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Foreign and Commonwealth Office

London SW1A 2AH

16 January 1984

Dear John

Cyprus: Prime Minister's meeting with President Kyprianou:
18 January, 9 a.m.

I enclose a brief for the Prime Minister's use during President Kyprianou's call. We understand from the Cyprus High Commission that President Kyprianou will be accompanied by:

Mr Constantinos Michaelides, Minister to the President

Mr Tasos Panayides, Cyprus High Commissioner

Mr Haris Vovides, Director of the President's Office.

The Foreign Secretary would like to attend, and would propose to be accompanied by Dr Wilson, Head of Southern European Department.

Yours ever

Peter Ricketts

(P F Ricketts)
Private Secretary

A J Coles Esq
10 Downing Street

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MEETING WITH PRESIDENT KYPRIANOU OF CYPRUS: 18 JANUARY

STEERING BRIEF

Introduction

1. The meeting is at Kyprianou's request and forms part of a tour of consultations with Mitterrand (as President of the European Council), Cheysson, Shultz and Perez de Cuellar. It follows discussions with Papandreou on 23 December. Kyprianou arrived in London on 15 January. He will also be seeing Sir S Ramphal. He saw the Prime Minister for two hours on 17 November, two days after the Turkish Cypriot UDI and immediately prior to the adoption of a UK draft Security Council Resolution condemning UDI. They met again in New Delhi during CHOGM.

British Objectives

- 2.(a) To help preserve our position in Cyprus (essentially the Sovereign Base Areas) by listening sympathetically to Kyprianou's concerns;
- (b) to emphasize the key role of the UN Secretary General in dealing with the Cyprus problem;
- (c) to discourage Kyprianou from boxing himself in or impeding the Secretary General by, for instance, setting unattainable preconditions or reacting too negatively to possible avenues for progress; and
- (d) to confirm our readiness to fulfill our obligations under the Treaty of Guarantee but avoid being cast as mediators or involved in parallel consultations if, as is currently the case, tripartite consultations are impossible.

Cypriot objectives

- 3.(a) To present and seek support for Kyprianou's ideas for a comprehensive settlement;
- (b) to encourage renewed efforts to reverse UDI and to embarrass Denktash;
- (c) to demonstrate, for home consumption, that he is actively engaged in seeking a solution to the Cyprus problem (but without making any of the concessions necessary to achieve one);

- (d) to make us assume a special responsibility in the pursuit of Guarantor Power consultations; and
- (e) to press us to agree to the Community excluding northern Cyprus from trade benefits under the EC/Cyprus Association Agreement.

Tactics

4. We should start by emphasising our continuing concern about the situation in Cyprus. The Prime Minister may wish to point out that we have been successful in achieving widespread condemnation of Denktash's action and preventing any further recognition of his new "state". In emphasising that it is now the time for active and genuine progress towards a settlement, she could ask Kyprianou to give an account of his discussions in New York and Washington.
5. Kyprianou may be expected to describe his proposal for a comprehensive settlement and hand over the framework which he has already given Shultz and Perez de Cuellar (Annex D). We should take note, and enquire about Perez de Cuellar's reactions. Kyprianou may also criticise Denktash's "goodwill proposals" and discourage us from giving them any significance.
6. As regards the way forward, we should avoid detailed comment on either set of proposals and suggest that there is now a good opportunity for the Secretary General to use the proposals made to resume his work for a settlement. He should be allowed to do so without being impeded by pre-conditions. We should not take a stand on whether progress is best achieved by a series of steps or through a comprehensive package; but we should emphasise the importance of a flexible approach which will allow for either method.
7. Kyprianou may seek our ideas on the form and content of Guarantor Power talks. We should respond in general terms, confirming that we stand by our obligations but pointing out that these are no greater than those of the other Guarantor Powers (Greece and Turkey). If pressed, we can offer general ideas about the objective of consultations (see brief). But we

should not be drawn on detailed matters like an agenda. Given the Greek attitude to tripartite talks, they are unlikely to take place; we do not wish to give the Greeks an excuse to wrangle about a hypothetical agenda.

