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FALKLAND ISLANDS REVIEW COMMITTEE

Note of an oral evidence session held in Room 1/99  
Old Admiralty Building, London SW1  
on Wednesday 29 September 1982

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PRESENT

Lord Franks - Chairman  
Lord Barber  
Lord Lever of Manchester  
Sir Patrick Nairne  
Mr Merlyn Rees MP  
Lord Watkinson

Mr A R Rawsthorne } - Secretariat  
Mr P G Moulson }

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Witness

Mr A J Williams

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Note taken by MPO Reporter

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CHAIRMAN: There are some questions that we would like to put to you. Is there anything that you would like to say to us in advance?

- A. I think I would rather say it at the end, if I may.

Q. Certainly, as you wish. If I may begin then. First rather generally, how did you see your responsibilities in Argentina, both in relation to the Falkland Islands issue and Britain's other interests, say trade? How did you view your job?

- A. As you know, I was sent there after a period when there had been a break in representation at ambassador level, but when actually negotiations on the Falklands issue had been carrying on. To some extent what was new in my going back - and it was going back on the Argentine initiative rather than on the British initiative, as the break had also been - I took my general responsibility to be to make use of the fact that we had got an increased level of contact, an increased opening for contact, demonstrated by the Argentines, partly obviously to increase trade, because of course that is one of the things which was important, and to deepen and generally widen the contacts which we had with Argentina, but at the same time to carry on these negotiations. The significant thing at the time was of course the emergence of this idea of a lease-back. So the lease-back was, as it were, what was written on my cuff when I went there.

Q. Yes. We have just been hearing about that from Mr Ridley. If we jump now to the beginning of the final period which really concerns us and I take you to the end of 1981 when General Galtieri was just in power, how did you view the situation then - I am talking about Argentina in relation to the Falkland Islands - your views about the way things might go?

- A. Do you mind if I give a slightly long answer to this one?

Q. No.

- A. It does tie up very much with the lease-back question. I went out at the beginning of 1980, and through 1980 and during the early part of 1981 we were hoping that we were actually getting somewhere in the negotiations using the lease-back

umbrella in some form or another. By the middle of 1981 it was becoming apparent that that horse was not going to run. Consequently I became distinctly perturbed because I felt that there was not sufficient analysis being made back here of what we should do if we could not get anywhere in the negotiations, which was one of the reasons why I urged very strongly for that meeting which took place in Carlton Gardens on 30 June and was pressing very much that we should have a policy which would keep the negotiations afloat, warning at that time, and increasingly thereafter, that if we did not keep them afloat the alternative was confrontation. I was told in September that in fact that Carlton Gardens talk had led to nothing. Thereafter a great deal of my reporting and a great deal of what I was trying to convey to London was that time was running out and that things were difficult.

CHAIRMAN: Could I interrupt you for one second there. I remember when either the letters or the telegrams in which you said that, or words to that effect...

LORD WATKINSON: The letter of 2 October 1981 to Mr Fearn.

- A. Yes. That is the one about Micawberism.

LORD WATKINSON: That is right.

CHAIRMAN: Why did you come to that view? What were the grounds for it in your mind?

- A. Knowing Argentina as I did, I knew that the problem was not going to go away. If it was not going to go away, either it could be kept in play - and it had been kept in play already for 16 years, which is a very long time to keep it in play - or patience was going to run out. There were a lot of different views in Argentina as to how this should be handled. We were very fortunate in that period prior to 1980 and in 1980 that we were dealing with Argentines who thought that negotiation was the best way. I think again, you will find it in my reporting, I was saying this is the best moment because we had the right kind of people and if we were going to make a settlement we were going to make a settlement on the best terms we could, the people who succeeded them were likely to be tougher and less patient and so on. This is indeed true of what happened



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in that autumn of 1981. First, the navy went into the hands of Anaya, and again I sent back warning signals to London that he was a more dangerous and hawkish man, and also he was a more powerful man, because the navy influence went up. Second, Galtieri came in, and Galtieri's reputation was that of an impulsive man. He had already shown his hand to some extent in this business of closing the frontier with Chile during the summer of 1981. Although he himself I think is not a very hawkish person, or was not and I think probably still is not, he is not the most hawkish among them, nothing like so hawkish as, for instance, Anaya he is a person who can be swayed and take an irrational decision. Particularly he was a believer in a strong government and doing the dramatic thing, which again I think I put in my correspondence to London and of course talked about it when I was in London.

Q. I interrupted you.

- A. You were asking how I felt at the end of the year. I felt that the timescale of Argentine patience, had been very much reduced and the possibility of something silly being done had increased.

Q. And this was essentially because of the different character of government coming in? Or were there other reasons too?

- A. Also the fact that we had not produced anything more to negotiate with. The difficulty about keeping negotiations going and going is that you have to have something to say.

Q. I understand that, and of course there were many people who were anxious to keep negotiations going somehow into the future: there might be trouble one day but if we can have one more round, even a postponement so to speak... There is a point of judgement when this process has become so thin, so totally transparent, that even the Argentines must see that we are talking about nothing and therefore the negotiating is not real; or alternatively while the stuff of negotiating is thin it is not translucent, one still can go on, and therefore while there is life there is hope, and there is no reason why we should not be able to postpone the awkward possibilities by going on talking for another season, or perhaps two. On that where were you at the end of 1981, if you understand what I am saying?

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- A. I do indeed. My hope was that we could actually put more substance in so that we could keep it going on this shift-over to the question of discussing methodology. You will remember that I had an interview with Camilion and the "methodology" phraseology, in fact was mine. I said it to Camilion and he said it back to me. I think it again comes out later in what I said that it is better that we should be talking about methods of dealing with the problem than solutions to the problem because their solution was totally unacceptable so we were liable to come to the end of it very quickly.

Q. Could I ask you now something else - we will come back to the Falklands. Did you have knowledge of, and how did you assess, American/Argentine relations? There are things like General Walters' visit. There were reports, founded or not, of an interest in them both having some sort of organisation in the South Atlantic anti-Russian no doubt, query query based in the Falklands - all this kind of thing. What did you think about Argentine relations with the US, the view the Argentines took of the US attitude on all this? How far did you get into all that? Were you able to have an opinion?

- A. Quite a lot really. I know the American ambassador very well and we used to see a lot of each other. The key things in this, as you say, were the General Walters visits, and then Mrs Kirkpatrick's visit, but before that the two Galtieri visits to Washington which obviously were significant. The messages I was getting from the Americans, and I think really also what our embassy in Washington got, was that Galtieri tended to come back from Washington thinking he had got more than the Americans thought they had given him. In fact there was a certain amount of wishful thinking on Galtieri's side about the degree of support which he had. I think in a general sense it is certainly true that the Americans did give him encouragement to think that he was becoming respectable and that they were understanding Argentine aspirations and they were all very good inter-

Americans together, and all that kind of thing - generalised. But Galtieri himself, of course, speaks no English; he was working through an interpreter consequently when he was in Washington. He is not a very intellectual person obviously. He is not a person to take a very accurate view, I think, of weasel words addressed to him. I think it is very possible, and I discussed this with the American embassy in Buenos Aires, that he had come away thinking he had more American support than he really did. Not only did I discuss it but, of course, it was discussed by Mr Luce when he went down and saw Tom Enders after the February meeting, first of all whether they were getting signals which were encouraging them to do something dangerous. I can only say that the Americans assured us that they were not giving him those kind of signals, and they should know and, of course, it is true that when the thing really eventually came to a crunch then we got the Haig message and the President's telephone call and all that kind of thing. But there is a lot of wishful thinking on the Argentines' side altogether. This is obviously one of the factors in the whole operation.

