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Athens  
Political Section**

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Telephone:  
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26 January 1999

Mr Nikos Themelis  
Office of the Prime Minister  
By Fax

*Dear Nikos*

**SIR DAVID HANNAY'S RECENT VISIT TO CYPRUS**

You may have seen the press and other reporting of Sir David Hannay's recent visit to Cyprus, including the furore over remarks he is alleged to have made to the press on his arrival. As a result of these alleged remarks, President Clerides turned down an invitation from the High Commissioner, David Madden, to have dinner with Hannay, the British Ambassadors from Athens and Ankara, and visiting senior officials from London.

For your interest, I enclose copies of the letters from President Clerides to David Madden, and David Madden's reply clarifying what Hannay actually said. I also enclose a copy of the remarks that Sir David Hannay made to the press on his arrival in Nicosia. I apologise that the copy of the transcript of his remarks is so poor.

You may be aware that Sir David Hannay is planning to be in Athens on 8-9 February when he will be meeting with Yannis Kranidiotis.

*Yours sincerely*

*Charles*

Charles Bird  
Head of Political Section



REPUBLIC OF CYPRUS  
Presidential Palace

Nicosia, 22nd January 1999.

His Excellency  
The British High Commissioner  
Mr. David C. A. Madden, CMG,  
Nicosia.

Mr. High Commissioner,

I regret to inform you that after the statements of Sir David Hannay to the press I see no purpose for attending tonight's dinner.

I take strong objection to the statement of Sir David Hannay advising us to follow the Swiss model, which recognizes sovereignty to the Swiss cantons, rotation of Presidency and numerical equal representation of cantons, all of which are the Turkish positions and are contrary to Security Council's Resolutions, including the recent Security Council's Resolution 1217, which provides for a solution based on a bizonal, bicomunal federation with single sovereignty and one international personality and citizenship.

Further, I take strong objection to Sir David's innuendoes that by sending my letter of the 7th January, 1999 to the Secretary-General I was manoeuvring for tactical advantage, i.e. that I am the good boy, I have accepted, they are the bad boys, they have not accepted.

I consider such statements offensive. I was not manoeuvring in order to show that I was the good boy, but I thought it necessary, before proceeding to sign contracts for military equipment, in view of the provisions of the Resolution 1218, to give a chance to the other side to signify its intentions regarding the implementation of that Resolution, bearing in mind that the Resolution itself asks the parties concerned to comply with its provisions and the fact that the Prime Minister Tony Blair declared on December 23rd, 1998 the intention of his Government to work for full implementation of this Resolution.

(Glafcos Clerides)  
President of the Republic of Cyprus.

26/01 '99 TUE 13:18 FAX

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22 JAN 1999 12:57

FROM: BOD SOUTHERN EUROPEERIN

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British  
High Commission  
Nicosia

22 January 1999

Alexander Paliis Street  
Nicosia

HE Mr Glafcos Clerides  
President of the  
Republic of Cyprus  
Nicosia

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*Dear President,*

I am saddened by your decision not to attend the dinner tonight. This would have been a valuable occasion for us to hear your views on the way ahead and for us to confirm to you my Prime Minister's commitment to a sustained effort to achieve measures to reduce tension and to advance the prospects for a comprehensive settlement to the Cyprus problem.

I am all the more saddened since, as you will see from the enclosed transcript, Sir David made neither of the points to which you objected.

So far as the Swiss constitution is concerned Sir David did not advise Cyprus to follow the Swiss model. His objective was to show that excessive concentration on pre-conditions about form, as in Mr Denktash's proposals of 31 August, was not the best way to proceed. As to your recent letter to the Secretary-General of the UN, Sir David said "We very much welcome it"; he described it as "an extremely important step" and "a very good start, a very welcome initiative".

His comment about tactical manoeuvring did not relate to your letter but to a question from a journalist as to whether the Security Council would now seek a similar response from the Turkish side.

*Yours sincerely,*

*David Madden*

D C A Madden

26/01 '99 TUE 13:19 FAX

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22-JAN-1999 12:57 FROM FCO SOUTHERN EURO IBERIA TO ATHENS RES P.04/87

Bannay - introductory remarks

talk with Kranidiotis, will see him 9 February for a full round of talks on all issues relating to Cyprus, EU's relationship with Turkey

the occasion for visit here is a conference of ambassadors held on regular basis

this is to give a focus to our efforts to support the process which was endorsed by SG resolutions 1212 and 1217 and which is underway with Hercules' return and taking up contacts with two leaders

timing and venue of this conference and a lot of the subject matter is very much directed towards this new phase in the Cyprus problem to which as Blair said we intend to make a major contribution to a sustained effort to make progress on both fronts identified in resolution 1218

part of our deliberations will be to listen to the views of two leaders and those who work with them, at two occasions of semi social but also working kind at which our ambassadors and ourselves will be able to listen, much more listening than talking, I think, to the two leaders, getting a fair analysis of where things are and where they would like to see things moving to