8. Because of the risks of assuming the role of mediator and of being blamed by both sides if a satisfactory solution cannot be found, we should make clear that we are not prepared to engage in parallel negotiations as a substitute for the consultations together envisaged by the Treaty; that we do not consider that the Treaty of Guarantee (Annex B) obliges us to do so; and that, if the Greeks continue to reject tripartite consultations, it will soon be necessary to make the present position about Guarantor Power talks clear in public.

9. We should allow ourselves to be drawn as little as possible on EC/Cyprus, pointing to the discussions underway in the Community (in which we are being careful not to take the lead in resisting Cypriot demands) and to the complexity of the issues.

10. To conclude the discussion, we should emphasise the key role of the Secretary General and the importance of giving him room for manoeuvre. He needs the backing of interested states and we fully accept our own part in this. But the leading role must be played by the Secretary-General. In assisting him all concerned must now look ahead and explore every avenue both in order to avoid a deterioration in the situation and to make progress towards a settlement.

11. Kyprianou may complain that the UK is not being tough enough in opposing Denktash's declaration of independence. He may ask why we are not taking a stronger line in the EC on preferential treatment for Turkish Cypriot exports (see brief). We can point to the considerable efforts we have made so far, including over the UN Security Council Resolution, but gently emphasise that, having condemned UDI, it is now necessary to look for opportunities for progress.



12. Points to Make and detailed Background are attached.

Documents

| | |
|---|---------|
| SCR 541 on Cyprus | Annex A |
| Treaty of Guarantee | Annex B |
| Kyprianou's statement to the Press, 11 Jan | Annex C |
| Kyprianou's proposals | Annex D |
| Denktash's proposals | Annex E |
| FCO Spokesman's comment on Denktash's proposals | Annex F |
| Record of talks with Kyprianou, 17 Nov | Annex G |
| Kyprianou's message to the Prime Minister, 20 Dec | Annex H |

CALL BY PRESIDENT KYPRIANOU: 18 JANUARY

POINTS TO MAKE

1. Pleased that cooperation together in immediate aftermath of Denktash's declaration produced good results. Widespread condemnation of UDI and no recognition except by Turkey. We will continue our efforts to prevent further recognition. Now time to look ahead. Must have progress towards settlement. Understand that you have put proposals to UN Secretary General. Grateful to know your ideas.
2. [Following Kyprianou's account of his proposals] Very interested: will study carefully. Welcome your efforts and your wish for a solution. What was Secretary General's reaction?
3. Secretary General best placed to take matters forward. Assume this was your intention in putting proposals to him. We will give him our full support. Understand Denktash has also made some, more limited, proposals. Aware of your Government's initial reaction. Can understand your suspicions. But best to give Secretary General opportunity to build on those proposals also. We have pressed Turks to have Denktash do more. Flexibility needed on all sides.
4. Believe progress would be facilitated if neither side imposes impossible preconditions. Share your wish that UDI should be reversed as envisaged in SCR 541 (which we drafted). But unrealistic to expect this soon. Should allow Secretary General to work towards new negotiations between the two communities without making them conditional on prior reversal of UDI: talks need not imply recognition.
5. Understand Secretary General thinks further discussion in UN General Assembly at this stage would cause difficulties for him in his good offices mission. We agree.

The President's Proposals.

Do not underestimate difficulties of
reversal

Framework for overall solution



Guarantor Talks

6. Note that Papandreou has repeated publicly on 11 January that he could not accept our proposal for tripartite talks.

7. We still stand ready to participate if all parties agree to consult "together" as envisaged by the Treaty of Guarantee. But we have no special status different from other two Guarantors. If tripartite consultations are not possible see no value in attempting to conduct parallel negotiations (nor are these envisaged by Treaty). Best to allow full scope to Secretary General and not complicate his efforts.

8. [If pressed on form and objectives of consultations] First requirement is for all sides to agree to meet together. Little advantage in being specific or considering an agenda until then: nor is it for us to impose our ideas on the other Guarantor Powers.

9. We had a Treaty obligation to propose consultations. We envisaged that they would bring the parties together and provide a springboard for the UN Secretary General to pursue his mandate of good offices in working for an intercommunal settlement. We foresee Secretary General following up on any progress made by Guarantor Power consultations.

