

PRIME MINISTER

TALKS WITH THE PRESIDENT OF CYPRUS

I suggest that you meet him at the door and that we have talks in the Cabinet Room. His party will be as follows:

Mr. Nicos Rolandis	Minister for Foreign Affairs
Mr. Tasos Panayides	Cyprus High Commissioner
Mr. Constantinos Michaelides	Minister to the President
Mr. Alecos Siambos	Private Secretary

On our side there will be Mr. James (our former Ambassador in Poland and now the Under-Secretary dealing with Europe), Mr. Wilberforce (our High Commissioner), David Wilson and myself.

It might be wise to stop the talks at 1025 so that the President can leave before everyone congregates for Cabinet at 1030.

AJC

25 July 1983

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Foreign and Commonwealth Office

London SW1A 2AH

22 July 1983

*Jan 26*

I enclose a brief for the Prime Minister's use during her meeting with President Kyprianou on Tuesday 26 July at 9.30am. I understand that the Cypriot party will consist of:

Mr Spyros Kyprianou	President of the Republic of Cyprus
Mr Nicos Rolandis	Minister for Foreign Affairs
Mr Tasos Panayides	Cyprus High Commissioner
Mr Constantinos Michaelides	Minister to the President
Mr Alecos Siambos	Private Secretary

On our side Mr Wilberforce (British High Commissioner, Nicosia) and Dr Wilson (Head of Southern European Department) are available to attend if the Prime Minister wishes.

A handwritten signature in dark ink, appearing to read 'R B Bone', written in a cursive style.

(R B Bone)  
Private Secretary

A J Coles Esq  
10 Downing St

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VISIT OF PRESIDENT KYPRIANOU: 26 JULY 1983

Introduction

1. President Kyprianou is visiting London privately from 24-29 July and calling on the Prime Minister at his own request. This will be their first meeting since elections in both countries. (Kyprianou was re-elected in February). The Prime Minister last met Kyprianou in July 1981 when he attended the Royal Wedding.

2. Kyprianou had planned to visit London in May as part of a tour of European capitals following his re-election and the recent UN debate on Cyprus. This visit was postponed because of the General Election.

UK Objectives

3. (a) To strengthen the present good bilateral relationship and so protect our long-term interests in the Sovereign Base Areas;
- (b) To encourage a greater commitment to real progress in the intercommunal talks on the Cyprus problem;
- (c) To resist demands for 'money for the bases'.

Likely Cypriot Objectives

4. (a) To further Kyprianou's campaign to 'internationalise' the Cyprus problem as a means of putting pressure on the Turks;
- (b) To enlist British help to bring Cyprus to eventual customs union with the EC;
- (c) To show domestic opinion that efforts are being made to obtain money for the use of the SBAs;
- (d) (Possibly) To obtain further funds for Cypriot students.

/Background

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Background and Tactics

5. Kyprianou is a successful operator in the limited field of Greek Cypriot politics. But he is a man of limited vision. He may feel that potentially unpopular progress on the Cyprus problem would threaten his political position. The status quo suits him, although he would never say so. He will be accompanied by his Foreign Minister, Nicos Rolandis who combines realism and charm but lacks political clout (personality notes attached). Our High Commissioner in Nicosia, Mr John Wilberforce, will also attend the talks.

6. Kyprianou will probably start by expounding his views on the Cyprus problem (Annex 1). Superficially he is in a strong position: the Turkish Cypriots' refusal to return to the Intercommunal Talks and threats to declare independence make them appear intransigent. But, although it is probably for the Turkish Cypriots to make the next move, Kyprianou may face difficult decisions in the longer term. The present division of the island is becoming increasingly permanent. The Greek Cypriots do virtually nothing realistically to change this trend. We should probe his thinking on the type of settlement that might be acceptable to both communities (drawing him out by using ideas in Annex 1); stress that time is running out; and encourage realism and flexibility (making clear that we take a similar line with the Turks). We should resist suggestions for a British initiative. We can confirm that we have told the Turks and Turkish Cypriots of our opposition to independence for northern Cyprus.

