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Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

Paras 2+3 seem OK: para
4 is about what one would expect. 12 May 1981

Dear Michael,

Print 145

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Arab/Israel Dispute

Thank you for your letter of 5 May enclosing a copy of your minute to the Prime Minister.

Lord Carrington is content to begin discussion with the PLO at official level on the basis set out in your minute, and taking into account the Prime Minister's comments in your letter. In particular, Lord Carrington is happy to attempt to extract from Arafat a helpful move on the issue of terrorism, building on the Palestine National Council statement as you suggest. This will be very difficult but would be an important step forward. It raises the difficult questions of what the PLO themselves regard as terrorism and how far the PLO can control all Palestinian groups, but these are issues which can be discussed with them.

Lord Carrington sees disadvantages in being committed to seeking too precise a form of words from the PLO on Israel's right to exist. The words will obviously be important, but less so than a clear and authoritative signal that the PLO are ready to settle on the basis of compromise with Israel. Our aim is a formula on the following lines: "The PLO is ready to negotiate a settlement with Israel and thereafter accept her right to live in peace behind secure and recognised borders, provided that Israel is ready to negotiate with the Palestinians on the basis of withdrawal from territories occupied in 1967 and acceptance of the Palestinians' right to self-determination."

The Prime Minister raised the question of the likely confidentiality of the negotiations. Clearly there can be no cast-iron guarantees. Moreover the wider the circle of those brought into the discussions (e.g. Jordanians and Saudis), the greater the risk of leaks. However, we believe that, if we make clear at the outset that secrecy is a condition of the discussions, there is a good possibility that the PLO leadership will keep it to themselves. Arafat is certainly capable of confining knowledge to a small group of like-minded associates if he chooses. Moreover, we have asked the PLO for no publicity for occasional meetings in the past and not been disappointed. Nevertheless there is a significant risk of publicity. In that event Lord Carrington believes that our position will be fully defensible since we shall have broken no new ground in the level of contacts and will clearly be living up to our public commitment to work on the PLO to accept Israel. Essentially all we shall have been doing is discussing the Venice Declaration with the PLO at official

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level; no more than we have already done.

Yours ever,

A handwritten signature in dark ink, appearing to read 'F N Richards', with a large, sweeping flourish extending to the right.

(F N Richards)
Private Secretary

M O D'B Alexander Esq
10 Downing Street
LONDON
SW1

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