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FM UKNIS NEW YORK 192323Z JUN 84

TO IMMEDIATE FCO

TEL NO 639 OF 19 JUNE 1984

INFO IMMEDIATE NICOSIA ANKARA ATHENS

INFO PRIORITY WASHINGTON PARIS BONN ROME UKDEL NATO

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SAVING TO UKREP BRUSSELS UKDEL STRASBOURG

MY TELNOS 628-631: CYPRUS

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SUMMARY

1. SECRETARY GENERAL SAW ERTEKUN AGAIN THIS MORNING (19 JUNE). SHERRY HAS SHOWN US A SUMMARY OF THE TURKISH CYPRIOT PROPOSALS BUT SAYS NO DECISION TAKEN YET ON WHETHER TO GIVE THEM TO THE GREEK CYPRIOTS. THE SECRETARY GENERALS FORTHCOMING INITIATIVE STILL IN EMBRYONIC FORM. SHERRY INTERESTED TO HAVE OUR ADVICE.

DETAIL

2. THE SECRETARY GENERAL SAW ERTEKUN FOR A SECOND TIME FOR HALF AN HOUR THIS MORNING. SHERRY TOLD US SUBSEQUENTLY THAT THE MEETING HAD NOT ADDED MUCH. ERTEKUN HAD NOT ENLARGED ON THE TURKISH CYPRIOT PROPOSALS. HE HAD RESISTED GIVING ANY INDICATION THAT THE TURKISH CYPRIOTS WERE PREPARED TO FREEZE UDI. USING THE ANALOGY (WHICH HE ALSO USED WITH ME) OF A PLANE ONCE AIRBORNE HAVING TO GO THROUGH WITH ITS FLIGHT, HE GAVE THE STRONG IMPRESSION THA THEY INTENDED TO GO AHEAD WITH THEIR CONSTITUTIONAL PLANS, THOUGH HE DID UNDERTAKE TO REPORT TO DENKTASH THAT THE SECRETARY GENERAL WOULD

HE ALSO USED WITH ME) OF A PLANE ONCE AIRBORNE HAVING TO GO THROUGH WITH ITS FLIGHT, HE GAVE THE STRONG IMPRESSION THAT THEY INTENDED TO GO AHEAD WITH THEIR CONSTITUTIONAL PLANS, THOUGH HE DID UNDERTAKE TO REPORT TO DENKTASH THAT THE SECRETARY GENERAL WOULD APPRECIATE AN APPLICATION OF THE BRAKES IN ORDER TO CREATE A FAVOURABLE ATMOSPHERE FOR THE PRESENTATION OF HIS OWN PROPOSALS.

3. SHERRY SHOWED US IN STRICT CONFIDENCE HIS SUMMARY OF THE TURKISH CYPRIOT PROPOSALS. THIS CORRESPONDED CLOSELY TO THE ACCOUNT IN MY TELNO 630 WHICH WE RECEIVED FROM THE US MISSION. THE LAST PROPOSAL ABOUT A SUMMIT MEETING WAS HOWEVER SOMEWHAT MORE DETAILED IN SHERRYS SUMMARY (WHICH IS ITSELF AN ABBREVIATION OF THE ORIGINAL PROPOSALS). IT STATES THAT ALL THE SUBJECTS OF THE PROPOSALS ARE TO BE TAKEN AS IN "INTER-RELATED WHOLE" AND THAT THE TURKISH CYPRIOTS WOULD ATTEND A SUMMIT IF THE SECRETARY GENERAL DEEMED IT APPROPRIATE IN ORDER TO "FINALISE" THESE SUBJECT AND WITHOUT PREJUDICE TO THE EXISTING STATUS OF THE TWO SIDES. SHERRY SAID THAT IT WAS NOT CLEAR WHAT THE TURKISH MEANT BY THE WORD "FINALISE" IN THIS CONTEXT. ON A SEPARATE POINT THE SECRETARIAT WERE INCLINED TO THINK THAT THE DELIBERATE OMISSION OF ANY REFERENCE TO THE 1979 HIGH LEVEL AGREEMENT AND THE FINAL REFERENCE TO THE SUBJECTS OF THE PROPOSALS BEING AN "INTER-RELATED WHOLE" WERE INTENDED TO AVOID TREATING VAROSHA AS A PRIORITY.

