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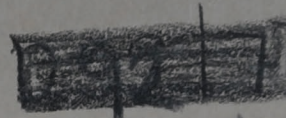
FALKLAND ISLANDS
REVIEW COMMITTEE

FIRC / 1 / 5

MEETING / AGENDAS

5TH MEETING

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FIRC 5TH MEETING MINUTES

FALKLAND ISLANDS REVIEW COMMITTEE

Minutes of a meeting held on Wednesday 15 and Thursday 16
September 1982 in Room 1/95 Old Admiralty Building

Present: Lord Franks (Chairman)
Lord Barber
Sir Patrick Nairne
Mr Rees
Lord Watkinson
Lord Lever of Manchester (Thursday only)

Mr Rawsthorne } Secretariat
Mr Moulson }

Minutes of the last meeting

The minutes of the last meeting were approved.

Matters arising

2. The Chairman mentioned his meeting with Sir Antony Acland. One of the points Sir Antony had raised was whether the Committee would make a transcript of the evidence given by officials available to the Permanent Secretary. This possibility had been foreseen in Sir Robert Armstrong's guidance for departments when the Committee was set up. The Committee agreed that this was a reasonable suggestion. Sir Antony had also asked to see a copy of the evidence given by Sir Michael Palliser. The Committee agreed to this, subject to Sir Michael Palliser's agreement. Subsequently the FCO had asked if they might see the transcript of criticisms made of the FCO by other witnesses. The Committee agreed that it would provide the FCO with details of any criticism on which it wished to re-examine them, but not necessarily by providing a copy of the transcript.

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3. The Committee considered the implications of an article about its inquiry in the Sunday Telegraph. It agreed to maintain its policy of not issuing any statements during the course of the inquiry. It was also agreed that its wish to discourage press speculation, particularly while evidence was being taken, should be brought to the attention of Government Departments and that the Chairman should raise this with Sir Robert Armstrong.

4. The Committee agreed the Chairman's suggestion that the Secretariat should begin to draft the early part of the Report covering the period from 1965 to 1981.

Oral Evidence

5. The Committee considered the provisional programme of oral evidence (FIRC 14) and suggested a number of changes. These are reflected in the revised programme attached at Annex A.

6. The Committee considered the questions to ask Lord Carrington, Mr Ridley, Mr Atkins, Mr Luce, Mr Williams, Mr Hunt and FCO officials. It also considered, on the basis of a paper drawn up by Lord Watkinson and Sir Patrick Nairne, the questions to address to MOD Ministers and officials. It was agreed that the Secretariat should prepare a list of questions for the Committee in advance of each interview. These lists are being circulated separately.

7. Lord Lever reported his advice from the Editor of the Guardian that the newspaper interest could be covered by inviting editors to give evidence. They need not be invited separately. In discussion the Committee agreed to invite the editors of the Times, Sunday Times, Telegraph and Guardian. It was suggested that the Committee should also consider covering the popular press, the provincial press and journals such as the Listener and the Economist. There was a general feeling that it would be invidious to limit the invitation to submit evidence. The Committee agreed to return to this matter in due course.

8. The Committee agreed that the preparation of questions for individual witnesses might best be divided between

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Committee members in the following way:

Lord Watkinson	-	Sir Bernard Braine MP
Mr Rees	-	Mr Tam Dalyell MP
Sir Patrick Nairne	-	Captain Barker and the defence attaches in Buenos Aires
Lord Lever	-	Sir Harold Wilson
Lord Barber	-	Cabinet Office

Briefing by Sir Robert Armstrong

9. Sir Robert Armstrong briefed the Committee on intelligence matters and Cabinet Office machinery at 11.00 am on Thursday 16 September. A record of the briefing is attached as a Secret Annex (Annex B).

Next Meeting

10. The next meeting will be held at 10.30 am on Tuesday 28 September in Room 1/95 Old Admiralty Building, prior to taking oral evidence at 11.00 am in Room 1/99.

