CONFIDENTIAL PM/82/33 PRIME MINISTER LOW Thor vin doch the Inquiry by Law You have told Parliament that you accept that there should be a review of the way in which the Government Departments concerned discharged their responsibilities in the period leading up to the Argentine invasion of the Falklands. You have promised to consult the Leader of the Opposition and to make a statement in due course. You will wish to consider with one or two of our colleagues and with Sir Robert Armstrong what form such a review should take. I believe that we should have an early discussion. 2. The review will need to be quick and thorough and it must carry conviction. It should cover the performance of all the relevant departments and agencies of government. In examining the origins of, and the events leading up to, the invasion of the Falklands, and in assessing the government's reactions to these events, it will be essential for the inquiry to have full

2. The review will need to be quick and thorough and it must carry conviction. It should cover the performance of all the relevant departments and agencies of government. In examining the origins of, and the events leading up to, the invasion of the Falklands, and in assessing the government's reactions to these events, it will be essential for the inquiry to have full access to all the relevant documents. And it will have to be able to examine carefully and in detail all the available intelligence. The review will clearly need to look back as far as the Shackleton incident and the withdrawal of Ambassadors in 1976, but the terms of reference should not exclude putting recent events in the perspective of the ten years of negotiation before that.

3. These requirements tend in themselves to dictate the composition of the team we choose to undertake the task. I do not think that a Tribunal of Inquiry would be appropriate. It would be too cumbersome, slow and expensive: and there would be additional problems because Tribunals of Inquiry have to take evidence in public unless they find that this is against the public interest (which would certainly be the case as regards

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intelligence matters). Nor do I think that a statutory inquiry would be relevant in the present context. Consequently, I would favour an ad hoc enquiry of some kind. I doubt if the task can be left to one person, however eminent or wise, and suggest that three people should be nominated to conduct it. They should, I think, all be Privy Councillors and the names of Robert Carr and Cledwyn Hughes come to mind. There could be advantage as well in drawing upon wider sources of expert and impartial judgement, either from amongst the judiciary or from an experienced former civil servant.

- 4. Whatever we decide, however, it is important that we should be able to make an early public response to the calls for an inquiry that have already been made, in Parliament and elsewhere. I also believe that the two Select Committees would be relieved if the House were soon to decide to appoint a special body to report on the whole subject not least because they themselves must understand that they cannot adequately investigate something which necessarily involves sensitive intelligence matters.
- 5. I hope therefore that we will be able to take an early decision in principle on this question, and thereafter to obtain the agreement of the Opposition parties through the usual channels. At the same time John Nott and I could speak to Tim Kitson and Tony Kershaw. Thereafter, although the work of the inquiry clearly need not begin in earnest until the present crisis is over, we should be in a position to make a statement in the House as soon as is practicable.
- 6. I am copying this to the members of OD and to Sir Robert Armstrong.

(FRANCIS PYM)

5 May 1982

Foreign and Commonwealth Office