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FIRC 7TH MEETING MINUTES

FALKLAND ISLANDS REVIEW COMMITTEE

Minutes of a meeting held on Monday 4 and Tuesday 5 October  
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 }  
Mr Moulson } Secretariat

Minutes of the last meeting

The minutes of the last meeting were approved.

Chairman's remarks

2. The Chairman said that Sir Robert Armstrong had been to see him since the last meeting principally to discuss what he had said to the Committee about possible changes in the organisation of the JIC. Sir Robert had said that, subject to the Prime Minister's views, it had been decided not to make any changes in advance of the Committee's report. If it were found necessary, he would refer to the Committee first. The Committee took note of this.
3. Sir Robert had shown him a copy of a recent JIC assessment of intelligence about the timing of the invasion. Copies were being made available for each member of the Committee.
4. Sir Robert had expressed the view that the Prime Minister would wish to follow the same procedure as for others giving evidence to the Committee and come to Old Admiralty Building.

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## Matters arising

5. The Chairman said that written evidence had now been received from the United Kingdom Falkland Islands Committee. The Committee agreed that the Falkland Islands Committee should be invited to give oral evidence.
6. The Committee considered which MOD officials to invite when the MOD came to give oral evidence on Friday 15 October. It was agreed to invite Sir Frank Cooper, Admiral Sir Henry Leach (Chief of Naval Staff), Admiral Sir John Fieldhouse (C-in-C Fleet), Mr Jackling and Mr Nicholls.
7. A note by the MOD on the 1977 task force was circulated.
8. The Secretariat was asked to prepare a paper on the secret intelligence and overt indications of possible Argentine aggression available in 1976 and 1977 as a basis for comparison with the events of 1982.
9. The Committee agreed to devote time at its next meeting to its programme of meetings beyond November.

## Oral evidence

10. The Committee interviewed the Secretary of State for Defence (accompanied by Mr R Jackling and Mr N Nicholls); Sir Frank Cooper and Admiral Sir Terence Lewin; Mr Humphrey Atkins MP; Mr Richard Luce MP; and FCO witnesses (Sir Antony Acland, Mr D M Day, Mr J B Ure and Mr P R Fearn).

## Next meeting

11. The next meeting will be held at 10.30 am on Monday 11, Thursday 14 and Friday 15 October in Room 1/95 Old Admiralty Building.

8 October 1982

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SUMMARY OF EVIDENCE GIVEN BY SIR FRANK COOPER  
AND SIR TERENCE LEWIN ON MONDAY 4 OCTOBER 1982

Organisation of responsibility

Sir Frank Cooper said that the responsibility for policy formulation rested with the Permanent Secretary and the Department's policy divisions. There would obviously be an input from the Chiefs of Staff, particularly on the operational implications of policy. The Chief of the Defence Staff had access directly to the Prime Minister, although this channel was in practice rarely used. Sir Terence Lewin said that the Chiefs of Staff were responsible for instructing the Commanders in Chief, including C in C Fleet, as to planning requirements. The Commanders in Chief had two committees, one for home and one for overseas, which were backed by a small permanent staff, who were responsible for drawing up plans. There was, however, a distinction between planning and operations, the latter being the responsibility of C in C Fleet.

Intelligence organisation

2. Sir Frank Cooper said that the MOD had its own intelligence organisation at the head of which was the

Director General of Intelligence (DGI) who was in overall command. The DGI was the Vice-Chairman of the JIC and deputised for the Chairman if he was away. The DGI was usually a retired service officer re-employed as a civilian. Under the DGI was a Deputy Chief of Defence Staff (DCDS) who was responsible for the military side of intelligence, a Director of Economic Intelligence and a Director of Scientific and Technical Intelligence. The DCDS(I) was also a member of the JIC. Sir Terence Lewin said that the Chief of the Defence Staff would regard the DCDS(I) as his principal intelligence adviser.

