[10] It should be noted that given the status of the TRNC, the relevant legal framework was extremely weak. This was one of the reasons for the financial crisis as well as for the money laundering activities that are systematically reported.

[11] A. Theophanous and Y. Tirkides, "The Cyprus Economy in Perspective: an Analysis of Growth and Structure" in A. Theophanous and Y. Tirkides, *Accession to the Eurozone and the Reunification of the Cyprus Economy*, pp. 70-73.

[12] Ibid. Furthermore, see S. Bahcheli, "Census reveals soaring population in north," *The Cyprus Mail*, 7 May 2006.

[13] W. Noë and M. Watson, "Convergence and Reunification in Cyprus: Scope for a Virtuous Circle," op. cit., p. 2. On the other hand though, it should be acknowledged that employment in the broader "public sector" is much higher. See relevant section (5.1 Public Finance) below.

[14] See S. Bahcheli, "Census reveals soaring population in north," *The Cyprus Mail*, May 7, 2006. This may also explain in part the extraordinary increase in the number of elementary school children noted above.

[15] See A. Theophanous and Y. Tirkides, "The Cyprus Economy in Perspective: an Analysis of Growth and Structure" in A. Theophanous and Y. Tirkides, *Accession to the Eurozone and the Reunification of the Cyprus Economy*, op. cit., p. 72.

[16] The tertiary education sector supported by Turkey (basically for political reasons) since the late seventies presents an impressive pattern of growth so much so that today it accounts for about 15% of GNP. The academic institutions in the northern part of Cyprus attract a sizeable population of students, the vast majority from Turkey. At the same time these academic institutions try to build their connections with international academic institutions and, as such, are in a position to also propagate political positions.

[17] Ibid. See also W. Noë and M. Watson, "Convergence and Reunification in Cyprus: Scope for a Virtuous Circle," op. cit., p. 3.

[18] Greek Cypriots have raised the issue that the bulk of construction activity takes place in Greek-Cypriot properties unlawfully.

DOCUMENTS

The Annan Plan

Eugene Rossides

Editor's Note: Several of the articles in this special issue of the *Journal of Modern Hellenism* dedicated to Cyprus, make extensive references to the Annan Plan. This was a plan prepared by the UN Secretary General Kofi Annan with considerable involvement of Britain through its Cyprus envoy Sir David Hannay. On April 24, 2004, just a week before Cyprus's formal accession to the European Union, two separate referenda were held in Cyprus on the Annan Plan. One was held in the government controlled territory of the Cyprus Republic where Greek Cypriots voted overwhelmingly (75.8%) against the Annan Plan. The other referendum was held in the Turkish occupied territory. Voting were the Turkish Cypriots but also a very large number of settlers from Turkey, who approved the Annan Plan by a vote of 64.9%.

The months before the referenda witnessed a lively debate in Cyprus on the merits or the shortcomings of the Annan Plan. In the United States, an intense debate took place among the Greek American community. As it transpired, the great majority of Greek Americans opposed the Annan Plan. Their opinion was expressed mainly through their organizations, local and regional associations (*topika somateia*) and Federations. Two months before the Cyprus referenda were held, the major Greek American organiza-

tions addressed a letter to President George W. Bush explaining the reasons behind their opposition to the Annan Plan. The American Hellenic Institute led the way, and the letter to the president was signed by Eugene Rossides, the founder of the American Hellenic Institute.

Below is a shortened version of the letter sent to the president by the major Greek American organizations. It serves as a useful resource regarding the attitudes of the Greek American community on issues of special concern to the community.

February 19, 2004

The Honorable George W. Bush
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Re: Greek American Organizations call for changes in the Annan Plan in the interests of the U.S.

Dear Mr. President,

I am pleased to inform you that the major Greek American membership organizations are calling for serious changes in the Annan Plan in the interests of the U.S. to make the Plan democratic, workable, financially viable and just. The organizations are:

> The Order of AHEPA. The Hellenic American National Council. The Cyprus Federation of America. The Panepirotic Federation of America. The Pan-Macedonian Association of America The American Hellenic Institute.

Their joint statement on the Cyprus problem follows:

"Turkey's 1974 invasion of the sovereign Republic of Cyprus and the Turkish army's continuing occupation of 37.3 percent of the island with the illegal use of U.S. arms are violations of the U.S. Foreign Assistance Act of 1961, the UN Charter, article 2 (4), the North Atlantic Treaty, and an affront to the international legal order, and a continuing threat to regional stability.

