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CYPRUS

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TELEGRAM 14 OF 11 JANUARY 85.

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INFO SAVING BONN, PARIS, ROME, UKREP BRUSSLES, UKDEL NATO,

MODUK (DSC AND DS11), CBFC.

CYPRUS PROBLEM.

SUMMARY.

KYPRIANOU PLANNING TO DISCUSS IN ATHENS AND LONDON THE SUBJECTS OF MAINLAND TROOP CONTINGENTS AND OF GUARANTEES. ENCOURAGING GREEK CYPRIOT PERCEPTION OF A NEW POSITIVE INTEREST BY PAPANDEOU IN A SETTLEMENT. UNCERTAINTY ABOUT DENKTASH'S OWN MOTIVES AND HOW BEST TO HANDLE HIM. HOPE MORE OF KEEPING THE PROCESS GOING THAN OF ACHIEVING A CLEAR-CUT RESULT IN TWO DAYS IN NEW YORK. WORRIES ABOUT POLITICAL ACCEPTABILITY OF A SETTLEMENT IN THE SOUTH.

DETAIL.

1. I HAD A SHORT TALK WITH KYPRIANOU AND A LONGER ONE WITH IACOVOU ON 10 JANUARY AS A CURTAIN-RAISER FOR THEIR MEETING WITH THE PRIME MINISTER AND YOURSELF ON 14 JANUARY. I THOUGHT KYPRIANOU LOOKED RATHER RELAXED AND PLEASED WITH HIMSELF, HAVING SCRAPPED HIS ALLIANCE WITH AKEL, RESHUFFLED HIS GOVERNMENT AND GENERALLY ASSERTED HIS LEADERSHIP. HE WAS NOT AS APPREHENSIVE IN ADVANCE OF THE HIGH LEVEL MEETING AS I WOULD FORMERLY HAVE EXPECTED HIM TO BE.

2. IN ANSWER TO MY QUESTION, KYPRIANOU SAID THAT HE LOOKED FORWARD IN LONDON TO GOING OVER THE MAIN POINTS OF THE NEGOTIATIONS (IACOVOU LATER PLACED SPECIAL EMPHASIS ON THE NEED FOR THE CONSTITUTION TO BE WORKABLE, WHICH HE SAID THE PRIME MINISTER UNDERSTOOD PARTICULARLY WELL). KYPRIANOU ADDED HOWEVER

MINISTER UNDERSTOOD PARTICULARLY WELL). KYPRIANOU ADDED HOWEVER THAT BOTH IN ATHENS AND IN LONDON HE WISED TO DISCUSS THE SUBJECTS OF MAINLAND TROOP CONTINGENTS AND OF GUARANTEES, WITH WHICH GREECE AND BRITAIN HAD A PARTICULAR INVOLVEMENT UNDER THE 1960 TREATIES. KYPRIANOU CONFIRMED THAT HE HAD TOLD THE UN SECRETARY-GENERAL THAT HE WOULD BE PREPARED RELUCTANTLY TO ACCEPT THE CONTINUED PRESENCE OF GREEK AND TURKISH TROOP CONTINGENTS (AS UNDER THE TREATY OF ALLIANCE) FOR A LIMITED PERIOD. ON GUARANTEES HIS POSITION REMAINED AS IN MY LAST CONVERSATION WITH HIM (MY TEL NO 565). MACOVU TOOK THE LINE THAT THE QUESTION OF GUARANTEES WENT OUTSIDE THE INTERCOMMUNAL SCOPE OF THE TALKS IN NEW YORK AND COULD NOT BE SETTLED THERE. IT WOULD CERTAINLY BE RAISED BUT HE HOPED IT COULD BE SET ASIDE. AT ONE POINT MACOVU, STRESSING THAT THE EVENTUAL PACKAGE WOULD HAVE TO BE WEIGHED AS A WHOLE, GAVE A HINT THAT IF THE GREEK CYPRIOTS COULD BE SATISFIED THAT THE NEW CONSTITUTION WOULD PROVE WORKABLE, THEY WOULD BE LESS CONCERNED ABOUT WHAT GUARANTEES THERE WERE.

