FALKLAND ISLANDS REVIEW COMMITTEE

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FIRC 3RD MEETING MINUTES In consection with the latter paper the FCO had also see relevant extract from all Michelse Resperson's validation

FALKLAND ISLANDS REVIEW COMMITTEE

Minutes of a meeting held on Wednesday 1 and Tuesday 2 September 1982 in Room 1/95 Old Admiralty Building

Present: Lord Franks (Chairman)
Lord Barber
Lord Lever of Manchester
Sin Patrick Noine

Sir Patrick Nairne

Mr Rees

Lord Watkinson

Mr Moulson) Secretariat

Introductory remarks by the Chairman

1. The Chairman said that he hoped that in the 61 days of meetings arranged up to 16 September the Committee would be able to clear the way for the programme of oral evidence. By 16 September the Committee should have agreed a programme. At this meeting he wished the Committee to consider papers prepared by himself and the other Committee members who had done so, Lord Barber, Lord Watkinson and Sir Patrick Nairne.

Documentation

- 2. The Secretary gave an account of the documents which had been sent to or prepared for the Committee since its last meeting. An up to date list of all documents available to the Committee had been prepared by the Secretariat and a copy was given to each Committee member. In response to requests from the Committee the FCO had prepared papers on:
 - (i) responsibilities of HMG towards the Falkland Islands and dependencies;
 - (ii) HMG's strength of title to the Islands;
- (iii) United States/Argentine relations.

In connection with the latter paper the FCO had also sent a relevant extract from Sir Nicholas Henderson's validictory despatch from Washington. Additional FCO material included two research memoranda covering the period 1978-1982, copies of ministerial briefs for Cabinet and Cabinet Committee meetings covering the period 1976 to 1982 and a paper covering the Overseas Development Administration's responsibilities. From the MOD had been received two original files, previously overlooked, on the future of HMS Endurance, some further intelligence material, two further volumes of the MOD catalogue with MOD originated papers covering the period 1964 to December 1978 and a paper on the organisation of the MOD and a list of ministers and senior officials at the Department between 1970 and April 1982. Additional intelligence material had been received from the Cabinet Office. The Department of Trade had completed its search and sent a further folder of papers.

- 3. In response to instructions from the Committee the Secretary had prepared a chronology of events between 19 March and 2 April 1982 (FIRC 5) and a summary of the papers submitted by the minor departments. This paper covered the Treasury and the Departments of Trade and Energy (FIRC 6). The Secretariat would be looking at the Home Office and the ODA papers. Also in response to requests from the Committee, the Secretariat had prepared folders of all relevant Hansard extracts covering the period 1966 to April 1982 and press cuttings covering February to August 1982. Also available to the Committee now was:
 - (i) a transcript of Lord Carrington's interview on Panorama on 5 April;
 - (ii) a transcript of General Galtieri's inaugural speech on 23 December 1981; and
 - (iii) copies of the two editions of the Falkland Islands magazine 'Penguin News' which had been produced in early 1982, on 18 January and 26 March.
- 4. In discussion it was agreed that there would be general interest in the important matter of United States/Argentine relations and therefore that copies of these papers should be made available to each Committee member. The Chairman drew attention to the fact that the Foreign Office had requested that copies should not be made of Sir Nicholas Henderson's despatch. The Chairman said that the legal advice contained

in the papers relating to the UK's strength of title over the Falkland Islands did not appear to present an issue which would be of relevance to the Committee but he thought it would be useful if one of the Committee members looked through the papers provided by the FCO to ensure that this was so. Lord Lever agreed to do this.