EC/Cyprus

10. This is under discussion in the Community now, and I would not want to predict the outcome. Discussion so far has only served to emphasise how very complex this question is, both legally and politically. We well understand your views, and we, like other member states, recognise that it is essential to do nothing which would imply recognition of northern Cyprus or appear to condone Denktash's action. But equally, as you know, member states are anxious not to reinforce the division of the island, and moreover cannot ignore the fact that the Association Agreement was intended to benefit the population of the island as a whole.



11. [If necessary] This is not just a matter for the Commission to decide. The 1977 arrangements were established by COREPER, and any change in them would require further decision by COREPER and the Council.

Troop withdrawals

12. Welcome Turkish intention to pull out 1,500 troops. Recognise this is only small proportion of total and not easily verifiable. But hope it will serve to reduce tension and lead to further withdrawals. We will continue to press Turks to make moves which might help towards settlement.

13. [If necessary] Our suggestion that Greece might propose some troop withdrawals was intended to reduce tension and to bring about larger Turkish withdrawals. No question of eroding Greek rights under the Treaty of Alliance. [If necessary] Is it really the case that the number of Greek personnel does not exceed that specified in the Treaty (ie 950)?

Money for The Bases

14. [If necessary] Ready to continue discussions if you want. Worth looking again at our £7.5m loan offer made in 1978.

Kyprianou's message of 20 December [Annex H]

15. [If appropriate] Many thanks. There was some delay in delivery to our people in Nicosia. I think our talks have covered the ground.

BACKGROUND

1. On 2 January Denktash issued a wide ranging statement containing "proposals of goodwill". Although very limited in scope they had some helpful features:
 - (a) a positive tone;
 - (b) the delinking and development of earlier proposals about the suburb of Varosha and Nicosia airport;
 - (c) a commitment to the re-activation of the Committee of Missing Persons.

2. On 3 January, in a clearly co-ordinated move, the Turkish MFA announced the intention to withdraw 1500 Turkish troops from Cyprus during January and February. Greek Cypriot reactions to these moves have been cool. They have criticised the cautious welcome that the FCO gave Denktash's proposals (Annex F).

3. Following his meeting with Papandreou on 23 December, Kyprianou has visited Paris, Washington and New York. In Paris he met Mitterrand and Cheysson. He saw Shultz and the UN Secretary General on 9 January and the latter again on 11 January. He came to London on 15 January and, besides calling on the Prime Minister, will also see the Commonwealth Secretary General.

4. In meeting with Shultz and with Perez de Cuellar, Kyprianou outlined his ideas for a comprehensive rather than step by step solution. We were given details in confidence by the Americans. Main features are:
 - (a) complete demilitarisation;
 - (b) UN force to secure external defence and internal security;
 - (c) treaty to provide international guarantees of Cypriot independence;
 - (d) imprecise details about a federal structure;
 - (e) possibility that Turkish Cypriot administration might extend to 25% of territory; and
 - (f) agreement that Committee on Missing Persons should reconvene.



5. In talks on 11 January with UN Secretary General, Kyprianou confirmed he wanted Secretary General to arrange for him to meet with Denktash. But this was conditional upon implementation of SCR 541 (ie withdrawal of the declaration of independence), which will clearly be unacceptable to Denktash.
6. Kyprianou has told press of existence of his proposals without revealing their content. But they are already beginning to leak and will probably be condemned by the Turkish Cypriots as inadequate and unrealistic.
7. Perez de Cuellar considers Denktash's proposals disappointing but has told us that they were something on which he could work. He thought it important to start with Varosha and expected to get the present offer improved. He told Kyprianou he would urge Evren, at a meeting with him in Casablanca on 15 January, to press Denktash for more substantive concessions on Varosha. The UN Secretariat are pessimistic about the prospects. [Not for use] The Secretary General had earlier conducted private negotiations with the Turks and Turkish Cypriots to try to extract a viable offer on Varosha.
8. Perez de Cuellar expressed readiness to follow up meeting with Evren with a visit by himself to the area if there seemed a basis for serious negotiations. He told Kyprianou that he would not welcome General Assembly debate on Cyprus. Kyprianou replied that if there was no progress he would be forced to go to the General Assembly.
9. Kyprianou's proposals do little more than set out Greek Cypriots' long standing desiderata. Any concessions (eg an advance on previous publicly stated position on extent of a Turkish Cypriot zone) are negated by counterbalancing conditions (eg certain areas of economic importance to the Turkish Cypriots which must be returned to the Greek Cypriot zone). They represent at best a starting position for negotiations; and, at worst, simply an attempt to give an appearance of willingness to work towards a settlement without any real will to do so.