3. IN DISCUSSING THE APPROPRIATE DEGREE OF OPTIMISM WITH WHICH TO APPROACH THE HIGH LEVEL MEETING, KYPRIANOU REMARKED LAUGHINGLY THAT PAPANDREOU APPEARED TO BE MORE OPTIMISTIC THAN HIMSELF AND HAD CLAIMED ON THE TELEPHONE TO HAVE SOME UNSPECIFIED EVIDENCE TO SUPPORT HIS VIEW. KYPRIANOU SAID THAT BOTH PRESIDENT KARAMANLIS AND PAPANDREOU RECOGNISED THE DESIRABILITY OF AN EARLY SETTLEMENT OF THE CYPRUS PROBLEM SINCE, UNTIL THIS WAS OUT OF THE WAY, OTHER ISSUES BETWEEN GREECE AND TURKEY COULD NOT BE TACKLED. MACOVU PUT IT IN TERMS THAT PAPANDREOU WAS NOW APPROACHING A CYPRUS SETTLEMENT WITH ALL THE ENTHUSIASM OF THE RECENT CONVERT. MACOVU CLAIMED TO HAVE POINTED OUT TO PAPANDREOU THE POTENTIAL ELECTORAL ADVANTAGE TO HIMSELF OF A SETTLEMENT, AND TO HAVE HEARD FROM PASOK SOURCES THAT THIS PENNY HAD DROPPED.

4. ON THE ACTUAL CONDUCT OF THE HIGH LEVEL MEETING MACOVU EXPRESSED THE HOPE THAT PEREZ DE CUELLAR WOULD KEEP A FIRM GRIP AND PREVENT LONG AND ACRIMONIOUS GENERAL STATEMENTS. MACOVU LOOKED FORWARD TO A STRUCTURED DISCUSSION ON THE FIRST DAY OF THE POINTS EACH SIDE HAD TO RAISE, LEAVING THE SECOND DAY FREE TO TREAT THE PACKAGE AS A WHOLE. HE DOUBTED IF FULL AGREEMENT COULD BE REACHED IN TWO DAYS, BUT CLEARLY HOPED FOR A SERIOUS AND BUSINESSLIKE DISCUSSION AND, ABOVE ALL, FOR THE PROCESS TO BE KEPT GOING. THE GREEK CYPRIOT APPROACH DOES NOT THEREFORE APPEAR TO BE MUCH OUT OF LINE WITH THAT OF PEREZ DE CUELLAR (UKMIS NEW YORK TEL NO 10). ALTHOUGH MACOVU RECOGNISED THAT THERE HAD BEEN AN IMPROVED TONE IN SOME OF DENKTASH'S RECENT STATEMENTS (MY TEL 13), HE STILL REMAINED SCEPTICAL OF HIS REAL INTENTIONS, SAYING THAT, NOW THAT HE HAD HAD TO GIVE UP THE IDEA OF A ROTATING PRESIDENCY, HE COULD NOT SEE THAT DENKTASH HAD ANY PERSONAL REASON LEFT FOR WANTING A SETTLEMENT. MACOVU WAS ALSO MUCH CONCERNED ABOUT HOW TO COUNTER DENKTASH'S TENDENCY TO HISTORIONICS. (HE HAD EVEN COMMISSIONED A PROFESSIONAL PSYCHOLOGICAL STUDY OF THIS). MACOVU HAD TWO PERSONAL THOUGHTS ABOUT IT. THE FIRST WAS THAT IT WOULD BE BEST FOR PEREZ DE CUELLAR TO MEET WITH THE TWO LEADERS ALONE, IN ORDER TO DEPRIVE DENKTASH OF A GALLERY TO PLAY TO. SECONDLY HE HOPED THAT, AS DURING THE THIRD ROUND OF PROXIMITY TALKS, THE TURKISH GOVERNMENT WOULD HAVE A SENIOR OFFICIAL ON THE SPOT IN NEW YORK AS A

WOULD HAVE A SENIOR OFFICIAL ON THE SPOT IN NEW YORK AS A DIRECT LINK WITH THE SECRETARY-GENERAL. THIS WAS VITAL, BECAUSE (AS HALEFOGLU HAD TOLD HIM) DENKTASH WAS ALL TOO PROME TO SEND MISLEADING REPORTS TO ANKARA WHO ANYWAY (BECAUSE OF THE TIME FACTOR) WOULD NOT BE ABLE TO GUIDE HIM FROM A DISTANCE.

