THE BROOKINGS INSTITUTION

CYPRUS:

CURRENT DEVELOPMENTS AND PROSPECTS FOR THE FUTURE

AN ADDRESS BY DEMETRIS CHRISTOFIAS, PRESIDENT OF THE REPUBLIC OF CYPRUS

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Introduction:

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Moderator:

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Featured Speaker:

DEMETRIS CHRISTOFIAS President Republic of Cyprus

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PROCEEDINGS

MR. TALBOTT: I'm Strobe Talbott and it's my great pleasure to welcome all of you here today to join me in welcoming President Christofias and Mrs. Christofias. So kind of you both to be here. And I might say that pretty much everybody in this room, Mr. President, can sympathize with the difficulties of flying from New York to Washington on a rainy fall afternoon. We're just glad for all kinds of reasons that you made it.

This is a very distinguished and appropriate group we have here to enter a discussion with the President this afternoon. I want to particularly acknowledge, of course, Ambassador Anastasiades of the Republic of Cyprus. Also, Ambassador Strommen of Norway; Ambassador Lintu, Finland; Ambassador Rinert of Estonia; and a particular friend of the Brookings Institution and one of the giants of the U.S. Congress, Senator Paul Sarbanes. So we have the makings of a very good conversation ahead of us.

As I think everybody knows, President Christofias has been up at the United Nations General Assembly for quite some time. I'm sure he'll give us some sense of some of the talks that he had up there. He's down here in Washington for the opening of an exhibition at the Smithsonian Institution titled "Cyprus: Crossroads of Civilization." And that exhibition, which he will officially be opening, coincides with the 50th Anniversary of the

Independence of the Republic of Cyprus. That event half a century ago was a landmark in Cyrus's evolution as a country of great importance to Europe, and therefore, to the United States. Like all member states of the European Union, Cyprus has its own important role to play in the next stage of European integration.

The President and his colleagues are focused, in particular, on the economic and political challenges that come with that forward movement that we all hope to see. More specifically, they're focused on keeping their budget targets in line with Euro zone guidelines and also on strengthening European decision making. Those challenges are especially acute in their neighborhood -- southeastern Europe or the eastern Mediterranean. And, of course, those challenges are also faced by other countries in the region.

But while Greece and Turkey are coping with very significant internal tasks and also with the task of conducting effective bilateral diplomacy between them, Cyprus alone lives with the additional burden of division. The search for a political settlement has gone on, as we all know, for decades, and getting that quest back on track is crucial, first and foremost, to the people of Cyprus, but also to Turkey and Greece and, I might add, to the United States.

These are among the reasons why we here at Brookings, and in particular our Center on the U.S. and Europe Inter-foreign Policy Program

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are ramping up the attention that we are paying to the region. Prime Ministers Papendreau and Erdoğan have spoken at Brookings' events earlier this year, and it's high time, and we're very, very grateful that that time has arrived, that we would have the President of Cyprus here to a Brookings' podium.

He is going to address us and then he is going to sit down again next to my colleague, Steve Pifer, a senior fellow in our foreign policy program here. And Steve will moderate a discussion with the President and with all of you.

So once again, Mr. President, it's my honor to have you here with us today and the lectern is yours.

(Applause)

PRESIDENT CHRISTOFIAS: Ladies and gentlemen, let me recognize especially Senator Serbanes please, an old friend of Cyprus and the host of Cyprus, a fighter for their unification of the island, a fighter to put an end to the occupation and the disaster which touches the people of Cyprus both Greek Cypriots and Turkey Cypriots for so many years.

As the president of this famous institution said, Cyprus is celebrating this year the 50th anniversary of its establishment. The establishment of the Republic of Cyprus. I'm grateful to you for the invitation. It is an honor for me to address this distinguished audience.

I am here in the United States to address once again the General Assembly of the United Nations. Unfortunately, I had to address the United Nations speaking once again about the continuation of the negotiations of a long-standing problem. Instead to speak about the global problems which humanity faces. Of course, I mention this because the Republic of Cyprus is an active member of the United Nations, as well as active member of the European Union. And we tried to make our own contribution towards the solution of these global and very, very serious problems which the people of the world are facing -- climate changes, earthquakes, many other problems, including poverty, economical crisis, and all other roles.

