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TO IMMEDIATE F C O

TELEGRAM NUMBER 187 OF 6 AUGUST 1981

INFO ATHENS, ANKARA, UKMIS NEW YORK, WASHINGTON, PARIS, BONN,
ROME,

INFO SAVING MODUK (DS11) AND CBFC (ACTIONED BY NICOSIA)

M.I.P.T. (NOT TO ALL) : CYPRUS: INTERCOMMUNAL TALKS

1. I HAD A PRELIMINARY WORD WITH GOBBI THIS MORNING ABOUT THE PROSPECTS FOR THE TURKISH PROPOSALS. GOBBI IS QUITE PLEASED WITH THE CONTENT OF THE PROPOSALS. HE SEES SCOPE FOR NEGOTIATION OVER THE EXTENT OF THE AREA OF THE MESAORIA OFFERED EAST OF NICOSIA. HE UNDERSTANDS THE TURKISH FAILURE TO OFFER MORE IN THE AREA OF MORPHOU. TO DO SO WOULD HAVE INTERFERED WITH THEIR MILITARY COMMUNICATIONS. HE WELCOMES THE ADVANCE IN THE WAY VAROSHA IS OFFERED, PARTICULARLY THE REMOVAL OF ANY SUGGESTION THAT VAROSHA WOULD BE AN ENCLAVE. NO DOUBT THE PRESENT VAROSHA OFFER (WHICH MUST IN ANY CASE BE SEEN AS PART OF AN OVERALL SETTLEMENT) WILL NOT BE GREETED WITH MUCH ENTHUSIASM BY THE VAROSHA REFUGEES. BUT THE AREA INCLUDED DOES CONTAIN A LARGE NUMBER OF HABITABLE HOUSES AND PROVIDES SCOPE FOR FURTHER BUILDING.

2. GOBBI RIGHTLY SEES KYPRIANOU AS THE MOST LIKELY OBSTACLE TO A REASONABLE GREEK CYPRIOT REACTION. HE HOPES, WHEN HE SEES KYPRIANOU, TO PERSUADE HIM THAT THE OPPORTUNITY OFFERED BY A DEFINITE MOVE FORWARD BY THE TURKISH SIDE SHOULD NOT BE LOST AND THAT ANYTHING LEADING TO AN INTERRUPTION OR BREAK IN THE INTERCOMMUNAL TALKS COULD HAVE INCALCULABLE CONSEQUENCES.

3. IN THE MEANTIME ZACHARAKIS' ACCOUNT (MY TELNO 188) OF THE ATTITUDES OF THE PARTY LEADERS DURING THEIR TALKS WITH MITSOTAKIS IS RELATIVELY ENCOURAGING. WITH THE COMMUNISTS AND CLERIDES OPPOSING ANY BREAK IN THE TALKS AND ADVOCATING NEGOTIATIONS THE PRESIDENT WILL BE UNDER STRONG PRESSURE NOT TO RESPOND NEGATIVELY. THIS PRESSURE WILL BE INCREASED BY THE FOREIGN MINISTER AND IOANNIDES, THE INTERLOCUTOR. THE PRESIDENT'S OWN PARTY ARE NOT LIKELY TO SUPPORT ANYTHING SO DRASTIC AS REJECTION OF THE TURKISH SIDE'S PROPOSALS. IT IS WORTH NOTING THAT THE GREEK AMBASSADOR, AT HIS COMMUNITY BRIEFING ON MITSOTAKIS' VISIT, AGREED THAT IT DID NOT REPEAT NOT SEEM CONCEIVABLE THAT THE CYPRUS GOVERNMENT WOULD GO SO FAR AS TO REJECT THE TURKISH PROPOSALS OR REFUSE TO CONTINUE NEGOTIATIONS.

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4. MY CONCLUSION IS THAT THE GREEK CYPRIOTS ARE LIKELY GRUDGINGLY TO ACCEPT THAT THE PROPOSALS MUST BE CAREFULLY EXAMINED AND THAT AN ATTEMPT MUST BE MADE TO USE THEM AS A BASIS FOR NEGOTIATION DESPITE THE REMAINING LARGE GAP BETWEEN THE ATTITUDES OF THE TWO SIDES.

5. GOBBI'S TACTIC WILL BE TO AWAIT THE GREEK CYPRIOT REACTION WHILE STRESSING PRIVATELY TO THEM THE IMPORTANCE OF A POSITIVE RESPONSE AND THE DANGERS OF A BREAKDOWN IN THE TALKS. HE WILL KEEP IN RESERVE THE POSSIBILITY OF COMING FORWARD WITH HIS OWN SUGGESTIONS AT AN APPROPRIATE MOMENT. THE FACT THAT THE TURKISH CYPRIOTS HAVE NOT TAKEN OVER HIS CONSTITUTIONAL PROPOSALS LEAVES HIM IN A BETTER POSITION TO MOVE WHEN HE THINKS THE TIME RIGHT.

6. AS SEEN FROM HERE THERE IS NO IMMEDIATE ACTION FOR US OR OUR FRIENDS TO TAKE EXCEPT TO USE EVERY OPPORTUNITY TO URGE ON THE GREEK CYPRIOTS THE ADVANTAGES FOR THEM OF A POSITIVE RESPONSE AND THE DISADVANTAGES OF FAILING TO EXPLOIT WHAT MUST BE SEEN AS A MOVE TOWARDS A REAL NEGOTIATION. IN ANY CASE WE CANNOT ADMIT TO DETAILED KNOWLEDGE OF THE PROPOSALS. IF QUESTIONED BY THE PRESS, I SUGGEST THAT WE MIGHT SAY THAT WE WELCOME ANY MOVE WHICH CONTRIBUTES TO THE NEGOTIATING PROCESS. WE HOPE THAT BOTH SIDES WILL NOW BE ABLE TO FIND A WAY, THROUGH CONTINUED NEGOTIATION, TO A SATISFACTORY SOLUTION.

FCO PLEASE PASS SAVING TO MODUK (DS11)

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ADDITIONAL DISTN.
CYPRUS

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