- 5. Lord Watkinson said that in examining the MOD papers he had expected to see records of meetings between the Chiefs of Staff and records of advice from service officers as distinct from civil servants in the MOD. Sir Patrick Nairne added that he would also be interested to know whether there existed any relevant papers concerning UKCICC at Northwood and records of any signals which may have been sent from any military source overseas back to headquarters, including from HMS Endurance. It was agreed that the Secretary should write to the MOD to check these points (the text of a letter was agreed at the meeting on Thursday).
- 6. The Secretary reported that it had not been possible to trace the interview referred to by the FCO in which David Owen is alleged to have said that he had informed the Argentines at the time about a task force in 1977. The Committee agreed that it would be useful to settle this point and that the Chairman should now write to Dr Owen (the text of a letter was agreed at the meeting on Thursday). The Committee also agreed that the Secretary should ask the Prime Minister's office for copies of the letters exchanged with the three Foreign Office Ministers who resigned in April. (Letter sent.)
- The Chairman suggested that the Committee should look once again at the idea that the Committee might write to Heads of Departments at some stage for a written assurance that all the relevant documents had been rendered to the Committee. He thought that the idea had in its favour the point that such a letter would be protection for the Committee when its Report had been published and people would want to know if it was based on a thorough examination of all relevant official documents. A further reason was that there was a disturbing trickle of additional information still coming in from departments as it was unearthed. Sir Patrick Nairne suggested that Permanent Secretaries would not be in a position to guarantee that all relevant documents had been made available to the Committee and would therefore probably have to qualify their assurance with the words that it was to the best of their knowledge. The Committee agreed that it could not reasonably expect any more than this. It was also suggested that seeking an assurance at this stage might have the undesirable effect of inhibiting departments from sending in additional information which they might subsequently uncover. Lord Lever suggested

that the Committee could achieve its objective by asking departments to make a check now and putting them on notice that the Committee would require a written assurance at some future stage. The Committee agreed to this proposal and asked the Secretary to draft an appropriate letter to the major departments; the Cabinet Office, the FCO (including the intelligence side), the MOD and the Treasury.

Correspondence

- 8. The Secretary said that the summary of written evidence requested by the Committee was in the course of preparation and should be ready in time for the next meeting. The deadline for written submissions had just passed. Recently there had been two substantial submissions from Sir Bernard Braine MP and Mr Tam Dalyell MP. These were being copied and would be made available, with a summary, to each member of the Committee. The Committee asked that each member should receive a copy of all the letters sent to the Committee by MPs, including those which simply covered written evidence from their constituents.
- 9. The Chairman mentioned a letter he had received drawing his attention to two articles by a Fellow of St Anthony's College, Malcolm Deas. He thought that the Committee would find these articles well worth reading, and suggested that copies should be made available.

Programme of oral evidence

- 10. The Committee agreed on a programme of future meetings between October 18 and 1 December (Annex A).
- The Committee considered whomit should invite to give oral evidence before it. Of the Ministers of the current administration, the Committee agreed that it should want to interview: the Prime Minister, Mr Nott and Mr Ridley and the three Foreign Office Ministers who had resigned in April, Lord Carrington, Mr Atkins and Mr Luce. As to timing, the Chairman suggested that it might be more efficient to interview the Prime Minister towards the end of the programme. There was general agreement to the suggestion that it might be worthwhile to have an informal interview with Lord Carrington at an early stage with a view to seeing him again, formally, later. Of past Prime Ministers the Committee agreed that it might wish to see Sir Harold Wilson, Mr Callaghan, Mr Heath and Lord Home. Prime Ministers should certainly be invited to give oral evidence if they wished. The Chairman said that he had written to Sir Harold Wilson, Mr Callaghan and Mr Heath and given such an invitation. There had been no replies except from Sir Harold Wilson's secretary who said he expected Sir Harold to reply when he returned from holiday at the beginning of

September. It would obviously be helpful to have an early indication as to whether the ex-Prime Ministers would wish to be seen by the Committee. The Committee accepted Lord Barber's and Mr Rees's offer to raise this with Mr Heath and Mr Callaghan respectively.