There is no legal distinction between Turkey's 1974 aggression against Cyprus and Iraq's 1990 aggression against Kuwait. The Cyprus problem is one of aggression and occupation by Turkey.

Then Secretary of State Henry A. Kissinger bears the major responsibility for the Cyprus problem because he encouraged and supported Turkey's invasion of Cyprus on July 20, 1974 and Turkey's second wave of aggression on August 14-16, 1974, three weeks after the legitimate government of Cyprus had been restored.

We support a settlement of the Cyprus problem through negotiations based on a bizonal, bi-communal federation in a state with a single sovereignty and international personality, incorporating the norms of a constitutional democracy embracing key American principles, the EU acquis communautaire, UN resolutions on Cyprus, and the pertinent decisions of the European Court of Human Rights.

The Annan Plan needs serious changes in the interests of the U.S.

The "Annan Plan," submitted by UN Secretary-General Kofi Annan in the fall of 2002 as the basis for a settlement is regarded by Cyprus, Greece and the international community as a basis for negotiations. As currently written the Annan Plan is undemocratic and unworkable. It needs serious modifications to make it democratic, workable, financially viable, just and compatible with American values

and the EU's acquis communautaire and democratic norms, the European Convention on Human Rights and key UN resolutions.

It is in the interests of the U.S. to press for such changes for a settlement that will last and which could be a useful model for other international problems including Iraq. The Annan Plan is a more complicated version of the 1959-1960 London-Zurich agreements imposed on the Greek Cypriots by the British during the Cold War.

The British had the primary influence in drafting the proposal, with U.S. acquiescence. The Annan Plan perpetuates the undemocratic features and ethnic divisions of the London-Zurich agreements. The Cold War is over yet the British continue their policy of setting one ethnic group off against another.

The Annan Plan is harmful to U.S. efforts to build democratic institutions in Iraq because it tries to rationalize a system based on ethnic separatism with a weak central government. The U.S. has rejected any such solution for Iraq. The U.S. should in its own best interests be the champion of democratic norms throughout the world, not obvious undemocratic constitutions like the one proposed. The U.S. should support changes in the Annan Plan to make it democratic, workable, financially viable and just.

The Annan Plan would foster division and strife. Secretary-General Annan himself should seek changes in the plan because the interests of the UN are served only if the plan is democratic and viable.

The proposal is undemocratic

The parliamentary system under the Annan Plan creates a minority veto for the 18% Turkish Cypriot minority. The following key legislative matters among others would be subject to the Turkish Cypriot veto:

1. Adoption of laws concerning taxation, citizenship and immigration;
2. Approval of the budget; and
3. Election of the Presidential Council.

This arrangement is clearly undemocratic, a recipe for stalemate and harmful to all Cypriots. The minority veto is also present in the Presidential Council which exercises the executive power of the component state. Political paralysis in the exercise of executive power will be the result.

The Annan Plan vetoes exceed the minority vetoes of the London-Zurich 1959-1960 agreements, which vetoes led to the breakdown of the Cyprus constitution. Is the U.S. prepared to propose the Annan Plan's minority veto provisions for the 20% Kurdish minority of 15 plus million in Turkey? Is Turkey prepared to give its Kurdish minority rights it seeks for the Turkish Cypriots?

The U.S. position in support of the British maneuvered Annan Plan is, frankly, an embarrassment to our foreign policy. Rather than supporting undemocratic norms, the U.S. should promote with vigor the democratic policy espoused for Cyprus by Vice President George H.W. Bush on July 6, 1988: "We seek for Cyprus a constitutional democracy based on majority rule, the rule of law, and the protection of minority rights;" and by presidential candidate Governor Bill Clinton in 1992: "A Cyprus settlement should be consistent with the fundamental principles of human rights and democratic norms and practices."

The proposal is unworkable

It is useful to recall that the State Department's Bureau of Intelligence and Research called the 1959-1960 London-Zurich agreements dysfunctional. It predicted the problem areas. The Annan Plan is even more complicated and creates conditions for continuous squabbling, disagreements and deadlock.

A report by the U.S. Department of State Bureau of Intelligence and Research on the London-Zurich agreements concluded "[The Cyprus settlement] also endeavors to codify in detail the position and rights of the two communities instead of relying on constitutional custom as other countries have done in similar situations. There are dangers inherent not only in the comparative rigidity of the structure of the new state but also in the detailed codification of community rights which will tend to perpetuate rather than eliminate the communal cleavages." (BIR Intelligence Report No. 8047, July 14, 1959 p.22). The same criticism and danger applies to and is inherent in the Annan Plan.