3. Sir Frank Cooper said that the MOD intelligence staff were in the main responsible for assessments and not for the collection of intelligence. Apart from intelligence collected by Defence Attaches in embassies abroad, the MOD relied on the intelligence agencies and other sources, for example the Treasury and the Bank of England for economic intelligence. In answer to a question from Lord Lever, Sir Frank Cooper said that he did not recall being aware in March of any economic intelligence regarding the activities of Argentine banks but he would check on this. In contrast the FCO had no assessment staff, the intelligence they received was channelled to their regional desks where assessments were made in addition to those received from the JIC's assessment staff. The job of MOD intelligence was to comment on the raw material which it received and advise the Department on its military implications. The

Department would usually rely on the FCO and the JIC to make a political judgment about the intelligence, although in practice assessments tended to be made through a process of consultation between all the elements of the intelligence community. This process meant that the MOD was unlikely to have a markedly different view from other departments about the value of the intelligence.

JIC

4. Sir Frank Cooper said that the present JIC machinery dated from 1936 when a Chiefs of Staff sub-committee on intelligence had been formed. The Cabinet Office had taken over in 1957 reflecting the increased use of intelligence in peace time. Since then the FCO had increased its influence both through the numbers of its people involved and because of its control over the intelligence agencies. Sir Frank said that he believed that the pendulum had swung a little too far and that he would like to see a full time and independent JIC chairman. He felt that the present system did not give enough scope for differences in view, the whole approach was geared to consensus. He believed that intelligence should be as independent as possible from policy.

Sir Terence Lewin said that he agreed with Sir Frank Cooper's comments. He thought that the intelligence reports prepared by the JIC were of a high quality but it was a weakness that the JIC was not equally responsible for following through its assessments. At present

it was left to Government Departments, in particular the MOD and FCO, to follow up any action they thought was necessary in the light of a JIC assessment. Sir Frank Cooper said that he did not think that these weaknesses, as he saw them, in the JIC machinery were material to the intelligence assessments on the Falklands. He thought that a restructured JIC would have reached the same conclusions.

#### Intelligence reports

5. Sir Frank Cooper said that in his view the intelligence assessments correctly reflected the balance of the reports which had been made in 1981 and 1982. All the indicators suggested sharper action by the Argentines around the middle of the year. There was a feeling that there would be at least a further round of talks before the Argentines became aggressive and even then that diplomatic and economic pressures would be applied before military measures. Sir Terence Lewin said that he did not believe that there had been any defects in the machinery for reporting and assessing intelligence. Neither did he believe that there had been any hard intelligence which could possibly forewarned of an invasion. Everything pointed to the Argentines taking the decision to invade at a very late stage. No information was suppressed; all MOD desk officers were always given every possible encouragement to raise any difficulties they foresaw. The Defence Attaches were formally answerable to the Ambassador not to the MOD but he had subsequently seen the Defence Attache in Buenos Aires, Colonel Love, who had confirmed to him that despite his gloomy report in March, he had not expected the Argentines to take measures against the Falklands until July at the earliest. Sir Terence Lewin

said that Colonel Love's despatch of 2 March was not in fact received by the MOD until 17 March. In the meantime, on 10 March the MOD had concluded, on the basis of other intelligence reports available at the time, that the July 1981 JIC assessment was still valid.

Sir Terence Lewin said that he did not believe that it was for him to make a judgment of the political events in 1981 and 1982, this was a matter for the FCO.

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He said that the responsibility for reviewing the quality of intelligence received rested with the JIC and the intelligence agencies themselves rather than with the MOD.

1977 Task Force

6. Sir Frank Cooper said that he and many others in the MOD had been aware of the events of 1977, but in his view the situation in 1982 had been quite different. For example it had been possible then to

detach ships which had been on exercise in the vicinity, there had been a recent history of Argentine belligerence and the JIC assessment was that military action could well follow from a breakdown in the

negotiations. The force which was sent was related closely to the negotiations taking place at the time. In contrast in 1982 there were no ships on hand, the JIC assessment was quite different and there were no negotiations in March to be supported.

Defence policy towards the Falkland Islands

7. Sir Frank Cooper said that the FCO was primarily responsible for the Government's policy towards the Falklands but that the MOD accepted that it had responsibility for the defence of the Islands. The background of the Falklands issue had been successive British Governments' wish to negotiate peacefully with Argentina and this had influenced the MOD attitude. In addition, Governments had consistently decided not to base a permanent deterrent force on the Islands since this would have been disruptive both to the negotiations and to the Islands themselves. In fact the Falkland Islands Council had argued against a large garrison on the Islands because of its social impact. Sir Terence Lewin said that he felt that it would be his duty to tell Ministers if he disagreed with the Government's policy but in this case he saw no practical alternative. There appeared to be no reason to be concerned about Argentine military activities until fairly late in March.

