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FROM UKMIS NEW YORK 110110Z DEC 84

TO IMMEDIATE FOREIGN AND COMMONWEALTH OFFICE

TELEGRAM NUMBER 1543 OF 11 DECEMBER

INFO IMMEDIATE ANKARA ATHENS NICOSIA WASHINGTON

YOUR TELNO 758: CYPRUS: SECRETARY GENERAL'S INITIATIVE

SUMMARY

IACOVOU HAS STRESSED TO ME THE NEED FOR FURTHER NEGOTIATIONS OVER THE SECRETARY-GENERAL'S PROPOSALS BUT INDICATED THAT THIS COULD TAKE PLACE AT THE HIGH LEVEL MEETING. I UNDERLINED OUR SUPPORT FOR THE SECRETARY GENERAL AND THE NEED FOR THE GREEK-CYPRIOTS NOT TO MISS THE PRESENT OPPORTUNITY.

DETAIL

2. I SAW THE CYPRIOT FOREIGN MINISTER THIS MORNING (10 DECEMBER) AT HIS REQUEST. IACOVOU SAID THAT HE WISHED TO BRIEF US ON THE LATEST POSITION.

3. WHEN KYPRIANOU HAD SEEN THE SECRETARY GENERAL PRIVATELY ON SATURDAY (8 DECEMBER) THERE HAD BEEN PRESSURES FOR THE GREEK CYPRIOTS TO ACCEPT A DEADLINE OF THIS WEDNESDAY FOR REACHING CONCLUSIONS. BUT IT WAS UNFAIR TO TRY TO RESTRICTED THE TIME FOR NEGOTIATION. THE GREEK CYPRIOTS CONTINUED TO HAVE CONSIDERABLE CONCERNS PARTICULARLY ABOUT THE PROPOSED VETOS IN THE EXECUTIVE AND LEGISLATURE AND ALL THE POLITICAL PARTIES WERE AGREED THAT THIS COULD NOT BE A BASIS FOR A SOLUTION ALTHOUGH NEGOTIATIONS SHOULD CONTINUE. KYPRIANOU HAD THEREFORE PROPOSED TO THE SECRETARY GENERAL THAT EITHER THE NEGOTIATION CONTINUED UNTIL CHRISTMAS TO TRY TO REACH AGREEMENT ON THE OUTSTANDING ISSUES OR ALTERNATIVELY THAT BOTH SIDES SHOULD GO TO A HIGH LEVEL MEETING AND DISCUSS THE ISSUES THERE. THE LATTER SUGGESTION WAS A SHIFT FROM THE PREVIOUS GREEK CYPRIOT POSITION THAT AGREEMENT SHOULD BE REACHED ON ALL THE MAIN MATTERS BEFORE A HIGH LEVEL MEETING. IN THE MEANTIME THE SECRETARY GENERAL SHOULD DISENGAGE THE QUESTION OF UNFICYP FROM THE NEGOTIATIONS. HIS REPORT COULD REFER TO THE HIGH LEVEL MEETING BUT SHOULD NOT DEAL WITH THE SUBSTANCE OF THE NEGOTIATIONS.

4. THE TURKISH CYPRIOT PROPOSALS FOR THE THIRD ROUND HAD BEEN A STEP IN THE RIGHT DIRECTION. THERE WERE NOW POSSIBILITIES FOR A SETTLEMENT. THE GAPS WERE "BRIDGEABLE". WHAT WAS NEEDED WAS FURTHER SERIOUS NEGOTIATION TAKING INTO ACCOUNT THE SECRETARY GENERAL'S PROPOSALS, EITHER NOW OR AT A HIGH LEVEL MEETING. THE GREEK CYPRIOTS WERE VERY CONCERNED HOWEVER TO KEEP THE NEGOTIATIONS AFLOAT.

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5. I SAID THAT WE WERE EXTREMELY CONCERNED NOT ONLY BECAUSE OF OUR INTERESTS IN RELATION TO CYPRUS BUT BECAUSE WE BELIEVED THAT THE GAP BETWEEN THE TWO SIDES WAS BRIDGEABLE AND THAT THERE WAS A REAL PROSPECT OF A WORKABLE AGREEMENT. HOWEVER THE OPPORTUNITY WOULD NOT PERSIST FOR LONG. WE BELIEVED THAT THE TURKS WERE SINCERE IN THEIR PRESENT APPROACH. AT THE SAME TIME WE CONSIDERED THAT THEY CONTINUED TO FOLLOW A TWO TRACK POLICY AND IF THE PRESENT TRACK FAILED THEY WOULD GO DOWN THE OTHER ONE OF CONSOLIDATING UDI. THEY WERE PREPARED TO BE TOUGH BECAUSE THEY FELT THEY NOW HAD A POSITION ON WHICH THEY COULD STAND AND FOR WHICH THEY WOULD GET A FAIR AMOUNT OF INTERNATIONAL SUPPORT IF TALKS COLLAPSED. WE WERE NOT IN A POSITION IN RELATION TO THE NEGOTIATIONS TO PRONOUNCE ON EXACTLY WHAT THE TWO SIDES OUGHT TO DO OR ACCPET. WE KNEW THAT HE BELIEVED THIS WEEK WAS CRITICAL AND THAT HE INTENDED TO MAKE A 'VERY HONEST' REPORT TO THE SECURITY COUNCIL. WE FULLY SUPPORTED HIM.

