Mr Smith - file.

FIRC 6TH MEETING MINUTES

FALKLAND ISLANDS REVIEW COMMITTEE

Minutes of a meeting held on Tuesday 28 September and Wednesday 29 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

Mr Rawsthorne) Secretariat

Minutes of the last meeting

The minutes of the last meeting were approved.

Matters arising

- 2. The Chairman said that a paper on contingency planning prepared by the Secretary in consultation with Sir Patrick Nairne and Lord Watkinson was now complete and available for the Committee.
- 3. Mr Rees said that he had completed his paper which focused on the key policy decisions made by successive Governments and their presentation in Parliament.
- 4. The Secretary mentioned that additional papers had been received from the FCO and the Treasury, but these did not appear to add significantly to the written evidence already received by the Committee.

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Oral evidence

- 5. The Chairman mentioned that the arrangements for the timetable which had been agreed at the last meeting were now virtually complete.
- 6. The Chairman said that Lord Shackleton had suggested a meeting with him and that the Committee might consider whether to invite Lord Shackleton to give oral evidence formally to the Committee in the context of his 1976 Report. The Committee agreed to invite Lord Shackleton to give evidence.
- 7. The Committee considered the arrangements for taking oral evidence from the Prime Minister. It was agreed that it could reflect adversely on both the Prime Minister and the Committee if she were treated differently from other witnesses. It was agreed that the Secretary should advise the Prime Minister's office accordingly.
- 8. The Committee considered whether to invite oral evidence from the press. In discussion it was noted that there had been little response from the press to the Committee's general invitation to submit oral evidence but that there might be presentational advantages in offering a further opportunity. The Committee was already committed to inviting representatives from the BBC and IBA and the press might expect no less favourable treatment. It was agreed that a letter should be sent by the Secretary to editors which would provide a further opportunity for them to reconsider whether or not to submit evidence. The Committee considered a draft letter and the Secretary was asked to write taking account of the Committee's amendments.
- 9. The Committee considered Mr Tam Dalyell MP's suggestion of inviting Argentine and American witnesses. In discussion the Committee was doubtful whether such evidence would be reliable even if any invitation was accepted.

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- The Committee considered the questions to be asked of the intelligence agencies, the JIC and Sir Michael Palliser. The Secretary was asked to arrange for a list of questions to be drawn up. The Committee agreed to consider, in the light of the sessions of oral evidence with the intelligence community, whether to invite Sir Leonard Hooper and the author of Cabinet Office's retrospective report on the invasion, Mr D R Nicholl.
- The Committee took oral evidence from Mr Hunt, Lord Carrington, Mr Ridley and Mr Williams. Summaries of that evidence are attached.

Next meeting

12. The Committee agreed to meet at 10.15 am on Monday 4 October prior to taking oral evidence from Mr Nott at 10.30 am. The Committee is also to take oral evidence. from Sir Frank Cooper and Sir Terence Lewin at 2.30 pm on Monday and from Mr Atkins (10.45 am), Mr Luce (11.45 am) and FCO officials (2.30 pm) on Tuesday 5 October.

Old Admiralty Building Whitehall London 1 October 1982 SW1A 2AZ

SUMMARY OF EVIDENCE TAKEN FROM MR REX HUNT ON TUESDAY 28 SEPTEMBER

Government responsibilities

Mr Hunt said that he wore two hats; as the representative of HMG and as Head of the Falkland Islands Government (FIG). The FIG was responsible for the internal affairs of the Islands and Dependencies while HMG was responsible for internal security, defence and foreign affairs. There could in theory be a conflict of interest but he felt that on the whole HMG policies had been in the best interests of the Falkland Islands.

The situation at the end of 1981

Mr Hunt said that at the time of writing his
Annual Report he foresaw the Argentines putting on
the screws some time in 1982, by this he meant
economic measures, for example cutting communications
and oil services to the Islands. Because of the
fundamental conflict in the Falkland Islands and
Argentine positions, he could not see a future
in negotiations. He did, however, expect a further
two or three rounds of talks in 1982 with the
Argentines progressively stepping up the pressure

beginning with economic sanctions around about
September 1982. On that basis he expected military
measures in April 1983. He thought that the
Argentines were more likely to occupy another of the
South Sandwich Islands or South Georgia before the
Falklands.

Islander attitudes

Mr Hunt said that he had no doubt that the Islanders could not possibly be persuaded to agree to a transfer of sovereignty, even at the risk of invasion. So far as he knew there had been no thought given by HMG to an evacuation of the Islands. Many Islanders thought that the 1971 Communications Agreement had been the first step on the wrong road.

