

RECORD OF CONVERSATION BETWEEN THE PRIME MINISTER AND THE PRESIDENT
OF CYPRUS AT 0900 HOURS ON WEDNESDAY 18 JANUARY 1984 AT 10 DOWNING STREET

Present:

Prime Minister	President Kyprianou
Foreign and Commonwealth Secretary	Mr. Constantinos Michaelides
Dr. Wilson	Mr. Tasos Panayides
Mr. Coles	Mr. Haris Vovides

President Kyprianou said that since his last meeting with the Prime Minister the Government of Cyprus had been considering the next steps which they should take in relation to the problem created by the Turkish Cypriot declaration of UDI. They had been exploring all possibilities both in relation to activity by the UN Secretary General and to the Treaty of Guarantee. He had^{had} a long meeting in Athens with Mr. Papandreou of which the Prime Minister would be aware.

With regard to the United Nations, Cyprus was continuing to press for the full implementation of Security Council Resolution 541. They did not underestimate the difficulty of achieving a simple reversal of UDI but had no alternative but to press for this. Otherwise, the Turkish side would do nothing and simply seek to gain time.

He thought it would be helpful to the Secretary General if he produced a framework for an overall solution. He had done this and now wished to hand over the text to the Prime Minister (copy enclosed).

The proposals consisted of six basic points.

The first called for the withdrawal of all troops from Cyprus; the withdrawal would take place in two stages, the second stage involving the troops provided for under the Treaty of Alliance.

/ In the second

In the second stage, also, the Cyprus National Guard and the so-called Turkish Cypriot Security Force should be disbanded.

The second point of the plan called for a United Nations force whose composition and terms of reference would be subject to negotiation. The Cyprus Government had an open mind as to its composition. The Prime Minister commented that the definition of the role of this force, which included the words "to secure ... external defence", appeared to embody a new departure. President Kyprianou confirmed that the existing mandate would have to be changed. But an idea similar to the one which he was now putting forward had been discussed at the United Nations in 1964 though it had then been abandoned.

The third point dealt with guarantees for an overall solution. The Cyprus Government believed that the Treaty of Guarantee, as it stood, was not a guarantee. In the new arrangements, Greece and Turkey could not be guarantors - otherwise problems similar to the present ones would continue to arise. In view of the United Kingdom's specific interests in Cyprus, it should remain a guarantor.

Under the fourth point of the plan, the Cyprus Government formally accepted the concept of federation.

Turning to the fifth point which dealt with the territorial aspect, he wished to stress the opening words: "Despite the inherent dangers and constitutional difficulties involved in the concept of two regions or two provinces, yet this concept has been accepted". The plan stated for the first time on paper the maximum concession which the Cyprus Government was prepared to make to the Turkish Cypriot side in respect of territory. They had decided that it was best to inform the United Nations Secretary General that 25% of the territory of Cyprus could be under Turkish Cypriot administration, even though the Turkish Cypriots constituted only 18% of the total population. He was aware that there were considerations relating to the viability of any territory but these arguments applied equally to the Greek Cypriot region. Makarios had indicated many years ago that he might be able to envisage rather more than 20% of the

/ territory

territory of Cyprus being placed under Turkish Cypriot administration. In September the UN Secretary General had been told that the Greek Cypriots could envisage a figure of 23%. The 25% now proposed was an absolute maximum and it was conditional on areas which were thickly populated by Greek Cypriots coming under Greek Cypriot administration. This proposal, among others, gave the lie to the apparent comment of Mr. Denktash in Casablanca to the UN Secretary General that the Greek Cypriot side was offering nothing new. The fact was that a loose federation was being offered. This was dangerous in the case of Cyprus and any advance on this offer would mean, effectively, separation.

Point six of the plan dealt with the constitutional aspect. The constitutional structure would be broadly as under previous agreements. With regard to the legislature there were two alternatives. A single Chamber system would be the more appropriate for Cyprus - and there could be safeguards for the Turkish Cypriots. The alternative would be to have two Chambers - a lower Chamber on the basis of the ratio of the two populations, the upper Chamber providing for increased Turkish Cypriot representation. With regard to the judiciary, the two communities would be equally represented in the Federal Supreme Court.

Turning to the distribution of powers and functions between the centre and the provinces, the plan indicated those powers which must be kept by the central government. It was not an exhaustive list. The plan stated that a list of extensive provincial powers was to be agreed.

The Prime Minister commented that the allocation of powers between the centre and the provinces was very important in any federal constitution. President Kyprianou said that he wanted to begin discussing all these ideas with the UN Secretary General. But his impression was that the Turkish Cypriots would not accept them. He had heard from his Foreign Minister that in Casablanca both Mr. Evren and Mr. Denktash had taken a negative attitude to the proposals.