4. SHERRY NOTED THAT THE PROPOSALS SOUGHT THREE CONCESSIONS FROM THE GREEK CYPRIOTS, ON THE RE-OPENING OF NICOSIA AIRPORT, ON THE LIFTING OF THE ECONOMIC EMBARGO AND ON FOREGOING INTERNATIONALISATION. BUT THEY MADE NO IMMEDIATE CONCESSION IN RETURN. IN PARTICULAR THEY MADE NO MENTION OF ANY MOVE TOWARDS FREEZING UDI. HE FEARED THAT IF THE SECRETARY GENERAL SIMPLY HANDED THE PROPOSALS OVER TO THE GREEK CYPRIOTS THE LATTER WOULD REJECT THEM OUT OF HAND AS CONTAINING NOTHING NEW, (THE SECRETARY GENERAL MADE MUCH THE SAME POINT TO ME WHEN I SAW HIM HERE TODAY ON ANOTHER SUBJECT). AT THE SAME TIME IT WOULD BE DIFFICULT TO RESIST THEIR DEMANDS TO SEE THE PROPOSALS. THE SECRETARY GENERAL WOULD BE SEEING THE CYPRIOT AMBASSADOR BUT NO DECISION HAD YET BEEN TAKEN AS TO HOW HE WOULD DESCRIBE THE PROPOSALS TO HIM. SHERRYS INCLINATION WAS TO RECOMMEND THAT HE SHOULD DESCRIBE THEM ONLY IN TERMS OF SUBJECT HEADINGS AND NOT GO INTO DETAIL. HE MIGHT SUGGEST TO THE AMBASSADOR THAT THE GREEK CYPRIOTS IN RETURN MIGHT WISH TO MAKE CONFIDENTIAL PROPOSALS TO HIM UNDER THESE (AND OTHER) HEADINGS.

5. SHERRY SAID THAT HE WAS NOT LOOKING FORWARD TO PREPARING THE SECRETARY GENERALS PROMISED FORTHCOMING INITIATIVE. (HE IMPLIED THAT HE EXPECTED TO PREPARE THE DRAFT FOR THIS AND THE SECRETARY GENERAL TOLD ME THAT HE HAD GIVEN INSTRUCTIONS FOR THE PREPARATORY WORK TO BE ACCELERATED). HE WOULD BE WORKING ON IT OVER THE NEXT COUPLE OF WEEKS. HIS OWN THINKING WAS STILL AT AN EMBRYONIC STAGE. HE ASSUMED THAT THE INITIATIVE WOULD BE DIRECTED TOWARDS A COMPREHENSIVE SETTLEMENT AND THE ESTABLISHMENT OF A FEDERAL STATES AS INDICATED IN THE SECRETARY GENERALS REPORT OF 1 JUNE. HIS INITIAL THOUGHT WAS THAT IT WOULD BE BEST TO HAVE A WEAK FEDERAL SYSTEM. THIS WOULD SUIT THE TURKISH CYPRIOTS. IT WOULD ALSO BE BETTER FOR THE GREEK CYPRIOTS THAN A STRONG FEDERAL SYSTEM IN WHICH THE TURKISH CYPRIOTS WOULD HAVE VETO POWERS AND