6. I UNDERLINED TO IACOVOU THAT THIS WAS AN OPPORTUNITY FOR A SOLUTION WHICH MUST NOT BE MISSED. I EXPRESSED THE HOPE THAT A BASIS FOR AGREEMENT MIGHT BE ESTABLISHED THIS WEEK. THE TURKISH CONCESSIONS ON TERRITORY WERE 'A LITTLE BETTER THAN WE ANTICIPATED' AND IT WOULD BE WISE TO TAKE ADVANTAGE OF THEM. WE WERE KEEN THAT ANY AGREEMENT SHOULD BE WORKABLE BUT AT THE SAME TIME IT WAS CLEAR THAT THE CONSTITUTIONAL ARRANGEMENTS FOR THE TURKISH CYPRIOTS WOULD HAVE TO BE BETTER THAN IN THE 1960 CONSTITUTION. WE WOULD NOT WANT TO ENCOURAGE THE GREEK CYPRIOTS TO BELIEVE THAT THERE WAS MUCH FLEXIBILITY IN THE TURKISH POSITION. IF THERE WAS ANY, IT WAS PROBABLY JUST AT THE MARGINS. NEVERTHELESS IT SEEMED TO ME THAT THERE WAS AN OPPORTUNITY FOR THE GREEK CYPRIOTS TO OBTAIN SOMETHING VERY CONSIDERABLE BY WAY OF A SETTLEMENT. IT WOULD LEAVE CYPRUS AS A UNITARY STATE, CAUSE THE WITHDRAWAL OF A LOT OF TURKISH TROOPS, RESTORE TO THE GREEK CYPRIOTS A SIGNIFICANT AMOUNT OF TERRITORY, PRODUCE WITH THE NECESSARY POLITICAL WILL, A WORKABLE SYSTEM AND ENSURE THE GREEK CYPRIOTS OF INTERNATIONAL PLAUDITS. THE INTERNATIONAL COMMUNITY HAD BECOME BORED WITH THE CYPRUS QUESTION AND I THOUGHT THAT THE GREEK CYPRIOTS SHOULD TAKE THE TIDE WHILE THEY HAD IT. WE WOULD DO EVERYTHING WE COULD TO MAKE A SOLUTION WORK.

6. IACOVOU STRESSED THAT ANY SOLUTION HAD TO BE WORKABLE AND TO OBTAIN THE SUPPORT OF THE MAJORITY OF GREEK CYPRIOTS OTHERWISE THIS WOULD DAMAGE THE POLITICAL FABRIC OF GREEK CYPRUS AND RISK THE GROWTH OF EXTREMISM. THE GREEK CYPRIOTS WERE NOT REJECTING WHAT WAS PROPOSED BUT WISHED TO NEGOTIATE IT. THEY BELIEVED THAT THERE WERE POSSIBILITIES FOR 'CROSS-NEGOTIATING' CERTAIN ELEMENTS OF THE PACKAGE. THEY WONDERED WHETHER FOR EXAMPLE A MORE GENEROUS ECONOMIC PACKAGE COULD BE USED TO INDUCE FURTHER TURKISH CYPRIOT DISCUSSION OF THE TERRITORIAL ASPECT. THEY WERE ALSO CONCERNED ABOUT THE TERMS OF THE TURKISH TROOP WITHDRAWAL. THERE WERE REPORTS

[Point which Kyprianou was hinting at to gen. He had in mind the Americas]

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THAT THE TURKS WERE THINKING OF 5 - 10 YEARS FOR SUCH WITHDRAWALS WHICH WAS QUITE UNACCEPTABLE. THERE OUGHT TO BE AN OPPORTUNITY FOR FURTHER NEGOTIATION. IT WAS UNFAIR THAT TURKISH PROPOSALS WERE BEING REPRESENTED AS BEING PROPOSALS BY THE SECRETARY GENERAL. DENKTASH HAD ALWAYS INSISTED IN THE PAST THAT THE SECRETARY GENERAL WAS NOT A MEDIATOR AND COULD NOT MAKE PROPOSALS. THE GREEK CYPRIOTS WERE PREPARED TO REGARD THE SECRETARY GENERAL'S PROPOSALS IN GOOD FAITH AND GO ON TO NEGOTIATE THEM EITHER NOW OR AT A HIGH LEVEL MEETING. IN MANY RESPECTS THE TWO SIDES WERE VERY CLOSE AND IACOVOU HAD GATHERED THAT THERE MIGHT BE MORE FLEXIBILITY IN THE TURKISH CYPRIOT POSITION ON THE EXECUTIVE.

