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Visit to the UK by the
Turkish Prime Minister, Mr Ozal.
and his successor, Mr Demirel.

TURKEY

October 1985

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
18.2.86							
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23.11.92							
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pt 3

PART _____ begins:-

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DEMIREL'S VISIT TO LONDON: COVERAGE IN TURKISH PRESS

SUMMARY

1. FULL AND GENERALLY FAVOURABLE COVERAGE. VISIT PRESENTED AS FURTHER CONFIRMATION OF TURKEY'S IMPORTANCE IN NEW WORLD ORDER. PAPERS REPORT DEMIREL'S WARNINGS ON YUGOSLAVIA AND IRAQ. SOME MENTION OF BRITAIN'S ROLE IN STRENGTHENING EC/TURKEY RELATIONS. A GRUMBLE OVER INADEQUATE SECURITY.

DETAIL

2. PRIME MINISTER DEMIREL'S WORKING VISIT TO LONDON (23 NOVEMBER) RECEIVED FULL AND GENERALLY POSITIVE COVERAGE IN THE TURKISH PRESS. TAKING THEIR LEAD FROM DEMIREL'S STATEMENT TO ACCOMPANYING JOURNALISTS THAT HIS AIM WAS TO PRESENT TURKEY AS A VEHICLE TO PROMOTE EUROPEAN GOODS AND VALUES IN THE REGION, MANY EDITORS PRESENTED THE VISIT AS FURTHER CONFIRMATION OF TURKEY'S IMPORTANCE IN THE NEW WORLD ORDER. THE POPULAR MILLIYET NEWSPAPER REPORTS ON THE VISIT UNDER THE HEADLINE 'THANK YOU TO MAJOR FOR (PROGRESS ON) THE EC'.

3. THE PAPERS GIVE PROMINENCE TO DEMIREL'S WARNINGS ON THE RISK OF CONFLICT IN THE FORMER YUGOSLAVIA SPREADING TO MACEDONIA AND KOSOVO AND THE PROBLEMS WHICH THE BREAK-UP OF IRAQ WOULD CREATE. IN RESPONSE TO THE PRIME MINISTER'S EXPRESSION OF CONCERN OVER THE FUTURE OF OPERATION PROVIDE COMFORT, DEMIREL IS REPORTED TO HAVE GIVEN THE STANDARD RESPONSE THAT EXTENSION BEYOND DECEMBER WAS A MATTER FOR PARLIAMENT TO DECIDE. FOREIGN MINISTER CHETIN IS CREDITED WITH PERSUADING YOU TO ASK LORD OWEN TO ATTEND THE ISTANBUL CONFERENCE ON YUGOSLAVIA. COVERAGE OF DEMIREL'S ADDRESS TO THE CBI MAKES MUCH OF THE ALLEGED INTEREST SHOWN BY BRITISH FIRMS IN USING TURKEY AS A STEPPING STONE TO THE CENTRAL ASIAN REPUBLICS.

4. THE PAPERS NOTE THAT THE PRIME MINISTER WELCOMED DEMIREL'S CLAIMS OF IMPROVEMENT IN THE HUMAN RIGHTS SITUATION. COMMENTING ON

DEMIREL'S BREAKFAST WITH BRITISH JOURNALISTS, ONE SENIOR TURKISH COLUMNIST EXPRESSES OUTRAGE AT A QUESTION ABOUT REPORTS OF DEATH SQUAD STYLE KILLINGS IN SOUTH-EAST TURKEY: AND ACCUSES BRITISH COLLEAGUES OF KNOWING NOTHING ABOUT TURKEY.

5. THE MASS CIRCULATION DAILY 'HURRIYET' OF 23 NOVEMBER COMPLAINS THAT DEMIREL WAS NOT GIVEN A SECURITY ESCORT FROM THE AIRPORT TO HIS HOTEL AND CLAIMS THAT HE WAS HELD UP IN THE TRAFFIC AND SEPARATED FROM THE REST OF THE PARTY. TURKISH SECURITY OFFICIALS ARE QUOTED AS DESCRIBING ARRANGEMENTS AS A 'SCANDAL'. HURRIYET DRAWS A COMPARISON WITH BARONESS THATCHER'S RECENT VISIT TO ANKARA, WHEN SHE WAS TREATED 'LIKE A QUEEN'.