7. Kyprianou will probably seek support for customs union with the EC (Annex 2). While reassuring him that we remain (with Greece) Cyprus' main champions in the EC, we should sound a note of caution.



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8. The Cypriot press have portrayed Money for the Bases (Annex 3) as a main purpose of the visit. It was last discussed substantively during Rolandis' visit to London in May 1982, since when the issue has been virtually dormant. Kyprianou should be made aware that our position is firm.

9. On Students Fees (Annex 4) Kyprianou may ask for "home fee" status. He will probably not expect to get it.

10. If time allows it would be useful to broaden the discussion to refer to the Falklands and East/West relations. This would help put the Cyprus problem in perspective. Although discussion of the Falklands risks provoking contrasts with our alleged failure to live up to our obligations as a guarantor power in 1974 (see Annex 1), discussion might pave the way for seeking Cypriot support at the next UN General Assembly debate.

11. On Bilateral issues (Annex 5), the Prime Minister might express thanks for Cypriot cooperation over threats of Arab terrorist action against our facilities in Cyprus and compliment him on dealing with the hijacking at Larnaca. Other subjects will be left to Kyprianou's separate meeting with Sir Geoffrey Howe at 5.00pm on 26 July.

12. After his call, Kyprianou, like Mrs Thatcher, is attending the William Wilberforce memorial service in Westminster Abbey. (Our High Commissioner at Nicosia is a descendent.)

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KYPRIANOU, Spyros

President of the Republic of Cyprus since 1977.

Born 1932. Educated locally and then in London. Barrister (Grays Inn). Represented Makarios in London 1952-54. Attended the UN General Assembly in 1956 as Representative of the Ethnarchy Council. Returned to Cyprus in 1959 and, on Independence, was briefly Minister of Justice, then Minister of Foreign Affairs until 1972. In 1976 launched new pro-Makarios party of the centre-right DEKO. Following elections that year became President of the House of Representatives and thus Acting President on the death of Makarios in 1977. Subsequently elected President by acclaim and re-elected unopposed in February 1978. Re-elected for a second term in February this year gaining a clear majority on the first ballot over his two opponents.

Has had health problems. Serious heart attack in March 1969 and subsequent troubles. But his health appears to have improved more recently. Speaks English well.

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ROLANDIS, NICOS A

Minister of Foreign Affairs since 1978.

Born Limassol 1934. Educated locally and in London (Middle Temple). Barrister 1956. Practiced law in Cyprus before turning to business and becoming the Managing Director and major shareholder in one of the biggest industrial groups in Cyprus, well known locally as the manufacturers of Seven-Up. On boards of other companies.

Charming. Speaks fluent English.



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VISIT OF PRESIDENT KYPRIANOU: 26 JULY, 1983

ANNEX 1: THE CYPRUS PROBLEM

POINTS TO MAKE

1. We have had a long and friendly association with Cyprus. Deep concern about present divisions and lack of progress. Want to see a peaceful, just and lasting solution to the Cyprus problem. Intercommunal talks offer best, and only realistic, way forward. Ready to do anything that UN consider might help. Have endorsed Secretary General's intention to increase his own involvement.

2. But time may be running out. Is there a danger of de facto consolidation of present division, making it even more difficult to find acceptable solution? Turkish Cypriots' moves towards declaring independence point to this. (We shall continue to restrain Turks and Turkish Cypriots).

3. What type of solution do you see as realistic and practicable? If Secretary General concluded that demilitarisation of Republic and territorial adjustment in return for a measure of Turkish Cypriot autonomy (within a Federal Republic) was best solution, would you be ready to accept it?

