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Ref. A08436

PRIME MINISTER

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Argentina and the Falkland Islands

You asked for an investigation of the role of intelligence in the events leading up to the Argentine invasion of the Falkland Islands.

2. Mr. D.R. Nicoll, whose earlier reports you will remember, was asked to undertake a new investigation, with the following terms of reference:

"The task is:

first, to examine -

- (a) all the information available from 1 July 1981 to 2 April 1982
 relating to Argentinian intentions towards the Falkland Islands,
 with particular reference to indications that Argentina might be
 considering taking military action or be more inclined than in the
 past to contemplate military action;
- (b) the JIC assessments made during the same period; second, in the light of the information available and of developments within Argentina, and internationally, to answer the following questions:
 - (1) Would it have been reasonable to expect the JIC during that period to have offered a new, or a renewed, judgment as to Argentine intentions?
 - (2) Could earlier warning have been given of an impending Argentinian invasion?"
- _ 3. I attach Mr. Nicoll's report. I think that he has done an excellent job of work.
 - 4. The report has been considered by the JIC. The JIC concur generally with Mr. Nicoll's conclusions and recommendations, but they believe that these should be studied further in the light of the conclusions reached by the parallel



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detailed investigations under way in the FCO and the DIS. When these are available, it will be necessary to consider certain matters for the future. The main question would seem to be what improved arrangements should be made to ensure that the political indications of a developing threat to British interests anywhere in the world are brought to notice and assessed at the earliest possible moment.

5. Mr. Nicoll's report will of course be valuable material for the proposed inquiry, when that is set up.

ROBERT ARMSTRONG

(dichated by S. RAmstrong and signed on his behalf).

14th May, 1982

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