

CONFIDENTIAL

PRIME MINISTER

Meeting with President Kyprianou, 8 March

He is coming for an hour tomorrow. He will be accompanied by his Foreign Minister, Mr. Iacovu and the Cyprus High Commissioner. Sir Geoffrey Howe will also be present. Briefing is attached.

Perez de Cuellar has asked you to do all you can to persuade Kyprianou to accept the 17 January documentation. Kyprianou is under strong pressure at home to do so. He will no doubt wriggle. But you will have to bring him relentlessly back to the point: if he doesn't accept the 17 January documentation, he is not going to get back a unified Cyprus and will be blamed publicly. Equally you can say that if he does accept it, we shall be in a better position to go back to the Turks to urge flexibility in the negotiations and restraint on constitutional developments in the North. The onus will then be on Denktash.

C.D.P.

(C.D. Powell)

7 March 1985



PRIME MINISTER'S MEETING PRESIDENT KYPRIANOU OF CYPRUS:

3.00 PM FRIDAY 8 MARCH

Our Objectives

To persuade the President:

- (a) to accept/endorse 17 January documentation (in line with UN Secretary General's request to Prime Minister - para 8 background)
- (b) that Turks will not push Denktash further
- (c) he should not expect more concessions from Denktash at this stage.

Arguments

- (a) clear endorsement of documentation contingent on agreement on all issues will restore some of the tactical advantage to Kyprianou and offer Secretary-General chance to press Denktash into early high level meeting;
- (b) Turks told Sir Geoffrey Howe they will not push Denktash further in present circumstances. Further pressure on them likely to be counter-productive. A new set of circumstances must be created.
- (c) attempts to renegotiate documentation risks losing everything.

Tactical arguments

Kyprianou failed to heed Prime Minister's advice at last meeting (see Annex A) and reiterated over weekend of high level meeting. Kyprianou's tactics played into Denktash's hands who is now holding elections and consolidating 'TRNC' constitution. Opinion in Cyprus also seems to favour acceptance.

His/



His objectives

- (a) to defend position he took at high level meeting and blame the other side or the Secretary General;
- (b) to urge us to press Denktash/Turks to "clarify", ie concede on, major issues eg troop withdrawals;
- (c) to seek our advice on next steps, particularly his meeting with Secretary-General on 11 March;
- (d) (possibly) to explore chance of some form of NATO or EC involvement to serve as a guarantee.

Your response

- (a) We are not trying to blame anyone: we want to avoid current opportunity being lost;
- (b) We have pressed Turks not to withdraw concessions already made in 17 January documentation; best that can be hoped for;
- (c) Kyprianou should endorse documentation at meeting with Secretary-General on 11 March;
- (d) Would welcome close relationship between Cyprus and the West. But Turks will insist on existing guarantees. Best not to pursue membership of either NATO or EC now: to do so risks seriously complicating Secretary-General's initiative. NATO guarantee would jeopardise UN's "good offices" role given your current non-aligned status. Unlikely NATO members would want to guarantee Cyprus against one of its own members. Membership of either institution would require a settlement in advance as first step.



PRIME MINISTER'S MEETING PRESIDENT KYPRIANOU 8 MARCH

ADVANCE PRESS LINE ON THE RECORD

The Prime Minister had a further exchange with President Kyprianou on the Cyprus question for one hour on Friday 8 March. The last such meeting took place on 14 January. Sir Geoffrey Howe and the Cyprus Foreign Minister and High Commissioner were also present.

The Prime Minister repeated our support for a unified Cyprus and expressed her support for the efforts of the Secretary-General to make progress towards a settlement to the problem.