LORD WATKINSON: Did Enders make a boob? He was asked by Luce, was he not, in effect to tell the Argentines to cool it or to play it low. We have heard varying reports, one being that Enders really did the very opposite and perhaps encouraged them in this rather dream-like belief that the Americans were what is known as even-handed.

- A. We got a low level report that he had said nothing. We then spoke to the American embassy who said that he had done all that he said he was going to say, and the message from Washington also was...

Q. What do you think?

- A. I suspect that it was not very high key obviously. Of course, they were not primarily talking about this at all. They were talking about El Salvador and so on and, consequently, I suspect it was a throw-away line which those who did not want to listen did not hear.

The Ambassador  
(Mr Brilliano)  
- evidence -  
on Enders' visit.

Q. You will know that one of the puzzles to us, or one of the puzzles to me in reading all the papers and trying to understand it, is that there seems every reason why Galtieri should not have done what he did. The thing might well have fallen into his hands. The governor said to us the other day that it would have fallen like a rotten apple, and all this sort of thing. We cannot understand why this man suddenly presses the button, and one of the things which certainly I feel is that he thought the Americans probably would not back him but at least would not go against him, and he knew he had the UN and he knew he had the rest of the American States so perhaps he had a rush of blood to the head or something.

- A. I think he was over-persuaded by his colleagues.

Q. By Anaya?

- A. Yes, primarily, and partly there is this strange kind of consensus of the armed forces in Argentina, and the pressure on him.

CHAIRMAN: You mean like bees swarming and at a point they all take off together?

- A. That is it. It is quite difficult to identify when it is they have got a consensus.

LORD WATKINSON: I do not think we disagree that it all happened pretty quickly, whether it was the 24th or whatever, but it certainly happened pretty quickly. I think the ex-Foreign Secretary, Lord Carrington, takes the view that really it is almost incomprehensible they could have been so stupid because everything was going for them really if they had played it right.

- A. What they did, of course, was to change their programme, in my view. This is a bit speculative but they had given us this rather tight schedule for negotiations and showing the colour of our money, and I think their programme had been to up the pressures working to a situation which probably, if they had gone to the United Nations in the



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autumn now, they would have had it falling into their laps, and it was only if that did not work that the majority might have agreed to what only a minority before had been thinking-in terms of a desperate military action. Consequently it was seizing what was in fact a false opportunity which made them decide suddenly to concertina the whole programme and do it then.

SIR PATRICK NAIRNE: Could I just ask, in what sense would it fall into their lap?

- A. In the sense that actually all the neutral non-aligned resolutions, and consequently the majority of the United Nations, and indeed a good deal of the western countries as well were on record as saying that they did not really think that sovereignty rested with us.

LORD LEVER: And we had no nation on record in our support?

- A. Very few indeed.

SIR PATRICK NAIRNE: The UN position in other words would have been further strengthened but they still would not have had the Malvinas?

- A. No, physically they would not have had them but they would have managed to build up a moral pressure on us which would have been very difficult to deal with.

LORD WATKINSON: I am sure you are aware of the Governor's view - and I will just quote it again if I may. He said to us that the islands would have fallen like a rotten apple into the Argentines' lap if they had been miserable and made life miserable for the islanders, which they very easily could, and gradually the young people would have lost heart.

CHAIRMAN: And drifted away.

- A. I think it is true that there was a lot of brave talk about what would happen if they cut off the LADE flights and all that kind of thing. My own experience of the Falklands direct is comparatively short - I spent a week there - but I had a lot of the councillors passing through with all these negotiations and they stayed with me so I

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know them quite well. I think it is true - indeed it is one of the warnings, as you saw, which I put back very much - that the Argentines did not actually need to attack in order to put us in a very awkward position not only vis-a-vis the islanders but actually vis-a-vis international opinion. I was very afraid, for instance, that they would start policing the Polish fishing boats and that kind of thing.

LORD WATKINSON: If I might ask, do you share the view which seems to be fairly current in the Foreign Office that if they started to do anything, meaning the Argentines, it would first be what I call measures - the airlines, the petrol, the fuel supplies, all that sort of thing - and that would in a way be a signal that we were moving into an area of dangerous confrontation?

- A. Yes, I think so. Not only had there been no indication they were going to go straight into a military action but there were a lot of people who were assuring us that this was not the way they would do it - Costa Mendez himself.

LORD WATKINSON: Their naval attache.

LORD LEVER: You say that Costa Mendez actually said that?

- A. Costa Mendez said it to me after he had come back from Brazil. In timescale it was when they produced their single communique which talked about other measures, so I pressed him to say what does this mean, and he said it meant measures conforming with the United Nations Charter or in conformity with - words to that effect.

CHAIRMAN: Could I go back - we will get to these more interesting things in a moment. We thought we would like to ask you how far, if at all, the fact that the relations of the Argentine with Brazil and conceivably Uruguay had been improving gave them rather more freedom of manoeuvre and action, or do you think that is not so?

- A. I think it is true. Classically the great enemy of Argentina was always Brazil, and in the game of L'Attaque it is the Brazilians on the other side, as it were. They

had made this remarkable reconciliation with Brazil - they got it off the agenda. With Uruguay their relations are always a bit...

Q. Dickey?

- A. They never stay steady in any position for very long because they are very unbalanced countries. One is very much bigger than the other, of course, but what I think is true is that when the military took over they made a kind of check list of the things they wanted to get right before they handed back, which is the "Proceso" which appears much in the reporting, and a great many of them in a way they have done. Obviously there was the internal subversion and things like that but in the international field one was dealing with the problems with Brazil, and others were dealing with the problems with Chile and dealing with the problems of the Falkland Islands, so to the extent they had ticked off Brazil we got higher up on the list of things to be done.

SIR PATRICK NAIRNE: Am I right - was there a kind of personal rapport between the president of Brazil and Galtieri?

- A. More than that, the president of Brazil actually was brought up in Buenos Aires because his father was an exile so he is a kind of Porteño by adoption and he did have very close relations.

CHAIRMAN: Could I come on now to Galtieri. I think you may have answered this largely already, but how far did you think his accession and the people he brought with him altered the situation vis-a-vis us and the Falklands? Of course, we know that in his accession speech he did not talk about the Falklands. We know that in a speech he had made a bit before that he had, and said it was becoming less and less bearable, 150 years and all that. You have said that he was not necessarily a very strong man as such - emotional, liable to be swept off into a consensus act not necessarily totally rationally. Did you think that all this made our situation more risky, a bit more dangerous, or was it all much as before?

- A. Actually the Galtieri team was a more reputable team than the Viola team. In most countries it is the Jockey Club which has the kind of elite image but actually in Argentina Peron undid that, so that the Circulo de Armas was the smart club to belong to. I would describe the new government as a "Circulo de Armas Club government" because an enormous amount of people like Costa Mendez came from that - really right wing and nationalist but very internationalised, very civilised - whereas actually Viola's government was a bit wild, so in many ways the only thing about it was that it was rather more nationalist but it was rather more nationalist in a rather more respectable way.