Views about Mr Ure's assessment in March 1982

Mr Hunt said that he thought Mr Ure's warning that confrontation was perilously close might mean that the February talks in New York had resulted in a stalemate. However the Falkland Islands Councillors who had attended those talks were prepared to keep negotiating. On balance he thought that Mr Ure's assessment was rather too pessimistic. Mr Hunt agreed that the substance of the negotiations had been exhausted from the Falklands point of view. The Councillors had been specifically instructed not to talk about sovereignty, simply to listen to the negotiations and to report back. They could only discuss economic co-operation.

Parliamentary influence

Mr Hunt said that he thought that visits by MPs to the Islands and the success of the Falklands' lobby in Parliament did distort the Falkland Islanders' view of the strength of support for them in the UK.

Likelihood of invasion

Mr Hunt said that he and the Falkland Islanders believed that the Argentines would not be silly enough to go straight to the military option. He imagined that the Argentines believed they could get what they wanted by other means, that is to say through diplomatic pressure for which they would have considerable international support, and as a result of the gradual economic decay of the Islands and consequent disillusionment among the younger Islanders. In time the Argentines could expect the Islands to drop into their hands like a rotten apple. In addition, it was a common belief among the Islanders that Argentine Governments saw a positive political advantage in keeping the dispute simmering.

The South Georgia incident

Mr Hunt said that he did not feel that he had been kept fully in the picture by the FCO. He had, for example, not received regular updates of the position in Argentina. He was unbriefed on

Argentine attitudes. He knew about Davidoff but did not in advance know about Davidoff's proposed visit to South Georgia in December He was worried about Davidoff's intentions and suspected in December 1981 that Davidoff's expedition was a front for another occupation along the lines of Southern Thule. Although he believed in December that the Argentine Navy was involved he had no evidence of this and therefore gave no specific warning. He thought that the Navy's motives were to test UK reaction. He thought that it was significant that the ship which sailed to South Georgia in December was a ship of the Argentine Navy and also that the ship taking Davidoff's party to South Georgia in March was an STW, the equivalent of a Royal Fleet auxiliary vessel. He took the raising of the Argentine flag on South Georgia to be a significant political demonstration. He was suspicious of Davidoff because Davidoff knew the regulations and chose not to comply with them despite the efforts made by the British. Although he had been unsure about Davidoff in December he had advised HMG to make a strong protest at the IRIZA incident in December and had advised in favour of taking a firm stand against Davidoff in March. He had not seen the Lade office incident in March as a major event until he saw how it had been blown up in the Argentine press. It was still not clear who had been responsible but there was evidence that someone from the Royal Marine garrison may have been involved.

The invasion

Mr Hunt said that he had no doubts that the invading

force had been acting according to a carefully prepared Ten days before the invasion about twenty men had arrived at Port Stanley ostensibly to carry out construction work at the Argentine gas installation but it turned out that the men were military personnel and an advance party for the invasion. They had helped to prepare for the Argentine landing. The first Argentines to land on April 2 chose the most suitable beach for their amphibious craft and made straight for Moody Brook where they made a systematic search to deal with the Royal Marine garrison. They were confident enough of their way round to fly their helicopters at night in advance of the main invasion force. When the main Argentine force landed they had a list of names of all the Royal Marines in the garrison. At the time of the invasion there had been twenty-nine Argentine nationals on the Falkland Islands including the gas installation workers. Of the other Argentines most worked for Lade and were serving Argentine Air Force officers who had had complete freedom to travel between the Falklands and Argentina.

Mr Hunt said that he did not think an invasion was imminent until 3.30 pm on 1 April.

SUMMARY OF ORAL EVIDENCE GIVEN BY LORD CARRINGTON ON WEDNESDAY 29 SEPTEMBER 1982

Ministerial responsibility

Lord Carrington said that since he had become Foreign Secretary in May 1979 there had been several priority issues, principally Rhodesia but also Gibraltar, Belize and Hong Kong as well as the Falkland Islands.

Responsibilities between junior Ministers had been divided on a geographical basis, Mr Ridley, followed by Mr Luce, had dealt with the Western Hemisphere including Argentina and the Falklands. He had decided the policy for the Falklands in consultation with Mr Ridley at an early stage and Mr Ridley was responsible for carrying out the policy but was able to, and did, discuss any problems with him. As far as he was concerned neither Mr Ridley nor Mr Luce had ever done anything without his approval or that he had disagreed with.