Signals to Argentine Government

8. Sir Frank Cooper said that he thought that the



Argentines must have been encouraged by the signs over several years of Britain's disengagement in the South Atlantic, for example the Government's reaction to the Argentine occupation of Southern Thule, the withdrawal of the South Atlantic fleet and the plans to sell off certain warships. The Argentines may also have been influenced by the apparent desire of the British Government to avoid any provocation. Sir Terence Lewin said that he thought that the Argentines would have interpreted the decision on HMS Endurance, along with the military cutbacks elsewhere, as indicative of a lack of political will to defend the Islands.

The Argentines may well have concluded from this that the British might not have the resources to undertake a successful operation to retake the Islands.

#### Contingency plans

9 Sir Frank Cooper said that the extreme limits on air operations in the Falklands meant that the scope for contingency planning in respect of the Falklands was very narrow. In contrast there were many options open to the Argentines. The MOD therefore took the view that detailed contingency plans would be of little value. If it ever came to a task force to recover the Islands this was such a major undertaking that it would in any case need to be considered separately. He had expected a meeting of OD in April and, as a result of that, some fresh instructions to the MOD for the preparation of specific contingency plans. Sir Terence Lewin

Said that although the military contingency plans submitted to the FCO were not detailed they contained a "concept of operations", which was sufficient to indicate the composition of the force, the logistic support required, the need for requisitioning of merchant ships etc, for which general contingency plans existed. The task force sent in April had been based on this concept of operations. The usual form of contingency plan, a Joint Theatre Plan, would have been unsuitable for the Falklands because of the restrictions on air support. JTPs were usually based on rapid reinforcement by air and contained no details about naval deployments. A typical JTP would say something like "Naval forces as available". It would not, however, simply have been sufficient to build a longer runway on the Falklands. It would be necessary to instal sufficient men and equipment for the successful defence of the runway so that it could be held while reinforcements were being flown in, and to provide an independent fuel supply. Even with such an installation there would have been the problem of the distance between the Falklands and the nearest friendly alternative airfield which was on Ascension Island, three and a half thousand miles away. The unpredictable weather conditions around the Falklands would make flying hazardous, and it would have been difficult and expensive to maintain inflight refuelling facilities to make it possible for planes which were unable to land on the Falklands to fly all the way back to Ascension Island. Before the invasion the MOD did not believe that this was possible.

10. Sir Terence Lewin said that he did not believe that one, two or three SSNs would have provided an effective deterrent. A balanced force was necessary to counter the Argentine capability. Two frigates and one SSN might be effective if deployed early enough. SSNs were in fact despatched in March simply because that was the fastest way of sending a force to the area. Sir Frank Cooper added that what deterred was an in-place force; to have provided an effective deterrent would have required a garrison of at least 1000 men and some naval vessels.

11. Sir Terence Lewin said that it was not necessary to inform the United States about the deployment of SSNs. It was necessary to seek US approval for using certain submarine operating areas in the Atlantic but this need not have involved telling the Americans about the destination of a submarine. He said that he was 80 per cent sure that the Americans were not told about the submarine sent in 1977. It was possible that the US liaison officers at C-in-C Fleet, Northwood, were aware of the operational movements of the submarine but these liaison officers were not involved in policy and they would have been unlikely to inform the United States Government.

SUMMARY OF EVIDENCE GIVEN BY MR NOTT ON  
MONDAY 4 OCTOBER 1982

Mr Nott was accompanied by Mr Jackling of DS5 and Mr Nicholls of DS11.

General statement

1. Mr Nott said that he would like to make a general statement to the Committee before answering questions. He said that when he had become Secretary of State for Defence in January 1981 the principal problem facing him was to devise an adequate defence programme meeting the UK's real needs with a budget which had been eroded in real terms by the increasing cost of equipment. The UK continued to be responsible for a number of remote islands around the world, of which the Falkland Islands presented the most difficult problem because of its distant and isolated position.

The options he had considered for the Falklands had been:

- (i) A "tripwire" which, although not pretending to provide an adequate force

/for

for the defence of the Islands, would require the Argentines to use force before any occupation was possible;

- (ii) To provide the means for rapid reinforcement of the Islands, which essentially meant the building of an adequate airfield.