- 12. As to whether oral evidence should be sought from Ministers of previous administrations, for example Dr Owen, Mr Rowlands and Mr Healey, the Committee considered that it would need to balance the need to invite all those possible witnesses who might expect to be called to give oral evidence with the need to keep the programme to manageable proportions. The Committee thought that they would want to see Dr Owen and Mr Rowlands but would give further consideration to who else might be invited. There was a general feeling among the Committee members that Ministers to whom reference was likely to be made in the Report should be given a chance to appear before the Committee. The Chairman said that he hoped it would be possible to make a start on drafting the sections of the Report relating to the first period, that is between 1966 and 1981, after 16 September.
- 13. The Committee agreed that of the Governors of the Falkland Islands it would wish to see only the present Governor, Mr Hunt. The Committee also considered whether it would be desirable and right to see some of the Falkland Islands councillors who formally represented the inhabitants of the Islands. The Committee agreed that in that case the councillors considered for interview should be limited to those who had actually been involved in the negotiations with the Argentine government. It might perhaps be right to consult the Governor and the FCO. The Committee also decided that of the Ambassadors in Buenos Aires it should only be necessary to see the Ambassador resident until the time of the invasion, Mr Williams. The Committee thought that it might also wish to see other members of the Embassy staff, for example the Naval Attache. It was suggested and the Committee agreed that the Chairman should discuss these points with the Head of the Foreign Office.
- 14. The Committee agreed that it would wish to take evidence from the Head of the Foreign Office and other officials there, particularly Mr Ure and Mr Fearn. It would also wish to see the Head of the Foreign Office up to the time of the invasion, Sir Michael Palliser.
- 15. The Committee considered that it would need to seek advice about the organisation of the intelligence community and the departments responsible for this before deciding on who should be invited to give oral evidence from that area. The Committee agreed that it should talk at an early stage to

Sir Robert Armstrong. It would wish to interview the Chairman of the JIC up to the time of the invasion, Sir Antony Acland, and possibly also Sir Antony Duff.

- 16. Sir Patrick Nairne recommended that the right people for the Committee to see from the MOD were the Permanent Secretary and the two Assistant Secretaries who appear to have been most closely involved; Mr Jackling and Mr Nicholls. It was not clear from the evidence whether more senior officials, below Permanent Secretary level, would need to be seen.
- 17. The Committee considered how junior officials in departments should be invited to give evidence. The Committee would certainly wish to see junior officials in addition to Permanent Secretaries but the question was whether they should be invited separately. It would be undesirable to have junior officials finding it necessary to regularly refer back to the Head of the Department. It was agreed that Permanent Secretaries should be encouraged to bring the appropriate junior officials with them to give oral evidence and that the Committee should specify which junior officials it would like to interview. If the Permanent Secretary felt that he did not have to be involved it would be up to him to decide whether or not to be present.
- 18. The Committee felt strongly that it would wish to avoid as far as possible explicit criticism in its Report of particular officials. It was agreed that, in writing to Heads of Departments inviting them and junior officials to give evidence, the Chairman would undertake to observe the procedures and safeguards outlined in the Prime Minister's letter about the Committee's remit concerning possible cases of the criticism of individuals and legal representation. The Committee agreed with the Chairman's suggestion that the Committee would wish to, as far as possible, avoid such criticism when drafting its Report and therefore that it would be wise to leave consideration about any special arrangements which might have to be made until such time as any case arose.
- 19. From among the service officers whom the Committee might wish to interview Sir Patrick Nairne suggested, and the Committee agreed, beginning with the Chief of the Defence Staff, Admiral Lewin, while keeping open the possibility of seeing the Chief of the Naval Staff, Admiral Leach, and the C in C Fleet, Admiral Sir John Fieldhouse, at a later stage.
- 20. The Committee agreed that it would not be necessary to see present or past Ministers from any of the minor departments.