Intelligence

Lord Carrington said that he could not be certain that he had seen all the significant intelligence reports. He relied on his Private Secretary or his junior Ministers to draw important items to his attention and they knew that this was expected of them.

Involvement of OD and Cabinet

Lord Carrington said that once the policy had been agreed - and colleagues had taken a lot of convincing that leaseback was the only solution - there was no need to keep returning to it at OD. There had been no call for fresh decisions since no other solution was possible. The British aim was simply to keep the negotiations going and there was positive advantage in going as slowly as possible.

Mr Ridley's job in 1981,

after his hostile reception in the House of Commons in December 1980, was to persuade members of his own Party and others of the advantages of leaseback. He recalled that the Lord Privy Seal, Sir Ian Gilmour, had been involved in this. He did not expect that he would have raised the Falklands issue at Cabinet before February 1982. He would be surprised if there was no record of his having raised it at Cabinet after the February talks. He recalled sending a minute to the Chancellor in early March copied to colleagues at OD. Note: this was the undated minute of about 24 March to the Prime Minister copied to other members of OD.

Situation before the New York talks in February 1982

Lord Carrington said that at the beginning of 1982 the only realistic option open to the British Government was to keep negotiations going. There was no question of being able to afford to defend or to develop the Islands. He thought that there would be confrontation

but that this would be gradual. Intelligence assessments and advice from Buenos Aires were unanimous that there would be a gradual build up of Argentine pressure perhaps involving economic sanctions before the Argentines resorted to military action. He thought it inconceivable that they would start by invading.

FCO view

Lord Carrington said that he totally rejected the allegation that the FCO pursued a policy on the Falklands independently of Ministers. There was no difference of view between the Government and FCO officials about the policy. It was wholly untrue that the FCO were working against the wishes of the Islanders or of Parliament.

The position in March 1982

Lord Carrington said that he did not at the time interpret the events of 1981 and 1982 as an indication that negotiations had finally broken down. He had not at the time been aware of all the facts now available to the Committee; for example, he had not known that the Argentine press campaign at the beginning of 1982 had been orchestrated by the Argentine Ministry of Foreign Affairs and the Argentine Navy. He had, however, been aware that the Argentines were taking a harder line and were losing patience. There were signs both ways. On balance he had thought that the negotiations could be

kept going. There seemed to be advantage to the Argentines to keep talking, at least for one more round. The situation had appeared difficult but not hopeless. In any event it had been difficult to see what else the Government could have done except try to keep negotiations Sending a trip-wire naval force, as had apparently been done in 1977, would he felt almost certainly have become public knowledge and thus could have wrecked the Government's objective. If a naval force had been sent covertly, it would have had no deterrent effect on the Argentines. Looked at from the Argentine point of view it had seemed at the time to be more sensible for them to keep negotiating and avoid the risk of bloodshed and international criticism. The difficulties of the British position and the increasing pressure in the UN, where they could also count on US support, could in time give them what they wanted. On this basis the logic behind the JIC assessment was right.

Meeting on 5 March 1982

Lord Carrington said that the decisions for action which he took at his meeting with officials on 5 March were those which he thought were necessary at the time. He did not think that given the same situation again he would have arrived at a different conclusion. The actions decided upon, to send a message to the Argentines and to enlist the help of the Americans were thought to be the best way of preventing a breakdown in negotiations.

He had acted in response to the situation as he perceived it at the time. There was no truth at all in allegations made in Parliament and the press soon after the invasion that he had wilfully ignored evidence of an invasion. He had never seen any evidence that the Argentines were about to use force until 29 March.

Signals to Argentine Government

Lord Carrington said that he doubted that the Argentine Government could have taken comfort from the British Government's attitude towards the Islands. He had made it very clear to his opposite number, Camilion, at the talks in New York in September 1981 that the wishes of the Islanders and Parliament were paramount and that it would be difficult to persuade them to agree to any form of sovereignty transfer but nevertheless that the British Government wanted to reach an honourable settlement. As far as the Endurance was concerned he had thought the decision to withdraw the ship had been wrong and had tried to prevent this but it seemed pretty clear that the Argentine decision to invade was more to do with internal politics in Argentina and was not taken until the last minute. It would have been counter productive to the aim of keeping negotiations going to have warned the Argentine Foreign Minister against invasion.

Argentine/Us relations

Lord Carrington said that he had been aware of the Americans' ambivalence on the dispute.