So Cyprus stands for a most just redistribution of the global wealth in order to help the poor people, the poor countries to find themselves. Then, of course, we are interested about the peace, security, and friendship between the peoples of our region -- Middle East, East Mediterranean. And Cyprus is a (inaudible) unfortunately for so many years in this region, as well as the problem of the Palestinians. So we have to work intensively, (inaudible) in order to solve these long-standing problems.

I agree with Mr. Talbott that Greece, Turkey, and Cyprus, a united Cyprus without foreign troops, without violation of the human rights of the whole people of Cyprus, a Cyprus of prosperity, could play really a great

role, could contribute towards the solution of the problems between Greece and Turkey.

My own vision is the unification of the island, the restoration of the rights of the whole people of Cyprus, both Greece Cypriots and Turkey Cypriots. My political background teached [sic] me to befriend and fight for the rights of the Turkey Cypriots as well. No nationalistic positions, no hatred towards the Turkey Cypriots. In fact, we fought together during the decades of '40s within the frame of the regiment of the British Empire at that time. Together Greece Cypriots and Turkey Cypriots to fight against Nazis.

The 10 percent of the population enter this regiment and they fought together. Then, they striked [sic] together to achieve political and economical rights. Both Greece Cypriots and Turkey Cypriots. They lived for centuries in a peaceful way. Foreign interventions and the visions of course were different from each other. They brought Greece Cypriots and Turkey Cypriots confrontation. And this confrontation led to bloodshed and, of course, to contradictions which were catastrophic.

First (inaudible) Greece intervened in the internal affairs of Cyprus with President Makarios. They achieved this for one week and this was enough to give the pretext to Turkey to invade Cyprus and until now Turkey by 37 percent of the island. The consequences were tragic, of course. One-third of the population of the Greek Cypriots have been

expelled for their houses and their properties. I am one of them. I'm coming from the most beautiful place of Cyprus, Kyrenia District. Some of you are smiling because it's coming from Famagusta District. (Laughter.)

So as you know, Cyprus is a very, very beautiful island. A whole island. But unfortunately, let me say it's been raped and we have to restore the visions of Cyprus. The island of Cyprus is famous as the island of love. It is the island of Aphrodite, as you know. And tomorrow, what we are going to do, it's a witness of what I say now. An island with 10,000 years creation and civilization. Tomorrow I invite you all to the Smithsonian Institution to look at this exhibition. Of course, the past is glorious. Its contribution tells the worldwide civilization but we have to look forward. And the bitter past of the last 40 years, we have to take into account. We have to get lessons from this, but we have to look forward. We have to solve the problem. No other alternative, of course, than the peaceful negotiations between the two communities. And, of course, the involvement at the end of the day of the three guarantor powers which all played a negative role unfortunately towards the developments in Cyprus, the two so-called main lands, in fact, invaded both.

Fortunately for the people of Greece, these criminal actions of the Junda led to the withdrawal of Junda in Greece and the restoration of democracy in the country in which democracy was born. And this, of

course, it is something like a small drop of balsam after this great tragedy for the people of Cyprus. As Makarios said, democracy is restored in Greece. We (inaudible) this but Cyprus paid a very high price for this restoration of democracy.

Anyway, we work under the auspices of the Secretary General of the United Nations, according to the U.N. mission resolutions of the United Nations Security Council, in order to evaluate the unitary states (inaudible) to become a federal state. I have to mention that in Cyprus we never had conditions of federation because the people lived mixed in all corners of the island. Only after the invasion and occupation and the removal of one-third of the population of Turkey Cypriots who for centuries lived at the southern part of the island and, of course, the removal of onethird of the population of Greece Cypriot from their houses, their properties, who lived in the southern part. Makarios took this brave decision as a matter of fact to say to the Turkey Cypriots if you are going to feel more secure, stay maintaining in the north. If it's okay, let's evaluate our common state by becoming a federal state. That, of course, means many things, very serious things for the Greek Cypriots because they will -- they have to understand that they will change their life radically.

