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FM NICOSIA
TO IMMEDIATE FCO
TELNO 333
OF 110740Z AUGUST 88
INFO ROUTINE ATHENS, ANKARA, UKMIS NEW YORK
INFO ROUTINE CBF CYPRUS
INFO SAVING WASHINGTON, BONN, PARIS, ROME

ADVANCE COPY

YOUR TELNO 192: CARLO VASSILIOU

SUMMARY

VASSILIOU GENUINE IN HIS WISH TO NEGOTIATE. HE DOUBTS WHETHER DENKTASH IS EQUALLY COMMITTED. STILL WANTS AN EARLY OPENING OF VAROSHA. KEEN TO MEET THE PRIME MINISTER AGAIN.

DETAIL

1. I WAS ABLE TO INCORPORATE MOST OF THE POINTS IN YOUR TUR INTO MY BRIEF TALK WITH VASSILIOU ON 10 AUGUST. I HAVE BRIEFED THE US AMBASSADOR AND CAMILION.

HIGH LEVEL MEETING

2. VASSILIOU SAID HE HOPED THAT THE HIGH-LEVEL LUNCH IN GENEVA ON 24 AUGUST WOULD BE FOLLOWED BY A MEETING OF DELEGATIONS PLUS A SECOND MEETING WITH DENKTASH THE FOLLOWING MORNING.

3. VASSILIOU WANTED TO ESTABLISH A RAPPORT WITH DENKTASH, SO THAT THE LATTER WOULD THINK IT WORTHWHILE TO CONTINUE TALKS TOWARDS A SOLUTION. HE WANTED TO GAIN A CLEARER UNDERSTANDING OF HOW DENKTASH THOUGHT AND WHAT HIS WORRIES WERE.

4. VASSILIOU, THOUGH, SAID HE WAS NOT CONVINCED THAT DENKTASH WAS A GENUINE NEGOTIATOR. HE FEARED THAT DENKTASH'S AIM WAS TO BREAK UP, NOT PROMOTE, THE TALKS. VASSILIOU WAS SCARED THAT DENKTASH WOULD TAKE EXTREME OR NEGATIVE POSITIONS. VASSILIOU BELIEVED THAT THE TURKISH-CYPRIOTS WANTED A SOLUTION, BUT DENKTASH AND THE TURKISH-CYPRIOTS WERE NOT THE SAME THING.

5. I REPLIED THAT DENKTASH DID NOT APPEAR, IN MY OWN OPINION, TO HAVE RULED OUT THE OPTION OF WORKING FOR SUCCESSFUL NEGOTIATIONS.

WHILE LONG EXPERIENCE LOWERED HIS EXPECTATIONS, I DETECTED AMONG HIS ADVISERS, AT LEAST, A CAUTIOUS WILLINGNESS TO HAVE ANOTHER GO. VASSILIOU SAID IF THAT WERE TRUE, HE WOULD SLEEP BETTER AT NIGHT.

6. VASSILIOU SAID ONE REASON HE WAS TAKING THE NATIONAL COUNCIL MEMBERS TO GENEVA (ALL HAD FINALLY AGREED ON 10 AUGUST TO GO) WAS TO PUT INDIRECT PRESSURE ON DENKTASH TO TAKE ACCOUNT OF HIS OWN TURKISH-CYPRIOT OPPOSITION. VASSILIOU WOULD SHOW THE TURKISH-CYPRIOTS THAT ALL GREEK-CYPRIOTS, DESPITE THEIR DIFFERENCES, WERE BEHIND HIM IN WANTING DIALOGUE. VASSILIOU WOULD SHOW HE WAS ANSWERABLE TO THE GREEK-CYPRIOTS, AS HE WISHED DENKTASH WAS TO THOSE OUTSIDE HIS OWN CIRCLE.

7. VASSILIOU ADMITTED, HOWEVER, THAT HE WAS ALSO TAKING GREEK-CYPRIOT PARTY LEADERS WITH HIM FOR CONSULTATIONS BETWEEN MEETINGS. WHILE HE WAS 'HIS OWN MAN', IT WAS STILL USEFUL TO GET OTHER VIEWS AND OPINIONS. HE EMPHASISED, THOUGH, THAT THE NC MEMBERS WOULD NOT ATTEND THE INTER-COMMUNAL MEETINGS, NOR PLAY ANY PART IN THE FORMAL NEGOTIATING PROCESS. IT WAS HIS OWN WORKING TEAM WHICH WOULD MAKE THE RUNNING. THE PARTY LEADERS WOULD, HOWEVER, SEE PEREZ DE CUELLAR, IN ORDER TO SAY THEIR PARTY PIECES TO HIM. LYSSARIDES (EDEK) AND KYPRIANOU (DEKO) WOULD REPEAT THEIR OLD LINES.

DAVOS

8. VASSILIOU DID NOT BELIEVE THAT PAPANDREOU'S DEFERMENT OF HIS TRIP TO TURKEY COULD HAVE A NEGATIVE EFFECT ON THE CYPRUS TALKS. GREECE WOULD CONTINUE TO WANT PROGRESS ON CYPRUS, DESPITE THE DEFERMENT. VASSILIOU EMPHASISED, THOUGH, THAT HE WAS UNDER NO PRESSURE FROM GREECE OVER THE INTER-COMMUNAL TALKS. IT WAS HE THAT GAVE PAPANDREOU LEADS ON THE CYPRUS PROBLEM, NOT VICE VERSA.

