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Foreign and Commonwealth Office

London SW1A 2AH

30 October 1988

*Richard Austin*  
*COO*

*Dear Charles,*

*mb*

Prime Minister's Lunch with the President of Cyprus:  
4 October 1988

I promised in my letter of 30 September to provide supplementary briefing and a line for the Prime Minister to take should President Vassiliou raise the question of a British contribution to the cost of constructing new motorways through the SBAs.

I enclose a background note on this subject. If it is raised, the Prime Minister may wish to say that we certainly would not wish to obstruct construction of the motorways; we can make no commitment concerning costs, but officials will be in touch with the Cypriot authorities.

*found over*

*L Parker*

(L Parker)  
Private Secretary

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## BACKGROUND NOTE

## CONSTRUCTION OF MOTORWAYS THROUGH THE SBAS

1. Following President Vassiliou's election in February, high priority has been given to the speedy establishment of a modern road transport system. Construction plans envisage motorways crossing both SBAs; the geography of the island and the presence of Turkish troops in the North make it difficult (indeed, in the case of the Eastern SBA impossible) to route them elsewhere.
2. Currently, all roads within the SBAs are built and maintained at HMG's expense. The Cypriots therefore asked us to bear the full capital and maintenance cost of those sections of the motorways within their boundaries. Early estimates suggest this may be as much as £37m.
3. There will be some advantages (eg for security) in having motorways constructed through the SBAs, provided we are able to control the routes and the feeder roads. But, unlike the present roads, the motorways would not be primarily to serve the SBAs themselves and would make for some operational inconvenience. The MOD are willing to explore Cypriot concerns, but at this stage we can make no commitment, explicit or implicit, to meeting any of the costs of construction. Our Legal Advisers are satisfied that our position on sovereignty would not be weakened by allowing the Cypriot government to construct the motorways.

Southern European Department  
3 October 1988