were content to be able to say that no oil was being sent by British owned companies to Rhodesia, an assurance that was repeated after it had ceased to be true. On 15 December 1978 the Prime Minister announced that subject to the approval of both Houses after the Christmas recess a commission of enquiry composed of MPs or Peers, with a Lord of Appeal as Chairman, would be set up to consider, following the report of the Bingham inquiry, the part played by those concerned in the development and application of oil sanctions against Rhodesia with a view to determining whether Parliament or Ministers were misled, intentionally or otherwise, and to report. The commission would have access to Cabinet and other official papers if the former Prime Ministers concerned agreed. It would sit in private, but its report would be published. In the event although the proposal to set up a joint commission was approved by the House of Commons early in 1979 it was rejected by the House of Lords on 9 February and was never appointed.

H. CROWN AGENTS TRIBUNAL, REPORT 1982

The Tribunal to inquire into certain issues arising out of the operations of the Crown Agents as financiers on own account in the years 1967-74, was appointed by Mr Merlyn Rees, then Home Secretary, in March 1978 and

/reported

reported in March 1982 (HC 364 of 1981/82). The members of the Tribunal heard oral testimony for 260 days from 98 witnesses and accepted written evidence from a further 8 witnesses. Legal representation of those called as witnesses was permitted with discretion and 27 parties were so represented. Before being called to give evidence each witness was sent a list of questions likely to arise which might result in criticism of his conduct.

The Tribunal had access to all relevant departmental files but not, so far as is known, to Cabinet papers. Its report was highly critical of the Crown Agents staff but concluded that the Ministry of Overseas Development, the Treasury and the Bank of England were also culpable.

An earlier Committee of Inquiry was appointed by the Minister of Overseas Development in April 1975 to inquire into the circumstances which led to the Crown Agents requesting financial assistance from the Government in 1974. The Committee took evidence from 46 witnesses but had no authority to demand information, whether documentary or oral, from anyone. The report was intended to establish what the Crown Agents had, or had not, done, and did not attempt to apportion blame.

3. Episodes in British international relations in the present century which were not subsequently subjected to public enquiry include:

- a. The Chanak crisis, 1922, which led to the fall of Lloyd George's government.
- b. The Zinoviev letter, 1924, which contributed to the fall of the first Labour government.
- c. Munich, 1938.
- d. Fall of Singapore, 1942.
- e. End of the mandate on Palestine, 1947/48.
- f. Nationalisation of British oil interests in Iran 1951/53.
- g. Suez 1956 (apart from an investigation by Sir Edwin Herbert into the number of Egyptian casualties and the extent of physical damage in Port Said).
- h. Britain's failure to join the EEC in 1963.
- i. Rhodesia's Unilateral Declaration of Independence, 1965.
- j. The collapse of the Shah's regime in Iran. 1978/79.

/4. It

4. It may also be of interest to refer briefly to some other enquiries which, though not in the field of international relations, have all been concerned with the actions and responsibilities of ministers and officials.

a. LYNKEY TRIBUNAL

Established in October 1948 to inquire into allegations reflecting on the official conduct of Ministers of the Crown and other public servants. 58 witnesses gave evidence and were allowed to be represented by counsel, and were themselves cross examined by the Attorney General or one of the Counsel appearing with him. The report, while rejecting as baseless rumours of the payment of large sums of money to Ministers or public servants, found there was justification for some of the allegations against Mr John Belcher, Parliamentary Secretary to the Board of Trade, and Mr George Gibson, Chairman of the North Western Electricity Board and a director of the Bank of England.

b. CRICHEL DOWN

In November 1953 Andrew Clark QC was appointed by the Minister of Agriculture, Sir Thomas Dugdale, to enquire into the disposal of land at Crichel Down. Mr Clark heard oral evidence of 28 witnesses and examined in detail all relevant departmental correspondence and minutes. In his report various civil servants were severely censured for a variety of errors and improprieties. They had displayed unjustifiable hostility to the heir of one of the previous owners of the land at Crichel Down and had deliberately sought to deceive the Minister as to the financial prospects of the scheme on which they proposed to embark. During the course of a debate on the Crichel Down report on 20 July 1954 Sir Thomas Dugdale announced his resignation.

c. PROFUMO ENQUIRY

In June 1963 Lord Denning was appointed by the Prime Minister to examine the operation of the Security Service and the adequacy of their cooperation with the police in matters of security in the light of the circumstances leading to the resignation of the former Secretary of State for War, Mr J D Profumo. Lord Denning interviewed 160 witnesses in secret including the Prime Minister, 8 Cabinet Ministers, 7 other Ministers, 20 Members of the Houses of Parliament and numerous civil servants.

/Counsel

FRANKS

A submarine should have been sent earlier. If a warning had been conveyed by the Americans to Argentina that a submarine was in position and would be used if the invasion fleet did not turn back, the invasion would not have happened. (Owen/Healey on BBC TV, 18 January ).

- 1) Pure hindsight to say should have sent a submarine on 3 March. No evidence of military threat. Situation quite different from 1977.
- 2) After Davidoff landing, object was to solve by negotiation. If news of a submarine had leaked then (and it did leak when we sent one later) that objective would have been prejudiced.
- 3) It would not have deterred the Argentines anyway. They could simply have landed paratroops or used some other method proof against submarines.
- 4) All the military advice would have been that the submarine could not have been sent alone - must be accompanied by surface ship or ships. Thus visible and could have provoked what trying to prevent.
- 5) Some Members opposite criticised sinking of Belgrano in the middle of actual hostilities. What would they have said if we had sunk a ship before hostilities in order to deter an invasion?
- 6) What rules of engagement would have been given to the submarine? Anyone who knows the realities knows that you cannot be in constant contact with a submarine. No government would have given it carte blanche to fire in advance of hostilities. And you need to know which ship will threaten it - that information was not available until the end of March.
- 7) The Franks Committee did their best to discount hindsight. I wish others would make an effort to do the same.

## ENDURANCE

The decision to take Endurance out of service sent the wrong signal to Argentina

1. If so, the signal had been given long before.  
The 1974 Defence Review included a decision to take her out of service (though, following the Shackleton incident in 1975 Mr. Roy Mason agreed to one further deployment (see paragraph 44 of Franks) ).
2. Why single out Endurance?  
Paragraph 278 contains a number of other "signals".  
And paragraph 279 refers in particular "to the weakness of the response to the establishment of an Argentine presence on Southern Thule".
3. Don't forget that Endurance was there when they invaded.
4. Remember Franks' conclusion: "There is no reasonable basis for any suggestion .... that the invasion would have been prevented if the Government had acted in the ways indicated in our report."