This had been reflected in the response by Haig and
Enders to the British request for diplomatic assistance.

Their action had not been in any sense helpful. He had
not expected very much from the Americans but he had
considered that it was worth trying. He personally
did not trust Enders. Asked whether the Americans had
been told that Britain would defend the Islands,
Lord Carrington said that upuntil the last minute there
had been doubts in the minds of the Chiefs of Staff that
it would be possible to defend the Islands or recapture them.
It would therefore have been difficult to make a confident
statement to the Americans. It would also have been
difficult to get the necessary support from Cabinet and
Parliament.

The 1977 Task Force

Lord Carrington said that he had been told about this task force for the first time at the meeting with officials on 5 March. Officials had been concerned about disclosing the actions of a previous government and therefore the event was introduced into the discussion almost as an aside. He was not advised to take similar action. He would have regarded it as undesirable because of the danger of precipitating a breakdown in negotiations.

South Georgia incident

Lord Carrington said that he thought at the time,

and still believed, that Davidoff's expedition was of a purely commercial nature. It had been based on a legal contract. He had therefore decided to adopt a low key approach and he doubted that it would have been right to play it any other way. He had, however, become suspicious when, despite British efforts to make immigration procedures easy for Davidoff, the Argentine attitude hardened.

Lord Carrington's visit to Israel

Lord Carrington said that he had had no positive evidence that the Argentines were about to use force when he visited Israel at the end of March. Although he had been concerned at the situation in the Falklands and on South Georgia at that time, he had judged that it would have been damaging to Anglo-Israeli relations if he had postponed the visit for a second time. In the context of the prevailing circumstances at that time this had appeared to be the right decision; only with the benefit of hindsight did it appear to be remarkable.

SUMMARY OF ORAL EVIDENCE GIVEN BY MR RIDLEY ON WEDNESDAY 29 SEPTEMBER 1981

Ministerial responsibility

Mr Ridley said that he had been responsible for foreign affairs in the Western Hemisphere. This had included 14 of the remaining 17 British colonies. He had been responsible for formulating policy, guided by discussions with his Secretary of State and by the policy agreed in Cabinet. The Foreign Secretary had held a weekly meeting of all his Ministers at which the major topics were discussed. The Foreign Secretary was kept informed of progress on all the Department's activities at these meetings. There would have been discussion about the Falkland Islands but only infrequently.

The Government's policy

Mr Ridley said that his first visit abroad after taking up his post was in July 1979 to the Falkland Islands and Argentina. Following this visit he concluded that the negotiations had got nowhere and that the Argentines felt that they were being strung along. The Islanders were apprehensive about their future while the dispute continued. It seemed to him, therefore,

that the situation was explosive and would certainly erupt at some point. He had also concluded that a negotiated settlement based on leaseback was the only alternative to invasion or a prohibitively expensive "Fortress Falklands"policy. The Foreign Secretary and the Prime Minister had been difficult to convince, but eventually he had been given authority to seek a leaseback agreement with the Argentines. As time went on he became more convinced that leaseback was the only reasonable option and therefore had tried hard to achieve it. Once the policy had been agreed, it had been left largely to him to pursue it.

Parliamentary reaction on 2 December 1980

Mr Ridley said that he had expected a hostile reaction from those on both sides of the House who either felt strongly about the Falkland Islands remaining British or about negotiating with the right wing Government in Argentina. However, to put it in perspective he had received hostile questions from 18 MPs not all 630. The same evening he had discussed leaseback with a Back Bench Conservative Committee,

whose reaction had been much more balanced. What he had not expected was the profound effect of Parliamentary reaction on opinion in the Falkland Islands. He did not think he could have done anything to prevent this. He decided to make efforts in 1981.

to enlist support in the Islands and among MPs for
the leaseback concept. As part of his campaign he
arranged for two MPs, one from each main Party, to visit
the Islands. This campaign had, however, been
frustrated by the general lack of interest among MPs
in the Falkland Islands and a lack of suitable
opportunities to bring MPs together and to bring
together the Islanders. He judged that the key to
the campaign was to win the support of the Islanders
themselves but he reckoned that this would take
several years to achieve. In fact Falkland Islander
opinion hardened in 1981 and this was confimed in the
elections held that autumn. He had also discussed leaseback
with Mr Rowlands, who said that he was sympathetic to the
idea but could not promise Opposition support.

FCO view

Mr Ridley said that he had initially been doubtful about leaseback but that these doubts disappeared once he had visited the Islands. He became absolutely convinced that the only alternative to leaseback was economic decay or, more likely, military action.

