



10 DOWNING STREET

THE PRIME MINISTER

6 May 1980

Dear Mr. Price.

Thank you for your letter of 21 April about Cyprus.

The Government's position on payments for facilities within the Republic of Cyprus is well-known. All payments specified in the 1960 Treaties have been made, both in respect of facilities for British forces in the Republic and in respect of financial aid, and all obligations have been met. The Cyprus Government disagree with our view of our obligations under the treaties; this is the subject of continuing discussions between the two Governments. As you may have seen from reports of the Lord Privy Seal's recent visit to Cyprus, the Cyprus Government have promised us an aide-memoire on the subject.

The answer to your question whether any new arrangements were entered into when I met President Kyprianou is that they were not. We agreed that discussions should continue between our High Commissioner at Nicosia and the Cyprus Foreign Minister. Meanwhile we have reiterated our hope that progress can be made over reaching agreement on the use of the £7.5 million loan, offered to the Cyprus Government in 1978 for projects benefiting the whole island, which has not yet been signed.

Yours sincerely
Raymond Thatcher

Christopher Price, Esq., MP.

Original
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JS
cc FCO
MCD
Cyprus

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