

CONFIDENTIAL



Prime Minister

(5)

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

Handwritten initials and date: 25/9

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Handwritten initials: PM, MB

PRIME MINISTER

FALKLAND ISLANDS

In his note to you of 20th September Peter Carrington proposed that we should try to negotiate with the Argentine an arrangement whereby 'ownership' of the Islands would be transferred to them, but they would simultaneously lease them back to us.

2. I confess to some political anxieties about this idea. At a time when our diplomatic resources are so fully engaged in Rhodesia-Zimbabwe, and with Gibraltar likely to be an issue in the Spanish Accession negotiations, I doubt whether we should deliberately promote another initiative which involves issues of sovereignty.

3. I have also seen David Howell's minute to you of 22nd September, and agree with him that we should thoroughly discuss the implications of Peter's proposals before there is any question of going ahead with it.

4. I am copying this to other members of OD, to David Howell and Michael Havers, and to Sir John Hunt and Sir Kenneth Berrill.

(G.H.)

24th September 1979

CONFIDENTIAL

25 SEP 1979



CONDENSATOR