Risk of invasion

Mr Ridley said that he saw the risks of invasion arising from two events, either if the negotiations broke down or if the Argentines concluded that they

were being strung along. He agreed with the JIC assessment that economic measures were likely to be taken before military measures. As it turned out this proved to be an error of judgment but it seemed right at the time. He was strengthened in this view at the time by his close working relationship with his opposite number, Cavandoli. He had, however, regarded the Argentine Ambassador in London, Ortiz de Rosas, as untrustworthy. He had not had time to get to know Cavandoli's successor, Enrique Ros. In his view the JIC assessment had been a correct reflection of the attitude of the Argentine Government with which he had been dealing. The Galtieri Government had obviously had a different attitude.

Situation on 30 June 1981

Mr Ridley said that by June he had judged that a solution based on leaseback could only be a longer term objective and that in the meantime it would be necessary to have a campaign for educating the Islanders. He had also thought that the situation was becoming so delicate that it would be necessary to set in hand some contingency planning against the eventuality of Argentine aggression both in economic and military terms. At the time he had felt that Argentine patience was close to exhaustion after 15 years of

negotiations and he began to be fearful that the
Argentines might do something rash. His view about
leaseback was that it was not dead but that it could
not be taken further at that stage. He remained
convinced that leaseback was the only realistic
solution. The meeting he had held with officials on
30 June resulted in his minute to the Foreign Secretary
on 20 July which he discussed with the Foreign Secretary in
At the time his assessment was economic harassment was
very likely but that Argentine recourse to military
measures was much less likely.

September.

Signals to the Argentine Government

Mr Ridley said that, although he did not know about the decision to withdraw Endurance until it had been made public, he did not regard this decision at the time as being of particular significance to the Argentines because he felt that the Endurance was irrelevant so far as the defence of the Falklands was concerned. The Endurance had no practical defence capability of any significance and, like the marine garrison on the Island, was little more than presentational. He thought that the decision on Endurance had not been read as significant by his opposite number in the Argentine Government although it had been blown up in the Argentine press. He had had no doubts about the

He had been asked what the Government would do if the Argentines invaded and had replied "If that were to happen, we would have to come and kick them out"; he had added that he would regret this since it would mean that a sizeable garrison would have to be installed in the Islands for several generations.

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British Government's determination to defend the Islands, he had had authority from the Cabinet to confirm both that the Government regarded the wishes of the Islanders as paramount and that the Government would be prepared to defend the Islands or retake them. He had specifically made both points in a recorded discussion with a large number of Falkland Islanders when he visited the Falklands in November 1980. The discussion had been recorded on tape and was listened to by the Argentine Government. Subsequently, on 2 December, he had been asked a Question in the House of Commons about the Government's commitment to defend the Islands. The Prime Minister had thought his answer equivocal on that occasion and instructed him to give a stronger reassurance on a suitable occasion in the future. He had done this in a Written Answer to a Parliamentary Question.

Advice from officials

Mr Ridley said that the official with whom he had had most dealings over the Falkland Islands was Mr Fearn for whom he had a very high regard.

Mr Ure had played only a small part.

SUMMARY OF EVIDENCE GIVEN BY MR WILLIAMS ON WEDNESDAY 29 SEPTEMBER 1982

Responsibilities

Mr Williams said that he had a wide range of British interests to pursue in Argentina of which the Falkland Islands was one. He was, however, always conscious of the need to make progress in the negotiations.

The position at the end of 1981

2. Mr Williams said that in the middle of 1981 it had become apparent to him that the leaseback concept would be thwarted by the Islanders and he therefore became disturbed about the apparent lack of contingency planning should the negotiations break down or the Argentines conclude that the British side could not deliver. He warned of this at the meeting on 30 June with Mr Ridley and that time was running out. He knew that the problem would not go away as an issue in Argentina and he expected that the Government after General Viola would take a tougher line. His suspicions were confirmed when in the autumn of 1981 the MFA fell

into the hands of the hawkish Naval Commander,

Admiral Anaya, and when it became clear at the end of
the year that Galtieri would become the next President.

He assessed Galtieri as being less hawkish than Anaya
but more impulsive as he had demonstrated over a
border incident with Chile. He had therefore felt at
the end of 1981 that the time scale of Argentine
patience had been very much reduced.

