

PRIME MINISTER

Hugh Rossi is coming to talk to you about Cyprus.

Jim Spicer just popped in to see me briefly beforehand to say that if Hugh raises Mr. Clerides and suggests that perhaps the Party is not doing enough for him, Jim assures me that he is making sure the Party is doing everything possible; indeed he and Clerides are close personal friends; and according to Jim you should have no worries on that score.

Ss.

A handwritten signature in blue ink, appearing to be 'J. W.', with a horizontal line through it.

STEPHEN SHERBOURNE

9 July 1985



COO. 9/7

Mr. Powell

With the compliments of

THE PRIVATE SECRETARY

**FOREIGN AND COMMONWEALTH OFFICE
SW1A 2AH**

IME MINISTER'S MEETING WITH SIR HUGH ROSSI MP; 9 JULY

Cyprus: Recent developments

Current situation and way forward

1. On 6 April, after much domestic and international pressure, Kyprianou finally accepted UN Secretary General's revised documentation "without qualification". This documentation consists of a draft agreement laying the framework for a united federal Cyprus, which includes some changes to the draft which Kyprianou rejected in January, plus a draft statement which the Secretary-General would make on the announcement of agreement between the two leaders. The latter takes account of some Greek Cypriot concerns, but not yet those of Denktash. While we have seen the draft agreement, we have not been shown the draft statement: we judge that the UN Secretariat are intentionally trying to minimise the significance of the changes made since January.

2. After Kyprianou's acceptance, UN attention turned to persuading Denktash to do likewise. But, although he exchanged letters with the Secretary-General, Denktash preferred to concentrate on his constitutional developments and renewing his mandate. Following the Turkish Cypriot general election on 23 June, that process is now complete.

3. The Secretary-General wrote on 1 July to Evren, Papandreou, Kyprianou and Denktash. His plan is to meet Denktash in early August, when he would secure his agreement to the revised documentation, and then hold another series of proximity talks, leading to final high level agreement in early September. This is an optimistic scenario but it is right for him to press on if he can. He accepts our view, as do the Americans and Germans, that the time is not yet right for international pressure to be applied to Ankara. Much will depend how Denktash plays his hand initially.

Turkish position

4. The Turks have maintained that, while they could not prevent the constitutional moves in northern Cyprus, they still supported



the Secretary-General's initiative. Recently they have been giving contradictory signals about their willingness to press Denktash. Any apparent inflexibility may be a negotiating tactic, stimulated by Kyprianou's current political weakness rather than a permanent change of heart. Denktash is now due to give detailed comments on the UN documentation and has indicated he would agree to meet Perez de Cuellar to discuss it: this meeting would balance the latter's meeting with Kyprianou in March.

Greek/Cypriot position

5. Greek Cypriot reaction to constitutional developments in the north was relatively restrained. They welcomed our comments to the press on the referendum and elections and the Ten's statement following the "presidential" election on 9 June.

6. Despite his eventual acceptance of the UN documentation, Kyprianou continues to face strong domestic political criticism both of his handling of the UN negotiations and of his supposed failure to consult widely enough in Cyprus about tactics. His position as President is not immediately threatened but, with only a small parliamentary following, he will need to take care not to provoke the main opposition parties AKEL (Communist) and Rally (centre-right) still further. He may try to forge an alliance with one of the parties to safeguard his position.

British action

7. We have been in close contact with all parties to the dispute throughout the Secretary-General's initiative and beforehand. We drafted the Security Council resolution deploring Turkish Cypriot UDI in November 1983. The Prime Minister sent messages to Ozal and Kyprianou immediately after the high level meeting in January. The Foreign Secretary of State had talks on Cyprus with the Turkish leaders during his visit in February while the Prime Minister met Kyprianou in London on 8 March (fourth time since the start of the initiative). We complied with a request from the Secretary General in April to ask the Turks to encourage Denktash to respond positively to the Secretary General. The Foreign Secretary had further talks with the Turkish Foreign Minister on 6 June at the North Atlantic Council in Lisbon.