This option was ruled out on the grounds of cost, the estimate at that time being £450 million, and because the distance to the Falklands, the Islands' unpredictable weather, and the lack of a diversion, would have made air operations unreliable and hazardous;

- (iii) To install on the Islands a garrison sufficiently strong to prevent a successful Argentine attack. This option had again been ruled out on the grounds of cost, and also because it was judged that such an obvious physical presence would prejudice the peaceful negotiations with Argentina which was the Government's main policy, and because the size of the garrison required would seriously disturb the Islands' economy and social balance.

3. Mr Nott said that he had therefore considered whether there could possibly be an option between the "tripwire" or

token force and a force to provide an adequate defence of the Islands. He had come to the conclusion that there was no such option. Even to have three frigates on permanent station off the Falkland Islands, which would have been very costly, would not have provided an adequate defence against the forces which the Argentines could call on.

4. Mr Nott said that he had tried in his Defence Review to bring the forward plans into line with the overall constraints of his Department's budget and commitments to NATO. He had set very tough financial targets for each service and had asked his officials and Service Officers to come forward with proposals based on what they believed were the essential elements of defence. Through this process several items had been forced out of the priorities, including HMS Endurance, the hydrographic survey fleet and the Royal Yacht. His Department had, he thought rightly, put the emphasis on the need for a nuclear capability and this had formed the basis of his Defence Review.

#### Ministerial responsibility

5. Mr Nott said that when he had taken up his post he had formed a new structure for his Ministers; two (a Minister of State and a PUSS) were responsible for the Armed Forces and two were responsible for procurement.

Thus Ministers no longer divided their responsibilities between Services. He had delegated responsibilities to his Ministers of State in order that he would be free to involve himself with specific problems. He had a general meeting with his Ministers twice a week, but saw them more frequently on specific matters.

MOD intelligence

6. Mr Nott said that his principal source of intelligence was the JIC reports, which he received on a regular basis. However, the DGI had direct access to the Secretary of State, and he also received intelligence information from him, and from the ICDS. He did not recall ever having been briefed by the DGI on the Falklands. Discussion was usually concerned with Soviet bloc matters. Mr Nott said that generally speaking he did not see CX reports.

Chiefs of Staff

7. Mr Nott said that the Defence Council was his formal forum of discussion with the Chiefs of Staff, but it rarely met. Nor did he expect to attend the Chiefs of Staffs' own meetings. But he saw them on an informal basis several times a week.

Defence plans for the Falklands

8. Mr Nott said that, when he had first seen the military contingency plans which had been submitted to OD, he had thought that they were unduly negative, but he had

come to the view that they presented an accurate statement of what the possibilities were. He believed then - and still believed - that the "tripwire" option was the only rational defence policy. There had been no Joint Theatre Plan for the Falklands because JTPs were generally based on the objective of rapid reinforcement and this was not feasible for the Falklands because of the limits on air operations. He did not believe that SSNs in the area would have provided an effective deterrent against Argentine aggression. They would simply have added to the Government's options for action. Sending an SSN to the area had not in fact been considered by the Government until 29 March since there had not until then appeared to be an imminent threat to the Falklands.

9. Mr Nott said that he had not known about the sending of a Task Force in 1977 until Mr Callaghan had referred to it in Parliament. The option of taking similar action was not considered in 1982 until late in March because there was no firm intelligence that such action was needed and because it would have upset the delicate negotiations which it was the Government's main objective to sustain. He was sure that the FCO would not have agreed to sending a force to the South Atlantic; the whole British approach was to be very careful to avoid provocation.

10. Mr Nott said that he would have probably been inclined to send a covert Task Force, as had been done in 1977, if intelligence had indicated a more imminent threat to the Falklands. He regarded signals from Captain Barker as



irrelevant since these were personal, political opinions which were outside Captain Barker's responsibilities and carried no more weight than those of anyone else. His own view was that the Argentines believed that the UK no longer had the will to defend the Falkland Islands. He did not, however, think that the withdrawal of HMS Endurance was read as a significant signal by the Argentines since its value in defence terms was almost negligible. Endurance had had a greater impact on the Falkland Islands' morale. He did not recollect that the FCO had ever advised him that the Endurance would affect the Argentine attitude.