Argentine/US relations

Job Mr Williams said that he thought that the visits paid by General Galtieri to the United States in 1981 had been significant, although his impression was that Galtieri had thought he had more American support than the Americans themselves had intended. It was characteristic of Galtieri that he should be over-confident. As for the visit of Enders to Buenos Aires in early March 1982 Mr Williams said that there had at the time been conflicting reports about what Enders had actually said to help the British case. A relatively junior official on the American side had recorded that Enders did not raise the subject at all. A more authoritative report suggested that Enders had raised the question of the Falklands but in a low key and that those who did not wish to hear what he said did not do so.

Argentina/Latin American relations

A. Mr Williams said that there had been a remarkable and notable reconciliation between Argentina and its traditional rival in Latin America, Brazil, in 1981. Relations with Uruguay had continued to be unstable. He thought that the improvement in Argentine/Brazilian relations was significant in that the military junta had a number of issues it wished to clear up before handing back power to a military government, the Argentine "Processo" and had by the end of 1981 probably been able to tick off relationships with Brazil and the United States. The outstanding issues, therefore, like the Falkland Islands, moved higher up the list.

General Galtieri's Government

Mr Williams said that while the Galtieri Government was more nationalist than that of his predecessor, General Viola, it was in some senses more respectable.

Many of Viola's ministers were comparatively inexperienced and wilder. This had tempered his view about the likely development of events in 1982.

Signals to the Argentine Government

Mr Williams said he thought that the Argentines may not have read a lot into British Government policies affecting the Falkland Islands, such as the withdrawal of HMS Endurance, since Argentines were generally not very responsive to news out of the UK. He considered that the Endurance decision was not significant because it was not relevant to the defence of the Falkland Islands. If anything such news may have confirmed what the Argentine Government wanted to believe about the British attitude to the Falklands but he thought that it would be wrong to exaggerate any possible psychological inference.

The position before talks in February 1982

7. Mr Williams said that he thought the Argentine bout de papier issued on 27 January had to be put into perspective with previous events. Had the talks not been postponed from the previous December the bout de papier would have appeared then. Many of the ideas in it were similar to those which had been put forward on 15 October by the Argentine Foreign Minister, Camilion. What was noticeable, however, were the new deadlines. The Argentine press comment at the beginning of 1982 should also be put into perspective.

The Embassy always expected a hotting up of press comment in the New Year which coincided with the anniversary of the British occupation in the Falklands. The Argentine press had already become excited about the issue of stamps of the Royal wedding. At this time, however, it had become apparent to him that the 150th anniversary of the occupation would be a time for trouble. He had suspected that the articles in La Prensa by Rouco were inspired but his impression was that Rouco's articles represented a sector view, that of the Navy, rather than a view of the whole junta. He believed that the majority of the junta was against this hard line and that this remained the position until the end of March.

Position after talks in February 1982

8. Mr Williams said that it was a ritual to describe talks between the two governments as cordial but in this case there had been a good atmosphere. It had been apparent that Ros had had little room for manoeuvre. He believed, however, that Ros was genuinely looking for a way through. Costa Mendes took a tougher line but he believed that Costa Mendes was negotiating in good faith until late in March.

He thought that Costa Mendes' position had changed following a meeting of the Argentine Commanders in Chief on 27 March. In retrospect it appeared that it was from then on that Costa Mendes was practising a deception. He felt at the time that Costa Mendes had painted himself into a corner by taking a tough line in support of Davidoff.

Mr Williams said that in March he still expected that there would be several months of negotiations before deadlock was reached. He expected that the Argentines would continue to negotiate but he continued also to think that a weakness in the British position was that they had nothing of substance to say. This had, however, been the position for several months and this lay behind his encouragement of Camilion's proposals in October 1981 for a new machinery of negotiations. He felt in March that they were close to the time when the Argentines would begin to apply pressure - first diplomatically, perhaps when the Organisation of American States met in May and at the UN in the autumn of 1982, and then through economic sanctions in particular the cutting of communication services between the Falklands and the mainland. retrospect he believed that the Argentines themselves envisaged similar developments but that they suddenly changed their minds and decided instead to go for

military measures. This was the point at which the minority in favour of military action became a majority and it did not take place, he believed, until the end of March.

