

CONFIDENTIAL

now revised.
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10 DOWNING STREET

From the Private Secretary

21 January, 1983.

Franks Debate

I enclose a copy of a draft opening speech which is being put to the Prime Minister over the weekend, but which Mrs. Thatcher has not yet seen. The concluding passage has yet to be written.

I am copying this letter and enclosure to Sir Robert Armstrong, Brian Fall (Foreign and Commonwealth Office) and Richard Mottram (Ministry of Defence). Should they have any comments on the facts in the draft, it would be helpful to have these, but I do not suggest that extensive comments should be made at this stage. We shall try to circulate a further draft in the course of Monday.

A. J. COLES

Mrs. Mary Brown,
Office of the Lord Privy Seal.

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FRANKS DEBATE: OPENING SPEECH BY PRIME MINISTER

Introduction

Mr Speaker, I beg to move that the House takes note of the Report of a Committee of Privy Counsellors entitled, "The Falkland Islands Review", prepared by a Committee of Privy Counsellors under the Chairmanship of the noble Lord, Lord Franks.

Origins of the Committee

The House will recall that on 8 April, just six days after the Argentine invasion of the Falkland Islands, I announced in reply to the Rt. Hon. Member for Orkney and Shetland that a review would be held of the way in which the responsibilities of Government were discharged in the period leading up to the Argentine invasion.

As soon as the liberation of the Islands had been accomplished, consultations were set in hand with the Leader of the Opposition, and with leading Privy Counsellors in other Opposition parties, about the establishment of a Committee to undertake the Review. These consultations led to broad agreement both about the terms of reference of the review and about its membership. On 6 July I announced the Government's decision to establish a Committee of Privy Counsellors under Lord Franks and two days later the House of Commons debated a motion to approve the establishment of the Committee. That motion was approved by the House without a Division.

On that occasion the Leader of the Opposition, who proposed the names of two of the six members of the Committee said:-

"The inquiry will deal with a serious and important matter, and it will be of great benefit to the country if the matter is probed in the way in which the House is determined that it should be. I believe that the names of those appointed to the Committee are the guarantee that that will be so."

Procedure of the Committee

The Committee had access to all relevant Cabinet and Cabinet Committee papers and to a comprehensive collection of reports from the intelligence agencies. They saw not only the papers of the present Administration but those of previous Administrations also. The members of the Committee read all these papers personally: they did not rely on summaries or extracts.

The Committee interviewed those principally involved, both Ministers and officials, in the development of the present Government's policy; Ministers of previous Administrations, including all Prime Ministers since 1965; people with a special knowledge of and interest in the area; representatives of the media; and some journalists. They issued an open invitation to anyone who had relevant information to submit it; and it received many responses to that invitation.

I mention these arrangements because they demonstrate that the Committee were in a unique position of authority to comment on the matters covered by the terms of reference.

The Contents of the Report

I turn now to the Report itself.

I welcome it as a serious contribution to our understanding of a major episode in our country's history.

After the unprovoked Argentine aggression of April 1982

- the suffering and bravery of the Falkland Islanders
- the magnificent achievements of the Task Force
- the tragic losses
- the strong emotions and the torrent of public comment and speculation

after all this, it was necessary and right that a group as distinguished as Lord Franks and his Committee should review, objectively and impartially, the events, the judgements and the decisions which led to those experiences. It is equally necessary that this House should debate fully the Report's analysis and conclusion.

/I shall

I shall deal in turn

- first, with the fundamental nature of the dispute with which successive governments tried to deal
- second, the events immediately preceding the invasion and some points which have been made about the Government's handling of those events
- then, the main conclusions of the Report and the Government's reactions to them
- finally, I shall make some observations about the future.

Throughout, I shall try to follow both Lord Franks' advice that his Report should be read as a whole and his wise warning against the dangers of hindsight.

Fundamental Nature of the Dispute

His analysis brings out clearly "the dilemma to which successive Governments were exposed by their policy of seeking to resolve, or at least contain, the dispute by dipolomatic negotiations on the one hand and their commitment to the defence of the Falkland Islands on the other" (para 283).

