

ALW 040/325/14		
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Mr Duggan (SAmD)

Falkland Islands

As I have told you, the Secretary of State would like the minute to the Prime Minister on the Falkland Islands which you submitted on 11 September to be recast in a more positive light. The present draft covers the necessary ground: but Lord Carrington considers that it launches too quickly into the leaseback option, which is presented as something forced upon us rather than an opening which we should try to exploit.

You are therefore revising the minute so that it opens by presenting three broad options - "Fortress Falklands": continuing negotiations without concessions on sovereignty: and leaseback. After dispensing with the first two, the minute should say that, with the agreement of the Falkland Islanders, our best course would be to try leaseback as a ploy which might satisfy the Argentines over sovereignty, while, in practice, retaining the essential points of our present position. The Secretary of State does not wish the minute to sound defeatist.

*R M J Lyne*

R M J Lyne

18 September 1979

cc: PS  
PS/LPS  
PS/Mr Ridley  
PS/PUS  
Mr Hall