UN Vote [If raised]

4. Abstained on UN Resolution because we did not believe it would bring a solution to the Cyprus problem any nearer.

British/EC Initiative [If raised]

5. Bad memories of last initiative in 1978. Separate initiative would only cut across UN efforts. Unrealistic to expect EC initiative in view of differences of opinion within EC.

Cyprus/Falklands [If raised]

6. Do not see parallel between Falklands in 1982 and Cyprus in 1974. Falklands clear case of British territory invaded, without any justification by foreign aggressor, against unanimous wishes of people. British obligations of Cyprus derive from Treaty of Guarantee. Government of day satisfied that they fulfilled them.

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/Declaration





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Declaration of Independence for northern Cyprus [If raised]

7. Have made clear to Turks and Turkish Cypriots our opposition to this. Will, continue to try to restrain them. Perhaps in part a consequence of recent UN debate. [If necessary] Do not recognise so called Turkish Federated State of Cyprus. Naturally would not recognise a self proclaimed independent state in North. W

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### ESSENTIAL FACTS

1. Intercommunal process is at a low ebb. Any settlement probably needs a compromise in which Greek Cypriots make concessions on constitution and Turks yield some territory (especially in town of Varosha left empty since 1974). Agreement on a Constitution would need to allow Turks to run their own affairs in cooperation with Greek Cypriots but not under their control; and to live in their own zone with only a limited number of Greek Cypriots. This would require the Greek Cypriots to abandon the hopes that all refugees might return to their homes and for complete freedom of movement throughout the Republic. In return, the Greek Cypriots could reasonably expect ultimately the demilitarisation of the Republic of Cyprus (ie not the SBAs), including the withdrawal of Turkish troops. But Kyprianou is unlikely to make the difficult decisions that such a solution would require. The Cypriots tend to assume that others must solve their problems for them.

### Prospects

2. When and if intercommunal talks are resumed Perez de Cuellar intends, as promised, to increase his own involvement in the search for a solution. He may decide to visit Cyprus. His Representative in Cyprus, Dr Gobbi, had hoped to launch ideas for a 'staged' solution to the problem. But the Secretary General has instructed him to lie low and let the dust settle for the time being. Gobbi's ideas have only been floated informally with the two sides. We should not reveal that we know them in detail.

### Recent developments

3. The intercommunal talks went well between November 1981 (when Waldheim launched his 'evaluation') and the end of 1982. Kyprianou's decision after his election in February to take the question to the UN General Assembly was a major set-back. (We warned him that it would be.) A pro-Greek Cypriot resolution was carried by an overwhelming majority on 13 May. The United Kingdom, United States and most of our major allies abstained because we did not believe that the resolution would facilitate a solution. But we endorsed part of the resolution which

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referred to the Secretary General's intention to increase his own involvement.

4. The Turkish Cypriots reacted angrily. Denktash, the Turkish Cypriot leader, refused to return to the negotiating table in May as originally agreed and threatened a unilateral declaration of statehood (a long cherished aim). Following restraining moves by Ankara (possibly encouraged by UK and US démarches), a declaration was deferred. But legislation enabling a referendum to take place has been tabled in the Turkish Cypriot 'Parliament' and may be debated in the autumn. The issue is still live.

5. At talks on 4 July with Perez de Cuellar, Denktash refused to resume the talks until the Greek Cypriots treated him as an 'equal partner'. The Turkish Cypriots may also want a moratorium on internationalisation of the Cyprus issue, but the extent of support for this is not clear. The intercommunal talks are therefore not likely to resume quickly.

6. In recent months our aims have been to stop a declaration of independence in northern Cyprus, or a referendum, and to urge both parties to return to the intercommunal talks (in practice this means the Turkish Cypriots). At the moment, the Greek Cypriots' moral position is good. But in the longer term they will have to make difficult decisions, if the present division of the island is not to become permanent, to their disadvantage.