I'm not against -- I'm going to say that I support this commitment by President Makarios and the other presidents followed

President Makarios. On the other hand, these does not mean that the Greek Cypriots from the north have to decide if they are going to lose their properties, to lose their political, and of course, individual rights. The rights for movement, the rights for property, the rights to express their will to make business and all the other rights which are principles and rights of the European Union. And not only the European Union. I think that the United States sees that is a bastion of these freedoms and rights.

So we have to balance the solution in order to serve the rights of both Greek Cypriots and Turkey Cypriots. And of course, the Turkey Cypriots are welcome to work together with the Greek Cypriots, to share the states' affairs, the power in the government. And of course, in the two (inaudible) governments, both Greek Cypriots and Turkey Cypriots.

With the previous leader of the Turkey Cypriots community, Mr. Talat, who was my good friend for many years and co-fighter, even he was under the guidance of the Turkish leadership. This is characteristic in Cyprus regarding the Turkey Cypriots' leadership. We came to some serious convergences towards the governments of the Federal Republic of Cyprus about the central government and the competences of the central government, the participation of both communities, and some other very important aspects on governments which improve the cooperative to my opinion the provisions of (inaudible) which was rejected by the Greek

Cypriots community.

Convergences we achieved on the economy, on EU affairs. Even on EU affairs we maintained serious disagreements until now over the status of the Turkey Cypriots and of the solution in the European Union. We could agree on this, I am sure we could agree.

Now, some months ago we face a new situation. Mr. Talat lost the elections. A new leader, Mr. Eroğlu has been elected. I'm not going to accuse Mr. Eroğlu. This is not my purpose tonight, but I want to say to you that negotiating on the property issue we face serious difficulties. The restoration of the right to property as you understand is very crucial. We live in a system in which private property is the soul of the system. Private property is deep rooted in the souls of the people, of the human beings.

Of course, it's not so easy to say that every -- until the last Greek Cypriots who lived in the north will return and get his property. There are some difficulties which we have to take into account, and we have the will to take it into account. There are three ways to solve this problem: restoration of the right to property, the compensation, and the exchange of property between Greek Cypriots and Turkey Cypriots because Turkey Cypriots left property in the south.

We have differences about which kind of these three ways is going to be the first choice. We say the first choice must belong to the

owner. Greek Cypriots or Turkey Cypriots. She or he has to express his will about this. We continue the negotiations. We both put it on the table and document for other solutions of the property issue. We have different instances of use. Turkish leadership is stating all the time that they want a solution until December of this year. I used to say I want the solution yesterday because it is my people who suffer or Greek Cypriots and Turkey Cypriots. But the will regarding the solution, or the quick solution or not, must be defined on the table.

So I hope that the Turkish Cypriots' leader and the Turkish leadership, which rejected my proposal to meet me, to analyze my vision towards a solution of the Cyprus problem -- to Mr. Altowan, to Mr. Eroğlu (inaudible) for a solution. Sooner or later I don't deny. I'm not so sure that they are at this moment ready for a solution because of their problems inside the country, around the country, the coming elections and other reasons.

If they are ready, they will prove it. I suggested to connect the discussions of the property issue with the discussion of the territorial issue -- territorial adjustments, which really would be the region under Greek Cypriot administration and which would be under Turkish Cypriot administration. It is important because if the region under Greek Cypriot administration would be wider than the provisions of (inaudible), then the vast majority of the Greek Cypriots, refugees, could return under Greek Cypriot administration

and restore their rights to property. And the minority would make the choice if they were to live under Turkish Cypriot administration or not. I'm sure that there are people who will make the choice to live under Greek Cypriot administration without using their right to return to their properties and to their houses even. And they will ask for conversation. But we could not impose to these people that the solution imposed to you, that you will not return, that you will not ask for the restoration of your right to property -- to your property.

Another proposal I made is to put on the table as well the problem of the settlers. Unfortunately, Turkey since '74, brought to Cyprus waves of settlers, tens of thousands. Maybe they are doubling the numbers now of the Turkey Cypriots. The original Cypriots. And they are not the same, as we are not the same (inaudible) from Greece. I mean, Greek Cypriots. We have much in common, of course. The origin, the religion, the language, cultural traditions. But at the same time we have our peculiarities as Cypriots. Greek Cypriots and Turkey Cypriots. We have much in common with the Turkey Cypriots -- customs, (inaudible). And if you want (inaudible) to come together as Cypriots and to lead our common homeland, this is my proposal. Unfortunately, when I put it on the table it was rejected by the Turkish leadership and by Mr. Eroğlu. I insist. I made this proposal in front of the international community, as well.

