

CONFIDENTIAL

10 DOWNING STREET

From the Private Secretary

14 January 1985

Dear Colin,

MEETING BETWEEN THE PRIME MINISTER AND PRESIDENT KYPRIANOU AT
10 DOWNING STREET ON 14 JANUARY 1985 AT 1630 HOURS

The Prime Minister saw President Kyprianou this afternoon. He was accompanied by Mr. Iacovu and the Cyprus High Commissioner. Sir Geoffrey Howe was also present.

The Prime Minister invited President Kyprianou to let her have his assessment of the prospects for the high level meeting in New York on 17 January. She knew that the United Nations Secretary General had high hopes of it. She was convinced that the Turkish Government wanted a settlement. However, President Kyprianou clearly had a difficult hand to play tactically. President Kyprianou asked whether the Prime Minister was convinced that the Turkish Government had taken the political decision to go for a settlement. The Prime Minister said that she took the view that Turkey wanted a settlement and had so indicated to Denktash. This was not necessarily the same as saying that Denktash himself wanted a settlement.

President Kyprianou said that he had encouraged the Secretary General to convene the high level meeting even though many important issues had not been resolved in advance of it. His hope was that there could be a constructive dialogue on all the issues at the meeting. The aim should be to agree upon the framework for a settlement, though plainly it would not be possible to settle all the points of substance. Significant progress had been made both on the constitution and on the territorial aspects of a settlement. There were still points upon which the Turkish Cypriot position was not clear. For instance, they talked of giving special status to some areas but had not explained what this meant or how large the areas would be. They might, for instance, have in mind federal areas on the model of Washington D.C. Then there was the question of Famagusta and Varosha. Their 1981 proposals were not the last word: the Turkish Cypriots appeared ready to discuss these further. On the constitution, the Turkish Cypriots had abandoned their demand to have a rotating Presidency, and had agreed that the Executive should be as under the 1960 constitution. They had wanted a veto or weighted voting on all decisions of the Executive, but might be ready to limit this to matters of special concern to the Turkish Cypriot community.

They had demanded that the Foreign Minister should always be a Turkish Cypriot. But this was patently unreasonable and unnecessary and was probably a negotiating position. The Greek Cypriots were perfectly prepared to discuss allocation of ministerial portfolios. On the legislature, the Turkish Cypriots had not moved from their earlier positions but there were grounds to hope for some flexibility here on the principle of special rights for special matters.

President Kyprianou continued that his principal worry was that he would face serious difficulties with Denktash on withdrawal of Turkish troops, on guarantees and on the fundamental freedoms. Denktash had apparently reiterated that day in Ankara that there would be no agreement unless Turkey remained a guarantor power. He was also on record as saying that if the Greek Cypriots thought that they would achieve full freedom of movement and of settlement, they would be disillusioned. President Kyprianou said that he would have to make clear that it was inconceivable to have an agreement which would allow Turkish troops to remain in Cyprus. Indeed he wanted to see all troops out. Otherwise a single incident could create a new Cyprus problem as had happened in 1963. The more that Greece and Turkey disengaged, the better for Cyprus.

President Kyprianou continued, emphasising that he was now speaking personally, and thinking aloud, that he wondered whether the best guarantee of a settlement might not be to have Cyprus a full member both of the European Community and of NATO. He thought this would both help create unity in Cyprus and avoid the need for specific guarantees.

The Prime Minister said that she thought that President Kyprianou had done brilliantly so far in a very difficult situation. She could well understand his trepidation in advance of what could be a critical meeting. She was sure he would have worked out how he intended to handle the discussions under the Secretary General's auspices. She sympathised with the difficulties of dealing with Mr. Denktash with his liking for posturing. She hoped that President Kyprianou would speak frankly to Senor Perez de Cuellar before the high level talks to give him a clear understanding of what were the Greek Cypriots' basic demands and the areas in which they might be able to consider concessions. Her advice would be to concentrate in the first instance on settling constitutional and territorial problems, leaving the question of troop withdrawals until later. It would of course have to be made clear that agreement on some points depended on agreement upon all. This was the tactic which Britain had pursued in the Hong Kong negotiations. It would be a tremendous feather in President Kyprianou's cap to get agreement on a return to a unitary state of Cyprus.