5. I AM SURE THAT THE GREEK CYPRIOTS WILL STRESS IN NEW YORK THE IMPORTANCE OF THE QUALITY OF THE TERRITORY TO BE RESTORED TO THEM (PARA 3 OF UKMIS NEW YORK TUR). MACOVOU WAS PARTICULARLY EMPHATIC ABOUT THIS. HE SAID THAT A MAP COULD BE DRAWN, LEAVING THE TURKISH CYPRIOTS WITH 29%, IN SUCH A WAY AS TO PERMIT AS MANY AS 90 TO 100,000 GREEK CYPRIOT REFUGEES TO RETURN TO THEIR OWN HOMES, OR AS FEW AS 40,000. THE FORMER WAS NECESSARY IF THE GOVERNMENT WERE TO WIN THE SUPPORT OF THE MAJORITY OF THE 160,000 REFUGEES (ALMOST ONE-THIRD OF THE POPULATION FOR A SETTLEMENT. THEY WERE THE PEOPLE WITH MOST AT STAKE. A LOT OF OTHER PEOPLE HAD NO REAL INTEREST IN A SETTLEMENT AT ALL AND WOULD BE FINANCIALLY WORSE OFF FROM ONE, BECAUSE OF THE LIKELY DROP IN PROPERTY VALUES ELSEWHERE IF FAMAGUSTA WERE REOPENED AND BECAUSE OF THE HEAVY COST OF SUPPORTING THE TURKISH CYPRIOT ECONOMY. (MACOVOU INTERJECTED THAT HE HAD REFUSED TO ALLOW A STUDY OF THE LATTER FOR FEAR THAT IT WOULD ALARM HIS COLLEAGUES TOO MUCH). IN THE SAME POLITICAL CONTEXT OF THE ACCEPTABILITY OF A SETTLEMENT MACOVOU ALSO STRESSED THE IMPORTANCE OF THE THREE FREEDOMS. ON THE MOST DIFFICULT ONE, FREEDOM OF SETTLEMENT, HE TOOK THE LINE THAT AT LEAST THE PRINCIPAL MUST BE PRESERVED, EVEN IF ITS IMPLEMENTATION WERE DELAYED FOR AS LONG AS 20 YEARS, WITH PEOPLE HAVING THE OPTION OF TAKING COMPENSATION FOR THEIR PROPERTY IF THEY DID NOT WISH TO WAIT THAT LONG. MACOVOU REMARKED THAT KYPRIANOU HAD NOW PUT HIMSELF IN FRONT OF THE OTHER PARTY LEADERS, BOTH BY TAKING THE DECISION TO GO TO THE HIGH LEVEL MEETING WITHOUT HIS PRECONDITIONS HAVING BEEN FULLY SATISFIED, AND BY TAKING A MORE POSITIVE APPROACH THAN THE OTHERS TO PEREX DE CUELLAR'S DRAFT AGREEMENT. MACOVOU FEARED THAT IF HE CAME BACK WITH AN AGREEMENT THAT WAS OPEN TO SERIOUS CRITICISM KYPRIANOU WOULD NOT BE ABLE TO RELY ON THE SUPPORT EITHER OF AKEL (WHO WERE ONLY INTERESTED IN THE QUESTION OF "FOREIGN BASES") OR OF CLERIDES, WHO WAS ALREADY BECOMING INCREASINGLY CRITICAL OF THE DRAFT AGREEMENT.

6. FCO PLEASE PASS SAVING ADDRESSEES.

WILBERFOCE

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