- 21. The Committee considered whether to interview representatives of the Falkland Islanders other than formally appointed councillors and other individuals or bodies which represented the interests of the Falkland Islands, for example, the Falkland Islands Committee and the interest groups associated with Parliament. It was noted that the Falkland Islands Committee had promised written evidence which had not yet arrived and had not sought to give oral evidence. The Committee accepted Mr Rees's offer to consider which MPs associated with Falkland Islands interest groups in Parliament, ought to be interviewed and to consider also any other parliamentary connections with the Falklands which should be taken into account. The Committee agreed that this consideration should be on the basis that the Committee would wish to use its limited time as efficiently as possible but that it would nevertheless wish to see all those whom it was necessary to see for the sake of completeness and fairness.
- 22. The Committee considered that it would be worthwhile and necessary to see people from the media. The Chairman drew attention to a latter he had received from Lord Swann at the BBC which recommended the name of someone who could cover the BBC's involvement in reporting on the Falkland Islands (Alan Protheroe Assistant to the Director General). It was agreed that the Chairman should write to the Chairman of the IBA for an equivalent contact. It would be more difficult, however, to identify a focal point in the press, which ought also to be covered. The Committee accepted Lord Lever's offer to seek advice from the Editor of the Guardian about where the Committee might get advice on this point. It might be necessary to see three or four journalists from the serious newspapers. In addition, someone whom the public might expect to give oral evidence to the Committee in view of his particular experience and whom, therefore, might in any case be a useful witness, was Simon Winchester of the Sunday Times.
- 23. The Committee decided that it would wish to consider whether or not to invite for interview members of the general public, MPs or representatives of interested groups who had submitted written evidence. It was agreed that Mr Rees should consider which MPs it would be appropriate to invite. It was also agreed that the Secretary should draw up a list of those who might be invited to give oral evidence on the basis of the correspondence to date, taking into account those who had asked to give oral evidence and those whose contributions were of particular interest.

- 24. The Chairman said that, given the relatively short time available to the Committee and the many people it might be appropriate to interview, he would like to suggest that the Committee should carefully consider its preparation for the interviews. He envisaged that the interviews would fall broadly into two categories; those in which the Committee would have a clear idea in advance of the kind of questions it wished to ask, and; those of an exploratory nature. He expected that the former could be kept relatively short while the latter might be difficult to contain. He suggested, and the Committee agreed, that the Committee should aim to cut back on the latter category as far as possible and to prepare questions in advance of interviews in the former category in as many cases as possible. He asked the Secretary to prepare for the next meeting a list of witnesses in each of the two categories.
- 25. It was suggested, and the Committee agreed, that as far as possible the Committee should meet for a short time before each session of oral evidence to discuss the Committee's objectives.
- 26. It was agreed that the Committee would not make a practice of notifying questions in advance.
- 27. The Committee also agreed that it would not be necessary for all Committee members to be present at all interviews. For the important interviews, for example those involving Prime Ministers and other important Ministers such as Lord Carrington, the whole Committee would wish to be present but in other cases, for example the Captain of HMS Endurance, the Committee might divide its resources. This would mean that interviews could take place when not all members of the Committee were available and it would be possible to interview two people simultaneously.
- 28. The Chairman said that at the Committee's next meeting he wished to focus on who should be invited for interview and when. He suggested that consideration of the questions to be asked might best be done when Lord Lever and Mr Rees had finished their respective papers.

Discussion of Committee members' papers

- 29. The Committee discussed each paper in turn.
- 30. The main points of discussion concerning the earlier period, 1966-81:



- i. Diplomatic strategy The Committee agreed with the first four parameters set out in the Chairman's paper:
 - (1) All Administrations asserted British sovereignty over the Falkland Islands and their Dependencies;
 - (2) Throughout the period Argentine Governments never wavered in the demand for the restitution of their sovereignty over the Malvinas and their Dependencies;
 - (3) All British Governments wished to transfer sovereignty of Falklands and Dependencies to the Argentine;
 - (4) All British Governments agreed that any settlement must be acceptable to Islanders;

and agreed with his conclusion that they ruled out the allegation of an FCO 'plot' to cede sovereignty behind the backs of Parliament and the Islanders. The evidence also showed that all Governments had discarded the 'Fortress Falklands' option and that, by 1981, of all the various options considered over the period, only leaseback remained. However, the fact that successive British Governments actively pursued proposals which aimed at a transfer of sovereignty would be difficult for some people to come to terms with and the Committee would need to face this when drafting the Report. The Chairman suggested that, unless there was an assumption that British Governments believed that they could change Parliamentary and Falkland Islander opinion, they could be accused of negotiating in bad faith. This was a further point to bear in mind when drafting the Report.