FIRC
Old Admiralty Building
Whitehall
London
SW1A 2AZ

23 September 1982

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REVISED PROGRAMME OF ORAL EVIDENCE

Date	Morning	Afternoon
<u>September</u>		
Tuesday, 28	11.00 Mr R M Hunt	<u>Preparation for 11 and 14 October</u>
Wednesday, 29	10.45 Lord Carrington	2.30 Mr Ridley 3.45 Mr Williams
<u>October</u>		
Monday, 4	10.30 Mr Nott	2.30 Sir Frank Cooper and Sir Terence Lewin
Tuesday, 5	10.45 Mr Atkins 11.45 Mr Luce	2.30 Foreign and Commonwealth Office. (Sir Antony Acland, Mr Day, Mr Ure, Mr Fearn)
Monday, 11	10.45 SIS 12.00 GCHQ	2.30 JIC
Thursday, 14	11.00 Sir Michael Palliser	2.30 Falkland Island Councillors <u>Preparation for 18 October</u>
Friday, 15	11.00 Ministry of Defence	No Meeting.
Monday, 18	<u>Preparation for 19 October</u> 12.00 Mr Rowlands	2.30 Mr Callaghan 4.15 Dr. Owen
Tuesday, 19	11.00 Attaches 12.00 Capt. Barker	2.15 Sir Harold Wilson 3.30 Cabinet Office
Friday, 22	<u>Preparation for interview with PM</u>	2.15 Sir Bernard Braine. 3.15 Lord Buxton 4.15 Mr Dalyell

Lord Carrington has a lunch at the Savoy Grill at 1.00

Mr Nott needs to leave for next appointment at 12.15

REVISED PROGRAMME OF ORAL EVIDENCE
(Continued)

Date	Morning	Afternoon
<u>October</u>		
Monday, 25	11.00 Media Representatives	2.30 Prime Minister
Tuesday, 26		
Wednesday, 27		
Thursday, 28	11.00 Mr Heath	

Mr Heath has a lunch appointment at 1.00 pm.

Note of a Briefing given to the Falkland Islands Review
Committee on Thursday 16 September 1982

The Committee had asked Sir Robert Armstrong to explain in general terms the workings of the Joint Intelligence Committee (JIC) and of the Cabinet and Defence and Oversea Policy Committee (OD).

2. Sir Robert Armstrong was accompanied by Mr Patrick Wright (Chairman of the JIC), Sir Antony Duff (the Intelligence Co-ordinator) and Mr David Colvin (OD Secretariat).

Joint Intelligence Committee

3. Mr Wright explained that the weekly meetings of the JIC were attended by:-

Director General Intelligence MOD (a retired serving officer)
Deputy Chief of the Defence Staff (Intelligence)
Representative of the FCO
Heads of MI5 and MI6
Director GCHQ
Intelligence Co-ordinator
Treasury (Chairman JIC(EA))

Also present would be the Head of the Assessments Staff (AS), his two deputies, the Head of the Foreign and Commonwealth Office's Permanent Secretary's Department (PUSD), representatives of allies' intelligence agencies

and the JIC Secretariat.

The AS officer responsible for particular papers being considered by the Committee would also usually attend the meeting.

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OF THE PUBLIC RECORDS ACT

4. The Secretariat was responsible for the agenda, the circulation of Committee papers and for following up any action agreed by the Committee. The agenda would usually be decided by the Chairman in consultation with the Secretary and the Head of the AS. The AS were continually in touch with FCO desks and with other Government Departments, including the intelligence agencies. The business of the JIC arose out of this process of consultation.

5. The AS met at the beginning of each week to discuss proposals for the JIC. At that meeting the urgency of particular business was also decided, for example whether to await the JIC or whether, because of urgency, to issue an Immediate Assessment, if necessary calling a special meeting.

6. The AS's organisation of Current Intelligence Groups (CIGs) was divided on a regional basis. One CIG was concerned with Latin America, including Argentina and the Falkland Islands. Each CIG was chaired by one of the two deputy heads of the AS. There was no fixed CIG membership but the FCO, MOD and Intelligence Agencies would always be represented. In addition there would be one member of the AS devoted full time to Latin America. Other Government Departments, such as the Treasury, Industry, Trade and the Bank of England could be represented at CIG meetings. CIGs did not meet regularly, but were on four hours' notice. The programme of meetings was decided at the weekly AS meeting.

7. In line with the general policy for Cabinet Office staff, the JIC Secretariat and the members of the AS were traditionally seconded from Government Departments, usually for a period of three years. The aim was to strike a balance between the need to give people sufficient time to become experienced in intelligence work and the need to maintain, by means of a regular turnover of staff, an understanding between the central intelligence organisation and its customer Departments. In theory people could come from any Government Department but the FCO and the MOD supplied the majority. JIC was traditionally chaired by the holder of a particular FCO Deputy Secretary post. The Head of the AS was normally an FCO Under-Secretary. The current Chairman of the Latin America CIG was a Naval Commander.

8. There was a standard distribution for JIC reports, including the Weekly Survey of Intelligence ('the Red Book') which was sent to Buckingham Palace, the Prime Minister, some

senior Ministers and Permanent Secretaries (in the relevant Departments) and some other senior officials, usually not below Deputy Secretary level for the complete distribution.