COMMENT

6. THE FAVOURABLE PRESS COVERAGE REFLECTS THE SATISFACTION WHICH MEMBERS OF DEMIREL'S PARTY HAVE EXPRESSED TO ME. THEY WERE PARTICULARLY PLEASED ABOUT THE ATMOSPHERE AT THE LUNCH AT NO 10. THE FACT THAT DEMIREL GOT ONTO TELEVISION MORE THAN COMPENSATED FOR THE AGGRESSIVE TONE OF THE BRITISH PRESS.

GOULDEN

YYYY

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Filed on:

10 DOWNING STREET

LONDON SW1A 2AA

23 November 1992

From the Private Secretary

Dear Christopher,

**PRIME MINISTER'S MEETING WITH
PRIME MINISTER DEMIREL OF TURKEY:
MONDAY 23 NOVEMBER**

Thank you for the briefing for the Prime Minister's meeting with Prime Minister Demirel of Turkey which took place today. Mr. Demirel was accompanied by the Turkish Foreign Minister, Mr. Cetin, and other officials. The Foreign Secretary, Mr. Needham and Lord Cranborne were with the Prime Minister. So was our Ambassador in Ankara, John Goulden.

At Mr. Demirel's request, he and the Prime Minister had about 20 minutes entirely on their own before lunch. The Prime Minister has told me that the meeting was very low-key and it was not at all clear why Mr. Demirel had asked to meet in private.

Mr. Demirel's main concern was over the possibility of military spill-over into Kosovo, Sanjak and Vojvodina. His message was a very simple one: something needed to be done to prevent such a spill-over. Mr. Demirel favoured the UN Secretary-General taking a clear position, as he had over Kuwait, with support from Member States. If the UN took no action it would have no credibility. The consequences of a spill-over would be very serious and speed was of the essence. Turkey wanted to help in the context of the CSCE and of the UN. Mr. Demirel said that he would be at his Balkan Conference on 25 November and Mr. Cetin would attend the Islamic Conference in Riyadh on 1/2 December. He expected both meetings to endorse the position set out above.

Mr. Demirel also expressed great concern about instability in the Former Soviet Union (a point to which he reverted over lunch). He had no specific proposals to make.

Lunchtime Discussion

The Prime Minister welcomed Mr. Demirel warmly. Mr. Demirel expressed his thanks for the help Britain had given over Turkey's relations with the EC and paid tribute to the Foreign Secretary's role. Turkey's relations with the United Kingdom were "beautiful". There were many things we could do together for the peace and prosperity of our people.

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John Goulden described the present situation over contracts. There had been a recent decline in British investment in Turkey, partly because previous projects had come to an end. There were, however, new opportunities - in particular the Izmit Water Project and the British Gas bid for the Istanbul Project. BP also wanted to do oil exploration in the Black Sea and would be very well placed to do so with only a minor adjustment to the Turkish tax incentive regime. BP were already active in Azerbaijan. It would be an encouragement to British investment if we could be successful with one or two major contracts.

Mr. Needham commented that he was convinced that we could do better and Mr. Goulden said that privatisation was a very promising area in which our experience was very relevant.

Mr. Demirel said that Turkey was only just learning about privatisation. They had done \$1 billion worth over the last five years, with \$1 billion more this year and another \$3-\$4 billion worth in 1993. They had much to sell as they tried to make the State sector smaller. There were some legal difficulties but things would speed up. Turkey was selling whole companies to corporate bidders. They did not, on the whole, want to get into the business of having to manage sales to private shareholders. At the moment the Government was being criticised in Parliament for not doing enough towards privatisation. Once the privatisation programme speeded up, they could of course expect criticism of it from within Parliament.

Mr. Demirel said that the Turkish deficit was currently 14 per cent of GNP but would fall to less than 10 per cent in 1993. It was very difficult to cut public expenditure because Turkey could not afford to reduce the number of public employees. They were cutting some investment programmes but could not do too much. As part of the CSCE Agreement, the Army would be cut down from 700,000 to 450,000 and National Service from 18 months to 12 months. More mechanisation would be introduced. The Soviet threat was almost gone but if instability developed in the former Soviet Union, the situation would not be a good one. He was thinking of the Russian Federation itself, rather than the other States of the FSU. Turkey's friends in Central Asia were nervous about Russian intervention in their domestic affairs. The Prime Minister gave his impressions of President Yeltsin's visit to the UK. He had been very buoyant. He recognised that he would be facing a very difficult Congress in December. He was keen to keep Gaidar and Kozyrev. He had been much better briefed, more self-possessed than in the past and had been happy both to take decisions and to change policy on the hoof.