/ Point five

Point 6(5) of the plan dealt with human rights and fundamental freedoms. These matters were dealt with in the way provided for in earlier high-level agreements. The Prime Minister commented that it would be difficult to negotiate the details of this section. President Kyprianou said that the Turkish side was seeking permanent separation. That was not the aim of the Cyprus Government which continued to work for unification.

Point 6(6) of the plan was of great importance. Provided the unity of Cyprus was respected, the Greek Cypriots were ready to take all necessary measures to promote a high standard of living for everyone, especially the Turkish Cypriots whose standard of living was low. In effect, the Turkish Cypriots would be subsidised. The Foreign and Commonwealth Secretary asked whether these arrangements would include the possibility of something close to economic autonomy for the two regions. President Kyprianou said that this was a possibility but it would not be to the advantage of the Turkish Cypriots. The creation of common economic interests between the two regions would help unity. The Foreign and Commonwealth Secretary said that the Foreign Minister of Cyprus had given him a rather different impression of Cypriot thinking in Stockholm on 17 January.

President Kyprianou said that it was impossible for anyone to go beyond this framework. The Greek Cypriot side was accepting:

- a) A bi-regional federation, despite its dangers for Cyprus
- b) Strong powers for the two separate regions
- c) The idea of economic help for the Turkish Cypriots
- d) The allocation of 25% of the land area to Turkish Cypriot administration.

The Prime Minister said that good will could bring about an end to polarisation. But tension increased it. The prospects for the future depended very much on the underlying feelings and the way in which any negotiations were conducted. President Kyprianou commented that all depended on what the leaders wanted. If Mr. Denktash and Mr. Evren were seeking separation no progress would be made.

/ As regards

As regards procedure, he had put two proposals to the UN Secretary General. First, he had told him that if Security Council Resolution 541 were implemented (and he recognised that a face-saving way of doing this would have to be found) he was ready to engage in a determined and sustained negotiation with Mr. Denktash either in New York or elsewhere in order to reach a solution. He had made this proposal public. Secondly, the United Nations Secretary General might carry out shuttle diplomacy. Mr. Perez de Cuellar had this in mind and had said that he wished to go to Ankara, Athens, Nicosia and London.

There was then the question of whether it was right to pursue the proposals he had set out or, alternatively, to try to settle one or two specific problems eg Varosha. It was important to avoid protracted discussion of specific matters. He had agreed with the UN Secretary General and Mr. Shultz that both approaches should be conducted in parallel ie the Secretary General would work for an overall solution but if he found a specific device for improving the climate this could be discussed too.

In response to a question by the Foreign and Commonwealth Secretary about procedures, President Kyprianou handed over a copy of a statement which he had made on this subject on 11 January (copy enclosed). The Foreign and Commonwealth Secretary asked whether the Greek Cypriots were ready to discuss Mr. Denktash's offer about Varosha. President Kyprianou said that he did not regard this as a proposal. It was worse than earlier ideas. The Secretary General was thinking more along the lines of proposals discussed with Mr. Denktash in 1979. There was some confusion about Mr. Denktash's statement of 2 January. It seemed to have been made primarily to create an impression of good will before the Islamic Conference. No-one who understood the problem would be taken in. It was clear that Denktash was not interested in an overall solution, at least for the present.

The Foreign and Commonwealth Secretary said that if Mr. Denktash was working for a bi-zonal federation, was there not a common objective? President Kyprianou said that if his concept of two

/ regions

CONFIDENTIAL

- 6 -

regions was the same as the Greek Cypriot concept, there was no difficulty. But in fact Mr. Denktash attached a special meaning to the word "bi-zonal". At this point he handed over a document commenting on Mr. Denktash's statement of 2 January (copy enclosed). He asked that this should be carefully considered because there was an impression that HMG found Denktash's statement constructive. This was surprising in view of Britain's knowledge of the Cyprus problem. The Prime Minister said that any glimmer of light was welcome. President Kyprianou said that this proposal did not provide a glimmer of light. He believed it had been put forward both because of the imminence of the Islamic Conference and because Denktash knew that he himself was about to go to New York to present his proposals to the Secretary General. Denktash's approach to the problem of Varosha was complicated and could never work. As the Secretary General had said, if he had really wanted to demonstrate good will he would simply have said that Varosha should be handed to the United Nations so that people could be returned to their homes.