/Argentina

Argentina was interested in only one thing - sovereignty over the Falkland Islands and, if they could get it, over the dependencies as well. Successive British governments recognised that any solution had to be acceptable to the Islanders and sought to achieve that solution by negotiation. The inherent contradiction was evident. No solution which satisfied the Argentinian demand for sovereignty pure and simple could possibly be reconciled with the wishes of the Islanders or of this Parliament. It was on this rock that all attempts to find a solution - whether by condominium, leaseback or a policy of improving links between the Islands and Argentina - foundered.

From 1967, when the then Labour Government first stated formally that they would be prepared to cede sovereignty under certain conditions, until the New York talks of February 1982 the dilemma persisted.

No government wished to pursue the only other option, that of breaking off negotiations and pursuing a policy of "Fortress Falklands". The difficulty of that course is clear from the Report.

In 1976 the Chiefs of Staff advised that "it would not be practicable to provide, transport and support the force necessary in the Islands to ensure that a determined Argentine attempt to eject the British garrison was unsuccessful" (para 47).

/Five years

Five years later, in 1981, the Chiefs of Staff again advised on the nature of the force which would be necessary to deter a full-scale invasion and said: "Such a deployment would be very expensive and would engage a significant portion of the country's naval resources. There was a danger that its despatch could precipitate the very action it was intended to deter. If then faced with Argentine occupation of the Falkland Islands on arrival, there could be no certainty that such a force could retake them" (para 112).

Mr. Speaker, given the military difficulty, it is not surprising that Britain over the years sought to negotiate a peaceful and just solution. But we had to negotiate with successive regimes in Argentina who were not prepared to take into account the wishes of the inhabitants of the Islands and who in the end abandoned the diplomatic process and chose to use force instead.

It is obvious, but seems to need repeating, that the true cause of the final conflict was not the misdemeanours of British governments or civil servants, not a failure of machinery, nor of intelligence but the decision of a military Junta to try to take by force British territory inhabited by people who had always wanted to remain British.

Mr. Speaker, I shall spend no longer on Chapter 1 of the Report which covers the period from 1965 to 1979. The Report speaks for itself. Anyone who wanted to indulge in recrimination would be able to select sentences to suit his purpose. But I believe we should rise above that approach, try to see the Report as a whole and use it as a guide to the future.

/Events under the

Events under the present Government

Chapters 2 and 3 cover the period of the present Government. As with previous governments, the full range of policy options was put to us at the outset. Although we were preoccupied in foreign affairs at that time by the issue of Rhodesia, the second half of 1979 saw a visit by a Minister to the Islands, two exploratory meetings with Argentine representatives and the circulation of proposals to the Overseas Policy and Defence Committee on our policy for handling the dispute. In exchanges in the House on 18 January the rt. hon. Gentleman, the Leader of the Opposition, referred to what he called a "collapse of effective Cabinet Government". The fact is that in 1980 there were no less than seven collective discussions of our policy towards the Falkland Islands, three in Cabinet and four in the Overseas Policy and Defence Committee. In January 1981 a further meeting of that Committee reviewed the situation in the light of the Islanders' reactions to the leaseback proposal and the comments in this House on the statement of December 1980 by my rt. hon. Friend the Financial Secretary. The Committee decided that the policy should be to continue negotiations with the aim of finding an acceptable basis for a negotiated settlement.

That remained our policy - and because it remained our policy, there was no need for further collective discussion in 1981. But the members of the Overseas and Defence Policy Committee were kept informed as necessary in writing.

/ Lord Franks

Lord Franks refers to four such minutes from the then Foreign Secretary to his colleagues on the Committee between September 1981 and March 1982.

/ And just

And just to reassure the Rt. Hon. Gentleman let me tell him that Cabinet government flourished so well in 1981 that I held 17 meetings of the Overseas Committee, to say nothing of all the other Cabinet and Cabinet Committee meetings.