EC/Turkey

The Prime Minister said that he was pleased at the progress that had been made, eg towards a customs union and towards greater market access for Turkey. Mr. Demirel said that Turkey was preparing for customs union in 1996. 50 per cent of her exports and imports were to and from the EC already. Turkey attached enormous importance to full membership. If in the meantime, Turkey could have better access for her exports, then it would be possible for her to increase her imports. She was looking in particular for a quota relaxation on textiles. The Prime Minister said that this was more a problem for other Member States than for us. GATT would help. He also advised Mr. Demirel to make greater use of the Association Agreement in the first instance. Unfortunately, we could not unblock the fourth financial protocol because of opposition from a well-known quarter.

Mr. Cetin said that public opinion was not very happy with the notion of associate status as a second cheer. Turkey recognised that the EFTAN would be the first wave to join the community but the next wave of membership should not happen without Turkey. Turkey, meanwhile, was grateful for the extension of her dialogue with the European Community.

The Foreign Secretary referred to the development of political dialogue between the Community and Turkey and Turkey's associate membership of the WEU. The Prime Minister said that our primary defence would remain NATO. Some Member States were looking to what might happen on a longer time scale and to a possible reduction in the US commitment to Europe. Our view was that the trans-Atlantic link was very important and we should not put it at risk by talking about possible events further down the track. To do so might turn what was only a remote possibility into a reality.

Lord Cranborne said that the WEU could not replace NATO either in military or resource terms. Prime Minister Demirel asked what would be the threat the WEU was likely to face. Lord Cranborne said that this was a much-debated issue. Mr. Demirel himself had referred to possible instability in the former Soviet Union. There were obvious potential threats from the Third World. It was not easy to identify the threat in precise terms but both Britain and Turkey knew, from their own history, that the break up of Empire tended to lead to instability.

The Prime Minister said that the old grounds for our military defence had changed and would not reappear in precisely the same form. We needed to look not just at where the threat might lie, but where our obligations might arise and it was clear that such obligations had arisen in the context of Iraq and Kuwait. They might arise in the context of Kosovo or Iran. We believed that Turkey's associate membership of the WEU had a part to play. The Foreign

Secretary added that associate membership had been defined amply and it was up to Turkey to make the most of that.

Mr. Demirel commented that if there was no threat from the Soviet Union, then there was bound to be public discussion about the nature of the threat and about where the role of WEU lay. The question of stability in the former Soviet Union was an important one and must be discussed with the Americans and others. We needed to develop relations with the former Soviet Union so as to offer them the prospect of stability.

Northern Iraq

In reply to the Prime Minister's question, the Turkish Prime Minister said that in Northern Iraq the authority of Baghdad did not run. It was almost a no-man's land. There were 7,000-8,000 members of the PKK on Turkey's borders. Turkey had good relations with the main Kurdish leaders, Barzani and Talabani. They were united in their wish to avoid hunger and tyranny. Turkey wanted no repetition of 1991. There was no doubt that Talabani and Barzani were undermined by the presence of the PKK. Turkey had taken effective action against the PKK, who had in the past received help from Saddam Hussein.

The Prime Minister said that there was a persistent danger of attack on the Kurds in Northern Iraq and a risk of a mass influx into Turkey. One advantage of the no-fly zone was to restrain Saddam Hussein from that sort of attack. Given the risk of a refugee exodus, and the other factors he had described, we hoped that Operation Provide Comfort could continue a little longer.

Mr. Demirel said that Turkey could not simply sit by and watch attacks by Baghdad against people who were ethnically the same, whether they were on the Iraqi side or the Turkish side of the border. But the Turkish Parliament and public opinion were nervous about creating the core of an independent state. By talking of a federation, the Kurdish leaders were fuelling such fears. Turkey had had no warning of this policy announcement by the Kurds. It had not been wise. Britain, France and the United States were against an independent Kurdistan and Turkey might need some help from us. Certainly talk of a federated Iraq was a mistake and risked fuelling the notion of Iraq's disintegration.

