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PRIME MINISTER

I attach your copy of a JIC Immediate Assessment on the Falkland Islands (JIC(82)(IA) 6) which was approved at 11.00 am on Wednesday 31 March.

- 2. The Assessment concludes that the landing on South Georgia on 19 March was not contrived by the Argentine Government but that the Junta is likely to try to use the incident to obtain the early opening of talks on the transfer of sovereignty. This will tend to constrain it at present from adopting extreme options but the possibility that it might escalate the situation in future by landing a military force on one of the islands cannot be ruled out. In the present situation, the Argentine Government will not wish to be the first to adopt forcible measures but there is a high risk that it would resort to force if the Argentine civilians on South Georgia are arrested or removed from the island; the Argentine Government would see such action by the British as provocative and might use it as a pretext for an invasion of the Falkland Islands.
- 3. As the Assessment draws on TOP SECRET CODEWORD material, its circulation to Ministers has been limited to the Secretary of State for the Home Department, the Chancellor of the Exchequer, the Secretary of State for Defence and the Lord Privy Seal. Its existence will not therefore be known to other members of the Defence and Oversea Policy Committee at the meeting on Thursday 1 April.

ROBERT ARMSTRONG

appeared by Si, R. Americang 9 signed on his dehalf

31 March 1982