SUPPORT FROM OUTSIDE

9. I THEN OFFERED HMG'S WILLINGNESS TO ASSIST, IF VASSILIOU SAW A ROLE FOR US, SHOULD TALKS BEGIN TO GET BOGGED DOWN. HE REPLIED THAT HMG AND OTHERS COULD HELP AFTER THE FIRST MEETING IN GENEVA, WHEN POTENTIAL STUMBLING BLOCKS MIGHT HAVE EMERGED.

CONFIDENCE BUILDING MEASURES

10. VASSILIOU SAID THAT, IN WASHINGTON, HE HAD PRESSED VICE PRESIDENT BUSH TO GIVE THOUGHT TO SOME CONCRETE CONFIDENCE BUILDING MEASURE (CBM) IN CYPRUS WHICH THE US COULD HAVE THE UNSG PUT FORWARD AS HIS

OWN. VASSILIOU TOLD BUSH THAT THE LATTER NEEDED A REAL INTERNATIONAL ACHIEVEMENT, WITH HUMAN INTEREST, TO HELP HIM SECURE THE US PRESIDENCY. WHAT BETTER THAN THE OPENING OF VAROSHA UNDER UN AUSPICES? VASSILIOU HAD A VISION OF 5,000 TURKISH-CYPRIOT WORKERS HELPING TO REPAIR A REOPENED VAROSHA, OF INTERCOMMUNAL CONTACT ON A BIG SCALE. VAROSHA, VASSILIOU, HAD ARGUED, COULD BE A REAL VOTE-WINNER FOR BUSH.

11. VASSILIOU SAW NO POINT IN HIMSELF PROPOSING CBMS. DENKTASH WOULD NOT CONSIDER SERIOUSLY ANY GREEK-CYPRIOT PROPOSALS. BESIDES, ONLY A REAL EVENT LIKE THE REOPENING OF VAROSHA, WOULD HAVE A LASTING AFFECT ON INTERCOMMUNAL RELATIONS. VASSILIOU HIMSELF RAISED THE RECENT SHOOTING OF THE GREEK CYPRIOT NATIONAL GUARDSMAN IN THE UN BUFFER ZONE. THE COLD-BLOODED KILLING SHOWED HOW FUTILE WERE LOW-LEVEL ATTEMPTS AT INTERCOMMUNAL CONTACT. VASSILIOU HAD NOW FORBIDDEN ALL SUCH FRATERNIZATION ON THE GREEN LINE. HE HAD HIMSELF ORDERED THE GCNG TO RETURN FIRE UNDER SIMILAR CIRCUMSTANCES.

12. VASSILIOU CONCLUDED BY EXPRESSING HIS DESIRE FOR ANOTHER MEETING WITH THE PRIME MINISTER, ON WHICH I HAVE TELEGRAPHED SEPARATELY (NOT TO ALL).

COMMENT

13. VASSILIOU SEEMED EXHAUSTED AFTER HIS RECENT TRIP TO WASHINGTON. HIS FORTHCOMING 8-DAY HOLIDAY IN WEST GERMANY WILL BE HIS FIRST SINCE BEFORE HE BEGAN CAMPAIGNING FOR THE PRESIDENCY IN APRIL 1987.

14. AS WE HAVE NOTED BEFORE, VASSILIOU CAN SHOW BOTH ORIGINALITY AND INFLEXIBILITY BY TURNS. HIS SHARP LINE ON THE SHOOTING INCIDENT (PARA 11 ABOVE) AND HIS CURIOUS LACK OF UNDERSTANDING IN RESPECT OF CBMS (PARAS 10 ABOVE AND 17 BELOW) SHOW THE LIMITATIONS OF THIS APPROACH, AND HIS INEVITABLE LACK OF FEEL FOR THE INTERCOMMUNAL REALITIES.

15. HIS CHIEF CONCERN IS STILL OVER DENKTASH'S ATTITUDE TO THE HIGH-LEVEL MEETING. HE REMAINS CONVINCED THAT HE CAN STRIKE UP A WORKING RELATIONSHIP WITH DENKTASH, IF THE LATTER WILL ONLY GIVE HIM THE CHANCE.

16. BOTH CAMILION (UNSGSR) AND CLERIDES (DEMOCRATIC RALLY LEADER) HAVE TOLD ME THEY DOUBT THE WISDOM OF VASSILIOU'S WISH TO HAVE A SECOND MEETING WITH DENKTASH ON 25 AUGUST. THEY FEAR HE RISKS OVERLOADING THE SYSTEM AT THIS EARLY STAGE IN THE PROCESS.

17. AS FOR CBMS, I TRIED TO CAUTION VASSILIOU AGAINST HOPING TOO MUCH FOR THE REOPENING OF VAROSHA. I BELIEVE HIS ATTEMPT TO PERSUADE VICE PRESIDENT BUSH THAT THE US SHOULD SOMEHOW ENGINEER THE REOPENING OF VAROSHA BEFORE NOVEMBER, WAS OPTIMISTIC IN THE EXTREME. THE US DCM HERE (NIX) TOLD ME EARLIER ON 10 AUGUST, THAT THE STATE DEPARTMENT HAD AGREED WITH VASSILIOU IN WASHINGTON THAT THEY WOULD GIVE THOUGHT TO POSSIBLE CBMS. NIX AND HIS AMBASSADOR THOUGH, SHARED MY SCEPTICISM ON VAROSHA, AND THE IDEA OF PUTTING THE PORT AT FAMAGUSTA UNDER UN ADMINISTRATION. BOTH LACK APPEAL FOR THE TURKISH-CYPRIOTS. I ALSO TOLD VASSILIOU THAT MODEST INITIAL CBMS WERE FOR THE TWO COMMUNITIES, NOT FOR OUTSIDERS, TO PROPOSE. THIS IS ALSO IN LINE WITH CLERIDES APPROACH.

CLAY

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