CONFIDENTIAL Foreign and Commonwealth Office London SW1A 2AH 14 October 1988 Dear Charles, Cyprus: Message to President Vassiliou Thank you for your letter of 12 October enclosing a revised message to President Vassiliou. The Foreign Secretary believes that in seeking to be more positive, the substance of the message, and the inferences President Vassiliou will draw from it, have been modified, and in a way which would increase the risk of causing offence in Ankara. The Foreign Secretary therefore suggests a revision of the second and third paragraphs as in the enclosed redraft - which is in fact little more than a reordering of yours. It does, however, omit the first sentence of the third paragraph of the text enclosed with your letter, since it seems likely to cause problems in Turkey, while also running a risk of seeming, in Cyprus, to protest too much.

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(L Parker) Private Secretary

C D Powell Esq 10 Downing Street

You also raised with me the possibility that Cyprus might in due course apply for membership of the European Community. I certainly welcome your desire for closer links with the Community and you can be quite sure that the United Kingdom would take full account of our particularly close/relationship with Cyprus when it came to considering any future application. I have sympathy with your view that membership could put the seal on a successful settlemet of the inter-communal problem. But I doubt whether most of the Community's members would want to pronounce on an application until a political solution in Cyprus ws clearly within reach. There would be the risk of distracting other countries, whose cooperation will be essential to achieving progress on the political front. Moreover the Community is precoccupied with assimilating Spain and Portugal and completing the Single Market.

Given all these considerations, I am sure that your own instinct to proceed cautiously is right. Meanwhile, I hope we can stay closely in touch on this issue, as on the question of your discussions with Mr Denktash. I look forward to seeing you again next month.

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CYPRUS: MESSAGE TO PRESIDENT VASSILIOU

I enclose a copy of the message to President Vassiliou of Cyprus, in the form in which the Prime Minister has approved it. As you will see, there are substantial changes to the draft sent under cover of your letter of 10 October. While the general tone of the message is more positive than your draft, I do not think that in substance it goes beyond it. You will no doubt wish to show it to the Foreign Secretary. Subject to his views, I should be grateful if it could be despatched urgently.

(C. D. POWELL)

Lyn Parker, Esq., Foreign and Commonwealth Office.

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PRIME MINISTER

MESSAGE TO PRESIDENT VASSILIOU

You wanted to send a message to President Vassiliou to follow up your talk and underline that the UK was not an obstacle to Cyprus applying for EC membership, recognising that our overriding interest is to preserve the SBAs. I attach a message which I think the FCO could just about live with, although their own preference is to be more cautious still.

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Charles Powell
11 October 1988

" Den Th. Presider"
" With worm regards

Foreign and Commonwealth Office

London SW1A 2AH

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10 October 1988

Dear Charles

Message to President Vassiliou

In your letter of 4 October recording the Prime Minister's discussions over lunch that day with President Vassiliou of Cyprus, you asked for a draft message for the Prime Minister to send him to follow up their discussions. I enclose a draft.

You asked that the message should set out clearly our position on an EC application. The draft letter is constructive. It also confirms to President Vassiliou the Prime Minister's tactical advice that it would be better for the Cyprus framework to wait until major progress had been achieved in the negotiations with Denktash. The Prime Minister could also point out that the EC is currently in a phase of consolidation, rather than expansion. The Foreign Secretary advises that in writing to President Vassiliou about a possible Cypriot application, we should not go beyond the line taken by the Prime Minister with the Turks (whose application was already on the table) during her visit to Ankara last April. To go further would be likely to cause offence in Turkey, given the high risk that the Cypriots would publicise the Prime Minister's line. The draft message is therefore very positive on the UK/Cyprus relationship, and on developing EC/Cyprus links within the current association arrangements, but it stops short - as the Prime Minister did in talking to President Vassiliou - of a firm commitment to support a Cypriot application for membership.

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(L Marker)

Private Secretary

C D Powell Esq 10 Downing Street

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| SECURITY CLASSIFICATION | то: | | Copies to: |
| Top Secret Secret | His Excellency | | |
| Confidential | Mr George Vassiliou | / | 5 AYW |
| Restricted Unclassified | SUBJECT: | | |
| PRIVACY MARKING | of Cyprus | | |
| In Confidence | 1 have by | en exects | 5 am repection |
| In Confidence | Following our meeting over lunch last Tuesday, I wanted | | |
| CAVEAT | you to know how very much I appreciated your giving me such a full and frank briefing on your talks with Mr Denktash. There is obviously a very long way still to go; and no guarantee that the talks will ultimately succeed. But the fact that the talks have started and you are beginning to get down to substance is no small achievement in itself. I am sure you are right to persevere, and to go on repeating the same points about your willingness to reach a settlement, your vision for the future of a unified Cyprus, in which the two | | |
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| communities can live side by side in peace and | | | eace and |
| | prosperity, and the safeguards you are prepared to offer | | |
| | to take account of the concerns of the Turkish Cypriots. | | |
| | If you do this and, despite all your efforts, the talks | | |
| Enclosures flag(s) | do not succeed, at least | t the world will | be in no doubt |
| | that you did your utmost to reach agreement. Meanwhile, | | |



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Secret

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and then the south of the southours of the south of the south of the south of the south of the s

as I told you, I am ready at the right time to send a further message to the Turkish Prime Minister, if you think it would help.

We also talked about the possibility of an application for BC membership, a Launderstand your view that an application by Cyrpus for membership of the European Commnity might help to resolve the inter-communal problem. I am sure you are right As I told you, my instinct is that any application should follow an agreement on a unified Cyprus, not precede it.), as If an application were made now, I doubt whether any action could be taken by the Community until there had Schotal been major progress towards the settlement of the political problem. Moreover, there is a strong feeling in the Community, which I share, that the Community's priority task must be to consolidate recent changes assimilating Spain and Portugal and completing the single market.

I warmly welcome your desire for closer links with the

Community In considering any future membership

application by Cyprus you can be assured that the United

Kingdom would take full account of our close and historic

relationship with your country. Meanwhile, we should

work together to make maximum use of the existing

Association Agreement and Customs Union arrangements. I

believe there is scope for their further development. I

hope we can stay closely in touch on this issue, as on

the question of your discussions with Mr Denktash.



SECURITY CLASSIFICATION I look forward to seeing you again next month.

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CYPRUS: Visita of
Pres Vasilion

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