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MEMORANDUM FOR THE PRESIDENT

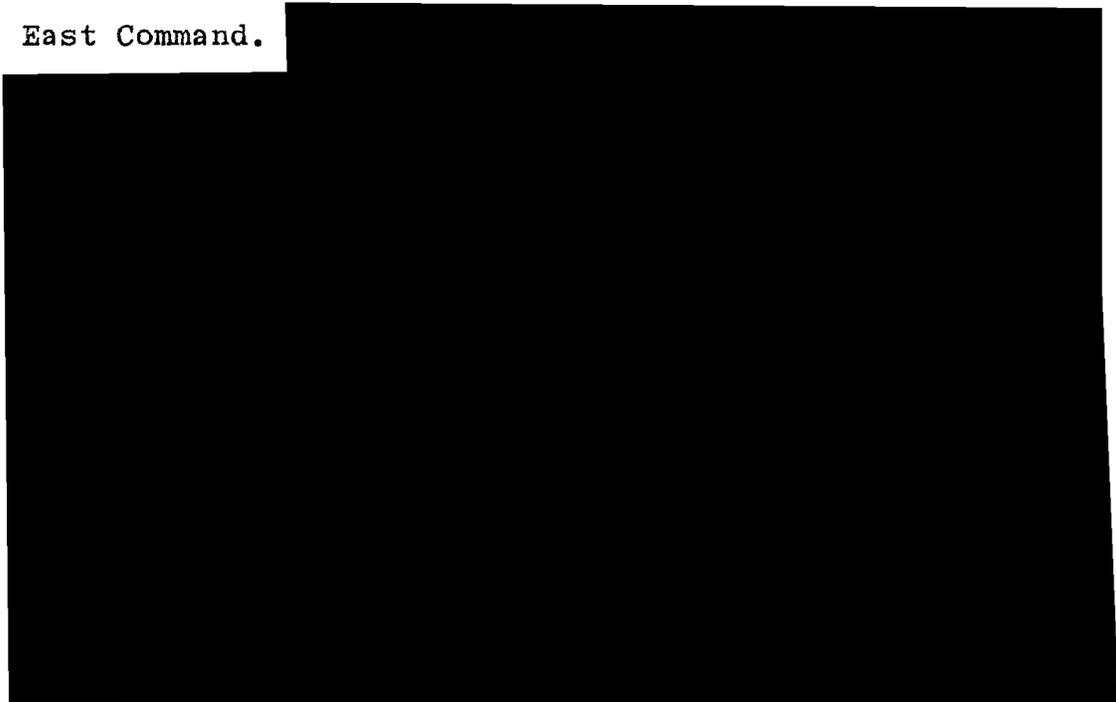
SUBJECT: The Cyprus Problem

The long-standing dispute over the future status of the British crown colony of Cyprus was regarded by most observers as resolved by a series of international agreements signed in London in February 1959 which provided for complete independence. The signatories represented Britain, Greece, Turkey and the two major communities on Cyprus--the 450,000 Greek Cypriots and the 100,000 Turkish Cypriots. Good progress in implementing the agreements was made during the ensuing months but in late 1959 a serious controversy developed over the size of the two bases Britain is to retain. As a result, independence for Cyprus, which was to have been proclaimed by 19 February 1960, has been postponed. Relations between the Greek and Turkish Cypriots, which had improved dramatically following conclusion of the Cyprus agreements in 1959, have begun to show new strains as a result of the present impasse.

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The Cyprus agreements provided that Britain would transfer sovereignty over the island to the new Republic of Cyprus except for two areas--neither specifically demarcated. The agreements also specified that the new republic would assure Britain "the rights and facilities necessary to enable the two areas to be used effectively as military bases." At Akrotiri, on the southernmost tip of Cyprus, the British maintain one of the largest air bases in the Middle East and are in the process of establishing there the headquarters of their unified Middle East Command.



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In discussing the base problem, the Greek Cypriots, led by Archbishop Makarios, president elect of the future Cypriot Republic, attempted from the beginning to limit



the base areas to a maximum of 36 square miles. The Turkish Cypriots, under Fazil Kuchuk, the future vice president, favored limiting the British to the smallest possible area, although they have been less rigid in their position than the Greek Cypriots.

The British originally requested about 150 square miles but later reduced this to 120 square miles.

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The Turkish Cypriots have sought to mediate with a proposal of 80 square miles. This is acceptable to Makarios, but it has been rejected by the British. London has also rejected other proposed compromises, such as putting part of the proposed base areas under long-term lease to the British.

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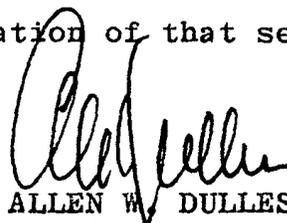
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Currently there is considerable speculation in Nicosia about a compromise at approximately 100 square miles. While Greek Cypriot spokesmen have indicated that any figure under 100 probably would be acceptable, the British have insisted they cannot reduce their demand for 120 square miles by more than a token amount.



The British proposals have been publicly rejected by Makarios largely on economic grounds--complaining that the base areas contain some of the best arable land on the island and a disproportionate amount of vital water resources. His real reasons, however, appear to be an exaggerated fear that he would lose political support on Cyprus by capitulating to the British and his "intuition" that London will eventually make further concessions. A major concession by Makarios to the British on the base issue would reduce his popular prestige. With no other nationalist leader of stature among the Greek Cypriots, a real decline in his popularity would probably redound to the advantage of the Communist-led political party on the island, which is presently believed capable of securing the support of 35 percent of the Greek voters.

Recent warnings that the present negotiations could break down and imperil the original settlement have caused uneasiness, particularly among the Turkish Cypriots. Miscalculation on the part of the present negotiators could of course, lead to a breakdown, with its attendant threat to security. It appears unlikely to us, however, that any party to the original Cyprus agreements would permit a real breakdown and possible repudiation of that settlement.


ALLEN W. DULLES
Director