If he is referring to the period of 1982 before the invasion, then that Committee met on 5 occasions. It did not discuss the Falklands because the policy, until the South Georgia affair, did not change and did not need to be changed. I shall come in a moment to the question of H.M.S. Endurance.

Mr. Speaker, I will not take the House through the whole of Chapters 2 and 3. Again the Report speaks for itself. But before passing on to the main conclusions and to the future can I just mention two matters about which there has been some comment..

HMS ENDURANCE

First, HMS Endurance. I understand the interest in the Government's decision - a collective Cabinet decision resulting from the 1981 Defence Review - to withdraw Endurance at the end of her 1981-82 deployment. Given the fine work which that ship had done in the South Atlantic for many years, and the attachment of the Islands to its role, that interest is not surprising. But the matter needs to be seen in perspective.

/ - Endurance,

- Endurance, as the Argentines well knew, has a limited defence capability.
- Its presence in the South Atlantic at the time did not stop Argentina launching its invasion any more than her presence in the area deterred the Argentines from attacking RRS Shackleton in 1976.
- Endurance was not the only symbol of our commitment to the defence of the Islands. We made it plain that the marine garrison would remain, that HM Ships would continue to visit the Islands and, in many statements in Parliament, that we were firmly committed to the defence of the Islands and its people.

It has been said that the decision to withdraw Endurance was a signal to the Argentines of our reduced determination to defend the Islands. If so, they had seen the signal before, at the time of the 1974 Defence Review by the party opposite. They had seen other signals which Lord Franks lists in his Report (para 278). The most striking of those signals may well have been the failure of the then government to respond effectively to the Argentine military occupation of Southern Thule in 1976. As the report says "Argentina no doubt always had in mind that what it saw as the weakness of Britain's response . . . was an indication that it might be able to mount similar operations, at least in the uninhabited islands, without provoking serious retaliatory action." And were they not encouraged by the then government's behaviour in keeping the House and the British public in ignorance of this affair for 17 months

no public statement made by the government as far as MOD aware - delete

Earlier Despatch of Ships

It has also been said that military measures should have been taken earlier, that for example a submarine should have been sent to the South Atlantic before 29 March.

Here again it is easy enough to say with hindsight that if there had been a powerful force in the area the invasion might have been deterred. But that is not the issue. The question is whether in the situation as it actually developed it would have been right to despatch a force.

The Report states (paragraph 325) that it would not have been appropriate to prepare a large task force with the capacity to retake the Falkland Islands before there was clear evidence of an invasion. I agree - and of course as soon as the evidence became available, on 31 March, that action was taken.

Then, some argue that a small force should have been deployed earlier. Franks states clearly that the situation at the time of the New York talks in February 1982 was quite different to the situation in November 1977, the time of the deployment of a submarine and two frigates by the then government. In the weeks before that deployment the Argentines had arrested seven Soviet and two Bulgarian vessels in Falklands waters. Shots had been fired at one of those ships.

The Argentine admiral had orders to sink that vessel if necessary and made it plain that he would deal similarly with any other vessel, whatever its flag. And there was information that another Argentine naval party was due to land on Southern Thule. Honourable Members opposite often portray the November 1977 deployment as just a prudent precaution to back up the diplomatic talks in December 1977. But the fact is that there had already been bellicose military action by Argentina in Falklands waters and an explicit threat to any of our ships which might enter those waters.

That is quite different to the situation in February 1982, which, as Franks says, did not justify a similar naval deployment.

Then it is said a force might have been sent on about 5 March. The rt. hon. Member for Leeds East (Mr. Healey) has been heard to say that it was quite clear that the Argentines had by then given up hope of a negotiated settlement. No so. The talks in New York had laid down a programme for monthly meetings and that programme was specifically endorsed in the unilateral communique issued in Buenos Aires on 1 March. The prospect was of continuing negotiations, not of an imminent military threat. Any suggestion that that was the time to despatch ships is, quite simply, hindsight. If we had done so, and this had leaked, then certainly the remaining prospect of negotiation would have been destroyed.

