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FM UKMIS NEW YORK 230035Z OCT 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 1199 OF 23 OCTOBER

INFO IMMEDIATE NICOSIA, ATHENS, ANKARA, WASHINGTON, PRIORITY BONN, ROME, UKDEL NATO, CBF CYPRUS

MY TELNO 1192 : CYPRUS : SECRETARY GENERAL'S INITIATIVE

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IMMEDIATE

SUMMARY

1. SOME COMMENTS FROM THE CYPRIOT FOREIGN MINISTER AND THE TURKISH AMBASSADOR ON THE SECRETARY GENERAL'S PRIVATE MEETING WITH KYPRIANOU AND DENKTASH.

DETAIL

2. THE SECRETARY GENERAL WAS TO SEE KYPRIANOU AND DENKTASH AGAIN PRIVATELY THIS AFTERNOON, 22 OCTOBER. I HOPE TO DEBRIEF HIM ON THE MEETINGS TOMORROW. SHERRY HAS SHOWN US THE TALKING POINTS WHICH WERE PREPARED FOR HIM TO USE IN PRISING OUT THEIR POSITIONS (DETAILS BY TELELETTER). HE CONFIRMED THAT DENKTASH HAD GIVEN THE SECRETARY-GENERAL A NEW FIGURE ON TERRITORY WITHOUT SAYING WHAT THIS WAS (BUT SEE BELOW).

3. IACOVOU TOLD ME THIS MORNING THAT HE THOUGHT THE SECRETARY-GENERAL'S PRIVATE NEGOTIATIONS WITH EACH LEADER WERE A GOOD IDEA. HE SAID THE KYPRIANOU HAD BEEN FLEXIBLE AND STILL HAD "A LOT" TO GIVE. HE WOULD ONLY GIVE IT HOWEVER ON CONDITION THAT DENKTASH MADE HIS CONCESSIONS ON TERRITORY.

4. I SUBSEQUENTLY SAW THE TURKISH AMBASSADOR WHO HAD SPOKEN THIS MORNING TO THE SECRETARY GENERAL. KIRCA (SPEAKING IN STRICT CONFIDENCE) SAID THAT DENKTASH HAD TOLD THE SECRETARY GENERAL HE WOULD BE PREPARED TO GO DOWN TO "30 PLUS PERCENT" ON TERRITORY. KIRCA ADDED THAT IF PRESSED DENKTASH WOULD BE PREPARED TO GO FIRST TO "APPROXIMATELY 30 PER CENT" AND ULTIMATELY TO EXACTLY 30 PER CENT. WHEN I SUGGESTED THAT THIS STILL MIGHT NOT BE ENOUGH FOR THE GREEK CYPRIOTS, HE AT FIRST SAID THAT DENKTASH COULD NOT GO BELOW

CENT. WHEN I SUGGESTED THAT THIS STILL MIGHT NOT BE ENOUGH FOR THE GREEK CYPRIOTS, HE AT FIRST SAID THAT DENKTASH COULD NOT GO BELOW 30 PER CENT AND THEN SUGGESTED THAT THE SECRETARY GENERAL MIGHT IN DUE COURSE SET PARAMETERS ON TERRITORY FOR THE NEGOTIATION BETWEEN 28 AND 31 PER CENT. HE ADDED THAT IT WAS IMPORTANT THAT THE TWO SIDES SHOULD BE USING THE SAME BASIS FOR CALCULATING THE PERCENTAGES.

5. KIRCA THOUGHT THAT THE SECRETARY GENERAL HAD DONE WELL ON AT LEAST A COUPLE OF POINTS - HIS BICOMMUNAL/BIZONAL FORMULA AND HIS 30:70 AND 50:50 PERCENTAGES FOR THE TWO HOUSES OF THE LEGISLATURE. HE SAID THAT THERE WAS SOME GIVE IN DENKTASH'S POSITION ON CONSTITUTION. DENKTASH WAS PREPARED FOR THERE TO BE NOT VETO OVER SOME (UNSPECIFIED) FEDERAL ACTIONS. ON THE LIST OF FEDERAL POWERS, KIRCA RECOUNTED THE OBVIOUS ONES, SUCH AS FOREIGN AFFAIRS, FEDERAL FINANCIAL AFFAIRS ETC BUT SAID THAT ANY INCLUSION OF DEFENCE WOULD HAVE TO BE LINKED WITH THE TREATY OF GUARANTEE. HE NOTED THAT THE SECRETARY GENERAL HAD INCLUDED INTERNATIONAL TRANSPORT AMONG THE FEDERAL POWERS. DENKTASH NEEDED MORE TIME TO CONSIDER THIS. HE WAS PREPARED TO AGREE TO THE INCLUSION OF AIR TRANSPORT BUT DID NOT WISH TO HAND OVER CONTROL OF THE PORT OF FAMAGUSTA.

6. KIRCA SAID THAT HE THOUGHT THAT SECRETARY GENERAL HAD NOW GOT ENOUGH TO PUT TOGETHER AN AGREEMENT AT THIS STAGE. IT WAS A MISTAKE FOR HIM TO SEEK TO PUT IN TOO MUCH DETAIL AS SHERRY APPEARED TO WANT. (THIS HAS OF COURSE LONG BEEN THE TURKISH POSITION. THE SECRETARY GENERAL IS, HOWEVER RIGHTLY TRYING TO GET BASIC AGREEMENT ON THE FUNDAMENTALS OF CONSTITUTION AND TERRITORY AT THIS STAGE). KIRCA TALKED IN TERMS OF A THIRD ROUND OF TALKS LEADING ON TO A HIGH LEVEL MEETING ABOUT A FORTNIGHT AFTER THE END OF THIS ROUND. HE WAS IN FAVOUR OF NOT GIVING THE TWO SIDES TOO MUCH TIME, JUST ENOUGH TO RETURN TO CYPRUS TO CONSULT THEIR PEOPLE AND THE METROPOLITAN POWERS BEFORE RETURNING FOR A SUMMIT. HE SAID THAT HIS GOVERNMENT WOULD URGE DENKTASH TO REACH AN AGREEMENT.

7. THE US MISSION HAVE TOLD SHERRY THAT THE US ADMINISTRATION IS KEEN TO HELP THE SECRETARY-GENERAL. SHERRY HAS REPEATED THAT THE SECRETARY-GENERAL BELIEVES THAT NOW IS THE TIME FOR ANY HIGH LEVEL US REPRESENTATIONS. THE MISSION HAVE INDICATED TO US HOWEVER THAT WASHINGTON STILL NEEDS TO TAKE ACCOUNT OF OTHER BILATERAL US/TURKISH CONSIDERATIONS BEFORE RECOMMENDING A MESSAGE FROM PRESIDENT REAGAN. THEY ALSO WANT TO BE SURE TO HIT ON THE CRUCIAL MOMENT. IN MY VIEW THEY MAY NOW BE RIGHT TO WAIT A LITTLE LONGER TO SEE THE OUTCOME OF THE SECRETARY-GENERALS CURRENT SERIES OF PRIVATE MEETINGS.

THOMSON

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