

COVERING CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

17 November 1983

*Dear Sir,*

President Kyprianou: Sanctions on Turkish  
Cypriots

I enclose, as requested, a  
/ supplementary brief for the Prime Minister's  
use this evening.

*Yours  
R B Bone*

(R B Bone)  
Private Secretary

A J Coles Esq  
10 Downing Street

COVERING CONFIDENTIAL



CONFIDENTIAL

PRIME MINISTER'S MEETING WITH THE PRESIDENT OF CYPRUS, 17 NOVEMBER

SUPPLEMENTARY BRIEF: SANCTIONS ON TURKISH CYPRIOTS

POINTS TO MAKE

1. Question of possible sanctions raises difficult issues. Need to consider carefully. In interests of all concerned that the situation on the ground does not deteriorate.
2. Sanctions on Turkish Cypriots would have the effect of increasing their dependence on Turkey. This does not seem desirable.
3. Although we recognise prospects are slight, we are still attempting to encourage Turkey to help secure a reversal of the Turkish Cypriot declaration. Sanctions against Turkey are quite inappropriate.
4. EC reaction to efforts is due to be discussed in extraordinary meeting of foreign ministers in Brussels on 18 November. Question of EC aid to Turkish Cypriots will no doubt be discussed there. Would not want to pre-empt that discussion.
5. Can assure that we deplore Turkish Cypriot action. But we wish to avoid complicating prospect of settlement between the two communities in future.
6. Our attitude to sanctions is coloured by these considerations, not by any sympathy with Turkish Cypriot cause. But we recognise that individual countries will wish to demonstrate their disapproval of the Turkish Cypriot action in ways which they consider most appropriate.
7. [If necessary] Situation is not comparable with Afghanistan or Argentina. Military force is not being used, hence no question of our 'subsidising' military activities.

CONFIDENTIAL

/BACKGROUND





CONFIDENTIAL

BACKGROUND

8. Kyprianou is very likely to raise this question. His main wish will be to secure highly visible and widely shared indications of condemnation of Turkish Cypriot action. He will be less interested in protecting the prospects for some future settlement.

9. Our own interests, in addition to pursuing our treaty obligations and hence deploring the Turkish Cypriot action, lie in keeping the temperature down and encouraging a settlement, preferably under UN auspices.

10. This militates against widespread and significant sanctions.

11. Possible action by the EC is likely to be discussed in the foreign ministers meeting on 18 November. The Greeks will press strongly for some tangible gesture by the EC and are likely to receive much support. For technical as well as political reasons (described below), it would be hard to oppose an EC action. To do so would probably reduce our ability effectively to oppose more significant sanctions.

12. There are three options:

(a) Suspension of EC aid. Cyprus gets 10 mecu in grants, 6 mecu special loans and 28 mecu in EIB loans under the Financial Protocol to the Association Agreement. The Community seeks to apportion this aid fairly between both communities, but there is nothing binding in the Protocol about this. There would be no legal obstacle to announcing that no aid under the Protocol should go to northern Cyprus.

(b) Suspension of preferential trade benefits under the EC/Cyprus Association Agreement. Northern Cyprus has benefited up to now from the preferential access to the EC market accorded to Cyprus. The Community has accepted Certificates of Origin on the authority of the Chambers of Commerce in northern Cyprus but not by the so-called Turkish

CONFIDENTIAL

/Cypriot





CONFIDENTIAL

Cypriot Government. There would be no legal obstacle to a refusal to recognise the Certificates of Origin provided by the Turkish Cypriot Chambers of Commerce stating that only Certificates of Origin authorised by the Government of Cyprus would be accepted. This would have the effect of suspending Turkish Cypriot benefits at least directly; the Turkish Cypriots could divert their exports (citrus fruits and vegetables) through Turkey, and get the benefits of Turkey's preferential arrangements. We are looking into the differences between the Turkish and Cypriot arrangements to see how far this would be beneficial to northern Cyprus or damaging to Turkey's own entitlements.