11. Mr Nott said that as far as he knew there were no contingency plans for the defence of the Islands other than those described in the paper sent to OD. At the time in early March when the Prime Minister had asked for contingency plans it did not appear to him or to anyone else as far as he knew that the threat assessment had changed. He had interpreted the Prime Minister's request as meaning civil contingency plans in the event of the Argentines cutting communications and services to the Islands. He had first become worried on 29 March and had not received firm intelligence of a likely invasion until 31 March, which he had immediately discussed with the Prime Minister. He had never doubted that we would retake the Islands.

OD

12. Mr Nott said that, although the fact that OD did

not meet between January 1981 and March 1982 might seem in retrospect remarkable, it was not the practice for OD to meet on a regular basis. There was a considerable amount of ministerial discussion outside the formal committee structure. As far as the Falklands was concerned all the Ministers involved knew each others' minds and agreed that the policy, peaceful negotiations with the Argentines, was the right one. There was therefore no reason for OD to meet over this period. From his point of view the main responsibility for the Falklands had rested with the Foreign Office and he had in fact been preoccupied over the period with issues of major concern for the defence of the UK, for example Trident and the increasing technological capability of Soviet forces. He would therefore have needed very definite advice at the time about a threat to the Falklands before taking the initiative and alerting colleagues. As it happened no such threat assessments were given to him.

Argentine/US relations

13. Mr Nott said that, having subsequently met Enders and Walters, he personally doubted that they would have helped the British cause. It was more likely that, if anything, they would have given encouragement to the Argentines.

JIC

14. Mr Nott said that he held the view that the JIC ought to have an independent chairman. At present the FCO carried too much weight and the MOD too little. In practice

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he relied heavily on MOD intelligence and he thought that, although the MOD Intelligence Staff was capable of reduction, it was nevertheless important to maintain the valuable intelligence links with the United States.

### Ministerial responsibility

Mr Atkins said that when he had taken office in September 1951 his responsibilities had been set out in a minute from the Foreign Secretary. He handed a copy of the note to the Committee. As Lord Privy Seal he was Deputy to the Secretary of State, but not necessarily responsible for the Department's affairs when the Foreign Secretary went abroad, if he was in close communication with the Office. He was formally responsible for presenting FOD policy in the House of Commons. As part of his general oversight of Parliamentary business in the Commons, he saw all proposed answers to Parliamentary Questions. In addition to these general responsibilities he was given particular responsibility for MOD matters, Western Europe and Asian and Pacific affairs, but not South America or the Falkland Islands.

2. Mr Atkins confirmed that it would have been his responsibility to organize House of Commons support for

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SUMMARY OF EVIDENCE GIVEN BY MR HUMPHREY ATKINS ON

TUESDAY 5 OCTOBER 1982

Ministerial responsibility

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the Department's policies towards the Falklands but in practice there had been little occasion to do this. His main preoccupations had been elsewhere, especially with Gibraltar, and during 1982 he had been abroad for several weeks; from 2 to 17 January in China and from 4 to 20 March in New Zealand. He had thus been away during the critical period after the February talks in New York.

information it had at the time. He thought it was arguable  
Government policy have been more far-sighted over the

3. Mr Atkins said that he did not see the transfer of sovereignty as the complete picture of Government policy. It was regarded, along with other ways of co-operation, as a possible way forward in the negotiations. Also it was always subject to the wishes of the Islanders. The Government had no intention to move quickly towards a transfer of sovereignty; its aim was to continue negotiations with the Argentines and to include representatives of the Islanders at those negotiations. The acquiescence of the Islanders was seen to be the condition for getting agreement in Parliament. He doubted that it would have been practicable to try to win Parliamentary support without the agreement of the Islanders.

of course, have missed many of the reports when he had  
His resignation January and March.

4. Mr Atkins said that he had resigned because, as a Cabinet Minister, he shared responsibility with the

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Foreign Secretary in Cabinet for foreign affairs.

House of Commons Speech on 8 July

5. Mr Atkins said that, although he had said in the House of Commons that he hoped lessons would be learned, he did not take the view that the Government ought to have acted in any other way on the basis of the information it had at the time. He thought it was arguable that the FCO might have been more forceful over the decision to withdraw Endurance.

