CONFIDENTIAL

FM UKMIS GENEVA

TO DESKBY 251200Z FCO

TELNO 457

OF 251117Z AUGUST

INFO IMMEDIATE NICOSIA, UKMIS NEW YORK, ANKARA, ATHENS

INFO PRIORITY WASHINGTON, PARIS, BONN, ROME

m

MY TEL 455 (NOT TO ALL): CYPRUS TALKS

SUMMARY

1. GOULDING GIVES UPBEAT ACCOUNT OF MEETING BETWEEN VASSILIOU AND DENKTASH. PERSONAL CHEMISTRY WORKED WELL, WITH ONLY MINOR RIPPLES. SECRETARY-GENERAL SATISIFIED THAT HE HAS ACHIEVED MAIN PURPOSE BY GETTING DENKTASH TO ACCEPT VASSILIOU AS A NEW KIND OF GREEK CYPRIOT LEADER. GOULDING CONCERNED THAT NON ALIGNED MEETING IN NICOSIA ON 5 - 10 SEPTEMBER MAY AFFECT ATMOSPHERE FOR NEXT ROUND OF TALKS.

## DETAIL

- 2. GOULDING (UNDER-SECRETARY) SAID THAT THE SECRETARY-GENERAL'S LUNCHEON FOR VASSILIOU AND DENKTASH HAD GONE WELL. THE OBJECTIVE HAD BEEN TO CONVINCE DENKTASH THAT VASSILIOU WAS A DIFFERENT KIND OF GREEK CYPRIOT LEADER FROM KYPRIANOU AND ONE WITH WHOM HE COULD DO BUSINESS. THIS OBJECTIVE HAD BEEN ACHIEVED. THE SECRETARY-GENERAL HAD BEEN CAREFUL TO KEEP THE OCCASION MAINLY SOCIAL AND NOT OVERLOADED WITH BUSINESS.
- 3. VASSILIOU HAD SPOKEN OF THE RESPONSIBILITY OF BOTH LEADERS TO FUTURE GENERATIONS OF CYPRIOTS, AND SAID THEY SHOULD MAKE A REAL EFFORT TO SOLVE THE PROBLEM SO THAT THERE WERE NO LOSERS BUT BOTH SIDES SHOULD BE WINNERS. DENKTASH HAD RECEIVED THESE REMARKS WELL AND HAD RESPONDED POSITIVELY.
- 4. ACCORDING TO GOULDING, THERE WAS ONLY ONE AWKWARD MOMENT AT THE LUNCH, WHEN DENKTASH ALLEGED THAT VASSILIOU HAD PAID A TURKISH CYPRIOT JOURNALIST TO DISTRIBUTE A MESSAGE ADDRESSED TO TURKISH CYPRIOTS IN THE TURKISH ZONE. VASSILIOU HANDLED THIS INCIDENT WELL. HE SAID HE HAD INDEED MADE A SPEECH AT A CYPRIOT CULTURAL MEETING WHICH INCLUDED A MESSAGE OF GOODWILL TO TURKISH CYPRIOTS, BUT HE HAD CERTAINLY NOT PAID ANYONE TO DISTRIBUTE THIS AND WOULD NEVER CONTEMPLATE SUCH AN ACTION. HE URGED DENKTASH NOT TO BELIEVE EVERY

PAGE 1 CONFIDENTIAL PIECE OF TRIVIAL GOSSIP THAT HE HEARD. APART FROM THIS ONE EXCHANGE, THE ATMOSPHERE WAS EXCELLENT.

5. THE LEADERS HAD QUICKLY AGREED TO THE TEXT OF THE ANNOUNCEMENT (MY TUR), INCLUDING THE REFERENCE TO A MEETING IN NEW YORK AFTER THE FIRST ROUNDS. OF MEETINGS IN NICOSIA BEGINNING ON 15/16 SEPTEMBER. GOULDING SAID THAT THE PLAN WAS FOR THIS MEETING IN NEW YORK TO TAKE PLACE IN OCTOBER. CONTRARY TO UKMIS NEW YORK TELEGRAM 1020, THERE WAS NO PLAN FOR THE LEADERS TO MEET BEFORE 15/16 SEPTEMBER.

6. GOULDING SAID THAT THE ATMOSPHERE AT THE MEETING IN THE AFTERNOON WAS SATISFACTORY, BUT NOT SO WARM AS AT THE LUNCH. VASSILIOU WAS KEEN TO MAKE PROGRESS WHILE DENKTASH WAS MORE RELUCTANT, AND BOTH WERE PROBABLY RATHER TIRED. IT WAS DURING THE AFTERNOON MEETING THAT VASSILIOU MADE WHAT GOULDING REGARDED AS HIS ONLY MISTAKE. IN RESPONSE TO A REFERENCE BY DENKTASH TO A BIZONAL FEDERAL REPUBLIC, VASSILIOU HAD ASKED DENKTASH NOT TO TIE HIM TO A PUBLIC ACCEPTANCE OF BIZONALITY., HE WOULD PREFER TO DISCUSS AND AGREE THE CONCRETE FORM A FEDERAL REPUBLIC WOULD TAKE BEFORE APPLYING LABELS. HOWEVER, HE CONFIRMED THAT HE COULD ACCEPT WHATEVER PREVIOUS GREEK CYPRIOT LEADERS HAD AGREED TO. GOULDING'S VIEW WAS THAT VASSILIOU SHOULD HAVE STARTED WITH THE LAST POINT AND GONE ONTO THE FIRST POINT., DENKTASH HAD NOT BEEN HAPPY ABOUT VASSILIOU'S WISH TO AVOID A PUBLIC COMMITMENT TO BIZONALITY. BUT THIS WAS THE ONLY RIPPLE IN AN OTHERWISE SUCCESSFUL MEETING.

7. GOULDING SAID THAT THE SECRETARY-GENERAL WAS ENCOURAGED BY THE WAY THE TALKS HAD GONE. THE CHEMISTRY BETWEEN THE TWO LEADERS HAD BEEN GOOD, AND IT WAS INTENDED THAT THE MEETINGS IN NICOSIA IN SEPTEMBER SHOULD BE BUSINESSLIKE., THEY COULD LAST SEVERAL WEEKS. ONE DANGER POINT WAS THE MEETING OF NON-ALIGNED FOREIGN MINISTERS IN NICOSIA ON 5 TO 10 SEPTEMBER, WHICH WAS LIKELY TO BE OFFENSIVE TO DENKTASH PERSONALLY. THE MEETING WAS LIKELY TO ADOPT A DECLARATION IN ONE-SIDED LANGUAGE, AND THE GREEK CYPRIOTS WOULD NOT AGREE TO ANY MOSLEM FOREIGN MINISTERS CALLING ON DENKTASH. GOULDING HOPED THIS WOULD NOT CAST A SHADOW ON THE TALKS IN THE FOLLOWING WEEK.

8. VASSILIOU LEFT GENEVA TODAY (25 AUGUST) FOR ATHENS EN ROUTE TO NICOSIA.

SANKEY

ADVANCE 14

CYPRUS
PS/LORD GLENARTHUR
PS/MRS CHALKER
PS/PUS
SIR J FRETWELL
MR RATFORD
PS/NO.10 DOWNING ST

DIO CAB OFF HD/SED HD/UND DEP HD/PUSD HD/NEWS HD/CLAIMS