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PS TO PRIME MINISTER

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FM UKMIS NEW YORK

TO PRIORITY FCO

TELNO 540

OF 252330Z APRIL 88

INFO ROUTINE ANKARA, ATHENS, NICOSIA, WASHINGTON, UKREP BRUSSELS

INFO ROUTINE PARIS, BONN, ROME

YOUR TELNO 207: CYPRUS

SUMMARY

1. THE SECRETARY-GENERAL AGREED THAT THERE WAS NOW AN OPPORTUNITY FOR PROGRESS, AND GREATLY WELCOMED THE PRIME MINISTER'S EFFORTS. HE HAD INSTRUCTED HIS PERSONAL REPRESENTATIVE TO URGE VASSILIOU AND DENKTASH TO START NEGOTIATIONS ON A BASIS HE HAD PROPOSED. HE HAD ALSO GIVEN HIS STAFF THE TASK OF PREPARING FOR A SUBSTANTIVE MEETING BETWEEN THE TWO WITH THE SECRETARY-GENERAL PRESENT. HE ASKED FOR BRITISH HELP IN PERSUADING DENKTASH TO AGREE TO SUCH A MEETING, AND TO RESOLVE THE BORDER CONTROLS PROBLEM.

DETAIL

2. I CALLED ON THE SECRETARY GENERAL ON 25 APRIL AND SPOKE AS INSTRUCTED, DRAWING ON PARA 1 OF YOUR TUR AND TAKING PEREZ DE CUELLAR CAREFULLY THROUGH THE REPORTS OF THE PRIME MINISTER'S MEETINGS WITH VASSILIOU AND OZAL AND HER MESSAGES TO VASSILIOU AND PAPANDREOU (PARA 2 OF YOUR TUR). I SUMMED UP BY SAYING THAT FOLLOWING VASSILIOU'S ELECTION, THE APPOINTMENT OF CAMILION AS THE SECRETARY-GENERAL'S PERSONAL REPRESENTATIVE AND THE DAVOS MEETINGS, THE PRIME MINISTER BELIEVED THERE WAS A UNIQUE MOMENT FOR PROGRESS AND THAT IT WAS RIGHT TO PUSH THINGS FORWARD. WE BELIEVED THE SECRETARY-GENERAL HAD A CRITICAL ROLE AND WOULD BE GLAD TO KNOW HOW HE PROPOSED TO PLAY IT. WE WERE PREPARED TO HELP HIM IN ANY WAY WE COULD.

3. THE SECRETARY-GENERAL LISTENED CAREFULLY AND NODDED FREQUENT APPROVAL. HE THOUGHT IT ESPECIALLY IMPORTANT THAT PAPANDREOU KNEW THAT VASSILIOU WAS READY TO TALK TO DENKTASH. HE AGREED THAT THE MOMENT WAS PROPITIOUS FOR ACTION AND WAS GRATEFUL TO BE BRIEFED SO CLOSELY ON THE PRIME MINISTER'S ACTIVITIES: HER ROLE WAS IMPORTANT BOTH BECAUSE OF HER PERSONAL QUALITIES AND BECAUSE OF THE BRITISH POSITION AS A GUARANTOR POWER. HE AGREED WITH HER ASSESSMENT. THE SKIES WERE AT INTERVALS CLEARER THAN BEFORE AND VASSILIOU'S ELECTION HAD OPENED THE DOOR MORE WIDELY. CAMILION'S FIRST TASK WOULD BE TO SORT OUT THE POSITIONS OF THOSE CONCERNED.

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THE SECRETARY-GENERAL PROPOSED TO INSTRUCT HIM TO URGE VASSILIOU AND DENKTASH TO START NEGOTIATIONS ON THE BASIS OF THREE UNDERSTANDINGS:

- (I) NO PRECONDITIONS SHOULD BE SET BY EITHER SIDE:
- (II) BOTH LEADERS SHOULD MAKE STATEMENTS TO THE EFFECT THAT THEY WOULD PROCEED WITH GOODWILL AND RESPECT FOR EACH OTHERS' CONCERNS:
- (III) THE PURPOSE WOULD BE TO IDENTIFY AND DEFINE THE BASIC ISSUES AND THE POSITIONS OF EACH SIDE.

4. THE SECRETARY-GENERAL CONTINUED THAT THE CURRENT VISIT OF FEISSEL (UN SECRETARIAT) TO CYPRUS SEEMED TO HAVE SHAKEN THINGS UP A BIT. HE WAS DUE BACK IN NEW YORK ON 28 APRIL UNLESS HIS CURRENT DISCUSSIONS WENT BETTER THAN EXPECTED, IN WHICH CASE HE MIGHT STAY ON LONGER. HIS PURPOSE WAS TO PREPARE FOR A SUBSTANTIVE MEETING BETWEEN VASSILIOU AND DENKTASH, WITH HIMSELF (PEREZ DE CUELLAR) PRESENT, IN CYPRUS OR SOME SUCH NEUTRAL LOCATION AS VIENNA OR GENEVA. BUT THE FIRST AIM WAS TO RESTORE THE STATUS QUO ANTE ON BORDER CROSSINGS, ON WHICH DENKTASH GAVE NO SIGN OF MOVEMENT. THE TURKS IN NEW YORK AND IN ANKARA ALSO SEEMED TOUGH ON THE ISSUE.

5. THE SECRETARY-GENERAL WENT ON THAT VASSILIOU WOULD BE IN NEW YORK IN EARLY JUNE FOR THE SPECIAL SESSION ON DISARMAMENT. HE WOULD PROBABLY MAKE A SPEECH FORMALLY ON DEMILITARISATION OF CYPRUS BUT REALLY ABOUT THE MAIN CYPRUS ISSUES. PRESIDENT EVREN MIGHT BE IN NEW YORK IN JULY.

6. AS FOR OUR OFFER OF HELP, WE COULD ASSIST HIS EFFORTS BY EXERTING PRESSURE ON DENKTASH FOR A MEETING WITH VASSILIOU, AND IN PARTICULAR ON THE PROBLEM OF BORDER CONTROLS. WE COULD ALSO TRY TO MAKE DENKTASH MORE RECEPTIVE TO CAMILION'S IDEAS: HE HAD SO FAR CALLED THEM INTERESTING, AND SAID HE WANTED TO KNOW MORE ABOUT THEM. HE HAD NOT DEMANDED THAT THE GREEK CYPRIOTS FIRST ACCEPT THE MARCH 1986 DOCUMENT. BUT HE MIGHT STILL REJECT THESE IDEAS IN THE END.

7. I ASKED ABOUT THE PROSPECTS FOR CHANGING THE BASIS OF UNFICYP FINANCING (PARA 4 OF YOUR TUR). THE SECRETARY-GENERAL SAID SIMPLY THAT IT WAS UP TO THE COUNCIL. CLEARLY HE WAS NOT OPTIMISTIC.

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