Q. This is dotting about a little but on the decision to withdraw Endurance and what we said in terms of the British Nationality Act to the Falklanders, do you think that the Argentines themselves - and one has to distinguish here perhaps between the government and the populace - drew any messages about our attitude to the Falklands from things like that, or not really?

- A. I doubt if the populace actually got very much from it because I do not think they were tremendously responsive to what was coming out of Britain anyhow.

LORD LEVER: How about the government?

- A. As far as the government was concerned I am not sure. I think they might have found some confirmation of ideas which they were already forming. The whole process of negotiation, of course, obviously gave an impression that we were prepared to envisage circumstances in which sovereignty might change, so this is different to a situation where you just say, "It is mine. Go away". Under those circumstances obviously you can look for a variety of reasons why it should be that you are going to be able to get away with pressing to get your side of the argument.

The question of Endurance was argued very much more here in London, honestly, than it was out there.



Obviously I did not enter into the controversy in any way on the question of Endurance, partly because I did not feel that Endurance was in any way an effective defence for the islands anyhow and, consequently, it seemed to me that it was a Whitehall argument and not really a particularly significant Argentina argument.

MR REES: If I may follow that up, there was a new defence secretary, in the parlance of the popular press here to cut down the navy, there was the sale of Invincible, as well as what the chairman has said. It was merely that it confirmed what they believed, that this was a British government gradually pulling out from its overseas role?

- A. I think it confirmed also what they wanted to believe, which was that. The man who was the head of the naval military mission here until the end of 1981, Lucheta, who went back to Argentina - after that he became a governor but a governor of one of the near provinces - I think was advising that the British were not really serious about the navy and were not serious about the South Atlantic and all that kind of thing, so that is confirmatory evidence.

SIR PATRICK NAIRNE: I am not prepared to make too much of it but there was a telegram from the embassy in mid-July 1981 which reported a lot of Argentine newspapers reacting to a Daily Telegraph article. The quotation was:

"Reports highlight the feeling that Britain is thereby 'abandoning the protection of the Falkland Islands'".

That may have been just one sort of splash but the intelligence reports you would remember, or may have seen, gave some support to this idea that it had psychological impact.

- A. From my own experience I would not like to exaggerate it, but I think it is very possible there was a certain amount there.

CHAIRMAN: Can I now move on to the bout de papier in fairly late January 1981. You remember there was a long preamble - how long we had been negotiating and got nowhere, and a lot more about the islanders - but when you got to the end there was something quite terse, brisk, definite. This arose because Lord Carrington had put the ball into Camilion's court in September at the United Nations suggesting to him that they produce an agenda and, in advance of the talks which ultimately were held on 26/27 February, they produced this document setting out their agenda. As you will know better than I, it said it is about sovereignty, nothing else; it is about transfer of sovereignty; it is all to be done in twelve months and it is to be done in monthly meetings; and that is it, so to speak.

- A. Yes.

Q. This was also accompanied by a number of articles in the press and that kind of thing especially La Prensa, Rouco - well informed, anticipating it by a day or two pretty accurately - all this. How far did you think that this new initiative by the Argentines was qualitatively different from what had gone before? How far did you think it was simply another round in the long story of the negotiations?

- A. It itself, of course, was a statement of what we were supposed to have been given in December, which we would have had in December if there had not been the change of government, when it was put off. That itself was going to reflect a very long session which I had with Camilion - if I may just refresh my memory as to when it was - on 15 October. That was the one about the methodological approach and so forth. The result was that this was not all absolutely new to us, as it were. The whole of that long preamble is the standard Argentine line, and we have had it again and again and again as it were. They just said, "If we are going to give you a document we must restate our basic position". I think you will remember that afterwards when I went back

I said, "This is a statement of our basic position too", but when you get down to the programme the problem about the programme was not so much that it said we must discuss sovereignty - we have always known they had wanted to discuss sovereignty - but there was this very tight time-scale they were working to. We immediately said, "This will not work. We must try and spread this out. We must make it more flexible. We must allow for the fact that it is no good having a meeting until we have prepared something new for the next meeting as it were". At the same time, though, I think I did warn, and I think we did feel, that this showed the navy having taken the initiative in that it was typical of them that they were working to deadlines, and they were giving us notice that there were deadlines by which, if we had not shown willing, they would conclude that we were acting in bad faith.

Q. Did you connect the timescale in the bout de papier in any way with the 150 years, the end of 1982, 1 January 1983 and all this, because you referred to that in one of your telegrams? There are a great many references to it in public documents in Argentina at the time. How important was that, do you think, in relation to this?

- A. I think it very important actually. There are two things about it, of course: one is that the 150 years was coming up; but the other is that every year in just about December/January there are a series of anniversaries of the British takeover and so on. Consequently we always expected in the press and at public meetings and so on to have a hotting-up of the Argentine side round about that time. Looking back, I think it became apparent that we were going to have trouble over the 150th anniversary really by the autumn of 1981. To some extent it arose with the question of the stamps.

Q. The Falkland Islands stamps?

- A. The Falkland Islands stamps, and there was a Falkland Islands Dependencies stamp with a picture of the Princess of Wales

on it, and there was a tremendous outcry in Argentina about this. From that they led on to realise that there would be stamps coming out for the 150th anniversary, and the press got hold of this and it blew up quite a lot, so that by the time this appeared in January we knew that the timescale obviously was tying up with the question of the 150th anniversary.

Q. This you thought was significant or not?

- A. Yes.

Q. Then there was the concurrent newspaper campaign - La Prensa, Rouco etc. Did you think at the time that these articles were orchestrated, officially inspired, or did you think they were free lance? I ought to say this: we read from other information later that they were in fact officially inspired either from the navy or from the foreign affairs department via the chef du cabinet, but at the time - we are now talking about late January - do you remember?

- A. Yes I do indeed, and indeed I saw Iglecias Rouco about that time and had lunch with him, and talked to him about it. Our own interpretation was that this was expressing a sector view, in fact really a navy sector view, a hawkish view, and that it did not represent everybody. It is true that I think also the chef du cabinet in the Ministry of Foreign Affairs was concerned in it but he was very close to the navy. There was all this inter-linking of personal relationships, and we thought that he might be being used, as indeed he certainly was used by the navy later on to leak, but not necessarily at the request of the Minister of Foreign Affairs. The difficulty which we were up against, I think, in those first months was that there was a very obvious minority view that the time had come to use force, and it was a naval view. But all the indications were that the majority in this armed services government consensus was still against it. I personally think it was still against it right through into March and that it was only really at the end of March that the consensus moved over from the majority to the minority view.



Q. If I may take you on for a moment to the Luce talks of the 26th/27th, were you present at them?

- A. Yes, I was.

Q. Not in the abortive joint communique but in the report which we have read about the talks in London there is a sense in which the report is two-faced. It says on the one hand that they were cordial and went well and, on the other hand, it says that Ros whom I think was the chief negotiator for the Argentines was under strict instructions, could not budge an inch, the bout de papier reproduced, no manoeuvre at all. Does that correspond with your recollection, or not?

- A. Describing it as cordial was almost ritual actually. This is what we always did in our communiqués.