Telegrams and intelligence reports

6. Mr Atkins said that he could not be certain that he had seen all the relevant papers in 1982. Because of the sheer volume of papers with which he had to deal he had instructed his Private Office to filter out what appeared to be non-essential reading and instead to discuss the gist of such papers with him at a meeting each morning. He recollected seeing telegrams from Buenos Aires but said that he had probably read them fairly cursorily. He recalled having seen only one intelligence report on the Falklands and that had been on 31 March. He would, of course, have missed many of the reports when he had been abroad in January and March.

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4 March Cabinet

7. Mr Atkins said that he could not recall whether Lord Carrington had brought up the Falkland Islands in any way at the Cabinet meeting on 4 March.

1977 Task Force

8. Mr Atkins said that he first learnt of this when it was mentioned in the House of Commons by Mr Callaghan. He recalled that when the FCO had denied the 1977 Task Force Mr Callaghan had taken this up with him in the House of Commons as a result of which he had asked the Department to check again. The Department had subsequently corrected this denial.

The invasion

9. Mr Atkins said that as far as he could recall all the signs before the end of March were that there would be no invasion. He recalled that the Argentine Ministry of Foreign Affairs had been conciliatory after the collapse of the joint communique following the February talks. He thought that it was possible that the Argentine military were at that time taking a different view. In answer to a specific question Mr Atkins said

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that he had no reason to suppose that the FCO was not well served by the Ambassador in Buenos Aires.

European Community Department (Internal)

European Community Department (External)

Energy, Science and Space Department

(Mr Hard will assist the Lord Privy Seal on matters relating to the European Community generally and, during the Presidency, in particular the Ministers Group and the Parliament. Submissions of substance should be submitted through his secretariat.)

For matters relating to Western Europe:

Western European Department

Southern European Department

Republic of Ireland Department

For matters relating to Asian and Pacific affairs:

The East Department

South-East Asian Department

South Pacific Department

Hong Kong and General Department

(Hong Kong only)

the Defence Department was the principal link with the MOD and the FUSC was the link with the intelligence agencies.

5. The pivotal point in the structure was the head of a department who would be at Assistant Secretary level. Supervising Under-Secretaries would have several responsibilities to look after and would report to a Deputy Under-Secretary. The Permanent Secretary held a daily meeting of senior officials to discuss business. These were the only meetings at which any concerns about the Falkland Islands could have been raised.

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Lord Privy Seal: Mr Humphrey Atkins

As Deputy Foreign Secretary and chief spokesman for the Government in the House of Commons, the Lord Privy Seal will be involved in all major developments and in particular in those with a significant Parliamentary aspect. Papers should be marked to him accordingly. He has specific responsibilities in the following areas:

For matters relating to the European Communities:

European Community Department (Internal)

European Community Department (External)

Energy, Science and Space Department

(Mr Hurd will assist the Lord Privy Seal on matters relating to the European Community generally and, during the Presidency, in particular the Mandate Group and the Parliament. Submissions of substance should be submitted through him accordingly.)

For matters relating to Western Europe:

Western European Department

Southern European Department

Republic of Ireland Department

For matters relating to Asian and Pacific affairs:

Far East Department

South-East Asian Department

South Pacific Department

Hong Kong and General Department

(Hong Kong only)

SUMMARY OF EVIDENCE GIVEN BY FCO OFFICIALS ON  
TUESDAY 5 OCTOBER 1982

The officials present were Sir Antony Acland, Mr Day, Mr Ure and Mr Fearn.

Organisation

2. Sir Antony Acland explained the division of responsibility between the FCO's regional desks and functional departments such as the Defence Department. It was the job of functional departments to look after the FCO interest in the policies of other Whitehall departments, the Defence Department was the principal link with the MOD and the PUSD was the link with the intelligence agencies.

3. The pivotal point in the structure was the head of a department who would be at Assistant Secretary level. Supervising Under-Secretaries would have several departments to look after and would report to a Deputy Under-Secretary. The Permanent Secretary held a daily meeting of senior officials to discuss current issues. These were occasions on which any concern about the Falkland Islands could have been raised.