10. Despite their obvious shortcomings, both the Kyprianou and Denktash proposals provide material on which the Secretary General can work. We are continuing to persuade him of the need to be seen to be actively involved. The appointment of a successor to Dr Gobbi as Special Representative in Cyprus would help in this.

Guarantor Power Consultations

11. In a speech on 11 January Papandreu said that our proposal for trilateral talks had been rejected by both the Greeks and Greek Cypriots. In fact the Greek Cypriots have been careful to leave the question open, primarily in order to keep us in play. But the speech appears to remove former uncertainty about the Greek position (eg during Mrs Thatcher's meeting with Papandreu during the Athens summit).

12. We see it as a treaty obligation to call for consultations. We should continue to say that we are willing to take part if the others also agree. But there are considerable risks, and no comparable advantages, for us if they actually take place. They would be likely to break down in mutual recriminations between Greeks and Turks with both sides seeking to use, and then blame, us. Furthermore the Guarantor Power mechanism has the disadvantage that while Turkey is directly involved in Cyprus and can, in the last resort, deliver Denktash, Greece has no similar position or power and is likely to play a spoiling role. Guarantor Power consultations are no substitute for the role of the UN Secretary General.

13. The Greek suggestion of parallel talks would cast us in the role of mediator and has similar but stronger disadvantages for us. We have no treaty obligation to take the lead in conducting separate, parallel, negotiations with the Greeks and Turks if the tripartite consultations envisaged by the 1960 Treaty cannot take place. Equally, of course, there is nothing to stop us doing so if we so wished and both other Guarantor Powers agreed.



14. Kyprianou is likely to ask how we envisage that Guarantor Power talks should proceed. Given the present Greek attitude the question is hypothetical. We should not be drawn on detail since the Greeks will then have an opportunity to claim that it is our ideas that make Greek participation impossible and thus to pass the blame to us. The obligation to consult "together" rests with all 3 Guarantor Powers (Turkey has said she will participate if Greece does).

EC/Cyprus

15. Under a 1977 decision by COREPER, Turkish Cypriot exports have continued to benefit from preferential access to Community markets under the EC/Cyprus Association Agreement. For this purpose, certificates of origin from local chambers of commerce, with customs stamps issued by the Turkish Cypriot authorities but similar in form to normal Cypriot stamps and without any mention of the name of the Turkish Cypriot "state", have been accepted by customs authorities in the Community.

16. Following the Turkish Cypriot UDI, the Greeks and Greek Cypriots have demanded an end to these arrangements. A number of member states (including ourselves) believe that to abandon the status quo would be politically undesirable since it would give the Greek Cypriots effective control for the future over whether or not the Turkish Cypriot population should benefit from the Association Agreement and would serve to harden inter-communal divisions. Moreover as North Cyprus's main trading partner we have a vested interest in things staying as they are. But given the importance for our interests there (SBAs) of good relations with the Greek Cypriots, we have tried not to take the lead in resisting their demands. If there is a consensus amongst member states that the present arrangements should be changed we would go along with it.

17. Following an injudicious performance by Haferkamp during a visit to Cyprus early in December, the Commission found themselves committed to supporting President Kyprianou's demands not only that Cyprus Government (ie Greek Cypriot) stamps should



in future be taken as the only documents entitling Cypriot exports to preferential treatment, but also that all such exports should pass through specified ports in southern Cyprus. They have sought to implement these arrangements, superseding those agreed in 1977, without reference to Council or COREPER.