Q. Yes, it is like the expression 'my highest esteem'.

- A. In fact it was quite cordial. I had been seeing Ros a lot before, and I saw him afterwards as well so it was part of a process. I know Ros very well. He had got strict instructions. We were trying to say that we should spread the whole thing out and make it much more flexible and so on, and he clearly had very little room in which to manoeuvre but he did agree ad referendum to that piece of paper which we produced in New York. The advantage from our point of view of that piece of paper was that it made it possible to have the whole talks in New York ad referendum, whereas otherwise he would have expected us to have come to a decision there.

Q. Then you come to the MFA communique.

- A. The MFA communique, of course, was issued before he got back to Buenos Aires.

Q. Yes. May I take that, and what significance you attached to that, and how far you think it was the junta coping with the MFA on the one hand and then, on the other side, I forget for the moment whether it was you talking to Costa Mendez or to Ros, but their saying that that was one

of these things, do not pay too much attention to it. You remember that was afterwards?

- A. Yes.

Q. If we take the communique from the MFA, in diplomatic terms so to speak it got near an ultimatum. I do not mean declared war at all but it did say, progress or else we reserve the freedom to resort to other means, which was fairly definite downright and abrupt. What did you make of that?

- A. I took it as a leak because my impression was that it did not say anything more in that communique than what was said in the bout de papier. That programme had been given to us in confidence - the bout de papier programme - and indeed it had been talked about by Camilion and myself again in confidence, but the first time it had come out was when they put it into this unilateral communique. Indeed, our protest afterwards was rather saying not that we protest against what you are saying but that these are supposed to be confidential negotiations and you have let the cat out of the bag on your side only which means, of course, that it is going to be very much more difficult because Mr Luce will have to answer about it in parliament and so on.

Q. What about this business of "reserves its right to resort to other means"? I am not sure that is exact but those were in effect the words used.

- A. I took it up and asked Costa Mendez what he meant by it, and he said within the terms of the United Nations - included only recourses contemplated in the UN charter. He had been in Brazil and he came back and he made that statement to the press, and when I challenged him on it he said, "You see what I said. I mentioned this to the press. This was a clarification".

Q. Could I go into a slight side issue from this, and I will come back to it. I think about 27 March you sent a telegram to London saying that you thought that Costa Mendez had not been quite straight with you, was stringing you along, whatever the words were. Anyhow he had not been a faithful

man. How far back do you think, when you look at it now, that need to distrust him goes? For example on this particular thing do you think that what he was saying was honest and true to his own thoughts, or was he playing a game, because you thought at the end he was playing a game? Can you say anything to help us? We are talking about a fairly long period from about 3 or 4 March through to 21 March.

- A. Of course, as you can imagine, I have been thinking about this a great deal myself so it is slightly difficult to get back to what I was thinking at the time. My conclusion now if I may start from that is that I think it was on the 27th that I reported that I saw Ros early in the morning before I saw Costa Mendez, who said that Costa Mendez had got new instructions at the meeting of the commanders in chief on the night of the 26th. I think that was when he stopped playing fair with me actually. Certainly my impression at the time, and I still think it is true, is that in the early part, in fact between the 20th when I first took up the question with Ros up until the 26th, they were pressing and saying "Do not take this too seriously. Let us try and find a way out. Let us try and find a way in which we can solve the problem". Ros, whom I really know very well, I think was quite genuinely looking for a way out and was not stringing me along while they got their ships into position or anything like that. Costa Mendez was always tougher, and I think Costa Mendez to some extent painted himself into a corner on this question of supporting the people who had landed at Leith Harbour - "We must back our own people". He was prepared to be less flexible but I think we were still working for a way in which one could regularise the situation at Leith Harbour right up to the 25th. It was only after the 25th, which was the last time I saw him before we got the second message from London saying that if they just went and got their papers in order they could go back again.

I think up till then he was genuinely trying and after that I do not think he was.

LORD WATKINSON: Could I just ask one thing, going on just a little bit more from there. Supposing there had been no Davidoff and the extraneous sort of things, and supposing, which we believe to be true, that the FCO was willing to accept the concept of the two negotiating committees and a reasonable timescale, so to speak, and that the Falkland Islanders had in fact agreed to that, therefore if we forget Davidoff - I know this is all conjecture - would you have judged that conditions obtained for a continuance of negotiations, anyway for a short period, before they finally broke down?

- A. Oh yes. I would have thought we had several months. The difficulty was that we really had not got anything to put into these monthly meetings, and our difficulty was that if we did not put anything in obviously what the Argentines were going to put in were things which we could not wear and which the islanders could not wear, so it could have come to a dead end.

Q. Just to be quite clear, forgetting Davidoff - because I want to make that quite clear - providing the FCO and the Falkland Islanders came out with some sort of agreement you would not have felt that you would have had to say really, "This is over"?

- A. No.

SIR PATRICK NAIRNE: I do not want to put words in your mouth but because, although you could see the dead end down the end of the road, so to speak, you had at least one lot perhaps two lots of further talks before we got to the end?

- A. I think it is rather what Lord Franks was saying earlier - it is not that negotiations had run out, they were beginning to get transparent but, in a way, this monthly thing was the methodology which Camilion had been talking about the previous year. It was not such a vague and easy to play around with kind of methodology as I had hoped it would be, but at least it was a kind of methodological approach.



**SECRET**

LORD WATKINSON: It was their idea, in fact, was it not?

- A. Yes, it was his idea.

SIR PATRICK NAIRNE: I was not clear whether you had contributed to the idea yourself. You rather gave the impression that you had assisted this idea forward in your talks in October.

CHAIRMAN: You shifted the emphasis, you said, to methodology as opposed to substance.

- A. Yes.

SIR PATRICK NAIRNE: I was not sure how far that had gone.

- A. Camilion is a man with a lot of bright ideas. He talks very fast indeed and, to some extent, all sorts of ideas were coming out. He had just become comparatively recently minister of foreign affairs at that stage. He said, "What we must do is we must have a global approach to this thing. We must treat it all together. We must do everything at the same time", and I thought this was absolutely splendid because we had loads and loads to talk about in that kind of way, as you can imagine, so I rather encouraged that and said, "Why do we not talk about how we talk about all this", to make it even longer as it were. That is what I meant.

CHAIRMAN: What I think I am not clear about, and possibly one or two others of the committee, is when you put together that bout de papier, the nature of the negotiations of 26/27 February, the MFA communique; and taking into account what Costa Mendez said after, which as it were makes it milder, makes it seem far less abrupt than the conclusion of the MFA communique. I think it would be easy from one point of view to argue that this put the whole thing into a different gear. You have now got time limits, sovereignty only, modalities of transfer, nothing else. There is a meeting, that is repeated, and then there is a communique saying, "We must get these results or we reserve every right to other action" etc. This could be a rather forcible way of saying, "We

really must get on with these negotiations", or it could be more than that. It could be saying, "There is a time limit and sovereignty is the issue and we must have an answer", an answer which we could not give, in which case what we are facing sooner or later is breakdown - the transparency has become extreme. I am talking about perhaps extremes - there may be intermediate views - but what did you really think about all that?

