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10 DOWNING STREET

From the Private Secretary

8 May 1986

Thank you for your letter of 8 May about Cyprus, but I am not sure that it entirely addresses the point.

The Prime Minister does not want the talks on Cyprus to break down. Nor is she longing for a separate British initiative. Her point is that the Secretary-General repeatedly urges her to tell Kyprianou that either he must accept the United Nations proposal by a certain date or efforts to reach a settlement will fail and there will be a new situation. The Prime Minister loyally carries out the Secretary-General's request only to find that when the date comes, it is not quite like that. I note that the latest telegram from UKMIS New York has the Secretary-General expressing determination to call Kyprianou's bluff. No doubt we shall learn more of what the Secretary-General intends next week. But until he does actually call Kyprianou's bluff, I do not think he can legitimately ask the Prime Minister to support any more deadlines.

(C. D. POWELL)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

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Foreign and Commonwealth Office

London SW1A 2AH

8 May 1986

Dear Charles,

Cyprus

Thank you for your letter of 30 April recording the Prime Minister's concern about the UN Secretary-General's apparent lack of urgency over Cyprus.

It is of course difficult not to feel a deep sense of frustration over Cyprus when neither side appears to have the courage or imagination to lead their community towards a viable and just settlement. The UN, and especially Sr Perez de Cuellar, feel this frustration and anger particularly keenly.

Nevertheless, the Secretary-General's tactics of playing down President Kyprianou's entirely unhelpful response was arguably the most sensible reaction in a difficult situation. Any other reaction from him would, after all, have risked provoking a collapse of his initiative. We agree with Mr Shultz's comment to the Foreign Secretary in Tokyo that, if that were to happen, we should be "in deep trouble". The nature of the Secretary-General's office is such that strong public criticism of Kyprianou is a difficult course for him, especially when Kyprianou's position is supported by all other parties in Greek Cyprus (though he is not afraid of putting private pressure on Kyprianou, as is clear from UKMis telegram number 461 of today's date - enclosed). If he is to succeed he needs the co-operation, trust and confidence of both sides. Hence his need for help from the international community and his particular request to us for specific help to put the pressure on Kyprianou. He has always made quite clear his deep appreciation of the Prime Minister's interventions. This same message came over clearly during a visit by FCO officials to New York last week.

As the Foreign Secretary mentioned to the Prime Minister last week, a breakdown in the Secretary-General's initiative would pose very serious problems for us. Our key objective in Cyprus is to maintain full use of our Sovereign Base Areas. For this we need peace and stability on the island and the co-operation and goodwill of the Greek Cypriots. Perez de Cuellar's initiative provides us with both. It fills a potentially dangerous vacuum by engaging the parties in negotiations and it allows us to take the supporting role both communities expect without us being too exposed on Cyprus. We have thus been content to see him in the lead.

It is tempting to think of a separate British initiative aimed at solving the communal problem, ending our expenditure on UNFICYP and achieving our objective with regard to the Bases.

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But in view of Kyprianou's attitude towards the perfectly reasonable settlement now on offer, this would be a very high-risk policy. There is no US or Western European interest in joining us to take over Perez de Cuellar's cross and no reason to think we could carry it successfully along. We would risk our unencumbered use of the SBAs (important at times to the US) and complicate our dealings with Turkey and Greece as well as Cyprus.

The Prime Minister's meeting next week with the Secretary-General will provide a useful opportunity to probe his thinking on the way forward for his initiative. As the Foreign Secretary has already suggested to the Prime Minister, it might be worth pressing him to appoint a new Special Representative, to demonstrate the seriousness of his commitment (though you will note from paragraph 7 of UKMis telegram number 461 that Perez de Cuellar feels that would look weak). It may also be the occasion to ask whether it would help him squeeze Kyprianou if we indicated that we would not readily carry the cost of UNFICYP for ever and a day. We would expect him to react with alarm but it would put him on notice that we looked forward to an early resolution.

*Yours ever,
Colin Budd*

(C R Budd)
Private Secretary

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