President Kyprianou said that if sufficient progress were made at the high level meeting later this week, he would prefer to hold further such meetings rather than remit problems to working groups. The latter was a recipe for delay. The Prime Minister agreed that it was important to keep Senor Perez de Cuellar directly involved. President Kyprianou continued that he hoped the Prime Minister would consider informally his

suggestions about Cyprus' membership of the European Community and NATO. He realised that this might seem unrealistic but he was persuaded that it offered the best long term hope for a lasting solution. He stressed that he had no intention of proposing this to the Secretary General at this stage. Sir Geoffrey Howe said that there was a risk that floating these ideas would create fresh complications. It was quite clear that Turkey would insist upon remaining a guarantor power. The Prime Minister agreed that it would be difficult to move away from the existing arrangements for guarantees.

President Kyprianou said that he noted the Prime Minister's advice that the question of troop withdrawals should be put on one side for the time being. He was not sure about this. It was unrealistic to expect the Cyprus Government to relinquish its authority before Turkish troops were withdrawn. The Prime Minister said that if agreement could be reached on territorial and constitutional problems it would create an incentive to agree subsequently upon the most difficult points such as troop withdrawals. Agreement on territory and the constitution would bind Denktash into a settlement and make it more difficult for him to backslide. It was very important to avoid a Turkish Cypriot walkout with the blame pinned on the Greek Cypriots. The fact was that Denktash had built up rather a strong tactical position by appearing to have accepted the Secretary General's text in full. Mr. Iacovu said that the question of Turkish troops was the Greek Cypriots' strongest card. They had international support for getting them out. If the negotiations were to fail - President Kyprianou intervened to say that he would be doing everything possible to prevent this - then it was to the Greek Cypriots' advantage that they should do so on the issues of withdrawal of troops and the international status of Cyprus. President Kyprianou said that withdrawal was so important and so much linked to all other issues that it had to be raised at the first stage, though guarantees might be left until later. The Prime Minister again urged that the less difficult problems be addressed first with agreement on them contingent upon agreement on all issues. Mr. Iacovu said that the fact that the issue of troop withdrawals was raised at an early stage would not necessarily mean that the Greek Cypriots expected to make progress on it. Several issues would no doubt have to be left for later.

The Prime Minister said that President Kyprianou should not take too gloomy a view of Denktash's intentions. He would surely not have agreed to the high level meeting had he not wanted to negotiate. He was clearly under pressure from Turkey. Outsiders could often play a helpful role in such negotiations. She recalled the part played by President Machel of Mozambique in securing progress over Rhodesia. We had been in touch with the Turkish Government and she was prepared to go on urging Turkey to press Denktash to negotiate. President Kyprianou welcomed this and asked again whether the Prime Minister would give consideration to his ideas about the European Community and NATO. The Prime Minister said that she would study them but they would not be easy. Sir Geoffrey Howe pointed out the considerable difficulties which the European Community already faced in enlargement negotiations.

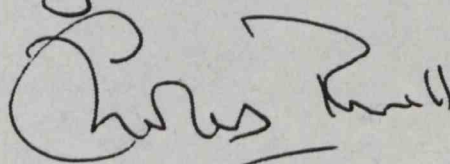
President Kyprianou repeated that he believed that membership of the Community could contribute to solving the Cyprus problem. The Prime Minister pointed out that raising this issue might only encourage Turkey to apply for membership. The involvement of the Secretary General meant that the United Nations' authority would be fully engaged in sustaining any settlement achieved. She came back always to the question of priorities. She wanted to urge President Kyprianou not to try to force the question of withdrawal of Turkish troops too early in the discussions. To do so would risk a breakdown.

Mr. Iacovu said that a point to be remembered in relation to territory was that the issue went beyond area to the number of Greek Cypriots who would be allowed to return home. Perhaps the special status areas mentioned by Denktash would help deal with this.

The Prime Minister said that she recognised President Kyprianou's predicament. But he had done very well so far and must go on. If the negotiations were to fail it must be clear that it was not his fault. During the Hong Kong negotiations she had often wondered whether a solution was attainable. One simply had to go on trying. President Kyprianou urged the Prime Minister to press on the Turkish Government the importance of being reasonable on troop withdrawals. The Prime Minister undertook to do this but repeated that she thought that the problem was only soluble if others were settled first. President Kyprianou should make clear that there would be no overall settlement unless there was agreement on troop withdrawals but should be ready to discuss other problems in the first instance.

At the end of the meeting President Kyprianou said that he had been advised to raise the problems of grants for Cyprus' students. The Prime Minister proposed that this should be pursued by the High Commissioner with the Foreign and Commonwealth Office.

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

Yours sincerely,


(C.D. Powell)

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Foreign and Commonwealth Office