9. Incoming material was received by the AS from all the intelligence agencies, including the Defence Intelligence Staff. FCO intelligence from diplomatic sources could be passed on by the FCO but it was usual nowadays for the AS desk officer to be on the circulation list for overseas telegrams. The desk officer would be expected to make use of publicly available information such as press reports and radio or television broadcasts. Because of the structure of the organisation and the bulk of information, most intelligence was received by the AS desk officer from his contacts in the agencies and Departments. Desk officers were, however, not passive. It was an important part of each desk officer's responsibilities to maintain an active dialogue with his contacts and to prompt more information if he thought it necessary. It was reckoned that in this way the AS could fulfil its main role, which was to co-ordinate the reports gathered from the intelligence network, while at the same time maintaining a degree of independence of it.

10. Sir Antony Duff explained the role of the Intelligence Co-ordinator. He was responsible for the functioning of the intelligence machinery throughout Whitehall. Specifically, this meant servicing the Committee of Permanent Secretaries (PSIS) which was responsible for the intelligence budget and the tasking of the intelligence collecting agencies. For this latter task there was machinery for finding out the requirements of customer Departments. Decisions were taken at a biennial review by the JIC (the last was nearly two years ago). On these occasions the JIC determined an overall framework of priorities. At the last review, intelligence targets had been divided into four categories, with the Falkland Islands in the fourth, or lowest, category. In the JIC's terms the order of priority described the kind of surveillance given to a target rather than the depth of coverage; thus the Soviet target, in the first category, was given broad coverage, while for lower categories the areas for surveillance were progressively narrowed down.

11. In discussion the Committee was informed that the Chairman of the JIC and the Intelligence Co-ordinator were appointed by the Secretary to the Cabinet, after consultation with the Prime Minister. While the practice was for the JIC

Chairman to be drawn from the FCO, the Intelligence Co-ordinator had no departmental affiliation. Sir Antony Duff was the first full time Co-ordinator. The JIC's role in relation to Government Departments was to take an overview of intelligence matters and it was, to that extent, independent of Departmental policies. It had recently been decided that the JIC should more actively concern itself with decisions about the Assessment Staff's programme of work. The JIC aimed to produce a Whitehall consensus about selected items of intelligence for the guidance of Ministers and senior officials. An agreed view was generally more useful for Ministers. If, however, the JIC could not reach agreement the different points of view would be reflected in the JIC assessment, although not necessarily attributed to any particular Department. The JIC tried to report intelligence as accurately as possible to avoid diluting or distorting original reports subject to the need to protect the intelligence source.

12. The Prime Minister (and other Ministers) saw the Weekly Survey of Intelligence and the most Immediate Assessments. The Secretary of the Cabinet considered what circulation longer term assessments should receive; they always went to the Prime Minister. In addition, the heads of the Intelligence Agencies had direct access to the Prime Minister if necessary. The Foreign Secretary would, in addition to JIC reports, receive intelligence information through FCO channels and would usually see a weekly summary of SIS reports. A decision whether Ministers' attention should be drawn to important intelligence matters could be made either by the JIC or by the Chairman of the JIC at the weekly Assessments Staff meeting. In addition, each Department would have its own internal arrangements for alerting its Ministers and senior officials. The prime responsibility of the MOD Defence Intelligence Staff was to the Chiefs of Staff. Its activities were, however, closely co-ordinated with the JIC and its information would normally be made available to the Assessments Staff.

Satellite Intelligence

13. Sir Robert Armstrong explained to the Committee the arrangements for co-operation with the Americans for satellite surveillance. There were two systems which could in theory cover the relevant area of the South Atlantic. In practice,

however, these were usually directed to other targets of particular interest to the Americans. Argentina was not regularly covered. The systems were not able to function effectively at night or through cloud cover. The successful retrieval of information dropped from one of the satellites, into the sea, could not be guaranteed. The Americans had passed over no imagery on the South Atlantic before the invasion. They had subsequently checked what had been available. One system had produced nothing on the area between mid-January and mid-March; the other had produced only one photograph, of an airfield on 10 March, which was of no intelligence value. There had been total cloud cover on 1 April. The conclusion was that satellite intelligence had not (and could not have made) any contribution to intelligence assessments in the months prior to the invasion. Lord Franks said that the Committee might need to confirm this in its Report but would bear in mind the particular sensitivity of this area of intelligence.