- A. Yes, I think indeed not only I but we, because of course we were all meeting together in New York on this subject, and what we felt was that we were getting very close to the time when they would start their escalating pressures. We were still thinking in terms of there escalating pressures working towards the stopping of the LADE flights, stopping of the supply of oil, these various things. We did not know exactly in which order they would start to use them. This again, of course, had been aired very much in the press as the likely line which they would take, in fact aired very much more than Iglesias Rouco's prediction of the use of force, though nobody had ever ruled out the use of force as an ultimate recourse, or indeed as something which might happen earlier. There had always been sections of Argentine opinion who were in favour of going to force quite quickly as we constantly reported. Yes, I would say that we were all conscious of the fact that this represented the last few months - the last year and perhaps the last few months - in which one could use, "We are negotiating in good faith".

LORD WATKINSON: I think that is very important because you are not saying the last few weeks.

- A. No.

Q. You are saying, as I understand it, as a minimum the last few months and perhaps even a year, because you said in your report at some point that we might even have until January 1983 because of the 150th, so I am clear in saying it was possibly months, anyway not days, and possibly not weeks?

- A. Oh no. We had been given a short period as long as a

piece of string actually to answer on the proposal, so that at least was going to be a month or six weeks.

SIR PATRICK NAIRNE: But your telegram, I think of 3 March, is quite an important telegram and did create a bit of a flurry in Whitehall. It was clearly saying, "Wake up. Things are looking rather worse". I am not contradicting what Lord Watkinson was saying that it was probably, as you said, months ahead, but it struck a sharper note. That was intended?

- A. It was intended, yes.

LORD LEVER: But the change of gear which the chairman is suggesting you sensed occurring - as I understand you, and please correct me if I have it wrong - was that (1) they were not prepared to put up with an indefinitely long period of further negotiations and (2) that after a period of some months that would exhaust their patience for negotiation and they would be likely to move to action like the commercial action and the other forms of harassment which you have indicated? Is that a fair statement?

- A. Yes, I think that is a fair statement. If I may say so, you say that it happened in February but it goes back to Camilion and the year before. When they had a change of government Enrique Ros said before we had the December meeting, "We are going to have a change of government. It does not make any difference because the new government will take exactly the same line as the outgoing one", and to that extent the whole of the process up until that unilateral communique in February started back in July at least, when Camilion was first outlining his ideas, so we had been living with it for some time. In many ways our problem was that we had been living with it first with the assumption that we were going to get a policy line out of the OD meeting in September, and then knowing that we were not going to get a policy line out of the OD meeting in September.

LORD WATKINSON: Because the start presumably was when Lord Carrington said to Camilion, "It is about time you

put something into the court", so to speak, and invited him really to produce a coherent plan?

- A. This really arose out of the fact that we had nothing to put in. We had felt that we could not any longer put forward the lease-back, and we had nothing else.

Q. No, so we tried to play it into their court.

- A. We tried to play it into their court.

SIR PATRICK NAIRNE: Even if you felt you had a few months and even until towards the end of the year, you must have felt it was a rather drastic situation confronting you. That I know is part of your message to us this afternoon, that the current policy was visibly running out and becoming, as you said, more transparent, and you as the ambassador on the spot had not the slightest idea what the British Government was going to put in its place. Is that right?

- A. As you see I wrote some fairly rude letters back to London and made myself fairly unpopular in the process, I am afraid, but I did. I felt we were being left naked.

CHAIRMAN: Can I ask you one more question. For the purpose of this committee we all have to try and keep forgetting about 2 April. We cannot equip ourselves with hindsight. Therefore the question I am going to ask is not about 2 April but it is about 1982 and the 150th anniversary and all that. Lord Carrington himself at some point said that he thought there might be trouble later on in the year. We



have been talking about the January bout de papier, the meeting, the unilateral communique, what Costa Mendez said to you, etc etc. We are all agreed that there is a stepping up of pressure. I think we are all agreed that the possibilities of confrontation at some time are above the horizon. It may well be that we are talking in a time-scale of months, there are not all that many months in a year, but as Lord Watkinson said not in your view weeks but this kind of scale. If there is a confrontation then we do not know what form it will take but we have views on probabilities, so to speak, some things earlier rather than others. It happened that almost at this moment, 3 March, Ure from the Foreign Office wrote an official response which you may have received to the Governor of the Falkland Islands about his annual report, and there is a phrase in that which says, "We are perilously near to inevitable confrontation". What I think we are trying to understand is the extent to which in your mind these prospects, possibilities, probabilities, arising out of the events of January/February, beginning of March, with the back history into September, really triggered alarm bells and, if they did, were they modified or were they loud or what?

- A. I think that there were alarm bells, which are reflected in that phrase of John Ure's, which had been, yes, progressively triggered over the earlier months. The South Georgia incident started as an incident in its own right.

Q. Yes. That is separate.

- A. It is separate. And one of the difficulties for us, and one where I feel I did not guess, was that I did not know until very late in the day that the Argentines were going to change what I believe was their programme in regard to the Falklands, exploiting what they regarded as a useful occasion arising out of South Georgia. I do not think the Argentine Government created the South Georgia incident; I think they exploited it. I think perhaps it is conceivable that the Argentine Navy created it. I do not have access to all the things that you have seen so I cannot honestly say, but what I did not know until very late in the day was that the Argentine reaction on South Georgia would be to change over their programme on the Falklands.

Q. I understand that, but that relates to 2 April, which is what I am trying to put out of my mind.

- A. I am sorry.

Q. I see why hindsight is so terrible on this and therefore I am addressing myself to 1982 as a whole, in terms of which I was asking you the question. What I have in my mind, I will put it very simply: you were living with this month by month, none of it was terribly new - maybe habituation breeds contempt, maybe it does not. Did you or did you not recognise symptoms of novelty and alarm and, if you did, were they muted or loud? I am talking in terms of a confrontation and trouble some time in 1982.

- A. I think so, yes, distinctly alarmed. I do not know whether you are talking to any of the people who were visiting Argentina in the early part of that year, from Westminster Bank, from Barclays and so on, but a lot of them got briefing from me and most of them I think will tell you that I gave them briefing saying, "This looks like being a very bad year for

us, it is not going well and the situation is bad". In my own mind the key dates that I was looking for were clearly the reappearance of ordinary Argentine life after Easter - remember that all this happened in the summer in Argentina and everybody is away; secondly, the big meeting of the OAS, which was due to take place in May if I remember right; then thirdly, the United Nations General Assembly. I could see that all of those were occasions when, if they were not happy with what we were doing, they could make a fuss and appeal to an outside audience and line up people against us.

LORD WATKINSON: What I think puzzles us is, should a change of pace or an acceleration of agitation, both in the press and perhaps the attitudes of Costa Mendez and so on, have caused the FCO to have started ringing alarm bells. For example, as you probably know there was a very vague contingency plan hanging about the place; it had been hanging about the place for months, possibly years, with no teeth in it and no nothing in it.

CHAIRMAN: Paper.

LORD WATKINSON: Paper. What puzzles us is, should there have been some signals coming back in some way or other, not necessarily through you, but was the situation such that the acceleration marked an abrupt change, in other words, suddenly confrontation came back towards you like that, which meant that things should have been done in the FCO and the MOD which were not done?

- A. As far as I knew, they had been commissioned at the Carlton Gardens meeting.

Q. Yes, so they were. What did you think was commissioned then?

- A. Well thereafter I was not in the picture. I had understood that they were in preparation.