The Prime Minister said that we had no interest in the dismemberment of Iraq. At the same time, we were very anxious to deal with the genuine humanitarian problems in Northern Iraq. Turkish generosity had helped beat back the Iraqi regime. Mr. Demirel said that he did not think he and the Prime Minister would have any difficulty in persuading each other. Ten to fifteen people in Turkey were killed by PKK groups every day. Turkey was trying to deal with the issue within the rule of law.

The Prime Minister and the Foreign Secretary said that they would be prepared to consider both a collective statement by the three powers participating in Operation Provide Comfort, restating their position on Iraq and on Kurdish autonomy. Equally, the Prime Minister was prepared to write letters to Barzani and Talabani which could be deployed by Turkey as necessary. The Prime Minister said he recognised that there were two possible ways for Mr. Demirel to handle this issue. If it was easier for him to justify the extension of Operation Provide Comfort within his own Parliament on the basis that this was in Turkey's own interests, then he would quite understand that.

Cyprus

The Foreign Secretary said that we were worried. The second round of talks had adjourned. The UN Security Council felt the need for a settlement and the Turkish, Greek and Cypriot Governments all wanted a settlement. But Denktash was still unwilling to make concessions and there was a risk that the world would consider him to be the main obstacle to a settlement. We could not let things ride. One day we could be faced with much more bellicose Governments in Nicosia and Athens. We had resisted the notion of linkage between progress on Cyprus and progress in Turkey's relationship with the European Community but we had to acknowledge in practice that such linkage did exist and not simply because of Greece. So anything that Turkey could do to push progress would be very welcome, not least in avoiding the risk of stalemate turning into an explosion.

Mr. Demirel said that Turkey paid a lot for her armed presence in Northern Cyprus and for funding the deficit of the Turkish State in Cyprus. Turkey had suffered and the 150,000 Turkish Cypriots were also suffering. Nobody, apart from Turkey, recognised them. They were isolated. So Turkey wanted a settlement but it should not be a settlement which simply caused greater troubles between Turkey and Greece. The fact was that the peace had been secured by the Turkish military who acted as a deterrent. In the negotiations, Denktash had reduced his demands to less than 30 per cent of the land area. The UN Secretary-General had proposed a figure for the Turkish proportion of the island of 28.4 per cent. Denktash had indicated that he would settle at 29 per cent plus. If agreement could be reached on the constitution, then Denktash would revert to the map and split the difference between 28.4 per cent and 29.1 per cent. We should not overlook the fact that the Turkish Cypriots were of a different race and language from the rest of the island. After the collapse of the Soviet Union, Czechoslovakia and Yugoslavia it was difficult to persuade them that they should live together with the rest of Cyprus. But if Turkey had not pushed Denktash, then he would not have negotiated at all. It was unreasonable of Mr. Vassiliou to expect to do a deal before his elections. We should see what happened after the

elections. The Foreign Secretary said that that was all very well, but Mr. Vassiliou needed some understanding. The alternatives to him were not likely to be so good.

The Prime Minister drew an analogy with the GATT negotiations. There was a moment when, if you lost momentum, you moved backwards. The consequences of failure would be too devastating to contemplate. There would be a tremendous bonus if agreement could be reached. Could Mr. Demirel endorse the UN Secretary-General's ideas? Mr. Demirel said that 91 per cent of the Secretary-General's ideas were accepted by Mr. Denktash. But only as a basis of negotiation, John Goulden commented. The Foreign Secretary said that we had tried to keep the EC out of the issue but that required progress. Mr. Demirel said that when Denktash had talked about a settlement of 29 per cent plus, there had been no adverse reaction in Turkey. That was a good sign, but a settlement had to be workable and not just imposed by pressure by Turkey on Denktash or by Britain and others on Turkey. In the privacy of the meeting he would say that while the UN Secretary-General was very able and experienced, he had been very unskilled in this particular matter and had handled it poorly and querulously.

The Prime Minister said it would be very difficult to keep the EC out of things as it moved towards common foreign policy positions on an increasing number of matters. When the talks re-grouped we would not want to see the parties stuck in their trenches so he asked Mr. Demirel to use his authority to give Mr. Denktash a push. The two Foreign Ministers should keep in touch.

Mr. Cetin commented that the UN should prepare the ground in a way that they had not done prior to the October talks.