The proposal subverts property rights

One of the most pernicious effects of the illegal Turkish occupation of northern Cyprus is that the rightful owners of real property there continue to be excluded from their property by the Turkish military. The Annan Plan proposes a highly complicated, ambiguous and uncertain regime for resolving property issues and is based on the principle that real property owners can ultimately be forced to give up their property rights which would violate the European Convention on Human Rights and international law. In 1996 the European Court of Human Rights (ECHR) held in Loizidou v. Turkey that persons who held title under the laws of the Republic of Cyprus to real property in occupied Cyprus were the only rightful owners of that property and that Turkey was responsible for those rightful owners being excluded from their real property. Since that decision, the ECHR has issued three more decisions upholding that decision and Turkey has paid a substantial judgment in Loizidou.

The proposal fails to fully demilitarize Cyprus

There is no need for Turkish or Greek soldiers to remain in Cyprus. The U.S. should insist on full demilitarization now.

The proposal does not provide for the return to Turkey of the 100,000 illegal Turkish settlers in the occupied area

Central to a proper solution is the return of the 100,000 illegal Turkish settlers to Turkey.

The proposed territorial adjustment is clearly unfair

The two proposed maps—A 28.6% and B 28.5% reward Turkey, the aggressor and penalize the Greek Cypriots, the victims. The Turkish Cypriots comprise 18% of the population and have title to about 14% of the land. A map proposal should provide for no more than 18% under the Turkish Cypriots. The proposed maps are contrary to the policy enunciated by President George H.W. Bush and Soviet President Mikhail Gorbachev in Helsinki on September 9, 1990, when they condemned Iraq's aggression against Kuwait and declared "that aggression cannot and will not pay."

The U.S. should seek changes in the Annan Plan to reflect U.S. values and interests

The U.S. Special Coordinator for Cyprus, Ambassador Tom Weston, should be seeking changes in the Annan Plan to make it democratic, workable, financially viable and just. The U.S. bears the major responsibility for Turkey's aggression and should now be willing to stand up and hold Turkey accountable for its aggression by calling for:

1. Turkey's armed forces and settlers to leave Cyprus now;
2. Turkey to pay damages for all the destruction and loss of life she caused;
3. Turkey to pay to all property owner's the losses they have suffered from Turkey's occupation of their property since 1974 as Turkey was forced by the Council of Europe to pay Titina Loizidou under threat of expulsion; and
4. Turkey to pay for the costs of resettlement of the

Greek Cypriot refugees.

To achieve a settlement, the U.S. should apply forceful economic, political, and diplomatic pressure on Turkey, including sanctions if necessary, to get Turkey to remove its 35,000 armed forces and its 100,000 illegal colonists from Cyprus."

Respectfully,
Gene Rossides

cc: Vice President Richard B. Cheney
Secretary of State Colin L. Powell
Secretary of the Treasury John W. Snow
Secretary of Defense Donald H. Rumsfeld
Deputy Secretary of State Richard Lee Armitage
Deputy Secretary of Defense Paul Wolfowitz
Chief of Staff Andrew Card
National Security Adviser Condoleeza Rice
Under Secretary of State Mac Grossman
Assistant Secretary of State for European and Eurasian Affairs A. Elizabeth Jones
Director of OMB Joshua Bolten
The Congress

SELECTED BIBLIOGRAPHY

Editor's Note: The bibliography below is by no means representative of the plethora of books written about Cyprus. Indeed, there is a very rich bibliography that covers Cyprus from antiquity to the present and spanning 8,000 years of history. The monographs listed below are primarily in English and cover but a very small fraction of Cyprus' course through the millennia. In terms of the period covered, this bibliography focuses mainly on the years 1950-2008, while thematically the emphasis is on the Cyprus dispute and the role of external powers. More specifically, this bibliography includes: The decade of the 1950s and especially the EOKA campaign against British colonial rule (1955-1959); Independence and its aftermath with the eruption of intercommunal conflict (1960-1963); The United Nations peace keeping role in Cyprus, the US attempt to mediate and the Greek junta years (1964-1974); The Turkish Invasion and its aftermath (1974-2003); the Annan Plan and Cyprus' accession to the European Union (2004-2008). Included also are several historical overviews of British colonial rule (1878-1959) as well as books on post-World War II Greek-Turkish Relations.