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From the Private Secretary

24 September 1984

Dear Colin,

PRIME MINISTER'S LUNCH FOR PRESIDENT KYPRIANOU AT CHEQUERS
ON MONDAY 24 SEPTEMBER

The Prime Minister gave lunch for President Kyprianou at Chequers today. The President was accompanied by the Cyprus High Commissioner and Mr. Vovides. Mr. Michael Jenkins (FCO) and I were also present.

This letter records the main points in a long and often repetitive discussion of the proximity talks between the Greek and Turkish Cypriots in New York and the prospects for progress in them. President Kyprianou was in a lugubrious mood and repeated on several occasions that he was convinced that Denktash was not seriously interested in making progress.

President Kyprianou introduced discussion by saying that he had thought the Prime Minister would find it useful to be briefed between the two rounds of proximity talks. The interval between them could most profitably be used for private diplomacy: indeed he thought this was a condition of progress. So far exchanges through the UN Secretary-General had been limited to generalities. The Turkish Cypriots had been dilatory and unready to move on substance. It had only been at his (Kyprianou's) insistence that the talks had run into a second week; and Denktash had wanted to delay the second round until the end of October. The Secretary-General had tried to play down Turkish Cypriot intransigence as tactical. He had held out the prospect of some movement in the next round and promised in the meantime to talk to the Turkish, United States and other governments. There was no doubt, however, that Perez de Cuellar was disappointed with the lack of progress.

On constitutional issues, the Turkish Cypriot position was unchanged. They were demanding full equality. On the

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territorial matters, the Secretary-General had proposed that the Turkish Cypriots hand back the territories offered in 1981 as a first step but it seemed that they were not prepared to do even this. The Secretary-General had tried an alternative tack, that of agreeing the number of refugees to be resettled rather than the area of land. But Denktash would not accept this either. It was quite clear that his goal was two entirely separate territories divided on ethnic criteria. So, in summary, the Turkish Cypriots would not move on constitutional issues and had actually gone backwards on territorial questions and the return of refugees. Moreover, they were now saying that the withdrawal of Turkish forces would commence only after the implementation of a settlement had begun. His firm impression was that Denktash was not interested in a settlement.

The Prime Minister asked whether the powers and functions of the proposed federal government had been discussed. President Kyprianou said that they had. He accepted that a list should be drawn up to specify the powers and functions of the federal government. Equally, however, the powers of the provincial administrations should be similarly defined. It was not enough, as Denktash seemed to wish, to list only the federal powers with all residual powers lying automatically with the provinces.

When it came to the executive, the Turkish Cypriots insisted that the Presidency should be held by each community in rotation. This was unacceptable given the population balance in Cyprus. The Greek Cypriot view was that the roles of the President and the Vice-President should be maintained as set out in the 1960 constitution. If the President was elected by the population as a whole, this could give the Turkish Cypriots significant opportunities in a multiparty state to influence the actual choice of President.

As regards the legislature, he had said to Perez de Cuellar that he preferred a unicameral system but would not reject a bicameral one. In reply to a question from Mr. Jenkins whether he could accept a fifty:fifty representation in the Upper Chamber, President Kyprianou said that he had spoken only of "increased" Turkish Cypriot representation. He could not show his hand on all points at this stage. Otherwise the Turkish Cypriots just swallowed his concessions without giving anything in return.

In reply to a question from Mr. Jenkins, President Kyprianou said that he was willing to offer Turkish Cypriots a role in Cyprus's overseas representation.

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The Prime Minister said that Denktash's calculation seemed to be that time was on his side and if he just sat tight he would achieve his goal of a separate state. It seemed to her that President Kyprianou's bottom line was that a unitary state, even with very limited powers for the federal government, was better than total separation. A great deal therefore depended on finding a solution to the constitutional issues and particularly the Presidency. President Kyprianou said that the Turkish Cypriots could not ask for too much. The 1960 constitution already gave the Vice-President substantial powers. Now, in addition, the Turkish Cypriots were being offered full autonomy and a bicameral legislature. He was prepared to agree that the Vice-President rather than the President of the House of Representatives should deputize for the President. It was hard to see what more he could offer. The Prime Minister asked whether President Kyprianou could envisage minor changes to the 1960 constitution. President Kyprianou said that he was ready to show flexibility but so far had met with no matching response. One had to remember that federation used to be unthinkable. The Greek Cypriots had moved a long way. The Turkish Cypriots were now being offered a very privileged position.

The Prime Minister asked about the prospects of re-opening Nicosia airport as a confidence-building measure. President Kyprianou doubted whether a deal could be done on the basis of opening Nicosia airport in return for a territorial offer. It was first necessary to remove the obstacles to re-opening. Wider issues were involved which were more appropriate to an overall settlement.

President Kyprianou repeated his conviction that basically Denktash was not interested in a settlement and that at the end of October matters would be where they were now. But he was ready to keep on trying. He hoped very much that the United Kingdom and others would take action with the Turkish Government before the resumption of talks in mid-October. The Prime Minister said that she doubted whether Turkey wanted the burden, economic and political, of supporting an isolated Turkish Cypriot state. Sir Geoffrey Howe would be seeing his Turkish colleague in New York. We would seek to clarify Turkish and Turkish Cypriot positions. The Prime Minister continued that the crucial question concerned Denktash's real intentions. Had he decided to go the federal route and hold out for the most favourable possible arrangements? Or was he just wasting time in the belief that every day brought him nearer the goal of a separate Turkish Cypriot state? It seemed to her that the question of the Presidency/Vice-President was probably crucial in this respect. Denktash's prestige would be greatly increased if he were Vice-President of a united and internationally recognised Cyprus.

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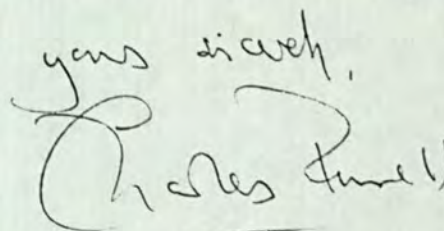
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The Prime Minister continued that she wanted to be sure that she had understood President Kyprianou's position properly. He was ready to have a bizonal country with a federal government and a bicameral legislature, and to negotiate on the distribution of powers in the executive. Was this a fair summary? President Kyprianou confirmed that it was. But he doubted even so whether there would be an adequate response from Denktash. The situation would be very difficult if the talks failed. The Prime Minister said that it was very important to avoid a breakdown. She was confident that Perez de Cuellar would make every effort to take matters a stage further, even if only a small step. Perez de Cuellar had our full support and we would do all we could to prevent failure. President Kyprianou said that he was convinced that the arrangements which he was prepared to offer would actually be better for the Turkish Cypriots than independence. The problems between the Turkish and Greek Cypriot communities themselves were relatively minor. He himself would never be an obstacle to a settlement: he would step down if necessary. But there would not be a settlement unless some pressure could be brought to bear on the Turkish Government. That was the only way to move Denktash, who appeared to be losing support in the Turkish Cypriot community itself.

As President Kyprianou prepared to leave, the Prime Minister said that she hoped she could count on Cyprus not to support an Argentine resolution on the Falklands at the United Nations. President Kyprianou appeared to take the point.

The Prime Minister instructed afterwards that Sir Geoffrey Howe be given a full account of this discussion before he sees the Turkish Foreign Minister. Perez de Cuellar should also be briefed on it by Sir J. Thomson and the Americans informed at a high level. In both cases, it was important to preserve confidentiality.

I am sending a copy of this letter to Richard Mottram (Ministry of Defence) and Richard Hatfield (Cabinet Office).

yours sincerely,


(C.D. POWELL)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

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