Q. Again, we get in confusion because plans to meet an air service - delivery by sea and all this sort of thing - yes, certainly those were going on and those were more or less in train subject to the usual argument with the

Treasury about who paid. What we are talking about is a contingency plan to retake the islands.

- A. On that, what is interesting - again you have probably seen it - is the report of my defence attaché, sent actually to Rex Hunt but with a copy to the MOD, on 2 March.

LORD WATKINSON: You mean the one which said that Argentine military action was not an immediate threat?

SIR PATRICK NAIRNE: It is quite a long letter.

- A. It is quite a long letter saying, among other things...

CHAIRMAN: It is quite important. If you have got it, please find it.

- A. Yes. It is his letter of 2 March - 050 492/1 to Rex Hunt with a copy to DI4, Ministry of Defence, and South America Department of the FCO.

SIR PATRICK NAIRNE: This was the letter, chairman, which made the point that "Special arrangements could enhance the chance of early warning" - a quotation one of us picked up yesterday. "We could not realistically expect to be able to detect any moves" was one of the quotations I noted down.

- A. That is right. This letter arose out of my defence attaché having gone to the Falklands, at his own expense,

We agreed it between us, because we wanted to know what the threat problem was and what we ought to be doing, to see if we could find out if the threat became actual. The answer of course is very depressing. And I think it was on the 26th or 27th he sent an update of this report.

Q. That was a telegram.

- A. It was a telegram, yes: Buenos Aires telegram 24/2030Z of 24 March to MOD.

CHAIRMAN: Which in effect says what, briefly?

- A. It says - this is of course in relation to South Georgia: "An alternative which might well attract the Argentines would be to await the arrival of the party (taken off from Leith in Endurance and going to Port Stanley) to await the arrival of the party at Port Stanley and then to mount "a rescue mission" which, on encountering resistance, could be escalated



into an occupation. We must therefore be aware that if HMS Endurance is committed we would be faced not only with the obvious risk of the operation itself meeting resistance but also in the increasing threat to Port Stanley". This goes with the other attaché reports of naval movements and so on.

CHAIRMAN: I think as we have got that, unless other people have other questions at this point, we had better move to South Georgia.

LORD WATKINSON: When Mr Davidoff first went in December he just I think notified the embassy he was going, did he not, and then went, so to speak. You were aware, presumably, that he had a contract with Salvesens and that it was legally watertight? Then when he got there the Governor got rather excited about it all and wanted to do a lot of things like, not imprison him but fine him. The Governor was in fact told by the Foreign Office this might create a most serious international incident and he had better lay off so to speak. But this whole Davidoff incident, did you judge it really to be a sort of commercial thing handled rather stupidly and in an Argentine way, like when he came back to the embassy in March and apologised for causing difficulties and asked if he could take medical supplies and all this sort of guff, did you judge this man to be more or less a genuine entrepreneur trying to make some money out of the deal or did you think he was an agent provocateur?

- A. We thought he was a genuine entrepreneur although, as you say, in an Argentine way, rather careless. It is of course an awful nuisance to have to go to Grytviken and check in before you go to Leith Harbour, particularly as he was only stopping off for four hours, and our deduction was that he just thought he could get away with it. There is the additional problem of course that it was very difficult to get there except in an Argentine semi-official ship.

Q. Yes, it is the only way of getting there.

- A. Whereas I think that he would not have at least minded going to Grytviken and checking in in the proper way, probably

his ship did not want to because it was a naval auxiliary.

CHAIRMAN: It was a naval reserve ship.

- A. Because everything tends to be run by the services there. It is really a merchant vessel run by the navy and contracted out, but it had serving officers on board.

LORD BARBER: What one wonders is whether in fact at this end, in the eyes of the British public and parliament, because of the way it was presented here and developed in presentational terms, it appeared to be in the early stages much more significant series of events than was probably the case. Reading through it all, some of us think that it looked rather as though it was a little bit of a muddle and that it really was not as serious as members of the House of Commons thought it was from the way these formal reports were made about the landings and one thing and another.

- A. I was not there of course but my impression from reading what appeared in Hansard and in the press here was that the fact that he had a contract was not immediately apparent so that it looked as though it was a landing out of the blue. On both occasions his only offence was not going to Grytviken and getting his passport stamped. Everything else was in order.

SIR PATRICK NAIRNE: How much importance do you attach to his running up the Argentine flag?

- A. I think it was not him; I think it was the ship that did that. Why I do not think it was a put-up job was that his team was an extraordinarily mixed bunch. There were Argentines, there were Spaniards, a Uruguayan or two, and so on. It would be a rotten team to put together in order to do an undercover operation.

MR REES: It was an Argentine ship, was it not?

- A. It was again one of these...

LORD WATKINSON: Could not get there any other way.

MR REES: There were two ships, were there not?

- A. Yes.

LORD WATKINSON: This was an icebreaker.

CHAIRMAN: That was on the second occasion, 19/20 March.

- A. On the first occasion it was...

LORD WATKINSON: It was an icebreaker on the first occasion.

- A. That is right, yes.

Q. And a new one, which upset the Governor because he thought it must be something special. The second time I think it was what we would call an ordinary fleet auxiliary, an ordinary merchant ship.

- A. That is 19 March, yes.

Q. But on the second occasion he did I believe come to the embassy or write to the embassy and ask if he could be told what the special drill was when he got to Leith. This I suppose was to wriggle out of going to Grytviken perhaps?

- A. We had reproved him for doing it wrong the time before and he had said, "Very sorry. What can I do this time? Can I take some medical supplies?", and so on, all that kind of thing, and we said, "You must let us have a list of the people and you must go to Grytviken".

Q. Which he gave you, did he not?

- A. He gave us a rather inadequate list after the thing had sailed. It was not all the people. It did not give the full details of the ship or the complement, so in a purely bureaucratic sense he had not complied with us any more than he did comply in Grytviken. What he had not done with us was perhaps not desperately important if he had gone to Grytviken as he was supposed to, but as he did not of course we did not have a proper nominal roll either.

Q. No. But I gather he asked the Governor what he should do and the Governor's reply did not come until after he had left and anyway it was not very helpful because it merely said he should comply with the proper immigration procedures. What I am getting at - and I think you should either comment on this or not as you wish, I am merely giving you my personal view, it is not necessarily the view of the

committee - is that Davidoff to begin with was not an agent provocateur, he was a rather stupid entrepreneur and thought he could make some money out of this deal. He thought he could square his yard-arm with your embassy so that he would not have to bother with Grytviken because as he was going in an Argentine naval vessel it would be very awkward for that vessel to go round to Grytviken, for various reasons. He therefore pressed on with this thing.

The Governor, I think quite fairly, took a different view. He thought this was another Thule coming up; that these boys were going to land and he would be faced with an occupation which would be very inconvenient. And out of this came an impression in London, as Lord Barber said, that this really was a major incident, a major provocation so to speak. So Endurance was sent, the Governor was asked to keep it quiet but obviously he could not, so it leaked and that hotted up the temperature in London even more. You advised, I remember, great caution about sending Endurance and in the end I think you went to Ros or Costa Mendez and tried to mend the fences. The question I am really asking, you have answered part of it but I will put it again if I may: perhaps what was really a rather clueless commercial operation - and I am not saying it was anybody's fault - got elevated into a major international incident which may have given the junta the very trigger they needed to press the button.

