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TO IMMEDIATE FCO

TEL NO 1416 OF 26 NOVEMBER 1984

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INFO PRIORITY ROME PARIS BONN UKDEL NATO

INFO SAVING UKREP BRUSSELS MODUK (DSC) MODUK (DS11)

CBF CYPRUS

MY TELNO 1411: CYPRUS: MEETING WITH IACOVOU

## SUMMARY

1. THE INITIAL GREEK CYPRIOT REACTION TO THE TURKISH SIDES NEW PROPOSALS IS ONE OF INTEREST BUT ALSO CONCERN. ACCORDING TO IACOVOU THIS CONCERN IS PARTLY ABOUT TERRITORY BUT MAINLY THAT THE SAFEGUARDS BEING SOUGHT WOULD MAKE THE CONSTITUTION UNWORKABLE. KYPRIANOU IS RETURNING TO CYPRUS FOR A TEN DAY RECESS IN THE TALKS.

## DETAIL

2. IACOVOU ASKED TO SEE ME THIS AFTERNOON (26 NOVEMBER). HE SAID THAT HE WAS RETURNING TO CYPRUS VIA LONDON TOMORROW BUT WANTED TO BRIEF ME IN RESPONSE TO THE PRIME MINISTERS REQUEST TO PRESIDENT KYPRIANOU TO BE KEPT INFORMED. HE SAID THAT THE SECRETARY GENERAL HAD SEEN KYPRIANOU YESTERDAY AFTERNOON AND HAD PUT TO HIM CERTAIN PROPOSALS WHICH HE SAID THAT HE THOUGHT DENKTASH AND TURKEY COULD ACCEPT. IT APPEARED THAT THESE PROPOSALS HAD EMERGED FOLLOWING DISCUSSIONS BETWEEN THE SECRETARY GENERAL AND THE TURKS AND THAT DENKTASH HAD CONCURRED WITH THEM. KYPRIANOU WAS SEEING THE SECRETARY GENERAL THIS AFTERNOON TO GIVE HIS PRELIMINARY REACTIONS.

3. IACOVOU SAID THAT THE GREEK CYPRIOTS WERE CONCERNED THAT THE SECRETARY GENERAL MIGHT NOW BE PREPARED TO GO INTO HIGH LEVEL MEETING WITH SEVERAL ELEMENTS OF THE PROPOSED HIGH LEVEL AGREEMENT LEFT VAGUE. HE SEEMED TO THINK THAT HE WOULD NOT BE ABLE TO GET THE TURKS TO MOVE ANY FURTHER AND THAT THESE POINTS SHOULD THEREFORE BE THRASHED OUT AT THE MEETING ITSELF. HOWEVER, THE GREEK CYPRIOTS THOUGHT IT MOST IMPORTANT THAT THE HIGH LEVEL MEETING SHOULD BE VERY CAREFULLY PREPARED IF IT WERE TO SUCCEED. A FAILURE WOULD BE DISASTROUS.

4. THE GREEK CYPRIOTS MAIN WORRY ABOUT THE TURKISH SIDES NEW PROPOSALS WAS THEIR ASSESSMENT THAT WHAT WAS BEING PROPOSED FOR THE CONSTITUTION WAS UNWORKABLE. IACOVOU NOTED THAT THE PRIME MINISTER HAD TOLD KYPRIANOU THAT IT WOULD BE IMPORTANT TO CREATE A STABLE SYSTEM OF GOVERNMENT. ON THE GOVERNMENT, THE TURKISH PROPOSALS WERE FOR VICE PRESIDENTIAL VETO POWERS IN EXCESS OF THE 1960 CONSTITUTION AND FOR A CABINET OF 10 (7 GREEK CYPRIOTS AND 3 TURKISH CYPRIOTS) IN WHICH ALL DECISIONS WOULD REQUIRE THE VOTE OF AT LEAST ONE TURKISH

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CYPRIT MINISTER. ON THE LEGISLATURE, SEPARATE MAJORITIES FROM BOTH COMMUNITIES WOULD BE NEEDED IN BOTH HOUSES FOR LEGISLATION IN 10 OUT OF THE 12 FEDERAL AREAS. IN THE OTHER TWO AREAS - HEALTH AND STANDARD SETTING - IT WOULD REQUIRE THE VOTE OF AT LEAST 30 PERCENT OF EACH COMMUNITY. THERE WOULD BE A PROVISION FOR A DECISION WHICH WAS VETOED BY ONE COMMUNITY TO BE PUT TO A REFERENDUM OF THE PEOPLE OF THAT COMMUNITY. THERE WOULD ALSO BE PROVISION FOR RECOURSE TO THE TRIPARTITE CONSTITUTIONAL COURT. IACOVOU STRESSED THAT THESE PROVISIONS FOR VETOES AND SEPARATE MAJORITIES IF APPLIED ACROSS THE BOARD WOULD MAKE A GOVERNMENT UNWORKABLE.