Secondly, I made the proposal of good will and of confidence building measures. As you know, the city of Varosha is empty. It's a ghost city since '74. The people left. It is under the control of the Turkish Army, but the Turkish Army, because of the reaction of the United Nations' peacekeeping force at that time, they didn't enter the city. It is empty. It's a pity. Thousands of refugees and an empty city there.

So I suggested the implementation of the 50 resolution of the United Nations Security Council according to which Turkey must give the city under the guidance of the administration of the United Nations to prepare the city for the inhabitants to return back to their homes. I didn't (inaudible) to this. I wanted a win-win situation. This is why I suggested to the Turkey Cypriots the restoration of the rural city of Famagusta. It's the Othellos city of Famagusta in which the Turkey Cypriots continue to live. To restore the city, to repair the city because it is our common heritage. And the opening of the port of Famagusta for the Turkey Cypriots to make trade under the auspices of the United Europe because I will never accept to make trade with the sin of second state, the so-called Turkish Republic of Northern Cyprus. It is a matter of principle as you understand. So they reject. This is a win-win situation.

On the other hand, if Turkey will accept this, we are going to (inaudible) some chapters of Turkey regarding her accession to the

European Union. This is the situation. I hope that Turkish leadership and Mr. Eroğlu will make second thoughts because this is going to push the negotiations and, of course, to give us the whole picture about their position towards the property issue.

I'm ready for a solution. I didn't run for the presidency for the chair. No. I ran for the presidency in order to solve the problem. For me, I assure you this is (inaudible) of life and for a more just society. I want the poor people to live better. I want the world to be shared in a better redistribution and a better way for the sake of the social justice. It is possible to achieve this in our system and in our country.

I love the Turkey Cypriots. These are not words. I lived in a village which was surrounded by Turkey Cypriots villages. My father was builder of houses. Very often he worked together with Turkey Cypriots. I had this opportunity to be together with Turkey Cypriots. They are Cypriots or they are not human beings the Greek Cypriots. They are good guides as well. Greek Cypriots are ordinary people and, of course, we have the -- let me say, most wealthy community, the stronger community to help our Turkey Cypriots competitors within the framework of the solution of the Cyprus problem.

For this purpose, the Turkey Cypriots, even the problem is there still. They have full and free access to the healthy institutions of the

Republic of Cyprus. They come (inaudible). They have their treatment and they are okay. They have the possibility to work together with Greek Cypriots in the free areas with higher salaries, of course, than in the occupied area. And other possibilities for trade through the green line regulation which we (inaudible) with the European Union. This isn't enough, of course. What we want, we want to demolish any line. We want a free Cyprus without division lines. A free Cyprus for all Cypriots. Greek Cypriots, Turkey Cypriots, Maronites, Latins, and Armenians.

So I thank you very much for giving me the opportunity for this long introduction. And now I'm at your disposal for questions and that. Thank you. (Applause)

MR. PIFER: Well, Mr. President, thank you very much for the description of the challenges and the opportunities facing Cyprus today. I'm going to take the moderator's option of posing the first question.

You discussed some of the complications that you see that affect how the Turks see their role in finding a solution of the division of the island. And I guess one other issue I'd raise would be the question of Turkey's complex relationship with the European Union, where some analysts have seen over the last several years there's a concern that the Turks feel that that path to ultimately joining the European Union is very,

very difficult, if not closed. And perhaps over the last several years maybe Turkey has turned away and is looking to find a new foreign policy orientation.

So I'd ask two questions. One, what is your perspective on that? And then two, how do you see that affecting Ankara's ability to influence an ultimate solution on the island?