- A. The only thing I think I would contest would be the last part of that, in that it was the junta who wanted the trigger. I am not sure that the navy did not gen up the Buen Suceso to go and raise the flag. I would be inclined to agree with you, that Davidoff himself was not a provocateur in himself but I am not at all so sure that the naval auxiliaries were not provoking. But I think they were doing a bit of provocation on behalf of the navy, rather than on behalf of the junta. They come under the command of the navy and I am not sure that the navy was not trying to create a fait accompli situation.



SIR PATRICK NAIRNE: I am interested in what you say. It would seem to me to be very credible that the Argentine Navy should have wanted to get something out of this in return for enabling Davidoff to go ahead and do what he wanted to do. There is also the fact that the navy were going to have their fleet exercises at that particular time - none of us perhaps will ever know. This is what does make me feel that the actual timing of the whole arrival at South Georgia may conceivably - one can see this possible scenario - be linked with the timing of the fleet going to sea and all the rest of it and although the decision may have been taken at the last minute you did actually have to set up the whole circumstances to enable his opportunism to pay off. Some setting up on quite a big scale might have been involved?

- A. I would have thought that is possible. There is one other small clue which in fact I only really spotted going through the file again before coming to see you this time, when the Bahia Paraiso went in which we thought was taking the people off...

CHAIRMAN: The second boat - on the second occasion.

- A. The second boat. Captain Barker reported that it appeared to be flying the pennant of the Argentine Naval Commander of the South Atlantic. It is in one of these signals here and I confess I had forgotten about it. Again, he had no business to be there and that smells of something premeditated. This was very late in the day. That would have been...

SIR PATRICK NAIRNE: Yes, it would have been 26 March.

- A. Yes, 26 March.

LORD WATKINSON: They sent two frigates and a supply ship to cut off Endurance if they needed to do it. But what troubles me - again I am only speaking for myself - is that I find it difficult - and maybe it will turn out to be impossible - to decide what really did in the end trigger the invasion.

- A. I think it is true to say that the way in which events

developed, with it becoming known that Endurance was going and that people were going to be arrested and all that kind of thing, produced a position of prestige on the Argentine side which was very difficult for anybody who wanted to be moderate on the Argentine side.

CHAIRMAN: You had encountered that in talking with Costa Mendez?

- A. Yes. In many ways this was unfortunate. I was just too late, as you probably saw from the telegram, in getting a formula to him. He said, "It is all in the press already, today", and it was I think true that whereas the problem was containable on the 19th and 20th it was becoming progressively less containable, from the Argentine point of view as well as ours, as that week ran on. But of course from the point of view of the hawks this made it a splendid opportunity and I think this is the way in which, as I said, the minority became the majority.

LORD WATKINSON: Yes, and that could happen very suddenly presumably?

- A. It could happen very suddenly and I think it probably happened at that meeting of the commanders-in-chief.

SIR PATRICK NAIRNE: And it was convenient because the navy was at sea.

- A. It was very convenient. And the fact that the navy may have set it all up is, I would have thought, perfectly possible. We have always known that there were hawks and there were people raring to attack us

but we had been able to ride for 16 years or more on the fact that they had always been a minority and the government's decision had gone against them.

LORD WATKINSON: There is a statement by Anaya, which you may or may not have seen - it was from one of the odd sources - which said: "Although the South Georgia incident had not been created by the Argentine Government it had come at a wonderful time to provide Argentina with a means of pressing forward on its claim to sovereignty and consolidating its own public opinion behind a military régime". Would you say that was a fair quote?

- A. He knows, not I. It sounds very convincing, I must confess.

Q. It does. Well, he is supposed to have said it.

- A. That was after the event presumably, was it?

Q. No, in March, just at the time while South Georgia was going on.

- A. I do not recall it, I must confess.

**SECRET**

LORD BARBER: This is not a very easy question to answer, but when did you seriously think for the first time that an invasion was imminent? My understanding from what you have said is that it was always a possibility at the end of the day but you thought - and we have been through this with other people as well - first of all there would be United Nations talks and pressures - economic, commercial, and so on. But obviously at some stage towards the end of March for the first time you must have thought that an invasion was likely? I wonder whether it is possible to cast your mind back to when that might have been?

- A. What I thought first was that we were going to have a clash in South Georgia. My difficulty is to identify where I realised it was not going to be South Georgia, it was going to be Stanley. Again, you must have seen from my report that I was much preoccupied by the fact that we had only got one ship in South Georgia and if it took off anybody it was not there to protect the others - indeed, it could barely protect itself. Consequently there was a kind of fox and geese game. My original expression of concern on 26th/27th was that I thought that was going to happen.

I think that I only really realised that it was not that but it was going to be the Falklands when we got the intelligence showing that far more ships were peeling off the exercise than were needed to do a fox and geese game in South Georgia.

CHAIRMAN: That is taking us to 29th/30th.

- A. It is 29th/30th if I remember right, yes.

SIR PATRICK NAIRNE: We had an interesting report from the naval attaché, written after the occasion. He made the general point that it was very difficult - and one can understand this from what he said to you - to get intelligence about the Argentine Navy. At about the stage when you wrote the letter saying Anaya is in the driving seat,



**SECRET**

to use your own phrase, did you discuss in the embassy the possibility of improving the way in which you could possibly get intelligence about the Argentine Navy, a point that Love, the defence attaché touches on?

- A. Certainly - more general in the Love context. Actually I was down in Rio Gallegos at that time and one of the things I did there was to look and see if there was any way in which we could set up and observe the airport, and the answer was no because it is miles away from any legitimate place where anybody can live, because it is very difficult to get at. We had also developed - the naval attaché, as I think comes out in the signals, had developed a very close relationship with the American naval attaché and he got a quantity of information about Argentine naval movements which we could not get ourselves. This is about the extent of what we succeeded in achieving. In fact the naval attaché's reports which we sent at that time were largely reports either of what we got from the American naval attaché or from what was in the press.

Q. How seriously did you take some of Captain Barker's telegrams, signals?

- A. I am not sure I saw all of them. I was aware of the fact that he got rather cool treatment when he went down to Ushuaia. I had been down there myself and I knew the man who was giving him the cool treatment and I thought that was not actually very significant, but I might have been wrong on this. Of course he is the man who has just resigned since, and he is very hawkish indeed. But the fact that we got a very cordial reception for Endurance in Mar del Plata afterwards made me conclude that probably that was more a question of personalities rather than a question of policy. It is true that Ushuaia is a much more sensitive place than Mar del Plata and I think probably they were not quite so keen to have him down there. But of his other signals the only one I think I saw was one where

he said he had passed the Bahia Paraiso and gave them a 'Good day', things like that. I am only judging from the press now, that there were these stories that he had sent back a lot of intercept which of course I did not get if they had existed.