South Georgia incident

10. Mr Williams said that he did not think that the junta had initiated the Davidoff expedition although it might conceivably have been the inspiration of the Navy. The development of the incident in March, however, provided a useful opportunity for those who were advocating military action to enlist the support of their colleagues. He thought that Davidoff was a genuine entrepreneur and that it was likely that it was not Davidoff but the crew of the ship which carried out the landing on South Georgia who deliberately tried to cause trouble by not checking in at Grytviken and by raising the Argentine flag. Davidoff had not, however, been fully co-operative in that he had not complied with the regulations in Buenos Aires. He had set sail before providing the Embassy with the necessary details of the expedition and even then those details were incomplete. Although he suspected Argentine Navy involvement which was echoed in signals sent back from Captain Barker on the Endurance, he did not associate the incident with a threat to the Falklands until the last few days of March when it became apparent that more ships

from the Argentine fleet at sea were heading for South Georgia than seemed necessary to counter the Endurance.

Intelligence

Mr Williams said that it would not have been easy to improve intelligence about military moves against the Falklands since the relevant military base in Argentina was a long way from Buenos Aires and was too remote from anywhere else to make a casual visit there sound plausible. The Naval Attache at the Embassy had a very close working relationship with his American counterpart and his reports were based to a considerable extent on US intelligence and Argentine press comment. The mixed receptions in Argentine ports for the Endurance may in retrospect seem significant but at the time could easily have been put down to a clash of personalities rather than politics. Asked whether he thought that the threat assessments had taken sufficient account of the Navy attitude, Mr Williams said that Navy pinpricking was not unusual, it had for example been common in the Beagle Channel dispute with Chile and was therefore not necessarily indicative of major military action. He repeated that he had not interpreted the likely Navy inspiration behind the South Georgia incident as a threat to the Falkland Islands themselves until a fairly late stage.

12. Mr Williams said that the Defence and Naval Attaches

worked closely with him. The Defence and Naval Attaches were, however, also shared with the Embassies in Paraguay and Uruguay. The Naval Attache had been in Uruguay at the time of the invasion.

13. Asked about evidence of troop movements before the invasion Mr Williams said that there was some indication but very late on. He added that once the invasion had begun it was clear that the Argentines had made inadequate preparations and that there had in fact been subsequent criticism in Argentina about this.

Defence of the Islands

14. Asked if Argentina thought that the Islands would be defended Mr Williams said that the Government's commitment to the defence of the Islands was made clear by Mr Ridley and, although he had not reported it, had been repeated on several occasions at his meetings with Argentine Ministers. He recalled warning one of them that the British had a bigger Navy than Argentina.

Mr Williams's statement

15. Mr Williams said that he would like to take this opportunity as he had been invited to to make

a short statement to the Committee. He said that since the invasion he had come under a considerable amount of personal criticism built on allegations that he had deliberately withheld evidence of Argentine intentions. He wanted to say that there was no truth in this allegation. He had also been concerned about rumours that Lord Carrington had told people that he had been let down by inadequate advice from the Embassy. These allegations and rumours were having a profound effect on his career and he had not had any opportunity so far to rebut them nor had any Minister or official in the FCO made any attempt to defend him. He therefore hoped that if the Committee concluded that he had carried out his duties correctly that they would make a point of saying so in the Report.

Mr Snith -file

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LORD FRANKS

FALKLAND ISLANDS REVIEW COMMITTEE 6TH MEETING

Following are some notes for the 6th meeting of the Committee on Tuesday 28 and Wednesday 29 September.

Minutes of the last meeting

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

Matters arising

3. There are the following points to report:

(i) Committee papers

- (a) The note on contingency planning has now been completed and circulated to members;
- (b) Mr Rees has completed his paper; you have a copy of his conclusions;
- (c) I have produced a first draft of some paragraphs on the earlier period;
- (d) In response to the Committee's request for a further search of papers, the FCO have produced a number of additional files and the Treasury four more ministerial letters, which do not appear to add much to what we already have.

(ii) Oral evidence

A revised programme of oral evidence was circulated with the minutes. Virtually all the times have now been confirmed. You

(ii) Oral evidence (cont'd)

may like to know the following points:

- (a) Mr Nott's interview starts at 10.30 am, because he has another, longstanding engagement, later in the morning. I hope that the Committee will be able to start slightly earlier that day.
- (b) The Prime Minister's session is now firm.
 No 10 asked if the Committee would go
 there, if it would assist her programme.
 I said that all the other witnesses were
 coming here, and we could start a little
 later if that would help, but that if the
 Prime Minister wished the Committee to go
 to her, I expected that they would be
 prepared to do so (although we would need
 to take shorthand writers etc). The
 Committee may have views on this.
- (c) Mr Rees, who is preparing questions for Mr Dalyell, reminded me of Mr Dalyell's suggestion that the Committee ought to try to obtain information from the Argentines and the Americans. There would be something faintly ludicrous about writing to the Argentines, but assuming that the Committee does not wish to write it will need to have some reasons for Mr Dalyell when he comes. The argument for not approaching the Americans is that what really matters for the Committee is not what the Americans told the Argentines but what we asked them to say and what we believed they did so.