ii. Defense strategy The Committee agreed with the Chairman's fifth parameter, that the majority (at least) of Administrations held that the Islands could not be defended. The evidence showed that the capabilities of the token defense force (small marine garrison and HMS Endurance) reflected the constant intelligence assessment that hostile action by Argentina was always possible but would be most likely to take the form of economic harassment or small scale military operations, with full scale invasion the last of the Argentine options. There was an apparent discrepancy between the views taken by the MOD and the FCO; the MOD believed that adequate defense against major hostility would be impossible for all practical purposes; the FCO on the other hand seemed to think that HMG had a formal responsibility for defence of the Islands. It might be argued that the FCO depended on a 'diplomatic defense', keeping the negotiations going to keep hostility at bay. A consequence of this may have been that the 'diplomatic defense' had itself to be protected, with the result that British Governments had to be particularly cautious about taking any kind of military initiative.

- iii. The occupation of Southern Thule seems to have been a significant event from two points of view; because, unlike other 'adventurist' operations, the Argentine Government was clearly implicated and; because the British Government's weak response may well have given the Argentines encouragement about our commitment towards and our capabilities in the area.
- iv. The sending of the task force in 1977 had obvious parallels with 1982 although it was still unclear as to how much use was made of the British action to actually deter Argentine aggression or the extent to which this Administration was briefed on those events.
- v. The JIC assessments The Committee agreed with the Chairman's sixth parameter; that the intelligence assessment of the risk of an invasion had remained constant over the period. The evidence of actual events over the period vindicated this advice.
- vi. The airfield and the fact that it was not extended as the Shackleton recommended was an important factor over this period and subsequently. A longer runway would have made a considerable difference in the military and economic defensibility of the Islands. There appeared to be no evidence that the broader, strategic benefits of the investment had been fully assessed against the short term cost and the cost to HMG of having to take measures to assist the Islands in other ways in the event of Argentine hostilities.
- 31. The Committee's discussion of the second period, from early 1981 to April 1982, revolved around the contention that there was a discernible change of gear on the part of the Argentines dating from their communique in July 1981, an increasing sense or urgency and impatience which should have been, but was not, picked up by the FCO and acted upon. Also that by this time HMG was in a box from the point of view of its negotiating position; with the last card, leaseback, having been lost in the face of Parliamentary and Falkland Islander criticism. HMG had run out of negotiating options and ought to have given more thought to contingency planning rather than rely solely on being able to attenuate negotiations with the Argentine.
- 32. The Committee considered whether the change of gear, although it seemed fairly clear from the evidence with the benefit of hindsight, was discernible at the time. The strength of Argentine views had after all fluctuated in the past. It might, alternatively, be argued that the change of gear was

indeed detected by the FCO who may have taken the view that a clear response was not possible given the undoubted constraints on the UK's negotiating position and the unpredictability of the Argentines. Or again, that there was evidence that, while impatient, the Argentines would continue to negotiate peacefully at least until the 150th anniversary at the beginning of 1983.

33. It was argued whether the Government could reasonably be expected to have taken another course of action in response to the Argentine position. Our negotiating position left little or no room for manoeuvre. Argentine ministers were openly talking about continuing negotiations. Could HMG really be blamed for taking them at their word? What action could have been taken to cover the possibility of deceit? Military initiative would run the risk of precipitating the very outcome it was designed to prevent. On the other hand, there was evidence to suggest a lack of purposeful consideration by the Government of its position over this critical period, particularly in the light of the noted FCO recognition in the summer of 1981 that we were perilously close to confrontation. It would be necessary to judge whether a change of gear had in fact registered with the Government and officials and, if not, whether this might have happened had more use been made of the available machinery of government in order to take stock.

