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TO IMMEDIATE FCO
TELNO 108
OF 290905Z MARCH 88
INFO PRIORITY ANKARA, ATHENS, UKMIS NEW YORK, WASHINGTON

MY TELNO 95 : CYPRUS PROBLEM : VASSILIOU'S APPROACH

SUMMARY

IACOVOU EXPLAINS THAT VASSILIOU HAS TO TRY FOR A POLICY CONSENSUS IN THE NATIONAL COUNCIL BEFORE NEGOTIATIONS UNDER UN AUSPICES CAN BE RESUMED. DIFFERING VIEWS ON THE DIRECTION THESE SHOULD TAKE. IACOVOU DISMISSES THE SOVIET INTERNATIONAL CONFERENCE PROPOSAL AS NOT FEASIBLE. CONTENT AND TIMING OF A PACKAGE OF GOODWILL MEASURES STILL UNCERTAIN.

DETAIL

1. ON 28 MARCH IACOVOU EXPLAINED TO ME THAT BEFORE THE GREEK CYPRIOTS COULD INVITE THE UN SECRETARY GENERAL TO RESTART A PROCESS OF NEGOTIATION THEY HAD TO EXHAUST THE POSSIBILITY OF ACHIEVING THE 'WORTHY AIM' OF A POLICY CONSENSUS IN THE NATIONAL COUNCIL. IACOVOU CLEARLY DID NOT EXPECT THIS TO BE EITHER QUICK OR EASY, AND HE DECLINED TO PREDICT WHEN THE GREEK CYPRIOTS WOULD BE READY FOR NEGOTIATION.
2. THE ONE POINT ON WHICH THERE APPEARS TO BE COMPLETE CONSENSUS IS THAT THE MARCH 1986 FRAMEWORK AGREEMENT IS NOT ACCEPTABLE. THERE IS ALSO CONSENSUS ON THE IMPORTANCE OF THE THREE PRIORITY ISSUES (WITHDRAWAL OF TROOPS AND SETTLERS, GUARANTEES, AND THE THREE FREEDOMS) BUT THERE ARE DIFFERENT VIEWS ON HOW THEY SHOULD BE PURSUED. ACCORDING TO IACOVOU, THE AKEL LEADER, PAPAIOANNOU, WAS INSISTING DOGMATICALLY ON THE INTERNATIONAL CONFERENCE PROPOSAL. IACOVOU WAS WORKING PATIENTLY TO CONVINCHE HIM THAT THIS WAS NOT A FEASIBLE PROPOSITION AND THAT IT WAS POINTLESS TO HOLD UP EVERYTHING ELSE FOR THE SAKE OF SOMETHING THAT WAS NOT GOING TO HAPPEN. INTERESTINGLY, IACOVOU HOPED TO ENLIST THE HELP OF MY SOVIET COLLEAGUE IN THIS.
3. ON A PERSONAL BASIS, IACOVOU RUMINATED THAT ONE POSSIBLE WAY OF RECONCILING THE DIFFERENT VIEWS ON THE CONTENT OF FUTURE NEGOTIATIONS MIGHT BE TO DIVIDE THE SUBJECT MATTER INTO TWO

BASKETS, OF INTERNAL AND INTERNATIONAL ASPECTS RESPECTIVELY AND TO HOLD CONCURRENT NEGOTIATIONS IN EACH, WITH THE THREE FREEDOMS BEING GIVEN PRIORITY IN THE INTERNAL BASKET.

4. THE NATIONAL COUNCIL WERE MEETING THIS MORNING TO CONSIDER THE PACKAGE OF GOODWILL MEASURES MENTIONED IN PARA 5 OF MY TUR, AND THE FUTURE OF THIS IS STILL UNCERTAIN. IACOVOU WAS A BIT EXASPERATED BY THE INTEREST OF THE PARTY LEADERS IN EACH INTRODUCING PET IDEAS INTO THE PACKAGE, WHICH WAS LIKELY TO RESEMBLE THE PROVERBIAL DEFINITION OF A CAMEL. APART FROM THIS DOUBTS HAD BEEN EXPRESSED, INCLUDING BY CLERIDES, ABOUT THE WISDOM OF PURSUING GOODWILL MEASURES ON THEIR OWN, INsofar AS THIS WOULD BE A DIVERSION FROM THE MAIN PROBLEM AND IN PARTICULAR THE THREE PRIORITY ISSUES. UNLESS THESE DOUBTS ARE OVERCOME IT IS POSSIBLE THAT GOODWILL MEASURES MAY BE RESERVED TO CONSTITUTE A THIRD BASKET IN EVENTUAL LATER NEGOTIATIONS.

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