- (c) A partial or full import ban such as those imposed on Argentina (full) or the Soviet Union in respect of Poland (partial). Many constituents exist which might justify this action by the EC: the special status of the UK and Greece as Member States and guarantor powers, the breach of the Treaty and (prospectively) a UN Security Council resolution (but not a Chapter 7 one). There could be no question of imposing a trade ban on Turkey (on the analogy of the ban on the Soviet Union or Poland): we need Turkish help in trying to restore the status quo; a trade ban was not thought desirable at the time of the Turkish invasion of 1974; an import ban would ensure the total integration of the northern Cyprus economy into that of Turkey itself, thus assuring also that it would be ineffective; for wider political reasons (NATO) we do not want to alienate Turkey from the west at a critical time for Turkey's democracy.

13. Our partners are likely to look to the UK and Greece as the powers with special responsibility. It would be difficult to shelter behind others' reluctance to take effective measures. We should agree if necessary to suspend aid to northern Cyprus and probably to suspend preferential trade access under Greek pressure, despite the likelihood of diversion. But we should resist a trade ban which would not work and would indeed have the effect of fully integrating Turkish Cypriot and Turkish economies.

CONFIDENTIAL

/14.





CONFIDENTIAL

14. We should not, however, explore the above considerations fully with Kyprianou.

15. British exports to northern Cyprus are about £10m, imports about £14m. The UK is easily northern Cyprus' largest trading partner.

CONFIDENTIAL





CONFIDENTIAL

MEETING WITH PRESIDENT KYPRIANOU: 17 NOVEMBER, 6.15 PM

POINTS TO MAKE

1. Welcome this opportunity to exchange views. How do you view the situation? What is the mood in Cyprus? Thank you for your messages to me on 15 November.

2. For our part, as you know, we deplore the Turkish Cypriot declaration of statehood. It is incompatible with the 1960 treaties and was made despite our repeated efforts in Cyprus and in Ankara to dissuade them from such action. I sent a message on 15 November to President Evren urging him to secure reversal of the Turkish Cypriot declaration. We have also called for a meeting of the UN Security Council and circulated informally a draft resolution, keeping in close touch with your own delegation in New York.

3. We have called for consultations between the guarantor powers. The initial Turkish response was to agree in principle, but with certain conditions. The initial Greek response is opposed to tripartite discussions. We are awaiting considered replies and will then decide whether consultations under the 1960 Treaty of Guarantee are possible.

4. Our objectives are to secure a reversal of the Turkish Cypriot declaration if that is at all possible; to avoid a

/deterioration

CONFIDENTIAL





CONFIDENTIAL

deterioration of the situation in Cyprus; and to encourage, if possible, a resumption of the intercommunal talks and renewed progress towards a settlement.

5. [If necessary] We are very conscious of our obligations under the Treaty of Guarantee. Our activity up to now has been guided by this consideration.

CONFIDENTIAL





CONFIDENTIAL

BACKGROUND

1. Although the threat had been present for some months the timing of the Turkish Cypriot declaration of UDI was a surprise. Turks also seem to have been taken by surprise.
2. Diplomatic action now well under way. UN Security Council met informally on 15 November at our suggestion to consider a UK draft Resolution. This is intended in part to forestall inflammatory action by other countries and so avoid further deterioration of the situation.
3. In accordance with the 1960 Treaty of Guarantee, we have called for consultations with the other Guarantor Powers, Greece and Turkey. The Turks have agreed provided the Greeks attend also and provided the discussions cover general aspects of the Cyprus problem as well as the declaration of independence. The Greek 'Minister to the Prime Minister' told Sir G Howe on 16 November that the Greeks would not sit down with the Turks. A formal reply would follow. We are not making these responses public.
4. The situation on the ground in Cyprus has remained calm. There appears to be no direct threat to the Sovereign Base Areas. A threat would only arise if general tension in the island rose significantly.

/5.

CONFIDENTIAL





CONFIDENTIAL

5. We are in close touch with the Cyprus, Greek and Turkish governments. We are also working closely with our main allies who share our general approach to the problem.