18. In COREPER on 12 January a clear majority of member states took the view that only COREPER or the Council could change these arrangements, and that the status quo should be maintained. The UK remained in the middle of the pack, but the Greeks and Greek Cypriots have shown signs of dissatisfaction that we have not supported them.

Troop Withdrawals

19. Speaking to the Greeks and Greek Cypriots just before the Papandreou/Kyprianou meeting on 23 December, we suggested, inter alia, that the Greeks might consider offering to withdraw some troops if the Turks did the same. This would put pressure on the Turks and lower tension. We made this move in the knowledge that the Greeks have more troops in Cyprus than allowed by treaty. We calculated that, even if the Greeks were not prepared to remove any, such an approach would constitute additional pressure to prevent them moving in reinforcements.

20. The Greeks have expressed surprise at our suggestion and claimed that they have no more troops than the 950 allowed by the Treaty of Alliance (we think they have about 1,800 but cannot prove it from overt sources). They claim the Turks have 35,000 (we think 17,500), while being allowed only 650. The Greeks appear to have misunderstood the intention behind our suggestion, and to be determined (with Greek Cypriot concurrence) to deny that they have any additional troops beyond those allowed by treaty.

Commonwealth Action Group

21. The Group was set up at CHOGM and consists of the Commonwealth Secretary General, Australia, India, Guyana, Nigeria and Zambia. Its aim is to promote the implementation of



SCR 541. They have had one meeting with Sr Perez de Cuellar who clearly feels that they are more likely to harm than good. They have since been inactive.

Money for the Bases

22. Since 1965 Cypriots have pressed us for aid (£250m) they allege is due under the 1960 Treaties setting up the Republic of Cyprus and Sovereign Base Areas. They have also maintained that HMG should pay for the facilities we enjoy there. Appendix R of the Treaties provide for aid to be paid until 1965 and consultations thereafter, with the final decision left to the UK.

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

20 December Message to Prime Minister [Annex H]

24. Delivered to our High Commission in Nicosia on 3 January and sent by bag: similar messages sent to many other Heads of Government. Does not call for a reply but might be mentioned.

Southern Conveyor Project

25. The Southern Conveyor Project is the largest development ever undertaken in Cyprus. Four British contractors have pre-qualified for the Kouris Dam, the first stage of the development. But there is strong competition from the French, who are rumoured to be going to offer an attractive mixed credit package. Support for the project from the Aid and Trade Provision has just been agreed by Departments on a conditional matching basis. This decision has not yet been conveyed to the Cypriots since it is dependent upon an increase (not yet agreed, but likely to be agreed during the next 10 days) in ECGD's existing export credit ceiling for Cyprus.

Southern European Department, Foreign and Commonwealth Office
16 January 1984

MEETING WITH PRESIDENT KYPRIANOU ;

18 JANUARY 1984

- | | | |
|----|---|---------|
| 1. | SCR 451 on Cyprus | Annex A |
| 2. | Treaty of Guarantee | Annex B |
| 3. | Kyprianou's statement to the Press, 11 January | Annex C |
| 4. | Kyprianou's proposals | Annex D |
| 5. | Denktash's proposals | Annex E |
| 6. | FCO Spokesman's comment on Denktash's proposals | Annex F |
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| 8. | Kyprianou's message to the Prime Minister, 20 December | Annex H |

both at
appropriate
points in
file



Security Council

Distr.
GENERAL

S/RES/541 (1983)
18 November 1983

RESOLUTION 541 (1983)

Adopted by the Security Council at its 2500th meeting,
on 18 November 1983

The Security Council,

Having heard the statement of the Foreign Minister of the Government of the Republic of Cyprus,

Concerned at the declaration by the Turkish Cypriot authorities issued on 15 November 1983 which purports to create an independent State in northern Cyprus,

Considering that this declaration is incompatible with the 1960 Treaty concerning the establishment of the Republic of Cyprus and the 1960 Treaty of Guarantee,

Considering, therefore, that the attempt to create a "Turkish Republic of Northern Cyprus" is invalid, and will contribute to a worsening of the situation in Cyprus,