#### Treaty of Guarantee

7. Under the Treaty of Guarantee signed in 1960 the United Kingdom, Greece and Turkey guaranteed 'the independence territorial integrity and security of the Republic of Cyprus, and also the state of affairs established by the Basic Articles of its Constitution.' In the event of a breach of this provision they undertook to 'consult together with respect to the representations or measures necessary' to ensure its observance. If concerted action was not possible the three powers reserved the right (but had no obligation) to act independently. In practice, Greece refused to join tripartite action before the Turkish invasion in 1974 and Turkey refused to do so afterwards.

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/UNFICYP



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UNFICYP

8. Following a Lebanese request last December to contribute to the MNF we sent an armoured scout car squadron from UNFICYP to the Lebanon. Originally a 3-month deployment, it was later extended until 7 August. Explained decision to Cyprus Government at the time and asked for their understanding. Have now told Cypriots of our decision to restore UNFICYP to full strength

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VISIT OF PRESIDENT KYPRIANOU: 26 JULY 1983

ANNEX 2: EC/CYPRUS

POINTS TO MAKE

1. Want to be as helpful as we can. Agree EC should live up to its obligations and work towards full Customs Union. You can be assured of our support.

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2. Have you taken views of other EC members? For some of them Customs Union will present many practical problems. And for EC to work out with Cyprus Government full implications will inevitably take time.

3. Any view on how long negotiations would take? Our impression is that you would be wise to continue, while pressing ahead on Customs Union front, to protect your interests in the context of the reform of the Community's Mediterranean acquis. Otherwise you could greatly weaken your negotiating position on Customs Union.

4. Suggest you co-ordinate closely with Greek Presidency over coming months on tactics and stay in touch with us.

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ESSENTIAL FACTS

1. EC/Cyprus Association Agreement originally signed in 1972. Second stage of agreement aimed at progressive removal of trade barriers between Cyprus and Community leading to Customs Union. Cyprus Government have agreed trade regime for 1983, which we and they consider inadequate, in return for promise of early progress on Customs Union. But such progress in practice unattainable because of French and Italian opposition. UK and Greece are Cyprus' main champions in the EC. We are sceptical that Cyprus is yet ready for full Customs Union and could fulfil, for example, obligations on agricultural production discipline; but given French and Italian views this problem is academic. Community currently negotiating regime for new Mediterranean agriculture (reform of Mediterranean acquis) to take effect after enlargement and which could include increased protection against third country Mediterranean producers. Cypriots unconcerned by this as they say they will have full Customs Union by then. This is unrealistic. We are opposed to increased protection; but Cypriots should also lobby to defend their own interests.

2. Financial Protocol recently agreed. Worth a total of 44 mecu (£28m) of aid to Cyprus.

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VISIT OF PRESIDENT KYPRIANOU: 26 JULY, 1983

ANNEX 3: AID: 'MONEY FOR THE BASES'

POINTS TO MAKE [If raised]

1. 1960 Treaties make no provision for payment in respect of the Sovereign Base Areas or for facilities we enjoy as of right in the Republic. All claims have been honoured in full for those facilities for which payment is specifically required by the Treaty of Establishment.
2. We have helped Cyprus in different ways, eg through UNFICYP (which currently costs us more than £20m a year).
3. Worth looking again at £7.5m loan offer made in 1978. We regard this as discharging any obligation up to the date on which the loan is taken up.
4. Ready to continue discussions if you want.

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ESSENTIAL FACTS

1. Intermittently since 1965 Cypriots have presented us with claims for large sums (£250m) of aid they allege are due under the 1960 Treaties setting up the Republic of Cyprus and Sovereign Base Areas. At times they have also based their claims on what they regard as HMG's responsibility to pay for the facilities we enjoy on the island. 'Appendix R' of the Treaties provided for aid to be paid to 1965 and consultations thereafter with the final decision left to the UK.