4. Meetings between officials and Ministers were more formal. Records of such meetings were not usually made, although occasionally a list of the action agreed upon would be recorded as had been the case after the Secretary of State's meeting on 5 March. Usually, however, the decisions taken at a meeting could be inferred from the action which followed it.

5. Although the Defence Department was the main link with the MOD there was direct contact between the MOD and regional desks, for example the SAMD. It was the Defence Department's job to advise in the FCO on the overall implications of defence policy. A regional desk might become involved in particular aspects of that policy as the SAMD had been in the case of the Endurance. Although the Defence Department and regional desk could differ it was usual to try to agree an FCO policy before putting it to the MOD. A further link between the FCO and the MOD was the presence of an FCO official at meetings of the Chiefs of Staff. He was traditionally the Deputy Secretary who chaired the JIC.

Role of SAMD

6. Sir Antony Acland agreed with Lord Franks's description of the head of regional department as the waist of the hour-glass. All information relevant to the area passed through the regional desk. It was the responsibility of

the Head of the Regional Department to exercise judgment about what information to pass up to Ministers. The vast majority of telegrams would have a standard distribution list and it was usual for them to be sent to Ministers whose Private Office would select the most important for the Minister's attention. The massive bulk of material meant that Ministers could not see everything. It was, however, the responsibility of officials to draw to a Minister's attention any telegrams of particular significance. Not all submissions from the Regional Department to Ministers would be seen first by the Permanent or Deputy Secretary. Because of the amount of paper work involved and to shorten the lines of communication with Ministers, submissions were often copied to senior officials and therefore seen in parallel. Senior officials will thus have seen many of the submissions to Ministers on the Falkland Islands even though their written comments may have been few.

Role of Permanent Secretary

7. Sir Antony Acland said that he saw the job of the Permanent Secretary to take an overall view of the Department's policies, / Because of the amount of work delegation was inevitable. Nowadays the Permanent Secretary would not read every submission put to Ministers but all major submissions were copied to him and if he were in the country he would certainly try to attend all meetings involving important ministerial decisions. The

/to provide political advice to the Foreign Secretary and to ensure that the Department operated efficiently in implementing policy. He was also the Accounting Officer.

[REDACTED]

[REDACTED]

[REDACTED]

Relationship with Ministers

8. Sir Antony Acland said that it was usual for submissions to the Secretary of State to be channelled through the Minister of State to whom responsibility for a particular subject had been delegated. Contacts between the Department and the Prime Minister's Office were maintained at several levels. At ministerial level it was usually between the Prime Minister and the Foreign Secretary. At official level the Permanent Secretary and other senior officials in the Department would keep in touch with the Private Secretary at No 10.

The Permanent Secretary would have a close working relationship with the Secretary of the Cabinet.

Intelligence

9. Sir Antony Acland said that there was an element of double banking in the present structure, with the JIC's Assessment Staff and the FCO separately assessing raw intelligence material. This helped cope with the massive amount of such intelligence. The Permanent Secretary's Department (PUSD) was the formal point of contact with the intelligence agencies. The PUSD's job was to try to ensure that intelligence reports were distributed quickly in the Department. It was up to the Regional Department

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to decide what to do with a particular intelligence report. Significant intelligence reports would be drawn to the attention of Ministers, usually with a comment from the Regional Department.

10. Sir Antony Acland said that 'C' was not formally an adviser to the Foreign Secretary on intelligence material. His contacts with him were generally to operational matters and intelligence priorities.

11. Sir Antony Acland said that the present system had several centres of responsibility, all coming together at the JIC. It was a fail-safe system. Each of the parts of the intelligence community had a responsibility within its own organisation to act on the intelligence received. There were regular contacts between all the various components of the intelligence community. There was, for example, regular contact between the FCO and the SIS and the quality of particular intelligence was always under review. There was less contact between the FCO and GCHQ whose products tended to be accepted at face value. Mr Fearn said that he believed that the FCO had received good intelligence on the Falkland Islands and that the agencies had been plugged into the right targets. The FCO had taken full account of all the available intelligence, including publicly available

information. The FCO also took account of the BBC monitoring service. Mr Day said that there was no truth in the allegation made in an article in the Listener that an intelligence officer had been rebuked in 1981 for false alarms on the Falklands which had made them more cautious in 1982.