Human Rights

The Prime Minister said that Mr. Demirel's Government had raised Turkey's reputation in the world and its handling of human rights had been one reason for that. There was a lot of goodwill around and that goodwill would be enhanced considerably if Turkey was seen to be pushing for a settlement in Cyprus.

Mr. Demirel described the legislation which had been passed in Turkey on human rights matters. Once terrorism had been dealt with, the effects of the legislation would become clear.

The Prime Minister said he understood that Turkey had no objection to Amnesty establishing an office in Ankara. Mr. Demirel said that was the case. He was not against Amnesty. Turkey was a free country, with free media, free elections and the right of assembly. The only problem was terrorism. The

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passage of the legislation on human rights, after its initial veto by President Ozal, had been a success for democracy.

Bosnia

Mr. Demirel raised the subject to say that it had been a tragedy that so many people had been killed, and we should not allow the same thing to happen in Kosovo. If the war spilled over into Kosovo, Sanjak and Vojvodina it would be very serious. Hence the gathering of Balkan leaders which he had called in Istanbul, which was intended to complete, and not compete with, other international action.

The Prime Minister said that Mr. Demirel had told him earlier that the aim was to point up the dangers and the need for pre-emptive action.

Bilateral

Mr. Demirel concluded the meeting by saying that there should be closer economic co-operation between the two countries. Mr. Needham had made a beautiful speech at the CBI Meeting that morning. There was plenty of scope for co-operation in Central Asia, eg in pipeline projects from Baku, Azerbaijan and Armenia. Our people should take a closer interest in those projects.

The Prime Minister suggested that Mr. Needham might lead a trade mission to Turkey and Mr. Needham agreed to pursue this point.

I am copying this letter to Jeremy Heywood (HM Treasury), John Pitt-Brooke (Ministry of Defence), Peter Smith (Department of Trade and Industry) and to Melanie Leech (Cabinet Office).

Jane,
John

J. S. WALL

Christopher Prentice, Esq.,
Foreign and Commonwealth Office

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- Set of Ideas a good deal for Turkish Cypriots and an opportunity for Turkey to despatch the problem. Brings power-sharing, security guarantees and a chance for substantial economic improvement. Expect Denktash position to have changed substantively when talks reconvene in March.
- Expect Turkish Government to endorse Set of Ideas, including the map, as basis for settlement. *Will you?*

WEU

- Glad that process started at Maastricht has reached an acceptable conclusion.
- Associate Membership of a defence organisation a new concept. Believe the arrangements agreed since Maastricht can make it work.
- Gives you a voice at heart of European defence dialogue.

Iraq

- Saddam Hussein is wrong if he thinks that Clinton will be softer on Iraq. Vital to maintain a united front while Iraq continues to defy Security Council and refuse its obligations under SCR 687.
- Fully understand Turkish concerns about the long term risk to the territorial integrity of Iraq. Have repeatedly made clear, especially to the Iraqi Opposition, that our aim is a unified and democratic, not dismembered Iraq.
- Grateful for Turkey's full cooperation with Operation Provide Comfort and its coordination of cross border humanitarian relief operations.

111- Coalition aircraft have been effective in deterring Iraqi attacks on northern Iraq. Continuation of Operation Provide Comfort essential to avoid refugee exodus to Turkey this winter. Hope that Turkey will agree to extension for 6 more months.

Human Rights

- Lock people up: Torture: Amnesty obligations*
- Welcome priority which Prime Minister Demirel has given to human rights. But remain seriously concerned at evidence of continuing violations in the South East.
 - Welcome Demirel's undertaking to investigate thoroughly all allegations of human rights abuses and to bring to justice those responsible.



10 DOWNING STREET

From the Private Secretary

27 October 1992

VISIT OF THE TURKISH PRIME MINISTER, 23 NOVEMBER

Thank you for your letter of 22 October seeking a tête-à-tête between Mr. Demirel and the Prime Minister on 23 November. This will perhaps be easier to fit in at the end of lunch rather than before lunch, but we can sort that out on the day.

I am copying this letter to John Pitt-Brooke (Ministry of Defence).

