

DABW
File 2
1579 | 3/4

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Wm
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r a short note for the Secretary
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DRPH
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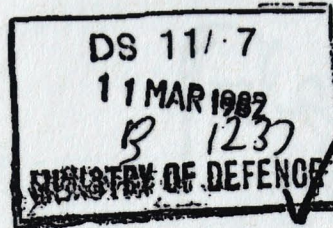
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SE MINUTE

DI4A/6618



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FALKLAND ISLANDS

1. You will have seen reports of belligerent press comment in Buenos Aires following the recent Anglo-Argentinian talks and suggestions that if no progress towards recognising Argentinian Sovereignty over the Falklands is made in the next few months the Argentine Government would have to take tough measures, including if necessary military action against the Islands, in pursuance of its claim.
2. We have now received a Secret report confirming that this press speculation was inspired by the Argentinian Naval High Command in an attempt to achieve an early settlement to the dispute. The report states that if there is no tangible progress towards a settlement by the end of June 1982 the Navy will push for a diplomatic offensive in international organisations, a break in relations with the UK and military action against the Islands. The Navy concede however that neither President Galtieri nor the Army were thinking along these lines and that the Navy would therefore have to convince them of the necessity for this course of action.
3. All other diplomatic and Secret reporting in recent weeks confirms that all elements of the Government apart from the Navy favour diplomatic action to solve the dispute and that the military option is not under active consideration at this time.
4. There is nothing new in the Navy's attitude - it has traditionally been in favour of a strong line on the Falklands issue and the new Navy C-in-C is known to hold particularly hard line views. We have no reason to believe that the Navy have any prospect either of persuading the President or other Government members to adopt their proposed course of action or of going it alone. We do not consider therefore that the Navy's present attitude poses any immediate or increased threat to the Falkland Islands beyond that outlined in the current JIC threat assessment paper (JIC(81)(N)34 dated 9 July 1981). This paper is due for review during April.

10 March 1982

H J Lowles
H J LOWLES
Lt Col
DI4A

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RMM