BE BETTER FOR THE GREEK CYPRIOTS THAN A STRONG FEDERAL SYSTEM IN WHICH THE TURKISH CYPRIOTS WOULD HAVE VETO POWERS AND THEREBY INCREASED INFLUENCE OVER GREEK CYPRIOT AFFAIRS. WE ASKED WHAT HE HAD IN MIND FOR VAROSHA. SHERRY SAID THAT HE HAD ALWAYS FAVOURED TRYING TO MAKE EARLY PROGRESS OVER VAROSHA AND WAS A LONG TIME PROPONENT OF THE MHI PACKAGE. BUT HE WAS FEELING VERY DISCOURAGED ON THE SUBJECT. WE TOLD HIM OF THE IMPRESSION RECEIVED DURING SIR P RHODES VISIT TO ANKARA THAT THE TURKS MIGHT STILL BE FORTHCOMING ON VAROSHA (ANKARA TELNO 278). SHERRY WAS INTERESTED BY THIS AND SAID THAT HE WOULD BE VERY GRATEFUL FOR ANY VIEWS OR IDEAS WHICH WE MIGHT BE WILLING TO FEED IN TO HIM WHILE HE WAS PREPARING THE SECRETARY GENERALS INITIATIVE.

COMMENT

6. FOR THE TIME-BEING, AND ESPECIALLY UNTIL WE KNOW HOW THE SECRETARY GENERAL DESCRIBES THE TURKISH CYPRIOT PROPOSALS TO THE GREEK CYPRIOTS, WE SHOULD NOT REVEAL OUR KNOWLEDGE OF THE PROPOSALS. AT A LUNCH WHICH THE CYPRIOT AMBASSADOR GAVE FOR ME AND MY GREEK COLLEAGUE TODAY, THE LATTER PRODUCED A PARTIAL ACCOUNT OF THE PROPOSALS WHICH HE CLAIMED CAME FROM A "TURKISH" SOURCE. I DECLINED TO BE DRAWN ON WHAT WE KNEW ABOUT THEM.

7. WE CAN, HOWEVER, MAKE GOOD USE OF THE FACT THAT ERTEKUN HAS TOLD THE SECRETARY GENERAL AND ME THAT THE PROPOSALS ARE NOT ON A TAKE IT OR LEAVE IT BASIS BUT THAT THE TURKISH CYPRIOTS ARE OPEN TO COUNTER PROPOSALS. I URGED MY CYPRIOT COLLEAGUE TO VIEW THE FACT OF THE PROPOSALS AS A POSSIBLE IMPORTANT NEW OPENING. I SUGGESTED TO HIM THAT HIS GOVERNMENT WOULD BE UNWISE NOT TO REACT TO SUCH AN OPENING SINCE THE OVERALL SITUATION WAS MOVING AGAINST THEM. I ASCRIBED THE TURKISH CYPRIOT MOVE TO DOVISH INFLUENCES IN ANKARA AND TO THE EFFECT OF US/UK/FRG REPRESENTATION THERE. MOUSHOUTAS SAID THAT HIS GOVERNMENT WERE READY TO NEGOTIATE THROUGH THE SECRETARY GENERAL BUT NOT TO ENTER INTO INTER-COMMUNAL TALKS. I POINTED OUT THAT IT WOULD BE IMPRACTICAL TO MAINTAIN THIS POSITION ONCE DETAILED NEGOTIATIONS BECAME A POSSIBILITY.

8. IT SEEMS TO ME THAT WE MUST NOW URGE THE GREEK CYPRIOTS AS ABOVE TO MAKE THE MOST OF THE SECRETARY-GENERAL'S FORTHCOMING INITIATIVE. THE SECRETARY GENERAL REPEATED TO ME THAT HE WAS LIKELY TO NEED OUR ASSISTANCE. AT THE SAME TIME WE SHOULD SERIOUSLY CONSIDER IN RESPONSE TO SHERRY'S INVITATION WHETHER WE HAVE ANY ADVICE TO OFFER THE SECRETARIAT ON THE FORM AND/OR CONTENT OF THE INITIATIVE. WE SHALL WANT TO GEAR ANY ACTION WE TAKE WITH THE PARTIES TO THE STATE OF PLAY ON THIS (THE SECRETARY GENERAL WARNED ME THAT BECAUSE OF HIS PROGRAMME IN EARLY JULY HE IS UNLIKELY TO BE ABLE TO RUN WITH THE BALL HIMSELF UNTIL THE SECOND HALF OF JULY.

FCO PLEASE PASS SAVING ADDRESSEES.

THOMSON

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