7. I EXPRESSED UNDERSTANDING FOR THE POLITICAL DIFFICULTIES FACED BY THE GREEK CYPRIOT LEADERSHIP WHILE UNDERLINING THE NEED TO EXERCISE LEADERSHIP. I REITERATED THAT THIS WAS A CRUCIAL WEEK. FOR OUR PART WE WOULD NOT SEEK TO BECOME PART OF THE NEGOTIATIONS BUT WOULD STICK WITH OUR POLICY OF FULL SUPPORT FOR THE SECRETARY GENERAL.

THOMSON

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DESKBY 110930Z

FM UKMIS NEW YORK 110115Z DEC 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 1544 OF 10 DECEMBER

INFO IMMEDIATE ANKARA, ATHENS, NICOSIA, WASHINGTON.

MIPT: CYPRUS

SECRETARY-GENERAL'S INITIATIVE:

1. AFTER THE TALK WITH IACOVOU, I TELEPHONED THE SECRETARY-GENERAL TO GIVE HIM THE MAIN POINTS OF MY TALK WITH IACOVOU BEFORE HE SAW KYPRIANOU LATE THIS AFTERNOON.
2. THE SECRETARY-GENERAL SAID THAT HE HAD SEEN DENKTASH THIS MORNING. ON LEAVING THE LATTER HAD APPARENTLY TOLD THE PRESS THAT HE WAS OPTIMISTIC AND THAT PLANS FOR HIM TO MEET WITH PRESIDENT KYPRIANOU WOULD BE CONCLUDED TOMORROW. HE HAD INDICATED THAT THERE WAS A GOOD CHANCE OF AN AGREEMENT. THE SECRETARY-GENERAL IN TELLING ME THIS IN NO WAY CRITICISED DENKTASH. HE SEEMED TO THINK IT WAS A REASONABLY FAIR STATEMENT AND IACOVOU, WHO HAD HEARD OF IT BY THE TIME I SAW HIM, SPOKE OF IT AS ENCOURAGING.

IT BY THE TIME I SAW HIM, SPOKE OF IT AS ENCOURAGING.

3. PEREZ DE CUELLAR SAID THAT THE SITUATION HAD IN SOME WAYS IMPROVED A LOT. IN PARTICULAR HE HAD EXTRACTED FROM DENKTASH A LITTLE MORE FLEXIBILITY ON 'THE EXECUTIVE'. HE THOUGHT THAT THIS PLUS THE TURKS PREPAREDNESS TO DISCUSS THE SPECIAL STATUS AREAS MIGHT BE ENOUGH TO GET KYPRIANOU TO AGREE TO MOVE FORWARD. (IACOVOU GAVE ME THE IMPRESSION THAT THE GREEK-CYPRIOTS WERE CONSIDERABLY INTERESTED IN THE SPECIAL STATUS AREA IDEA).

4. PEREZ DE CUELLAR SAID THAT ALTHOUGH THE GREEK-CYPRIOTS WERE TRYING TO DELAY THINGS HE WAS PUSHING HARD. HE WAS AIMING FOR A HIGH LEVEL MEETING 'BEFORE 15 JANUARY'. HE HAD REFUSED TO MAKE AN ANODYNE REPORT TO THE SECURITY COUNCIL AS KYPRIANOU HAD WANTED. HE AGREED WITH MY COMMENT THAT THIS WAS AN IMPORTANT POINT OF LEVERAGE. HE WAS DETERMINED TO PUSH ON: 'IF I DO NOT TAKE ADVANTAGE OF THE PRESENT SITUATION, I AM LOST.'

5. THE SECRETARY GENERAL WAS INTERESTED IN IACOVOU'S COMMENT ABOUT ECONOMIC CONCESSIONS IN EXCHANGE FOR TERRITORY BUT HE DID NOT THINK THIS WOULD CUT MUCH IF ANY ICE WITH THE TURKS.

6. PEREZ DE CUELLAR SOUNDED MORE BUOYANT THAN USUAL. HE UNDERTOOK TO TELEPHONE ME TOMORROW TO LET ME KNOW HOW HE HAD GOT ON WITH KYPRIANOU.

THOMSON

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