Reaffirming its resolutions 365 (1974) and 367 (1975),

Aware of the need for a solution of the Cyprus problem based on the mission of good offices undertaken by the Secretary-General,

Affirming its continuing support for the United Nations Peace-keeping Force in Cyprus,

Taking note of the Secretary-General's statement of 17 November 1983,

1. Deplores the declaration of the Turkish Cypriot authorities of the purported secession of part of the Republic of Cyprus;
2. Considers the declaration referred to above as legally invalid and calls for its withdrawal;

3. Calls for the urgent and effective implementation of its resolutions 365 (1974) and 367 (1975);

4. Requests the Secretary-General to pursue his mission of good offices, in order to achieve the earliest possible progress towards a just and lasting settlement in Cyprus;

5. Calls upon the parties to co-operate fully with the Secretary-General in his mission of good offices;

6. Calls upon all States to respect the sovereignty, independence, territorial integrity and non-alignment of the Republic of Cyprus;

7. Calls upon all States not to recognize any Cypriot State other than the Republic of Cyprus;

8. Calls upon all States and the two communities in Cyprus to refrain from any action which might exacerbate the situation;

9. Requests the Secretary-General to keep the Security Council fully informed.

TREATY OF GUARANTEE

The Republic of Cyprus of the one part, and Greece, Turkey and the United Kingdom of Great Britain and Northern Ireland of the other part,

- I. Considering that the recognition and maintenance of the independence, territorial integrity and security of the Republic of Cyprus, as established and regulated by the Basic Articles of its Constitution, are in their common interest,
- II. Desiring to co-operate to ensure respect for the state of affairs created by that Constitution,

Have agreed as follows:

ARTICLE I

The Republic of Cyprus undertakes to ensure the maintenance of its independence, territorial integrity and security, as well as respect for its Constitution.

It undertakes not to participate, in whole or in part, in any political or economic union with any State whatsoever. It accordingly declares prohibited any activity likely to promote, directly or indirectly, either union with any other State or partition of the Island.

ARTICLE II

Greece, Turkey and the United Kingdom, taking note of the undertakings of the Republic of Cyprus set out in Article I of the present Treaty, recognise and guarantee 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.

Greece, Turkey and the United Kingdom likewise undertake to prohibit, so far as concerns them, any activity aimed at promoting, directly or indirectly, either union of Cyprus with any other State or partition of the Island.

ARTICLE III

The Republic of Cyprus, Greece and Turkey undertake to respect the integrity of the areas retained under United Kingdom sovereignty at the time of the establishment of the Republic of Cyprus, and guarantee the use and enjoyment by the United Kingdom of the rights to be secured to it by the Republic of Cyprus in accordance with the Treaty concerning the Establishment of the Republic of Cyprus⁽¹⁾ signed at Nicosia on to-day's date.

ARTICLE IV

In the event of a breach of the provisions of the present Treaty, Greece, Turkey and the United Kingdom undertake to consult together with respect to the representations or measures necessary to ensure observance of those provisions.

In so far as common or concerted action may not prove possible, each of the three guaranteeing Powers reserves the right to take action with the sole aim of re-establishing the state of affairs created by the present Treaty.

ARTICLE V

The present Treaty shall enter into force on the date of signature. The original texts of the present Treaty shall be deposited at Nicosia.

The High Contracting Parties shall proceed as soon as possible to the registration of the present Treaty with the Secretariat of the United Nations, in accordance with Article 102 of the Charter of the United Nations.



10 DOWNING STREET

AJC -

The attached two pieces arrived late last night, and as they seemed very relevant to the meeting with President Kyprianou I took the liberty of including them in the PM's briefing folder.