The Franks Committee consider that there was a case for taking this action on about 25/26 March, i.e. some three days before the Government took that action. This is a fairly fine judgement and depends on the interpretation of the developing situation in South Georgia which the Government had been trying to solve by negotiation. It is arguable that there was a case for taking on 25 March the action we took on 29 March.

I certainly do not accept the assertion made by some of those opposite that such action would have deterred the eventual Argentine invasion. The submarine would not have reached the area in time. If it is said that we should have made known our intention to the Junta and that that would have stopped the invasion, I again do not accept the argument. We were not dealing with a rational government engaged in careful discussion of the pros and cons of invasion but with a military regime under pressure, well used to violent methods, and looking for ways to divert attention from their domestic problems. Their response to the knowledge that we had despatched a submarine could well have been to decide to invade by methods proof against submarine attack, for example by landing paratroops. I note that one commentator on these events has asserted that knowledge of the despatch of the submarine on 29 March finally triggered the invasion. I do not know of any evidence for that assertion but it illustrates that the effect of sending a deterrent force could be argued either way.

Those of us who had to take the many difficult decisions during the actual conflict know very well that it is not sufficient to talk glibly of despatching a submarine and using it to stop an invasion. Some Members opposite criticised the sinking of the Belgrano in the middle of actual hostilities. What would their attitude have been if we had sunk a ship on the high seas before hostilities, if we had fired the first shot? They would have been the first to condemn and to demand an inquiry.

Intelligence Machinery

The principal suggestion made by Lord Franks for the future is that the machinery within Government for intelligence assessment should be reviewed.

The Committee expressed the view that during the period leading up to the invasion the Joint Intelligence Organisation might not have given sufficient weight to the diplomatic and other indications that the Argentine Government's position was hardening in the early months of 1982, as compared with intelligence reports which tended to be more reassuring about the prospects of an early move to any kind of military confrontation. The Committee thought that the arrangements for bringing to the attention of the Joint Intelligence Organisation information other than intelligence reports should be examined.

/ They also

They also suggested that the independence in operation of the Joint Intelligence Committee from the Government departments principally constituting it should be emphasised by having the Chairman of the Joint Intelligence Committee appointed by the Prime Minister and being a full-time member of the Cabinet Office, with a more critical and independent role.

The Committee emphasised that these recommendations were aimed at correcting what it saw as possible weaknesses in the arrangements for assessing intelligence; it did not seek to attach any blame to individuals.

Mr. Speaker, these are matters which it is our custom not to discuss in public, or on the floor of the House, for obvious and very good reasons. But I believe that the House would expect me on this occasion to show that we have taken those observations seriously.

The Government has itself been reviewing the intelligence assessments machinery. We had come to certain provisional conclusions before the Franks Committee reported, but we thought it right not to take final decisions until we knew what the Committee had to say on the subject.

It is clearly a matter for judgment by those responsible for assessment as to what relative weight should be attached to information from intelligence sources and to information

/ from other sources.

from other sources. That is not a question of organisation. Organisationally what matters is that all the available and relevant information from all sources reaches those who have to make the assessments. I can assure the House that those responsible for making assessments have access to all the relevant reporting from our diplomatic posts overseas, both on the attitudes that members of our missions overseas encounter in the countries where they are serving and on media reporting in those countries on current issues of significance for British foreign policy making. They also of course take full advantage of the product of agencies such as the BBC Monitoring Service. Our missions overseas are already aware of the importance of maintaining a full coverage of the policies and attitudes of the governments to which they are accredited. My rt. hon. Friend the Foreign and Commonwealth Secretary is taking steps to ensure that his Department is reminded of the continuing need to make all such reports fully available to those responsible for intelligence assessment.

On the composition of the Joint Intelligence Committee itself the report may give rise to some misunderstanding. Under successive Governments in recent times the Chairman of the Joint Intelligence Committee has been a senior official of the Foreign and Commonwealth Office, who has combined this work with other duties in the Foreign Office; but as Chairman of the JIC he has not been responsible to the Foreign and Commonwealth Secretary. He has been appointed

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with the approval of the Prime Minister, and has been responsible to the Prime Minister through the Secretary of the Cabinet. This arrangement has worked satisfactorily with a succession of chairmen.