Cabinet and Oversea Defence Committee

14. Sir Robert Armstrong explained that a three week forward look of the business of Cabinet's and associated Committees (including OD) was considered at his weekly meeting with Cabinet Office staff, who provided the Secretariat. The Prime Minister was advised accordingly and she was ultimately responsible for deciding the agenda. The Cabinet Office separately sought the advice of Government Departments for their forecast of likely business over the next four to six months. Subjects for the agenda were usually suggested by Departments but it was open to the Cabinet Office, and one of its responsibilities, to make its own suggestions and to prompt Government Departments. From time to time particular subjects were examined by ad hoc committees set up under the chairmanship of the Cabinet Office.

15. OD was chaired by the Prime Minister and had a nucleus of Ministers from the FCO, MOD and the Treasury. Ministers from other Departments, for instance, Industry and Trade might also be present for particular items. Its purpose was to take decisions about the issues put before it, not necessarily on the basis of specifically prepared papers. At present only the weekly Cabinet meetings were subject to a regular timetable, although some Cabinet Committees did in fact meet on a regular basis, for instance, the Home Affairs Committee and the Economic Committee which meet about four times a month. OD meet less regularly and less often. One factor behind this was the amount of travelling done by a Foreign Secretary.

16. There had not been a significant amount of time devoted to the Falklands issue by Cabinet or OD in 1981 or early 1982, except perhaps at the turn of the year when Mr Luce's briefing for the next round of negotiations had to be decided. This was due to preoccupations with other issues and the fact that the threat, as reflected in the intelligence assessments, did not appear to change over the period.

Other business

17. At the end of the formal briefing Sir Robert Armstrong remained behind alone with the Committee. The Chairman asked him to consider how best the Government Departments might deal with the inevitable press interest in the Committee's programme of oral evidence. The Committee intended to make no statements to the press and would prefer it if Departments adopted the same line. Sir Robert Armstrong agreed to consider this in consultation with the FCO and the MOD. He thought that a helpful step would be to seek the co-operation of Departments in limiting the circulation of transcripts of oral evidence.

18. Sir Robert Armstrong told the Committee in confidence about some possible changes being contemplated in the responsibilities and staffing of the JIC. The Committee took note of this and suggested that there might be strong presentational reasons for delaying the implementation of any changes until after the Committee had reported. This was, however, a matter for the Government to decide.

PGM

(P G Moulson)

Old Admiralty Building
London
SW1A 2AZ

23 September 1982

LORD FRANKS

FALKLAND ISLANDS REVIEW COMMITTEE : 5TH MEETING

Following are some notes for the 5th meeting of the Committee, on Wednesday 15 and Thursday 16 September.

Minutes of the last meeting

2. The minutes of the last meeting have been circulated to members by post.

Matters arising

- (i) Committee papers (paragraphs 1 and 2 of the minutes). I have dictated a note on contingency plans, which I hope will be ready to show to Lord Watkinson and Sir Patrick Nairne tomorrow. Mr Rees has nearly completed a long paper, which consists mainly of lengthy extracts from Cabinet and Defence Committee papers and Hansard. I have a copy of his summary if you would like to see it. I have not heard anything from Lord Lever about his paper or his views on the FCO paper of the UK's title to the Islands.
- (ii) Oral evidence. You may like to mention your meeting with Sir Antony Acland (paragraph 11) and, in particular, the point he raised about making a transcript of the evidence given by officials available to the Permanent Secretary. This point was raised in the guidance for departments prepared by Sir Robert Armstrong when the Committee was set up. That note, of which I have a copy, said "It should be suggested that a transcript of the evidence should be made available both to the Head of the Department concerned and to participants after each session of oral evidence" but the suggestion has never been made formally to the Committee. You were inclined to think, subject to the views of the Committee, that this was a reasonable suggestion.

A particular point arises on Sir Michael Palliser's evidence, of which Sir Antony Acland also asked to see the transcript. It seems to me that this should be done only with Sir Michael's agreement. After your meeting Sir Antony's office rang with a further question: whether the FCO would see the transcript of criticisms made of them by other witnesses. I said that I would raise this with the Committee if the question arose. My initial reaction was that, if criticisms were made and the Committee wished to recall FCO witnesses and examine them on them, it would certainly wish to provide the FCO with precise details of the criticisms, but not necessarily by providing a copy of the transcript.

- (iii) Mr Rees may like to mention the Sunday Telegraph article (attached).