PRESIDENT CHRISTOFIAS: From the very beginning, Turkey appealed the European Union to become a member. The Republic of Cyprus didn't behave as an occupation -- as a victim of occupation by Turkish troops. I think we behave normally and let me say correctly. We said that we are full supporters of the accession of Turkey to the European Union -- the full accession of Turkey in the European Union. Of course, we have some preconditions. Turkey could not continue occupying part of member states and being a member state as well. There are some other obligations taken by Turkey with the European Union regarding the Republic of Cyprus. So we hope that as soon as possible Turkey is going to forfeit these obligations.

Of course, the main obstacle for the full access of Turkey in the European Union is not Cyprus. Let me say that out loud. There are powerful countries, leading countries in the Union, which say openly that they don't want Turkey as a full member and they want special treatment

with Turkey. Of course, I'm sure the Turkish leadership is under the influence of these facts regarding the Cyprus problem. But we have -- they have to separate the Cyprus problem from their own problems with the Union because the Cyprus problem is a problem of invasion and occupation, it is a problem of violation of international law, it's a problem of occupation of a country member of the European Union and of the United Nations as well.

There are a plethora of resolutions of the United Nations which ask for the withdrawal of the foreign troops. I'm not just in favor of the Turkish troops. I'm in favor of the withdrawal of foreign troops in general, including every kind of troops. Of course, somebody could ask me what about the bases? The bases is part and parcel, unfortunately, of the establishment of the (inaudible) of Cyprus.

The British managed to get sovereign bases in Cyprus. Speaking with Gordon Brown, with whom I had very friendly relations and he wanted really to help me for a solution on the Cyprus problem, I told him that this is not the time to open so many fronts. So the problem of the bases, it's a problem which is going to be solved by our children and grandchildren together, Greek Cypriots and Turkish Cypriots, being masters of their land in the Republic of Cyprus.

MR. PIFER: Thank you, Mr. President. Let me now open it

up to the floor for questions. If I could ask if you could wait for the microphone, identify yourself, and please have a question mark at the end of your comment.

Back in the back there.

MR. LARIGAKIS: I might as well get it started. Good afternoon, Mr. President. Nick Larigakis with the American Hellenic Institute.

PRESIDENT CHRISTOFIAS: Good afternoon.

MR. LARIGAKIS: If I may just follow up your comments regarding the occupation forces on Cyprus, how much of an impediment are these forces ultimately to moving forward with the negotiations? I mean --

PRESIDENT CHRISTOFIAS: How much, excuse me?

MR. LARIGAKIS: How much of an obstacle are occupation troops to moving forward with the negotiations? Because there are those who say that, well, the negotiations should be the ones, you know, to talk about when the troops leave. But by doing so it almost endorses the invasion, illegal occupation, of those troops by making them within the negotiations. So if you could, please, just discuss, in your mind, how important are those troops to leave now to move the negotiations forward.

PRESIDENT CHRISTOFIAS: My good friend, of course, it

would be great if the occupation troops are going to leave and then to continue the negotiations, but we have to (inaudible). We have to take into account the reality that Turkey wouldn't withdraw the troops before the solution of the Cyprus problem. She could withdraw part of the troops because 40,000 soldiers with the most modern weapons in Cyprus are not needed. The National Guard counts 9,000 young person which are not so well-armed anyway compared with the army of the greatest power of the region, Turkey. So as an action of goodwill they could withdraw part of the troops.

The presence of the troops are an obstacle for many actions we want to take with the Turkey Cypriot compatriots, confidence-building measures. I discussed for one year with my good friend Mehmet Ali Talat to open another crossing point which is going to unite Nicosia through the occupied area with northwest of Cyprus, where for 50 years, in fact, some thousands of people in enclaves and they make the round through Paphos, come to Limassol, and then to Nicosia. So if directly are going to come from this place to Nicosia, they need only 55 -- excuse me, 45, 50 minutes. In order to make the round they need 3 hours and a half, a whole day, in fact, to go and come. So we (inaudible) with Talat.

After the open of Ledra Street, the center of Nicosia -- which is a very positive action, of course, and a positive measure -- we decided

to open (inaudible) this road. So we sat down and one demand, two demands. Demands not of Talat, I assure you. They were demands of the militaries. Ten. If I didn't love these people in a humanitarian, if you want, basis, who have to be released from this, in fact, prison, I wouldn't make the concessions I made. I made many concessions in order to give the possibility to these people to be released.