Cameron 18/1

GVA/FO 6/17

00 FCO (DESKBY 0730Z 18 JANUARY)

PP UKMIS NEW YORK

PP ATHENS

PP NICOSIA

PP ANKARA

PP WASHINGTON

GPS 530

CONFIDENTIAL

DESKBY (0730Z 18 JAN)

FM UKMIS GENEVA 171940Z JAN 84

TO IMMEDIATE FCO

TELNO 12 OF 17 JANUARY 1984

INFO PRIORITY UKMIS NEW YORK, ATHENS, NICOSIA, ANKARA, WASHINGTON

UKMIS NEW YORK TELNO 64: CYPRUS

1. AS ARRANGED BY UKMIS NEW YORK PICCO (MEMBER OF SECRETARY - GENERAL'S CABINET RESPONSIBLE FOR CYPRUS) TELEPHONED HEAD OF CHANCERY THIS EVENING (17 JANUARY) TO OFFER BRIEFING ON SECRETARY-GENERAL'S MEETING WITH PRESIDENT EVREN OF TURKEY EARLIER TODAY IN CASABLANCA.

2. PICCO SAID THAT CYPRUS HAD BEEN ONE OF A NUMBER OF SUBJECTS DISCUSSED WITH EVREN. SECRETARY-GENERAL HAD EXPLAINED THAT HIS ROOM FOR MANOEUVRE HAD BEEN CIRCUMSCRIBED BY SECURITY COUNCIL RESOLUTIONS NUMBERS 541 AND 544. BUT HE WAS STILL PREPARED TO TRY TO WORK OUT A SOLUTION ON CYPRUS, IF NECESSARY ON HIS OWN AUTHORITY. HE (PEREZ) WOULD BE WILLING TO GO HIMSELF TO NICOSIA, ATHENS AND ANKARA FOR THE PURPOSE OF BRINGING ABOUT A MEETING OF THE "LOCAL LEADERS" (HE MEANT DENKTASH AND KYPRIANOU). BUT BEFORE THEN STEPS NEEDED TO BE TAKEN TO IMPROVE THE ATMOSPHERE. (PICCO ADDED THAT PEREZ PUT FORWARD SOME SPECIFIC IDEAS FOR THIS BUT HE DECLINED TO GO INTO DETAIL). ALSO THERE WOULD BE A NEED FOR "IMAGINATION" AT THE MEETING OF THE LOCAL LEADERS IF THE ICE WAS TO BE BROKEN. PEREZ IMPLIED THAT IF THESE TWO CONDITIONS (IMPROVED ATMOSPHERE AND WILLINGNESS TO USE IMAGINATION) WERE NOT MET THERE WOULD BE NO POINT IN HIS GOING TO THE AREA.

3. EVREN HAD CLEARLY ATTACHED IMPORTANCE TO STRIKING UP A GOOD PERSONAL RELATIONSHIP WITH PEREZ. HE SAID THAT HE (PEREZ) WAS THE ONLY PERSON WHO COULD SOLVE THE CYPRUS PROBLEM. BUT EVREN'S RESPONSE ON SUBSTANCE WAS GUARDED. HE UNDERTOOK TO CONSIDER WHAT THE SECRETARY-GENERAL HAD SAID AND TO LET HIM HAVE A REACTION LATER. MEANWHILE HE DID NOT CLOSE THE DOOR ON ANY OF PEREZ'S IDEAS. EVREN ALSO SAID THAT ATHENS WERE A BAD INFLUENCE

no 10 DS

RC

IMMEDIATE
ADVANCE COPY

A REACTION LATER. MEANWHILE HE DID NOT CLOSE THE DOOR ON ANY OF PEREZ'S IDEAS. EVREN ALSO SAID THAT ATHENS WERE A BAD INFLUENCE ON KYPRIANOU.