I am not therefore here to negotiate, have not brought any proposals,

the main thrust of attempts to make progress is of course the UN process that started in September which now entered a new phase, we support this process absolutely, 100 per cent, we will try and make our own contribution to that as I believe other key European countries and the US and as the weeks and months develop, I hope we will be able to strengthen this process and give it some consistency which will lead it to its twin objectives, which are to reduce tension and to make progress towards a comprehensive settlement

the two tracks are laid out in SG letter and resolution 1218, there is what I call the tension reducing track, which has a range of ideas explicitly endorsed ranging from commitments not to use force to solve the Cyprus problem through more modest and symbolic measures like demanning and possible demanning on green line to most ambitious measures which relate to a reduction of forces and some move towards the kind of disarmament process which was foreseen in the UN earlier papers in 1992

that is one focus of our activities and the other focus is the consistent parts, as you might say, the core issues of a comprehensive settlement, which are constitution, territory,

refugees, compensation and security

Hercules will proceed with these talks, has our full support and hope we will be in various ways to contribute to that

there are no headlines, no blueprints, what is needed a sustained effort to move this forward and that is what I hope we will succeed in doing

1999 12:59 FROM FCO SOUTHERN FLURO IBERIA TO ATHENS RES P.05/07

there are obstacles, I think there is somewhat excessive concentration on all sides on matters of forms and not enough of focus on matters of substance  
hope in next phase it will be possible to get to grips with some of the issues of substance I referred to and not be solely concentrating on issues of form

q- is this an issue of form

a- that depends quite a lot on decisions that might be taken between the two sides on substance, what would be nature of the solution

I am not moving away from my government's support of resolution 1218, we support that but I am anxious to move away from issues of form which will have to be dealt with in their time too but not to allow them to obscure all discussions on the substance

it would be unwise to give absolute priority to particular issues of form over a discussion of substance, if there were agreement on some draw back of forces on both sides that would be a huge step forward and it would help many other aspects of the negotiation

on the other hand, I am a little bit less optimistic than you are that we are going to get there very quickly, this all a little bit academic

if you say to me should we be discussing issues of substance relating both to tension reducing and to a comprehensive settlement, I say yes, that is exactly what we should be discussing because if you cannot discuss those substantive issues, I do not believe that you will ever get to a satisfactory solution on the issues of form either

q- Clerides accepted resolutions (in his letter to Annan), Turkish side what

a- we are not formally in receipt of the letter, addressed to Annan, I read it in press and very much welcome it, but if you read resolution 1218 you will see that although it is an extremely important step the president takes to accept all this, it is not a sufficient step to achieve the implementation of 1218 because it talks about a whole range of things that have to be worked out beyond it

a very good start, a very welcome initiative he has taken

\* but not the end of the story, do not think it means we should all sit back and simply wait what the other side says about the totality of resolution 1218

anyway, not for me to prescribe how these matters should be taken forward, it is for Hercules

q- 5 council to take measures for acceptance of resolution by other side

a- think there is a misunderstanding, manoeuvring for tactical advantage of this sort, saying I am the good boy, I have accepted, they are the bad boys, has not frankly moved the Cyprus question from ground zero over 35 years

you have to approach it in a more careful and systematic way, and that is what Hercules is doing, she is undoubtedly helped by Clerides' statement in the letter explaining full acceptance of resolutions

q- think acceptance of resolution is manoeuvre

a- I do not think that is a manoeuvre, think the presentation of it of being a step which means the next step has to be we all go along to Ankara and ask whether they can accept resolution 1218 or 1217 is a tactical way of proceeding

26/01 '99 TUE 13:21 FAX

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22-JAN-1999 13:00 FROM FCO SOUTHERN EURO IBERIA TO ATHENS RES P.07/07

which I do not think will get us very far  
what we are interested in is making progress, not in  
identifying ways in which people can be set up into good boys  
or bad boys or whatever it is  
that letter was a help and I am sure Rexous will be  
encouraged by her work.

q- expect situation to change in Turkey after elections  
a- I never speculate in public about other people's  
elections, Turkey is an important and valued ally of Britain,  
we have a strong dialogue with it on all subjects, talk to them  
also about Cyprus and we want to engage whatever government  
emerges from elections seriously and we shall do so  
British government will be talking about those matters  
very seriously and very systematically with whatever government

q- form and substance, federation and confederation,  
forget names

a- (gave Switzerland as example of confederation) these are  
labels, what matters is how the Swiss government function,  
what is decided by cantons, what powers they have, what decides  
central government

I think we should discuss these issues at the same time as  
looking at the substance, not being focused exclusively on that  
the clearcut distinction between confederation and  
federation is a little bit difficult to say,

we are as firmly convinced as we were from the beginning  
that the basis the UN has laid down offers the best opportunity