It was argued whether or not the machinery of government had functioned correctly. On the one hand, given the available intelligence and the limited scope for alternative action at the time, further meetings between ministers might not have produced a significantly different result. And the JIC might have felt that the constancy of intelligence advice obviated the need for regular or particular attention to the Falkland situation at their weekly meetings. On the other hand, there appeared from the records to have been little prompting of ministers and little joint consideration by them of the worsening position. The opportunity of a meeting between Foreign Office ministers on 5 March does not seem to have prompted decisive action. It had also in the past been usual to have a JIC assessment before major negotiations and it could be argued that there were other signs which should have triggered a fresh appraisal before the negotiations in February 1982. A judgment of the Government's position at the time would be helped by knowing exactly what intelligence had been brought to ministers' attention. This was not, however, clear from the written evidence, nor was the extent to which the intelligence assessment machinery actually took account of apparently well informed publicly available information such as the BBC World Service and newspaper reports.

The Committee acknowledged that there was a limit to what written evidence by itself would reveal. To obtain the full picture it would be necessary to ask Ministers, for example, Lord Carrington, about what was in their minds at the time. It would also be relevant to know what had caused three Ministers to resign. Was it out of honour (or to spare the Prime Minister the burden of defence in the Commons if the Foreign Secretary continued in the Lords) or because they actually felt some degree of culpability for not preventing what had happened.

35. It was argued whether the Government had exhausted its negotiating position when Parliament and the Falkland Islanders rejected leaseback and whether it was therefore reasonable to continue to try to negotiate with Argentina on this basis. If so, it was reasonable to ask whether the Government ought to have given more thought to alternative courses of diplomatic action and to the adequacy of contingency plans. The Government might, for example, have explored the possibility of warning the Argentines off aggressive action on the grounds that it would have been harmful to both countries' interests, or of earlier discussions with the United States. There seemed from the evidence, however, to have been little opportunity of collective consideration of such options. contingency plans which existed reflected the intelligence assessment of the likelihood of invasion. On the defence side these appeared to be little more than paper assessments of a possible response rather than a thoroughly considered, logistical plan of action. On the other hand, it was argued that the Government might reasonably have hoped to make progress on leaseback in the longer run and that procrastination was simply a continuation of the stance of all previous Governments, which had also been caught trying to reconcile conflicting objectives. The Government may also have had in mind that it had no alternative to continuing negotiations. In considering the adequacy of contingency plans, it would be necessary to consider the accuracy of intelligence assessments on which they were based. These assessments were certainly constant, and Governments had taken the view that the Falklands could not be defended. Could the MOD, therefore, be expected to have contingency plans against invasion?

Next meeting

37. This had been fixed for 10.30 am on Wednesday 8 and Thursday 9 October. The Committee agreed to cancel the half day meeting pencilled in for Friday 10th.

36. The Chairman suggested that at the next meeting the Committee should consider a programme of oral evidence with a view to putting together people and dates and also to try to seek agreement on the main issues to be addressed.

7 September 1982

Annex A.

FALKLAND ISLANDS REVIEW COMMITTEE

Programme of meetings to end of November

October

Monday, 18
Tuesday, 19 (not Lord Barber in the morning)

Friday, 22

Monday, 25 Tuesday, 26 Wednesday, 27 Thursday, 28

November

Monday, 1 Tuesday, 2 Wednesday, 3 (not Sir Patrick Nairne)

Monday, 8 Thursday, 11 Friday, 12

Monday, 15 Tuesday, 16 Friday, 19

Monday, 22

Monday, 29 Tuesday, 30 Wednesday, 1 December.

FALKLAND ISLANDS REVIEW COMMITTEE

The next meeting of the Committee will be held at 10.30 am on Wednesday 1 September and on Thursday 2 September in Room 1/95 Old Admiralty Building.

AGENDA

- 1. Minutes of 2nd meeting (previously circulated).
- 2. Matters arising:
 - i) documentation;
 - ii) 'letters of comfort' from Heads of Departments;
 - iii) correspondence and submissions.
- 3. Consideration of Committee members' papers.
- 4. Any other business.

PAOV .

(P G Moulson)

26 August 1982

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Tuesday, 16

Friday, 19

Monday, 22

Monday, 29

Tuesday, 30

Wednesday, 1 December.