6. President Kyprianou sent three messages to the Prime Minister on 15 November. Copies are attached. A draft reply to the letter delivered by the High Commissioner has been submitted separately. The reply could be handed over during the call.

Foreign and Commonwealth Office

16 November 1983

CONFIDENTIAL



CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

16 November 1983

*Joe S...*

Cyprus

/ I enclose a brief for President Kyprianou's call  
/ on the Prime Minister tomorrow. I also enclose, as  
requested in your letter of 15 November, a draft reply  
to a message from the President which was  
delivered by the Cyprus High Commissioner on 15 November.  
You may feel that the reply could be handed over during  
President Kyprianou's call. I am submitting the brief  
and draft message in parallel to the Foreign Secretary  
this evening, and will let you know first thing tomorrow  
if he has any comments.

I am copying this letter and enclosure to Richard  
Mottram (Ministry of Defence) and Richard Hatfield  
(Cabinet Office).

*Yours*

(R B Bone)  
Private Secretary

A J Coles Esq  
10 Downing Street

CONFIDENTIAL



CONFIDENTIAL

MEETING WITH PRESIDENT KYPRIANOU: 17 NOVEMBER, 6.15 PM

POINTS TO MAKE

1. Welcome this opportunity to exchange views. How do you view the situation? What is the mood in Cyprus? Thank you for your messages to me on 15 November.
2. For our part, as you know, we deplore the Turkish Cypriot declaration of statehood. It is incompatible with the 1960 treaties and was made despite our repeated efforts in Cyprus and in Ankara to dissuade them from such action. I sent a message on 15 November to President Evren urging him to secure reversal of the Turkish Cypriot declaration. We have also called for a meeting of the UN Security Council and circulated informally a draft resolution, keeping in close touch with your own delegation in New York.
3. We have called for consultations between the guarantor powers. The initial Turkish response was to agree in principle, but with certain conditions. The initial Greek response is opposed to tripartite discussions. We are awaiting considered replies and will then decide whether consultations under the 1960 Treaty of Guarantee are possible.
4. Our objectives are to secure a reversal of the Turkish Cypriot declaration if that is at all possible; to avoid a  
/deterioration

CONFIDENTIAL



CONFIDENTIAL

deterioration of the situation in Cyprus; and to encourage, if possible, a resumption of the intercommunal talks and renewed progress towards a settlement.

5. [If necessary] We are very conscious of our obligations under the Treaty of Guarantee. Our activity up to now has been guided by this consideration.

CONFIDENTIAL



CONFIDENTIAL

BACKGROUND

1. Although the threat had been present for some months the timing of the Turkish Cypriot declaration of UDI was a surprise. Turks also seem to have been taken by surprise.
2. Diplomatic action now well under way. UN Security Council met informally on 15 November at our suggestion to consider a UK draft Resolution. This is intended in part to forestall inflammatory action by other countries and so avoid further deterioration of the situation.
3. In accordance with the 1960 Treaty of Guarantee, we have called for consultations with the other Guarantor Powers, Greece and Turkey. The Turks have agreed provided the Greeks attend also and provided the discussions cover general aspects of the Cyprus problem as well as the declaration of independence. The Greek 'Minister to the Prime Minister' told Sir G Howe on 16 November that the Greeks would not sit down with the Turks. A formal reply would follow. We are not making these responses public.
4. The situation on the ground in Cyprus has remained calm. There appears to be no direct threat to the Sovereign Base Areas. A threat would only arise if general tension in the island rose significantly.

/5.

CONFIDENTIAL



CONFIDENTIAL

5. We are in close touch with the Cyprus, Greek and Turkish governments. We are also working closely with our main allies who share our general approach to the problem.

6. President Kyprianou sent three messages to the Prime Minister on 15 November. Copies are attached. A draft reply to the letter delivered by the High Commissioner has been submitted separately. The reply could be handed over during the call.

Foreign and Commonwealth Office

16 November 1983

CONFIDENTIAL