So who decided finally? The leader of the troops decided finally. Anyway, fortunately, we are going to inaugurate the opening of this crossing point on 14th of October. We don't have the appropriate progress in the negotiations. Fortunately, we brief a little bit. We send a message to our people that we're doing something positive with the opening of this street.

So the role until recently of the general leader of the troops was decisive. As you know, there is a struggle between the government of Turkey and the militaries, the military establishment. And I hope that the legitimate government, the democratic elected government is going to govern fully the country and reduce the role of the militaries in Turkish life and in general in defining the policy of Turkey.

MR. PIFER: Right here.

MR. ELLIS: Hi. My name's Tom Ellis from *Kathimerini*, one of the Greek newspapers.

Continuing on what you said, do you feel now that it seems Mr. Erdogan is slowly -- he becomes a little bit stronger politically after the referendum compared to the military, that deep down he does want a solution? And if he does, will move towards a more -- you know, less negative position, if that's the right word? Or was just the use of the military just, you know, a pretext for not moving? Does he really want to move?

Because in 2002, when they came to power, a lot of Greeks and Greek Cypriots felt there was a difference from Ecevit and the past. Here we had a leader in Turkey who wanted a solution, that he felt '74 was not a solution. Now that he becomes more powerful will he move ahead for a solution? Do you feel he's honest on that front?

PRESIDENT CHRISTOFIAS: I would say I don't see life as -- in a direct line. Life is complicated and I think that he's moving forward in a developing movement.

Of course, Mr. Erdogan is not the same way and Mr. Ecevit. And of course, he is not the same with the military establishment. This is obvious. Only a blind man must not understand or see this.

But as I said before, there is a struggle, a fight inside the country with this establishment. And the battle is given no (inaudible) by Mr. Erdogan and his party until now, not only with the militaries, but with

the post element or the (inaudible); the judicial -- the establishment of the judiciary as well. So he won important battles. If he is going to win the whole war, this is good, let me say, for Turkey as such, for the Turkish people. Because the reforms regarding the democratic institutions, the reforms regarding democracy are in favor of the citizens of Turkey, first of all, and, of course, are in favor of our common efforts with George Papandreou and with other peace-loving people, human beings and leaders, to come together with Turkish leadership to find a common language about our neighborhood. We stick to each other. This is not a choice. It's a choice of history. It's a choice of geography. So we have to find ways to solve the problems, save gutting the rights of the peoples, of course, and respecting each other.

I believe that the assurances given by Mr. Erdogan and Mr. Gul so many times are not lie assurances and normal assurances. And they are going to overcome any other difficulties they face inside the country and to come together with us to solve the problems on a base of equality and respect to each other.

MS. HERSCHER: I'm Ellen Herscher from the Cyprus American Archaeological Research Institute. First of all, I'd like to congratulate you on the outstanding exhibition that will be opening at the Smithsonian.

My question concerns the peacekeeping forces of the U.N. You've just come from the U.N. Are you confident that the support for the troops will continue to be as strong as it had been in Cyprus?

PRESIDENT CHRISTOFIAS: Thank you, lady. Thank you for the nice comment regarding the exhibition. We are proud of this as we are proud of our cultural heritage, of course, will be (inaudible) during all these years. Two days ago, I called in Germany. Fortunately, took a decision to return back icons very important and very -- for our heritage. And famous --

SPEAKER: Mosaics.

PRESIDENT CHRISTOFIAS: -- mosaics, which had been stolen by a Turkish thief anyway of the (inaudible) to be returned back to Cyprus. I'm glad, I'm happy for this, and, of course, the Church of Cyprus as well.

So regarding peacekeeping forces, if the United Nations are going to take any decision to whittle the peacekeeping forces, this would be a great, great mistake. The peacekeeping forces do not count thousands of people. It's only 1,000 now. And it is important for the psychology of the people. They feel more secure. And, of course, to prevent some moves of some officers. In Strovelia, for example, they removed the occupied Strovelia part of the buffer zone and until now they

are there. So without the peacekeeping forces, the situation would be worse. And when I hear threats from outside about the peacekeeping force, really I become frustrated and I'm sad to hear.