(d) Media representatives

I have prepared a draft letter to newspaper editors, which I shall pass round with a short covering note. You may also like to take the Committee's views on Independent Television representatives, in the light of the attached reply from Sir Brian Young. He suggests the editors of Independent Television news and independent radio news and also suggests approaching the managing directors of Thames Television, London Weekend Television and Granada.

(ii) Oral evidence (cont'd)

(e) You will wish to raise the question of inviting Lord Shackleton to give evidence.

Preparation for interviews on 11 and 14 October

4. Mr Moulson has prepared some draft questions for the intelligence agencies, which we shall have available for the afternoon session. For the SIS"C"

will come; and for the GCHQ, Sir Brian Tovey and Mr Johnson. The only question that I would suggest adding to the list is whether in retrospect they think that significantly "better" intelligence could have been provided, which might have led to a different eventual outcome. On the JIC, the Committee will probably want to probe further on the significance of the priorities attached to different parts of the world. One point still outstanding is what use the Committee wishes to make of Sir Leonard Hooper's services.

- 5. The questions for Sir Michael Palliser will centre on his personal involvement in Falkland Islands matters and his role as head of the Office. The questions to other FCO witnesses will provide a starting point.
- 6. The Falkland Islands Councillors have asked whether there is any possibility of coming in November, which is when they have to attend the United Nations in New York. Apparently one of the two Councillors the Committee has asked to see would be prepared to come twice, but the other is reluctant. The Committee could see just one, or someone else could come in the other's place, or the session could be deferred (it is not a crucial one). The questions will presumably be mainly about Islander attitudes to negotiations.

Interviews on Wednesday 29 September

7. Wednesday will be taken up entirely with interviews. The lists of questions, and supporting papers, have been circulated. You may like to ask, however, whether members have any further thoughts on them.

Next meeting

8. The next meeting is on 4 and 5 October, and will again be devoted almost entirely to interviews. The

Committee may like to consider how they will divide the questions for the Ministry of Defence, between the preliminary session with Sir Frank Cooper and Sir Terence Lewin and the later session on 15 October.

Thank you for your laws to (A R Rawsthorne)

each case, it would be appropriate for your people FIRC Old Admiralty Building London
SW1A 2AZ 28 September 1982

Lord Franks, OM, GCMG, KCB,



INDEPENDENT BROADCASTING AUTHORITY

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SIR BRIAN YOUNG

Director General

21st September 1982

Sew Lord Franks,

Thank you for your letter of 10th September.

I am sure it would be right for the Committee to talk to David Nicholas, who is the Editor of Independent Television News (ITN House, 48 Wells Street, London WlP 4DE). Ron Onions, who is the Editor of Independent Radio News (Communications House, Gough Square, London EC4P 4LP) would also be a useful witness, in my view. Between them, they can speak for the straightforward business of news reporting, but you may feel that you wish to cast the net a little wider. Both Thames Television and London Weekend Television were involved, with Granada Television, in providing commentaries in current affairs programmes. In each case, it would be appropriate for your people to approach the Managing Directors: Bryan Cowgill (Thames Television, 306-316 Euston Road, London NW1 3BB); Brian Tesler (London Weekend Television, South Bank Television Centre, Kent House, Upper Ground, London SEl 9LT), and David Plowright (Granada Television, Manchester, M60 9EA).

> Your sineuly. Brian young

Lord Franks, OM, GCMG, KCB, CBE, PC, Chairman, Falkland Islands Review Committee, Old Admiralty Building, Whitehall, London SWIA 2AZ

FIRC 6TH MEETING AGENDA

FALKLAND ISLANDS REVIEW COMMITTEE

The next meeting of the Committee will be held at 10.30 am on Tuesday 28 September in Room 1/95 Old Admiralty Building.

AGENDA

- 1. Minutes of 5th meeting (circulated herewith)
- 2. Matters arising
- 3. At 11.00 am in Room 1/99, oral evidence from Mr Hunt, Governor of the Falkland Islands up to April 1982
- 4. Preparation for sessions of oral evidence to be taken on 11 and 14 October.

Secretary

23 September 1982