CHAIRMAN: Could I ask you one question which I think it is improper for me to ask and it may be improper for you to answer. I was just wondering about what we have been saying about the probabilities being that if the moment of confrontation arrived, whenever it did, it would be in terms of what have been called measures rather than force in a simple sense and of course what in fact happened was the events from 19 March to 2 April. If I remember it correctly, you have said these things about the early days of South Georgia: one, that you think Davidoff was, both in December and March, an untidy entrepreneur on the whole and we do not need to read more into that; but you are not so sure that you ought to read a bit more into what the ship's company that took him there was doing, eg running up the flag and eg when the second ship came in flying the pennant of the Argentine Navy in the South Atlantic. And that therefore possibly there were people from the beginning thinking of an action which had an provocative character and as it developed this could be used. Does that or does it not make one wonder why one assumed, as the civilians, the Foreign Ministry, were telling them, that pressure from the UN, possibly economic measures later etc etc, that is the line of country, this is what happens. It is almost like the American Government. There are bits of it and they are not all terribly close together, they are capable of a degree of independent action until when they all come together and there is the USG performing or the Argentine Government performing. Did we allow enough for the possibilities of independent action by part of the Argentine Government, eg the navy, when we made our estimates about the order in which events were likely to go?

- A. I am not sure we did, but perhaps I can put it into a context, which is that there were two disputes going on at this time and the other one was with Chile. Exactly the same kind of thing was constantly happening with the Chileans. They said, "The Argentine Navy keeps on buzzing us and it orders ships out of what is clearly Chilean water and so on, and they are trying to get us to create an incident and we are finding it frightfully difficult". They approached the ambassador in Santiago and said, "Cannot you, the British, do something about this?". The result was that this kind of pin-pricking by an individual service or even individual officers, was not entirely an unusual phenomenon nor did it necessarily mean that something was imminently about to happen.

The one in December really had so easy an innocent or untidy explanation that perhaps it was too much of a single swallow to make very much of. The second one I think we did take seriously, to the extent that we thought that we might be in real trouble over South Georgia. What we did not necessarily - I certainly did not, I am not sure what the feeling in London was - I did not feel that this was an amber light or a red light in regard to the...

Q. Falklands proper.

- A. Falklands proper. Except that when the thing started to escalate, which is precisely why this defence attaché update was agreed between us, we were saying that this could be used for a pretext in order to speed up the thing. So that I think the answer is that when it really came in sufficient quantity it was very late in the day but it was taken up.

LORD WATKINSON: I think Costa Mendez' words were something like, "A harsh action by the British would be met with a harsh response from the Argentines". That was on about the 28th.

- A. That was on the Tuesday, whenever that was.

Q. Did you judge that then to be almost approaching an ultimatum, so to speak? You were rather expecting to get one about that point anyway, were you not?

- A. This was about **Endurance** going and arresting their people. This was when we warned London that the answer could be a tit for tat, of the Argentines taking off some of our people. This was the kind of thing we were thinking of as a 'harsh response'

Q. After that we progressively climbed down anyway so far as South Georgia was concerned.

- A. What we tried to do was to find something. As I said, they were **painting** themselves into a corner and to get a bridge into that corner it had to be a longer and longer bridge.

CHAIRMAN: There are just two questions left which I am sure can be dealt with very briefly. One of them is: what was your responsibility

for the military attachés at the embassies?

Did you see all they did, work closely with them, or did they live under your aegis and operate quasi independently? How did it go?

- A. They worked very closely with me.

We had weekly meetings but we also had a lot of meetings in between. The limitation on it was that of course they were not only my attachés. The defence attaché was also accredited in Paraguay and Uruguay and the naval attaché was also accredited in Uruguay, so there were periods when they were not with me.

Q. Yes.

- A. They were more with me than they were with the others but there were gaps and certainly when this blew up actually the naval attaché was in Uruguay.

LORD LEVER: I have one question. Why do you think, in your opinion, the Argentines put up with 16 years of negotiations, conditioned always on the islanders' acceptance,



which always looked a remote possibility, having regard to the fact that the Argentines only had one objective: sovereignty. Why did they put up with it so long?

- A. I do not think they regarded it conditional on the islanders acceptance.

Q. No, I know they did not, but, knowing that we were making that condition throughout and knowing the remoteness throughout the period of getting it, why did they put up with such obvious procrastination in negotiations?

- A. I think there are two reasons. One is that quite a lot of them saw what the consequence of the alternative was, which is precisely the consequence which happened, which was that they could win the first round but they could not win it all and they were quite right in thinking it disastrous, from the Argentine point of view, to try and do it by force. Consequently the only alternative was to try and do it by negotiation and persuasion.

The other thing is that this is a nationalist issue rather than a national interest. I do not know if I make myself clear but they have lived for 150 years with this great sorrow and a few years one way or another is not, in practical terms, terribly important to them. Indeed, one of the reasons why we were having such a good time was that they were biting on the other sore tooth of the Beagle Channel during 1980 and 1979 and therefore they did not need to bite on this sore tooth. One of the reasons why I think it came to a head with us was that the papal mediation had more or less made it impossible for them to go on biting on the sore tooth of the Beagle Channel and they moved over to the other one. Does that give a full and convincing answer?

LORD LEVER: Partly.

CHAIRMAN: One last question. Was there any evidence at all in your possession or in your people's possession of troop movements in Argentina in the weeks leading up to the

invasion? It takes time and effort to assemble troops. There were marines, there were actual army people in the invasion flotilla.

- A. Yes.

Q. Did we know anything about all that?

- A. We knew some and indeed we reported it. I have them here, I can produce them if you need. It is very late on.

Q. That is what I meant; it is all very late on.

- A. It is very late on indeed and of course what was significant I think is that the initial thing was all done by marines who are on the coast already, they do not really need to move them at all. And quite obviously they had made totally inadequate logistic support arrangements, which is why it was that they got so very short of supplies later on. **In fact there was not the kind of back-up which a properly planned operation would have had.**

SIR PATRICK NAIRNE: Assuming a walkover perhaps?

- A. It may have been partly that, but even so with that quantity of people there they really had not arranged for it.

MR REES: Could I ask one question. Did the Argentine Government believe, **were** they told at any time, the government policy that if all went wrong and **the islands** were occupied, that we would go back?

- A. Yes. You have spoken to Nicholas Ridley and on various **occasions** he has repeated that we will defend them. I am surprised to see that I never reported it but in my conversations with Ros I several times said to him, "Look, do not tangle with us, we have got a bigger navy than you have and this is not a one-move chess game, it is a several moves chess game". Everyone knew of course that the Argentines could overrun the islands. They did know that, but they could make their own deductions as to how valid my remarks were. But they were told.

You asked me at the beginning, Lord Franks, whether I wanted to make a general statement and I said I would rather wait until the end. May I make it now?

CHAIRMAN: Certainly.

- A. It is really just to say that of course in all this affair my professional integrity has been very much impugned. When I first arrived at London Airport I was greeted by lots of journalists saying, "Why did you not tell the Foreign Office they were going to invade?", and so on. I have not been allowed to answer that at all. There have been things in the Daily Express saying that Lord Carrington had been telling all his friends that he did not get a squeak out of Buenos Aires and so on. In the ordinary course of events I would have expected him, as my minister, to defend my reputation for me. In the circumstances he has not been able to do so and no one has. But if, as I hope, you feel that I did carry out my duties there properly I do hope this will appear in your report because I have no opportunity to defend myself in any other way.

Q. We take note of what you have said.

- A. Thank you.

LORD LEVER: The Prime Minister could not be expected to make comments on any of the people involved and their position until the inquiry is over.

- A. It has been sub judice all the time, but clearly...

Q. It does place you in a personal...

- A. It is the end of my career.

CHAIRMAN: It has been very nice to see you, thank you for coming.

- A. Thank you.

(The witness withdrew)