5. ON TERRITORY, IACOVOU ACCEPTED THAT THERE HAD BEEN A SHIFT IN THE TURKISH CYPRIOT POSITION. DENKTASH WOULD ACCEPT 29 PERCENT. BUT HE WAS ADAMANT ON THE AREA OF VAROSHA. HE ALSO WOULD NOT SAY HOW MANY GREEK CYPRIOT REFUGEES WOULD BE ENABLED TO RETURN. IT WOULD BE POSSIBLE FOR HIM TO DRAW A MAP SO THAT THE AREAS TO BE RETURNED WERE MAINLY ARID LAND ACCOMMODATING ONLY 35,000 REFUGEES. THE GREEK CYPRIOTS WANTED TO BE SURE THAT HE WAS NOT THINKING OF HANDING OVER ONLY SUCH AREAS.

6. IACOVOU SAID THAT HE HOPED WE COULD PERSUADE THE SECRETARY GENERAL THAT WHAT THE TURKISH SIDE WAS PROPOSING HAD TO BE DISCUSSED FURTHER AND SHOULD NOT BE PUT TO THE GREEK CYPRIOTS ON A TAKE IT OR LEAVE IT BASIS BECAUSE THAT WAS WHAT DENKTASH WANTED. DENKTASH HAD BEEN THREATENING TO CALL A PRESS CONFERENCE AND GO PUBLIC ON HIS OFFER BUT KYPRIANOU HAD INTERVENED WITH THE SECRETARY GENERAL TO ASK HIM NOT TO.

7. I SAID THAT THE TURKISH SIDE APPEARED TO HAVE MADE A CONSIDERABLE STEP FORWARD IN THE TALKS. WE WOULD STRONGLY URGE THE GREEK CYPRIOTS TO TAKE IT SERIOUSLY. THE TURKISH CYPRIOTS HAD MOVED FORWARD IN PARTICULAR IN THE AREA ON WHICH WE HAD BEEN PRESSING THEM MOST I.E. TERRITORY. WE WERE INCLINED TO ACCEPT THE TURKISH ARGUMENTS IN FAVOUR OF THEIR HAVING "EQUAL POLITICAL STATUS" AND OF A BETTER POSITION IN RELATION TO GOVERNMENT THAN THEY HAD UNDER THE 1960 CONSTITUTION. AGREEMENT WAS NOT LIKELY WITHOUT THIS. ON THE OTHER HAND I ACCEPTED THAT THE TURKISH CYPRIOTS SHOULD NOT EXPECT TO BE ABLE TO INTERFERE CONSTANTLY WITH THE DAY TO DAY RUNNING OF GOVERNMENT. PERSONALLY I THOUGHT THAT IT MIGHT BE BEST IF AS MUCH POWER AS POSSIBLE WAS DEVOTED TO THE TWO PROVINCES. I ALSO THOUGHT THE IDEA OF DEADLOCK BREAKING MACHINERY WAS A REASONABLE ONE AND I WOULD NOT ENTIRELY EXCLUDE A POSSIBLE USE FOR REFERENDA. THERE MIGHT NEED TO BE DIFFERENT DEADLOCK BREAKING MACHINERY FOR DIFFERENT SUBJECTS. THE IMPORTANT THING WAS THAT IF THERE WAS NO AGREEMENT FAIRLY SOON THE SITUATION IN CYPRUS WOULD GET WORSE. THE TURKISH CYPRIOTS HAD NOW STOLEN A MARCH BY PUTTING FORWARD PROPOSALS AND IT WAS FOR THE GREEK CYPRIOTS TO TAKE STEPS TO MATCH THEM.