J. S. WALL

C. N. R. Prentice, Esq.,
Foreign and Commonwealth Office.

FILE KK

F/Turkish. KK

bc RB

KK



a RB
/ SG

Foreign &
Commonwealth
Office

London SW1A 2AH

22 October 1992

Dear Stephen,

Visit of Turkish Prime Minister, 23 November

Thank you for confirming in your letter of 7th October the arrangements for the Prime Minister's working lunch for the Turkish Prime Minister on 23 November. I understand that the Defence Secretary has indicated that he will also participate.

copy attached

Mr Demirel has now said that he would like a short tête-a-tête meeting with the Prime Minister. Would this be acceptable to the Prime Minister? If so, it might be possible to arrange during the drinks before lunch.

The Turks have not given us details of Mr Demirel's accompanying party, but are aware of the limit on numbers for the meeting with the Prime Minister.

I am copying this letter to John Pitt-Brooke (MOD).

Yours ever,
Christopher Prentice.

(C N R Prentice)
Private Secretary

Stephen Wall Esq
10 Downing Street





10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

7 October 1992

VISIT OF THE TURKISH PRIME MINISTER: 23 NOVEMBER 1992

Thank you for your letter of 6 October about the visit of Prime Minister Demirel. The following are the answers to your questions:

Timing

If we are having a working lunch, I see no need for a separate session of talks beforehand. I suggest that the Turkish side arrive at 1230. We would then have drinks and go into lunch just before 1300 hours. We would finish at around 1430, though I suggest that Prime Minister Demirel's next engagement not start before 1500.

Attendance

We could manage six a side. Would it not make sense for the Defence Secretary or another MOD Minister to be present? In that case on our side attendance would be the Prime Minister, the Foreign Secretary, the Defence Secretary, John Goulden, Sir Rodric Braithwaite and myself.

Photographs

We would, as we always do, have a photocall on Prime Minister Demirel's arrival at No 10.

J. S. WALL

Christopher Prentice Esq
Foreign and Commonwealth Office

do



Foreign &
Commonwealth
Office

6 October 1992

London SW1A 2AH

Dear Stephen,

Visit of Turkish Prime Minister, 23 November

The Prime Minister has kindly agreed to host a working lunch for Mr Demirel on 23 November when he visits London to attend a CBI conference. It would be helpful if we could now confirm some of the details for this lunch. The CBI, in particular, need this in order to plan the timing of their conference.

Grateful, therefore, for your views on the following points:

- Timing.

How much time will the Prime Minister have available? Will he want a short session of talks before lunch, including perhaps a short tete-a-tete? Or do you want to keep just to a working lunch?

- Cast list.

The Turkish side will want to fit in with the Prime Minister. We should perhaps aim for 5 a side. The Foreign Secretary ^{and} the Ambassador, John Goulden, would be available to attend from here. If you wanted a 5th from the FCO, rather than Number 10, I am sure either another Minister or senior official would be available.

- Photographs.

The Turks have asked whether there might be a short photo opportunity before lunch.

Yours ever,
Christopher Prentice

(C N R Prentice)
Private Secretary

J S Wall Esq
10 Downing Street

P.a.
S

Stephan
You asked me to
check an EDU Round
table in Moscow during
last week in November.
Is this likely to clash?



cc RB

Foreign &
Commonwealth
Office

24 July 1992

London SW1A 2AH

S 27/7 ✓ Sandra cc Mrs Sordelind

Dear Stephan,

Please note that this looks like
fringing up.

Shah 20/7
pps attached

Visit to UK by Turkish Prime Minister

You confirmed in your letter of 11 March that the Prime Minister would be willing to see Mr Demirel and host a lunch in his honour, if the Turkish Prime Minister were to visit London for a CBI Conference later in the year. Since then the Prime Minister has met Mr Demirel at UNCED in Rio.

Although Mr Demirel has not yet made a firm decision to travel to London, we understand that he is in favour. Monday 23 November remains our target date, as in your letter. This would suit the CBI.

The Turks have in the meantime suggested that the visit be described as "a working visit to meet the Prime Minister and to attend a CBI Conference on Turkey". We think this is a good idea: it will reinforce the message that we take the Turks seriously. It represents only a change in presentation, but will make the visit attractive in domestic Turkish terms, and influence Mr Demirel to make up his mind positively. Mr Demirel is likely to go on to Brussels from London, which would give the meeting with the Prime Minister during the UK Presidency added impact.

Arrangements for the visit would remain in the Turks' own hands.