As to the next steps, more information would shortly be received on the Secretary General's meetings in Casablanca with Mr. Evren and Mr. Denktash. Then, he would visit Athens. The Prime Minister recalled that she had had a brief meeting with Mr. Papandreou during the European Council in Athens and had raised with him the question of tripartite consultations. Mr. Papandreou had said that he had not yet taken a decision on this matter. The Foreign and Commonwealth Secretary stated that Mr. Papandreou had said publicly on 11 January that Greece would not take part in tripartite consultations and nor would the Greek Cypriots. President Kyprianou said that his own approach had been that bilateral consultations would be useful in order to ascertain the possibilities of progress. If the possibilities existed, the form of talks could be reconsidered. The Prime Minister said that we had no wish to be put in the position of mediator. It was better for the UN Secretary General to take on this role. We should put all our weight behind him. Lines should not be crossed. The Commonwealth Group on Cyprus had not got very far.

/ President Kyprianou

CONFIDENTIAL

E. R.

CONFIDENTIAL

- 7 -

President Kyprianou said that if the Turkish Cypriots adopted a position which made it impossible for the UN Secretary General to make progress, some other means would have to be found. The Foreign and Commonwealth Secretary said that even if there were agreement on tripartite consultations, we should be arguing in those consultations that the important thing was to promote the Secretary General's initiative. President Kyprianou commented that legal advice had been to the effect that the Treaty of Guarantee was a regional arrangement under the United Nations Charter. If there were a difficulty about consultations under the Treaty, the good offices of the Secretary General could be invoked. The Prime Minister again commented that wires should not be crossed. President Kyprianou had put forward a skilled framework for a solution which he had obviously thought about in a statesmanlike way. The best course now was for the Secretary General to pursue his efforts.

President Kyprianou said that he also wished to raise some points about the European Community.

Greece was seeking the finalisation of agreement on a customs union with the Community. The European Council was still awaiting a mandate from the Council of Ministers. The delay was unnecessary and it affected overall progress on the Cyprus problem. He had reached agreement with M. Cheysson as to how this matter should be pursued.

Secondly, there was the question of attitudes of member states towards the area of Cyprus which had allegedly been declared independent. The Commission had taken a stand which was that it dealt only with the legal government of Cyprus; it would do nothing to sanctify UDI. Although it was not necessary to obtain a supporting view from the Council of Ministers, the Cyprus Mission in Brussels had reported some unwillingness on the part of certain delegations to support the Commission. At this point he read out the text of a Commission decision, apparently contained in a message from the Cyprus Mission in Brussels, which also stated that the British delegation there was raising certain objections. The Foreign and Commonwealth Secretary commented that this matter had been discussed

CONFIDENTIAL

/ in COREPER

CONFIDENTIAL

- 8 -

in COREPER since the beginning of the year. The concern of the United Kingdom and others was that nothing should be done to entrench the division in Cyprus. The Association agreement between the Community and Cyprus was for the benefit of the entire island. But there was a danger of ending up with a situation where the Turkish Cypriot area sent all its exports through Turkey.

President Kyprianou said that if Britain took a view opposite to that of the Commission, this would create problems. If we changed our mind, so would others. Cyprus was prepared to facilitate exports from the Turkish Cypriot area provided the legal ports were used. The Prime Minister commented that our aims were the same. We did not want to create a permanent association in this respect between the Turkish Cypriot area and Turkey. Would it not be easier to impose conditions, which the Turkish Cypriot side could accept, for export of their goods? The Foreign and Commonwealth Secretary said that if we presented the Turkish Cypriots with the choice of sending their exports through Greek Cypriot ports or Turkish ports, they would opt for the latter. The Prime Minister suggested that it would be consistent with the Greek Cypriot and our own attitude towards the unity of Cyprus to regard the ports in the Turkish Cypriot area as legal ports. President Kyprianou said that those ports were not under the control of the Cyprus Government. We should not allow the Turkish Cypriots to have the best of both worlds. There would then be no incentive for them to reverse UDI. This was a very serious matter. After his talks on Friday with the European Commission, he would send us a note. He would also let us know, after his forthcoming talks in Athens, of any new ideas which had arisen about the Treaty of Guarantee.

The discussion ended at 1010 hours.

A. S. C.

18 January 1984

CONFIDENTIAL

CONFIDENTIAL



no fom

10 DOWNING STREET

From the Private Secretary

18 January 1984

Dear Peter,

CYPRUS

I enclose the record of the conversation between the Prime Minister and the President of Cyprus which took place here this morning.

Yours ever

John Cole.

P.F. Ricketts, Esq.,

Foreign and Commonwealth Office

CONFIDENTIAL