## BACKGROUND

1. Meeting at President Kyprianou's request. Wishes to discuss state of Cyprus problem after failure of New York high level meeting on 20 January. Prime Minister last met Kyprianou on 14 January.
2. Kyprianou and Denktash disagreed about purpose of high level meeting: Denktash came to sign draft high level agreement, Kyprianou to negotiate before signing. Kyprianou played his hand badly and failed to heed the Prime Minister's tactical advice (Record at Annex A) to raise least contentious issues first and make agreement on them contingent on agreement on entire package. Instead he called into question nearly every point of substance in documentation, including concepts of bizonality and political equality.
3. Kyprianou now faces political crisis at home: main opposition parties - AKEL (communist) and Rally (centre-right) - secured on 22 February parliamentary resolution critical of handling of 17 January meeting, calling for acceptance of what was agreed at proximity talks and, failing that, presidential elections. Kyprianou has rejected calls for his resignation (would only lead to "new dangers"), using unconvincing constitutional arguments. Clerides (Leader, Rally Party) currently poses the greatest threat. But Kyprianou should ride out storm.
4. Denktash delighted by Kyprianou's mishandling. Has capitalised on it. Now considering presidential elections end April. Would need to be preceded by completion of drafting of new "TRNC" constitution, (beginning March), a referendum to approve it (end March) and presumably adoption. This would greatly consolidate "TRNC" and reverse initial low key Greek Cypriot reaction to Denktash's original announcement of parliamentary and presidential elections in June. Position still not clear. Denktash says he will not attend another meeting before elections (not clear whether parliamentary or presidential) but is ready to remain in contact with Kyprianou either directly or through UN Acting Representative (Holger).



5. Kyprianou's publically says he is prepared to attend any meetings Secretary General can arrange, but issues of troop withdrawals, territory, "three freedoms" (ie. movement, property and settlement) and guarantees still need to be negotiated. He may be more flexible in private and looking for excuse to climb down: but recent political misjudgements have been uncharacteristic.
6. Turkish position has hardened. They consider their flexibility has elicited nothing from Kyprianou. Secretary of State confirmed on his recent visit (11-13 February) that they will not press Denktash to drop his plans for elections, or to attend meetings beforehand. Though they will not state so publicly, we believe concessions they extracted from Denktash on territory and constitution still stand. Greeks unlikely to be obstructive. Opposition leader (Mitsotakis) has called for conference of Greek and Cypriot political parties. Rejected by Greek Government spokesman.
7. UN Secretary General due to meet Kyprianou in Geneva on 11 March. He will press for endorsement of 17 January documentation with only cosmetic changes to save Kyprianou's face. Would then urge Denktash to accept a first high level meeting (around end March). This would approve documentation and take a decision on second high level meeting for end June/beginning July to discuss outstanding issues. Some working groups could be set up after first high level meeting.
8. At our prompting Secretary General has suggested that the Prime Minister should press Kyprianou to agree during 11 March meeting the substance of the existing documentation. Secretary General stressed that acceptance would be implicitly qualified by assumption that further negotiations had to take place. Hoped Prime Minister would put Kyprianou in "right frame of mind" to do this.
9. Prime Minister sent messages to Özal and Kyprianou on 24 January. Ozal replied on 9 February. Have been in close touch with the Americans and FRG. Secretary General has asked Americans for

help./





help. Reagan sent message to Kyprianou on 28 February, urging "statesmanship". Did not specifically mention 17 January documentation, but held out carrot of meeting if progress were made.

Cyprus Membership of EC and NATO

10. This was raised at last meeting. On NATO, we, FRG and Americans think that strategic advantages would be outweighed by the risks of introducing Cyprus problem into southern flank. No advantage either to us or EC of Cypriot membership of EC.

11. Iacovou modified this idea in talking to Lord Carrington on 14 February. Proposed a NATO guarantee in return for facilities on island. Carrington said he foresaw difficulties.

12. Idea seems non starter. 16 Allies unlikely to agree to become guarantors. Greece and Turkey would never agree on details. NATO clearly could not guarantee Cyprus against potential threats from fellow members. Risks embroiling NATO further in Aegean disputes. Advantages of unspecified NATO facilities on island do not look worth this risk. Americans agree. Kyprianou needs to concentrate on present negotiations and put other ideas aside.

13. A settled, Western oriented Cyprus could be an interesting partner for NATO: but not a divided Cyprus intent on using the Alliance opportunely.