Yours ever,
Christopher Prentice

(C N R Prentice)
Private Secretary

J S Wall Esq CMG LVO
10 Downing Street



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upc
59*

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

11 March 1992

Dear Christopher,

VISIT BY THE TURKISH PRIME MINISTER

In your letter of 27 February you asked us to identify dates in the autumn when the Prime Minister could give a lunch for Prime Minister Demirel. We suggest either Tuesday 29 September or Monday 23 November. Given the pressures on the diary, it would be helpful to have confirmation of one of these dates in the near future.

*Jans,
Steph*

J. S. WALL

Christopher Prentice, Esq.,
Foreign and Commonwealth Office

M



ccpc

Foreign &
Commonwealth
Office

London SW1A 2AH

27 February 1992

Dear Stephen,

Visit by Turkish Prime Minister

The CBI propose to invite Mr Demirel to visit London in the Autumn to attend a one-day conference for British industry on the Turkish economy. The Foreign Secretary believes it would be right for the Prime Minister to see Mr Demirel during any visit, and, if possible, to offer to host a lunch in his honour.

This year is an important one for Turkey and our bilateral relations. The goodwill and cooperation of the Turkish government continue to be crucial for the success of Operation Warden, particularly if the operation is to be extended into the second half of the year. Because of its position as a Muslim, stable democracy, Turkey has a growing role to play in the Balkans, the Turkic republics of the former Soviet Union, and the Middle East, where Turkey's potential for control of the water supply to Syria and Iraq from the Tigris and Euphrates may be significant in an overall Middle East peace settlement.

The Turks also see Britain as a friend and ally in their efforts to develop their relations with the EC - there will be an Association Council with Turkey during the UK Presidency - and to get an acceptable deal out of WEU associate membership.

Turkey is a major, growing market for UK exports, which grew by some 22% in 1991 to £673 million (January - November). A meeting between the Prime Minister and Mr Demirel would underline the efforts of the CBI to drive home to UK industry the opportunities available in the Turkish market.

On Cyprus, a meeting would also be useful in projecting our active interest in the Secretary-General's negotiations and might be of substantive help to that process.

/The



The CBI have not yet set any firm dates for their conference, and can be flexible over timing. So too, we believe, can Mr Demirel at this stage. If the Prime Minister agrees in principle to see Mr Demirel, perhaps you could suggest one or two dates which we can put to the CBI.

*Yours ever,
Christopher Prentice*

(C N R Prentice)
Private Secretary

J S Wall Esq CMG LVO
10 Downing Street



CONFIDENTIAL



10 DOWNING STREET
LONDON SW1A 2AA

*File DS
@ Tessa
Sir PC
Janice*

From the Private Secretary

11 October 1987

PROPOSED VISIT BY THE PRIME MINISTER TO TURKEY

Thank you for your letter of 9 October about the Prime Minister's prospective visit to Turkey next year. The Prime Minister would prefer to wait until after the Turkish Elections before reaching any decision about possible dates. But it would clearly be better if the visit were to take place before President Evren makes his State Visit to Britain in July 1988. We should therefore be looking for dates in April or May. It would have to be a fairly brief visit of two or at most three days. You may like to discuss with Mrs Gaisman the possible dates in the Prime Minister's diary at that time.

C D POWELL

Lyn Parker, Esq.
Foreign and Commonwealth Office

CONFIDENTIAL

CCP
①



Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

It would be better for you to visit Turkey before Evren came here. But powers to a date near Easter.

9 October 1987

Await the result before

Dear Charles,

Agree?

CCP 107X deciding

Proposed Visit by the Prime Minister to Turkey

The Prime Minister told Mr Ozal in Berlin on 24 September that, if he was re-elected on 1 November, she would like to take up in 1988 his invitation to her to visit Turkey; and that she would be in touch again before 1 November.

Although Ozal looks a good bet in the forthcoming general election, much could still go wrong. In these circumstances it is ~~too early to put dates to the Turks,~~ but it is not too early for us to explore what dates might be possible for the Prime Minister, and perhaps block off time in her diary. Ozal recommended she go in the Spring. But this timing could be difficult, since I understand that the Prime Minister's diary is already very crowded at that time.

The other factor to be taken into account is that there is a strong probability that President Evren will make a State Visit to Britain in 1988. Evren has not been invited yet, but we are working on the assumption of a Summer State Visit from 12-15 July as my separate letter of 9 October explains.