Seeing here the ambassador of Finland, for example, Finland sends all these years maybe some thousands of Finnish soldiers to serve in the peacekeeping force. (inaudible) another part these people are safe and they are very, very happy to serve in Cyprus. I'm sure that His Excellency Mr. Ambassador knows this very well. And, of course, we are grateful to countries which send their soldiers to serve within the framework of the peacekeeping force.

MR. PIFER: Person in the back there.

MR. LUJIBAYANI: Apostol Lujibayani, Cyprus News Agency.

Mr. President, recently there is a fresh wind blowing in the Cypriot-Israeli relations. And I would like you to elaborate a little more about why now and not a few years ago. And what are the prospects for a better relationship and the region?

PRESIDENT CHRISTOFIAS: (Speaking foreign language.) SPEAKER: May I? PRESIDENT CHRISTOFIAS: (Speaking foreign language.) I think there is a confusion. The relations between Cyprus and Israel were

all these years good relations. Makario is following (inaudible) policy. He created -- he established good -- and very good, I could say -- relations with Israel. As a matter of fact, with the state of Israel we decided to improve furthermore, not because Israel now is in confrontation with Turkey. I don't follow such policies. No, because Israel is ready for an equal development of the relations between Cyprus and Israel, and we're doing this.

I'm not a human being of prejudices. Of course, I have my position toward the Palestinian problem. And I'm very frank with the Israeli government and officials, we are in favor of the establishment of an independent Palestinian state as provided by U.N. Security Council resolutions. The international community is in favor. We are in favor because these people is under torture for more than our people, 60 years. It's a pity. It's enough. It is time for peace and good relations of the Israelis and the Arab peoples to prevail, to take over.

So -- and, of course, for the Arab states and peoples to recognize the right of the Israeli state and the Israeli people to exist there. This was our position since many years ago, of my party, for example. It was different then (inaudible) from the Arab region, from the Arab peoples. But we had the courage to say that the way to solve the problem is a mutual respect and mutual recognition of two states side by side.

MR. PIFER: I think we have time for one last question before the President needs to depart. Right here.

MR. VOCKI: Auggie Vocki from the Carnegie Endowment.

Mr. President, you mentioned the fact that you cared about the Turkish Cypriots, and yet one of the things that's happening is that the number of original Turkish Cypriots is actually declining every year.

PRESIDENT CHRISTOFIAS: Declining?

MR. VOCKI: And part of the reason for that is that the economic conditions in Northern Cyprus are not that great. Yet if you were to allow for trade to take place between the North and the rest of the world, that would mitigate -- that would reduce the number of Turkish Cypriots leaving. Wouldn't -- in a way, isn't your policy, to some extent, contradictory and undermining the future of the relations between Turks and Greeks on the island?

PRESIDENT CHRISTOFIAS: Beyond everything we have to respect the Republic of Cyprus and we have to protect the Republic of Cyprus. When we speak about the North, the North on the ground is not something obstructive. When Turks and some Turkish Cypriots are speaking about the North, they mean second state in Cyprus. I want to make clear to the Turkish Cypriot compatriots second state in Cyprus, we could not recognize, directly or indirectly.

In order to make trade, of course, (inaudible) Turkish Cypriots were in favor to export through their legitimate ports and airports of the Republic of Cyprus. And, of course, I made a proposal, the opening of the Port of Famagusta for trade under the auspices and with the scene of the European Union. Our common (inaudible) membership. I could not -- really I'm sad to say -- I could not and I wouldn't recognize second state in (inaudible). We have to share our common (inaudible), our common homeland and our common state, the Republic of Cyprus, which would, as I said, evaluate it (inaudible) by common federal state. The Turkish Cypriots are leaving because somebody gives priority to the settlers. And the Turkish Cypriots are not so satisfied of the presence of so many thousand settlers in Cyprus with privileges they get.

MR. PIFER: Okay. Well, can I ask you to join me in thanking the President for his comments today? (Applause)

PRESIDENT CHRISTOFIAS: Thank you.

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I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

/s/Carleton J. Anderson, III

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2012