

COVERING CONFIDENTIAL



Cyprus  
Foreign and Commonwealth Office

London SW1A 2AH

21 November 1980

for Paul

Dear Michael,

Cyprus: Call on the Prime Minister by

Mr Michaelides: 25 November

/ I enclose a brief for the Prime Minister's use during this call, together with a personality note on Mr Michaelides, a copy of his programme and a sheet of vital statistics.

Yours OBR

Paul

(P Lever)  
Private Secretary

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BACKGROUNDMichaelides' Visit

1. He is invited (COI Category I) as leading Greek Cypriot politician, not as 'President of the House of Representatives'. Treatment as Mr Speaker Thomas' opposite number would imply recognition of Greek Cypriot 'parliament', which does not function in accordance with 1960 Treaties.

UK Interests in Cyprus

2. These arise from:
- (a) our continuing need for Sovereign Base Areas;
  - (b) need to preserve peace between Greek and Turkish allies;
  - (c) our residual role as guarantor power;
  - (d) Cypriot community in UK.

Cyprus Problem

3. Between 1963, when bicomunal constitution broke down, and 1974, Turkish Cypriots were enclaved and harassed by Greeks. Since Turkish invasion in 1974, de facto partition on ground. Only possible basis for settlement is loose biregional federation, with Greek Cypriots conceding, in constitution, effective Turkish Cypriot autonomy; and Turkish Cypriots conceding substantial territory (at present 20% of population, occupying nearly 40% of Republic). UK, with US and Canada, proposed this in 1978. Both sides rejected it; but it led indirectly to current UN initiative.

4. Intercommunal talks under UN auspices resumed 16 September after lapse of over a year. Serious risk that last year's breakdown could recur. UN therefore deliberately started talks at slow pace with one meeting per week and four agenda items taken weekly in rotation: Varosha (Greek suburb of Famagusta, now in Turkish hands); goodwill measures; constitution; and territory.

5. Atmosphere generally good; Greek Cypriot restraint in not pursuing traditional propaganda victory at UN General Assembly has helped. Initial bargaining positions have been set out and some common ground identified, but not on essentials. Greek Cypriot

/constitutional

constitutional proposals remain maximalist, eg, insisting on complete freedom of movement/settlement immediately. But Greeks leaving room for manoeuvre, whereas Turks have pointedly refused to make any territorial proposals at all. (This refusal, if prolonged, constitutes greatest threat to talks at present.)

6. Talks will recess for month over Christmas. Way forward uncertain. Dr Waldheim reportedly favours interim package of concessions by Turks on Varosha and Greeks on goodwill measures, eg, economic 'blockade'. But this presents problems: Turks unwilling to yield major card in exchange for promises on which Greeks could renege; Greeks reluctant to make concessions implying recognition of Turkish Cypriot 'state'. Little prospect of breakthrough. Military government in Ankara heavily preoccupied at home; anxious not to be seen as cause of breakdown; but reluctant to push hard-line Turkish Cypriot leadership to concessions. Greek Cypriot government probably too weak to be flexible.

#### Cyprus Internal

7. President Kyprianou weak and discredited. His party has split. Others, notably and most recently Michaelides, forming parties to compete for the 'Makarios' centre votes in parliamentary and Presidential elections (due in spring 1981 and 1983 respectively). Fragmentation of the centre likely to benefit communist and extreme left parties and perhaps Clerides' right wing Rally party. But Michaelides probably the leading Presidential candidate.

#### SBAS

8. Growing criticism from Greek Cypriot left wing. Cyprus Government on the whole cooperative. But important to avoid drift into untenable situation.

9. Need to contain pressures led Cypriots to claim £250 m British aid, which they sometimes depict as payment for costs to them arising from SBAs, and which they regard as their right under 1960 Treaty. We deny this. We are 'considering' latest aide memoire (which they know to be hopeless), pending an essentially negative reply; but our policy is to play issue long and low-key.