General policy before 1982

12. Sir Antony Acland said that there had been a consistent thread of policy towards the Falkland Islands which had been accepted by all governments over many years. Successive governments had been presented with the same options because the options had remained unchanged. All governments had tried to achieve a settlement with Argentina which they had believed would be beneficial to the development of the Falkland Islands. The background of the defence problems had also been consistent over the period. Each government had tried to steer between the twin rocks of the Argentine attitude on the one hand and that of the Falkland Islanders and the British Parliament on the other. These had become increasingly incompatible. The policy had therefore moved gradually towards leaseback as the only feasible compromise.

13. Sir Antony Acland said that he thought it was reasonable for governments to continue to explore the scope for a settlement despite the narrowing of the options. Governments had had little choice but to negotiate as an alternative to confrontation. And there was always the

outside possibility of a gap in the clouds as had happened in other negotiations which seemed to offer no hope of resolution.

Mr Ure said that there were two occasions during the period of the present Government when a robust effort was made to widen the options. The first was Mr Ridley's initiative on leaseback in 1980 and the second was in the summer of 1981 following his visit to the Falklands when officials and Mr Ridley met to consider how to take forward the remnants of the leaseback policy.

Mr Ure's letter of 4 March 1982

14. Mr Ure said that the purpose of his warning about the possibilities of confrontation in his letter to the Governor on 4 March had been partly to drive home the FCO's concern about the dangers of stalemate but also to encourage the Governor to make it clear to the Islanders that it would not be possible to sustain stalemate for ever. He had not distorted the FCO's view for the sake of emphasis; the FCO had been genuinely worried at that stage. On the other hand the Argentine suggestion for a negotiating commission had given some cause for optimism that the range of the discussion might be broadened and the negotiations kept alive. He had thought at the time that there would be a further round or two of negotiations. When he had mentioned confrontation in his letter he had had in mind first of all the possibility of economic harassment of the Islands. He had not



abandoned hope that the Falkland Islands view would change but had no illusions about the length of time this could take. Although the views of the Islanders had hardened following the elections in the autumn of 1981, it was still true that the exposure of the Falkland Islands representatives at the negotiations to the risks of the disruption of communications and services to the Islands, had proved a salutary experience. With increased exposure of this kind the Islanders might have come round to a different point of view in time.

#### The JIC assessment

15. Mr Fearn said that there were several reasons for believing that the JIC assessment made in July 1981 was still valid in 1982. Firstly, it was reasonable to suppose that the Argentines would wish as far as possible to avoid the risks involved in military action. Secondly, the Argentines had made no secret of their disappointment at the failure of the communications arrangements to bring the Islanders round to the Argentine point of view and therefore it was not unreasonable to suppose that the first Argentine action would be aimed at those services. Thirdly, the bulk of the intelligence reports over the years had indicated that the Argentines were more likely to undertake economic rather than military measures. In addition the Argentine press reports in early 1982, he recalled, had usually talked about Argentina taking action only if negotiations broke down and about military action as the

last resort if negotiation and economic measures failed. The reports had also indicated that action against the Falklands was more likely later in 1982.

As regards the press reports,

Mr Fearn said that it had seemed to him that the influence on the press had come from the Navy and not from the Junta as a whole. It was well known that the Navy had a more aggressive view and it was doubtful that this was shared by the other elements in the Argentine Government. He had thought that the Junta wanted to exhaust the possibility of negotiations before taking measures against the Falklands.

The threat from the Navy was balanced by the Ambassador's view of Admiral Anaya as being less dangerous than his predecessor and likely to want a test period for the negotiations before taking action. Mr Fearn said that it had also been reasonable to suppose that if the press reports had been orchestrated at the start by elements in the Argentine Government,

those same elements would have been responsible for ending the campaign in mid-March. This had happened after the British Government had made a protest following the unilateral Argentine communique issued after the New York talks. The Ambassador's view had been that there were many options available to Argentina which would not have been regarded as aggression by the UN.

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16. Mr Ure said that the FCO had not previously been aware of the overflights reported by Captain Barker on 23 March. They knew about Davidoff but had not been particularly worried by his operations. Mr Fearn added that Endurance's frosty reception at Ushuaia, which was not a regular port of call, was not surprising. It could have been due to the fact that Endurance was en route to Punta Arenas, and was balanced by the friendly reception later at Mar del Plata.