2. We maintain that there is no legal obligation to pay after 1965. We help in other ways: our contribution to the UN Peacekeeping Force in Cyprus (UNFICYP) is the largest (£22 million per year and 800 men). In 1978 we offered a £7.5m loan, which the Cypriots have not taken up partly because we said we would see it as fulfilling any obligations to date.

3. The subject was the main point discussed at Rolandis' visit to the UK in May 1982. (He saw Mr Pym and Lord Belstead). Since then the Cyprus Government have only raised it in passing. Kyprianou will wish to raise it because of recent publicity in the Greek Cypriot press and so he can say that he has done so. But he is unlikely to be under any illusions that we will change our minds.

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VISIT OF PRESIDENT KYPRIANOU: 26 JULY

ANNEX 4: STUDENTS FEES

POINTS TO MAKE

1. Glad that we were able to make available £1m in each of the next three financial years to help students from Cyprus continue to come to the United Kingdom.
  
2. [If 'home fee status' is raised]. Looked at this carefully. But concluded that there could be no return to our pre-1979 policy of home fee status for overseas students. Obvious difficulty of making exceptions. Have treated Cyprus generously.
  
3. [If asked what will happen after 1985/86]. Decision taken for 3 years initially because of public expenditure accounting period.

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ESSENTIAL FACTS.

1. Cyprus was particularly hard-hit by our decision in 1979 to charge overseas students the full cost of their tuition. Cyprus has no university, and students from both communities have traditionally come to the UK for their higher education. About 1400 came to the UK before 1979 and this figure fell by over 25%.
2. Because of Britain's special ties to Cyprus (our bases; Commonwealth; associate membership of the EC), HMG decided to make £1m available for each of the next 3 years for subsidies. The scheme starts in the academic year 1983/84. There will be a flat rate subsidy to all students, (reducing the difference between home and overseas fees by about half in the first year). We expect about 1000 students to take advantage of the scheme at first.
3. The scheme was welcomed by the Cypriots and has won us much goodwill. There is naturally interest in whether it will continue beyond 3 years. We cannot make any firm commitment now.
4. Cyprus will also stand to benefit under the Commonwealth Scholarship and Fellowship Plan (our contribution is increasing by £6m total over the next three years); and continues to receive discretionary awards from technical cooperation funds (£20,000 for Cyprus in 1984/85).

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VISIT OF PRESIDENT KYPRIANOU TO LONDON: 26 JULY

ANNEX 5: TERRORIST COOPERATION

POINTS TO MAKE

Arab Terrorist Threat against UK Installation

1. Grateful for your wholehearted cooperation in meeting recent Arab threat to British military facilities in Cyprus. Hope similar cooperation will be possible in future.
2. Congratulations on successful handling of recent hijack at Larnaca. Hope that the hijackers will be charged and tried in due course.

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ESSENTIAL FACTS

1. We received information from the Cyprus Government, and other sources, that an Arab terrorist attack on British installations in the Troodos mountains was planned for June/July. The installations, which are not in the Sovereign Base Areas but part of one of the retained sites in the Republic, were immediately made the subject of a security alert. This was explained to Cyprus public opinion as a routine testing of security. The Cypriot authorities know the real reason and were very cooperative. It would be helpful if such cooperation could continue.

Hijacking

2. The Cypriots recently had to handle at Larnaca the hijacking of a Romanian aircraft leased to Libyan Airlines. The aircraft had been hijacked by Lebanese Shi'ites on a flight from Athens to Tripoli. After being refuelled in Rome, the aircraft landed at Larnaca on 23 June. Following 6 hours of negotiations with the Cypriot authorities the hijackers gave themselves up.

3. Cyprus is a party to the Hague Convention on the Suppression of Unlawful Seizure of Aircraft, which obliges them either to extradite the hijackers or to submit the case to the competent authorities for the purposes of prosecution. The Cypriot Government has not yet made a statement about the trial of the hijackers following their arrest: we should encourage them to discharge their international obligations under the Hague Convention.

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