Nonetheless we had ourselves come to a very similar conclusion to that reached by the Franks Committee. I think it right that the chairmanship of the JIC should in future be held by a member of the Cabinet Office who is able to give more time to supervising the work of the assessments machinery. I therefore intend to appoint as Chairman of the JIC someone who will be an official of the Cabinet Office and will be engaged full time on intelligence matters. He will have direct access to me, as do the heads of the security and intelligence agencies.

I also propose formally to lay on the JIC organisation a more definite responsibility to keep watch for developing situations that might threaten British interests. Hitherto it has been regarded as primarily the business of the Departments of State (particularly the Foreign and Commonwealth Office and the Ministry of Defence) to identify threats and decide upon action to meet them. The changes I have in mind will not absolve the Departments from those responsibilities but they will, I hope, enable the Joint Intelligence Organisation to be an additional source of advice to Ministers on the identification of threats and an additional spur to timely and effective decision-making on the responses to them. It will of course continue to be the responsibility of Departments - and ultimately of Ministers - to decide what action should be taken.

The Report's Main Conclusions

Mr. Speaker, I have dealt at some length with these points because they have been raised in the public comment on the Franks Report. But they must be kept in perspective. And the correct perspective is set by the final sentences of the Franks Report.

I quote:

"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 Falklands on 2 April 1982."

That is the unanimous conclusion, taking into account all the considerations and all the evidence. That is the bottom line.

/ And the question

And the question which the Opposition must answer is: Do they accept that bottom line? After all their efforts to paint in stronger colours this or that aspect of the account, do they accept this independent Committee's final and unanimous verdict? The House and the country will expect from the rt. hon. Gentleman a clear answer to that question.

Performance of Government Ministers and Officials

Mr Speaker, as a result of the events of last year and of the Franks Report the performance of government machinery, of Ministers and of officials has been subjected to the closest scrutiny. That is our way in this democracy, and rightly so. After great events, which ended in triumph but which also brought tragic losses, such an examination is indispensable. But it is also in our nature to be fair in our judgements.

Three Ministers thought it right and honourable to resign on 5 April. That they did so is to their credit, much as I may personally have regretted their departure from government. But I pay tribute again to the outstanding service which the then Foreign Secretary, the noble Lord, Lord Carrington, has given to this country and pay tribute also to the work of my Rt. Hon. Friend, the member for Spelthorne and my honourable Friend, the member for Shoreham whose skill in handling the New York talks in February, 1982 is specifically acknowledged in the Report.

Officials, too, in the intelligence organisation, in the Foreign and Commonwealth Office and in the Ministry of Defence have been subjected to much criticism. The Franks Report attaches no blame to the individuals involved in the intelligence machinery and I endorse that. It makes equally clear that the mass of allegations made against the Foreign and Commonwealth Office were quite unjustified. I endorse that, too, and would add that the department which incurred that criticism was the same department

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which so brilliantly mobilised opinion and so skilfully promoted our cause at the United Nations, in the United States, with our other partners and allies and across the world. That needs saying and I am glad to say it.

And I pay tribute as well to the work of the Ministry of Defence who played such a notable part in the mobilisation and servicing of the task force and the other government departments for their contributions.

Mr. Speaker, it is not surprising that a thorough enquiry over six months by a Committee with the distinction and calibre which has produced this Report should have observations to make on the handling of this or that event. That would have been so whatever the subject of the enquiry. Given that, I submit to the House that the Government can legitimately take pride in the final verdict of this Review. Where it points the need for change, change will, as I have indicated, be made. For it is now the future that matters - and in particular the future of the Falkland Islanders. This government is determined, as are the British people, that everything necessary shall be done to secure for the Islanders what they themselves want and deserve - a life of freedom and peace under a government of their choice. That prospect was momentarily shattered last spring. It is now restored and we shall do everything within our power to ensure that it is never again imperilled.