4. ACCORDING TO PICCO THERE WAS NO DISCUSSION OF THE DENKTASH OFFER OF 2 JANUARY OR OF KYPRIANOU'S PROPOSALS OF 11 JANUARY. PEREZ HAD SAID THAT BOTH WERE "INSUFFICIENT". THERE WAS NO POINT IN ENTERING INTO DETAILED DISCUSSION OF SUCH PROPOSALS UNTIL IT WAS CLEAR THAT BOTH SIDES WERE PREPARED TO SHOW "GOOD WILL". WITHOUT THIS ANY TALKS WERE BOUND TO BREAK DOWN.
5. PICCO THOUGHT THAT THE BALL WAS NOW IN THE TURKS' COURT. HE DOUBTED WHETHER PEREZ WOULD DO ANYTHING MORE UNTIL HE RECEIVED A CONSIDERED TURKISH RESPONSE. MEANWHILE "BAD SIGNALS" FROM EITHER SIDE COULD CAUSE THE SECRETARY-GENERAL'S PUTATIVE INITIATIVE TO FOUNDER. PEREZ HOPED THAT ALL CONCERNED WOULD SHOW RESTRAINT.
6. PICCO SAID THAT HE HAD NOT HAD TIME TO CLEAR HIS LINES WITH PEREZ ABOUT HOW TO REPORT THE MEETING TO HMG. HE WAS THEREFORE BRIEFING US WITHOUT KNOWING EXACTLY WHAT PEREZ HIMSELF HAD THOUGHT OF THE TALKS WITH EVREN. PEREZ'S INITIAL REACTION HAD BEEN "NOW LET US WAIT AND SEE".
7. PICCO ADDED THAT PEREZ INTENDS TO GIVE AN ACCOUNT OF HIS MEETING WITH EVREN TO KYPRIANOU WHEN THE DEMANDS OF HIS AFRICAN JOURNEY PERMIT. HE MAY ALSO GIVE HMG A MORE CONSIDERED VERSION. PICCO EMPHASISED THAT MEANWHILE HE THOUGHT IT WOULD HARM PEREZ'S RELATIONSHIP WITH KYPRIANOU IF HMG SHOWED AWARENESS TOMORROW OF THE CONTENT OF THE SECRETARY-GENERAL'S TALKS WITH EVREN.
8. FCO RESIDENT CLERK. THE PRIME MINISTER IS SEEING KYPRIANOU FIRST THING TOMORROW (18 JANUARY). A COPY OF THIS TELEGRAM SHOULD BE ADVANCED TO NO 10 IN TIME TO BE SEEN THERE BEFORE THIS MEETING TAKES PLACE.

WARBURTON

NNNN

SENT AT 172042Z MD/MTS

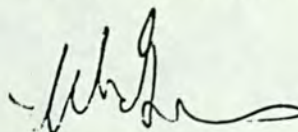
Mr Wilson, SED

Cyprus

The Secretary of State had a discussion with the Cypriot Foreign Minister Iacovou in the margins of the CDE lunch in Stockholm on 17 January.

Iacovou said that he was sorry not to be able to be present with President Kyprianou during the latter's visit to London on 18 January. He said that the Cypriot Government was not convinced that Perez de Cuellar was taking his own initiative on the Cyprus problem seriously, given that he had been unwilling to appoint a successor to Gobbi. Kyprianou and he, Iacovou, were anxious to try to make a bigger breakthrough on the Cyprus problem. That was why they had been reluctant to respond to Denktash's proposal with much enthusiasm. They took the view that Denktash mainly wished to make a strong presentational pitch aimed at winning favour from the forthcoming Islamic Council. The Secretary of State asked why the content of Denktash's proposal was unacceptable. Iacovou said that Cyprus needed a much more credible commitment to phased withdrawal of Turkish troops. Cyprus would therefore present Turkey with two negotiating alternatives: either a sustained, secret, diplomatic initiative to see whether differences could be resolved: or a public commitment to engage in intensive negotiations, coupled with public expressions of determination to get a breakthrough. The Cyprus Government felt that a solution could only consist of the maximum possible degree of autonomy for the two parts of Cyprus, including full economic autonomy for the Turkish sector, so that there could be no accusation of economic exploitation of the Turkish sector by the Greek Cypriots in the south.

Iacovou added that the new Turkish Foreign Minister and he had been in Bonn together as Ambassadors, and knew each other well. He recollected that he and his Turkish opposite number often used to say that if only they personally had the opportunity to tackle the Cyprus problem, it would soon be sorted out. He had recently reminded his Turkish colleague of this, and had elicited the response that perhaps their capacity to change the situation was, after all, rather minimal.



(~~R. B. Bone~~)

17 January 1984

cc: PS
 PS/Lady Young
 PS/PUS
 Sir J Bullard
 Mr Jenkins
 cc: Mr Coles, No 10 ✓