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FILE
CYPRUS

Subject

10 DOWNING STREET

From the Private Secretary

26 November 1980

Dear Paul,

Call by Mr. Michaelides

The 'President of the Cyprus House of Representatives' called on the Prime Minister yesterday afternoon. Apart from the usual courtesies, the conversation was entirely devoted to the present situation in Cyprus.

Mr. Michaelides told the Prime Minister that in his view the inter-communal talks now taking place under UN auspices would not bring results. The Turkish Cypriot side were not ready for a solution. There would have to be some parallel diplomatic activity. The longer the present situation continued the more difficult it would be to solve. If another five years passed, the gap between the two sides would be unbridgeable. But people should not be under the illusion that partition would be an acceptable solution. Deadlock would be bound to have the most serious repercussions. As it was, the Left was gaining dangerously in strength. It was exerting more influence as the Greek Cypriots became increasingly frustrated. The frustration had shown itself in criticism of his own visit to the United Kingdom. It might well in due course be turned against the Sovereign Base Areas.

Mr. Michaelides said that the situation might well be worse after the forthcoming Parliamentary elections. He thought that these were likely to lead to increasing polarisation within the Greek Cypriot community. The Left favoured direct confrontation with Mr. Clerides. They sought to gain strength by driving the moderates out of politics. A further complication would be that the elections would show that President Kyprianou only enjoyed the support of a small minority. The economy was also likely to deteriorate. Growing unemployment would lead to additional discontent. Inflation was now running at 15 per cent which was very high compared with past levels.

The Prime Minister asked whether the change of regime in Turkey would be of any help. Mr. Michaelides said that he thought it might make progress easier. The military regime were in firmer control of the situation than their civilian predecessors had been. Moreover, they would not have to go beyond the principles already conceded by the politicians. They merely had to implement the proposition that Cyprus was one country. However the Cyprus crisis was itself merely one symptom of the more general Turkish crisis

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which found its roots in repeated failures to tackle basic problems. Mr. Michaelides did not explain in detail what he meant by parallel diplomatic action. But he made clear that he thought no-one was better placed than the United Kingdom to help. He thought that we, backed by the European Community and the United States, should try to "seek the specifics in the problem". The present process would get nowhere. The eventual consequence of the present stalemate would be unrest and a very difficult situation. The Prime Minister did not comment on Mr. Michaelides' references to possible action by the United Kingdom. She merely said that Mr. Michaelides' account had been a depressing one and that, given the strategic importance of Cyprus, a solution was needed very badly.

Yours ever

Nicholas Alexander

Paul Lever, Esq.,
Foreign and Commonwealth Office.

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