CONFIDENTIAL

PRIME MINISTER

No- not a shriller.

Contacts with the PLO July Contra

The attached letter conveys the recommendation of the Foreign and Commonwealth Secretary that the PLO should be told by officials that a British Minister, probably Mr. Hurd, would be prepared to meet Qaddumi ("the PLO's Foreign Minister"), provided the PLO agree in advance to a statement indicating their commitment to guaranteeing, in the context of a peace settlement, the border between Israel and whatever Palestinian entity emerges. Jan recherge Ments

I have told the FCO that, in my view, nothing less than a clear statement to that effect would do. Their alternative suggestions that Qaddumi would endorse the US/Soviet statement of 1977 or the Fahd plan, would not, in my view, suffice to answer criticism.

There may be no better time than now for taking this controversial step. Israeli actions in Lebanon have increased sympathy for the Palestinians and moderate forces within the PLO, which Qadummi represents, need encouragement.

Are you prepared to agree that Mr. Hurd should see Qaddumi, provided the PLO accept in advance the formula which I have sidelined in the attached letter?

Alternatively, would you consider agreeing to this if and when the Israelis move into Beirut?

A-J. C.

30 June, 1982