8. IACOVOU SAID THAT THEY WERE DEFINITELY PREPARED TO GO FURTHER THAN IN THE PAST ON MATTER OF SAFEGUARDS AND DEADLOCK BREAKING

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MACHINERY. THEY HAD VARIOUS IDEAS FOR EXAMPLE JOINT COMMITTEES OF THE TWO HOUSES. THE IMPORTANT THING WAS TO REDUCE THE POTENTIAL AREAS OF FRICTION TO A MINIMUM SO THAT THERE SHOULD BE NO BREAKDOWN IN THE CONSTITUTION WHICH MIGHT RESULT IN A NEW TURKISH INTERVENTION IN CYPRUS. (HE ADDED THAT THE QUESTION OF INTERNATIONAL GUARANTORS WOULD PROBABLY NEED TO BE LEFT TO A CONFERENCE OF THE 1960 GUARANTOR POWERS. I TOLD HIM FIRMLY THAT TURKEY WOULD HAVE TO BE A GUARANTOR).

9. IACOVOU SAID THE GREEK CYPRIOTS NOW NEEDED SOME TIME FOR REFLECTION. KYPRIANOU WOULD BE SUGGESTING TO THE SECRETARY GENERAL EITHER THAT THERE SHOULD BE A RECESS IN THE PRESENT ROUND AND THE TALKS RESUMED JUST BEFORE OR AFTER CHRISTMAS OR THAT THIS ROUND SHOULD BE CONTINUED FOR RATHER LONGER IN ORDER TO CLARIFY POSITIONS ON BOTH SIDES. IF THE TALKS WERE RECESSED THE GREEK CYPRIOTS WOULD FORMALISE PROPOSALS OF THEIR OWN. I SAID THAT I THOUGHT IT WOULD BE BETTER TO CONTINUE THE TALKS NOW FOR A LONGER TIME SO THAT THE GREEK CYPRIOTS WOULD BE ABLE TO PUT FORWARD A NEW MORE ADVANCED POSITION. PERSONALLY I DID NOT THINK THE TURKS HAD GIVEN THEIR LAST WORD ON EVERYTHING. BUT DELAY RISKED THEIR GOING DOWN THE UDI TRACK AGAIN. IACOVOU SAID THAT THEY WERE AWARE OF THE DANGERS BUT DID NOT WANT TO BE RUSHED. THEY MIGHT NEED A HELPING HAND (FROM US) OVER THE NEXT FEW DAYS. I TOOK NOTE AND SAID THAT I WOULD BE REPORTING SYMPATHETICALLY EVERYTHING HE HAD HAD TO SAY.

10. WE HEARD THIS EVENING FROM SHERRY THAT KYPRIANOU WILL IN FACT BE RETURNING TO CYPRUS TOMORROW FOR WHAT IS TO BE A TEN DAY RECESS IN THE TALKS. HE HAD ACKNOWLEDGED THE IMPORTANCE OF THE TURKISH SIDES PROPOSALS BUT HAD BEEN FAIRLY NON-COMMITAL ON SUBSTANCE WHEN TALKING TO THE SECRETARY GENERAL. IT WAS CLEAR THAT THE TURKISH CYPRIOT ADVANCE HAD CAUGHT HIM OFF BALANCE AND THE GREEK CYPRIOTS WERE NOW GOING BACK TO REASSESS THEIR POSITION. IT WAS POSSIBLE THAT THEY WOULD PREPARE COUNTER PROPOSALS OF THEIR OWN. THE SECRETARY GENERAL HAD GIVEN HIM A NEW REVISED VERSION OF THE DRAFT HIGH LEVEL AGREEMENT.

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THE RT HON MARGARET THATCHER MP  
PRIME MINISTER OF GREAT BRITAIN AND NORTHERN IRELAND

WITH THE "THIRD AND FINAL" ROUND OF "PROXIMITY TALKS" ON CYPRUS COMMENCING ON 26 NOVEMBER FOREIGN MINISTERS OF THE CAG HAVE ASKED ME TO ENCOURAGE ALL COMMONWEALTH GOVERNMENTS TO USE THEIR CONTACTS WITH PARTIES TO THE CYPRUS ISSUE URGING ON THEM THE NEED TO KEEP THE PROCESS OF NEGOTIATION ALIVE AND OPEN. I AM ALSO SURE THAT AN EXPRESSION OF YOUR GOVERNMENT'S POSITIVE SUPPORT OF THE UN S-G'S CONTINUING GOOD OFFICES ROLE WOULD BE BOTH TIMELY AND WELCOME. I HAVE WRITTEN TO MR DE CUELLAR ON BEHALF OF CAG TO THIS EFFECT.

I HAVE ALSO WRITTEN TO YOU TODAY MORE FULLY ALONG THESE LINES.

WITH DEEP RESPECT,  
SHRIDATH S. RAMPHAL

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