

## FALKLAND ISLANDS

I do not dissent from the attached draft paper which I have discussed with the department. We should however keep in mind that what we are proposing is dangerously close to Mr Begin's concept for the West Bank. Mr Begin is in effect saying that there can be autonomy for the people but that Israel must maintain control of land, water etc and, eventually, of sovereignty. His idea is to divorce the concept of territorial sovereignty from personal autonomy. We have already told him - most recently at the Prime Minister's lunch - that we think this concept a complete non-starter. The Prime Minister was very forthright on this point, describing Mr Begin's concept as an unknown constitutional animal.

2. The road down which we are proposing to go with Argentine could lead us to an analogous conclusion with the Argentines having titular sovereignty over the land with the people retaining their Britishness. If and when this practice surfaced, we could find the Arabs and Israelis drawing awkward conclusions from our policy.

A D Parsons

30 May 1979