/Student

Student Fees

10. Strong Cypriot protests at decision to increase overseas students' fees to full cost. Cypriots claim they suffer particularly because no university in Cyprus and educational system UK-oriented. Efforts within Whitehall to secure special treatment for them have failed.

Foreign and Commonwealth Office  
20 November 1980

ALECOS MICHAELIDES

'President of (Greek Cypriot) ~~the~~ House of Representatives' since September 1977.

Born 1933. Studied Liverpool (handicrafts) and USA (business). Established own industrial/tourist business 1972. Manager of Paphos Beach Hotel 1974.

Democratic Party (DEKO) MP and spokesman 1976. Succeeded Kyprianou as President of the House 1977. Critical of Kyprianou's lack of leadership. After long hesitation, broke with DEKO to form his own centre group, the New Democratic Party (NDP), with 6 members in the 35 House of Representatives, in September.

His performance has been capable and at times impressive; (he acts as President when Kyprianou is abroad). Despite close links with the Church, his views are generally moderate, especially in private. Compared with Kyprianou, has a youthful and dynamic image. Intelligent, but indecisive and inexperienced. His first goal is to gain sufficient NDP seats in the spring election to ensure reelection as President of the House. His standing as front runner for the Presidency in 1983 depends on this.

Married: three children. He and his wife speak good English.

VISIT OF MR ALECOS MICHAELIDES: 22-28 NOVEMBER 1980

22 November

Arrives (Flt BA 749 from Dusseldorf). Met and escorted to Hyde Park Hotel.

24 November

0915 Dept of Industry to meet Miss M Mueller, Deputy Secretary Regional Development then  
1020 Mr L Lightman, Under Secretary Regional Policy and Development Grants Division.  
1230 Lunch at the Tate Gallery restaurant with HE Mr S S Ramphal Commonwealth Secretary-General.  
PM Dept of Environment.  
Evening Speaker's dinner.

25 November

1045 Palace of Westminster to meet Sir Robin Vanderfelt, Secretary-General, Commonwealth Parliamentary Association.  
1130 Mr Peter Cobb, Secretary of CPA, followed by pre-lunch drinks with other CPA members.  
1545 Meeting with Prime Minister.  
Evening Reception and dinner by British/Cyprus Parliamentary group.

26 November

1100 Dept of Education to meet Secretary of State, Mr Mark Carlisle  
1300 for Lunch at Lancaster House given by Mr Hurd, Minister of  
1315 State, FCO.  
1530 Meeting with Lord Privy Seal (provisional).  
Evening Visit to theatre

27 November

Day spent visiting the New Forest and Beaulieu (stately home) and its enterprises.

Night spent at Chewton Glen Hotel.

28 November

Return to London: depart to Cyprus Flt BA 586 on 29 November.

CYPRUS: VITAL STATISTICS

1. Population and Land Area (whole island)

(a) Land Area	9251 km <sup>2</sup> of which:
	59.2% Greek Cypriot controlled
	35.1% Turkish Cypriot controlled
	2.77% Sovereign Base Areas
	3% Buffer zone
(b) Population	620,000
	(505,000 Greek Cypriots)
	(115,000 Turkish Cypriots)

2. Political Parties (strength in House of Representatives)

Democratic Party (DEKO) (supporting President Kyprianou)	11
AKEL (communist)	9
New Democracy Party (Mr Michaelides)	6
EDEK (extreme left)	4
Centre Union	3
Independent	1
Democratic Rally (right)	1
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TOTAL	35
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3. Gross National Product (Greek Cypriot Section)

	<u>1978</u>
(a) Total	US\$1,370m
(b) Growth Rate (1974-79)	11%per annum approx.
(c) Per Capita	US\$2,110

4. Trade with UK

	<u>1980</u> (est)
UK Exports to Cyprus	£118.8m
UK Imports from Cyprus	£113.9m
UK Share of Cyprus Imports	20%
UK Share of Cyprus Exports	23%
Position in UK's Export League Table (1979)	50th (of 150)



21 NOV 1980