Provisional programme of oral evidence

3. A provisional programme of oral evidence (FIRC 14) will be available at the meeting. You have written to all the Departments and to Ministers and former Ministers inviting them to give evidence and this leaves only Sir Bernard Braine, Mr Dalyell and Lord Buxton, for whom we are preparing letters, and the media representatives whose names we do not yet know. (We have not yet received replies from the letters you sent to the IBA and BBC last week. You may like to ask Lord Lever whether he has been able to consult the Editor of the Guardian.) There is only one change of significance from the list attached to the minutes. The MOD view was that the invitation should be addressed to Sir Frank Cooper, in respect of the MOD as a whole, including the Service Chiefs, and you wrote on that basis. I understand that Sir Frank envisages bringing Service Chiefs with him. Only one session has therefore been allocated to the MOD, but there may well need to be a further one. I have suggested starting at 10.45 on some days, usually when two people are scheduled for the morning session. I hope that this will leave enough time for the Committee to collect its thoughts before the interview.

Questions to be put to those giving oral evidence

4. This will be the main business of the meeting. It is probably sensible to work through the witnesses in the order we expect them to appear starting with Mr Hunt. If it would be helpful, the secretariat might prepare, in addition to the questions agreed by the Committee, a short list of references to remind members of the main documents relevant to each interview.

Preparation for briefing session

5. I have prepared a short paper (FIRC 15) which attempts to bring together the points the Committee had in mind in asking for the briefing session. You may like to mention it at the end of today's meeting, so that members have a chance to look at the two papers mentioned in paragraph 5 of the note. Otherwise it is probably sufficient to spend the half hour before Sir Robert Armstrong arrives looking at the paper. The briefing session will be in room 1/99 and it is probably more convenient for the Committee to meet there at 10.30 tomorrow rather than in your room.

Next meeting

6. After tomorrow the Committee will not be meeting again until Tuesday 28 September, when it is to see Mr Hunt. I shall try to devote most of the intervening week to preparing a first draft of the section of the report dealing with the earlier period on the lines we have discussed.

(A R Rawsthorne)

Old Admiralty Building
London
SW1A 2AZ

15 September 1982

Falklands wrangle looms

By NORMAN KIRKHAM, Diplomatic Correspondent

WITNESSES from six months before the April 2

Government departments are to be called before the Falklands inquiry in Whitehall next month, which is now likely to prove an exhaustive "inquisition" into alleged shortcomings of diplomatic and military advisers.

Lord Franks and the five members of his review committee have held their first joint meeting. I understand that they are spending up to seven weeks ploughing through years of Government records and confidential papers.

The lengthy reading in and the prospect that dozens of witnesses will be summoned may mean a delay in their report to Mrs Thatcher beyond the target date at the end of the year.

Although the burden of their investigation into the Argentine invasion is to fall upon the Foreign Office, they will take evidence too from the Ministry of Defence, Cabinet Office, Treasury, and Departments of Trade and Energy.

Foreign Office diplomats are being warned to expect the private hearings to be "coolly formal".

Informed sources in London were suggesting last week that the investigation could well lead to wrangling between the diplomats and military men on the crucial issue of why more was not done to discourage or prevent the Argentine invasion.

Danger signals and threats that Argentina would resort to military action began several

months before the April 2 attack.

Argentina's military strategy had been encouraged by British plans to withdraw the vital protection of the ice patrol ship *Endurance* from the area, and General Galtieri the Argentine junta leader, commented later that he had been astonished by Mrs Thatcher's decision to repel his forces.

It is thought that the diplomatic witnesses may take the line that the Falklands decisions in recent years were "political," taken by ministers and not recommended necessarily by the Foreign Office.

They may suggest, too, that policy was shaped on the premise that Britain was not prepared to go to war.

Defence Ministry representatives may counter that more was not done to protect the Falklands because of Foreign Office efforts to encourage the islanders towards closer links with Argentina.

The case for generous Government spending on development of the Falklands is expected to be outlined tomorrow with publication of Lord Shackleton's special report for the Prime Minister.

As disclosed by *The Sunday Telegraph* he is likely to recommend building a second airport, improvement to other airstrips, road building and harbour improvements. These projects with development of farming, fishing and sea weed industries could cost about £50 million.

FIRC 5TH MEETING AGENDA

FALKLAND ISLANDS REVIEW COMMITTEE

The next meeting of the Committee will be held at 10.30 am on Wednesday 15 and Thursday 16 September in Room 1/95 Old Admiralty Building.

AGENDA

Wednesday 15 September

1. Minutes of the last meeting (already circulated)
2. Matters arising
3. Provisional programme of oral evidence (FIRC 14)
4. Questions to put to those giving oral evidence

Thursday 16 September

5. Preparation for briefing session
- 11.00 am 6. Briefing session with Sir Robert Armstrong and others - in Room
(FIRC 15) 1/99
7. Continued discussion of item 4.
8. Any other business.

A R Rawsthorne

Secretary

14 September 1982