We clearly need to separate these two important visits if we possibly can. If, as is likely, Evren comes in July, this would fit with a visit by the Prime Minister either in the Spring or in, say, November. It would be helpful to know the Prime Minister's wishes.

Yours ever,

L Parker

(L Parker)
Private Secretary

C D Powell Esq
10 Downing Street



COF

See Tim's letter to FCO
25/4/86.

FCO say they have
agreed orally with you
that no reply is necessary

Content?

Yes
an

Manga
8/5/86

Ack sent
to Turkish
Ambassador



10 DOWNING STREET

From the Private Secretary

25 April 1986

I attach a copy of a message to the Prime Minister from Mr. Ozal, Prime Minister of Turkey.

I should be grateful for your advice on whether a reply is necessary.

(Timothy Flesher)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

ECU

010

SUBJECT CC MASTER OPS

CB (Fro) An ady
number
a reply is necessary



TURKISH EMBASSY

LONDON

TEXT OF THE MESSAGE FROM HIS EXCELLENCY MR. TURGUT OZAL, PRIME MINISTER OF THE REPUBLIC OF TURKEY, TO THE RIGHT HONOURABLE MARGARET THATCHER MP, PRIME MINISTER OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

J.M.

PRIME MINISTER'S
PERSONAL MESSAGE

"Dear Prime Minister,

I would like to express my personal appreciation for the warm welcome extended to me and my delegation during our visit to the United Kingdom.

Our meeting and frank discussions confirmed, yet again, the excellent relations that so happily exist between our two nations and highlighted the vast potential for further developments of co-operation in various fields.

I hope the contacts I have had with members of your Government, as well as with some of the distinguished Members of Parliament and with the British business and financial circles, will help give further impetus to enhancing our bilateral relations. Moreover, I am confident that the Agreement on the Prevention of Double Taxation and the Memorandum of Understanding on the Mutual Protection and Encouragement of Investments which were signed during my visit, will make most favourable effects on the existing co-operation between Turkey and the United Kingdom.

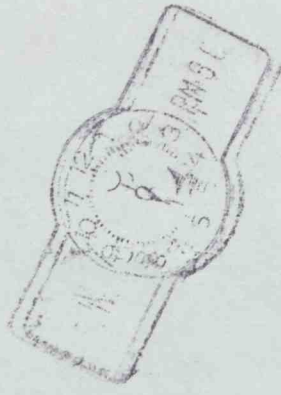
Allow me to express that our discussions have given me the assurance that the political support which your Government has been extending to Turkey, will continue in the future.

Availing myself of this opportunity, I would like to extend to you, Madame Prime Minister, a cordial invitation to visit Turkey, which will not only give us the pleasure to familiarise you with the developments in Turkey, but also the occasion to reciprocate your kind hospitality.

Mrs. Ozal joins me in presenting to you and Mr. Thatcher our best regards and wishes for your continued success and your personal health and happiness as well as for the prosperity of the people of the United Kingdom.

Turgut Ozal
Prime Minister
of the Republic
of Turkey".

10th April, 1986



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TURKISH PRIME MINISTER'S VISIT

1. I RETURNED TO TURKEY YESTERDAY EVENING AND IT MAY BE USEFUL TO LET YOU HAVE MY IMPRESSIONS OF MR OZAL'S VISIT. THESE WILL BE SET OUT IN GREATER DETAIL IN SEPARATE TELEGRAMS.

2. OVERALL THE VISIT WAS A GREAT SUCCESS. THE REACTIONS MY STAFF HAVE OBTAINED HERE CONFIRMED THAT THIS WAS CERTAINLY THE CASE AS VIEWED BY MR OZAL AND HIS OFFICIALS. MR OZAL WAS IN EBULLIENT FORM WHEN HE STEPPED OFF THE PLANE HERE ON THE EVENING OF 20 FEBRUARY. ON OUR SIDE IMPORTANT POLITICAL POINTS WERE PUT OVER IN A WAY WHICH SHOULD ENSURE MAXIMUM IMPACT. MORE GENERALLY, BRITISH BUSINESS BOTH IN THE CIVIL AND DEFENCE FIELDS HAS BEEN GIVEN AS GOOD A BASIS ON WHICH TO BUILD, IN TERMS OF THE GENERAL ATMOSPHERE OF ANGLO/TURKISH RELEATIONS, AS THEY COULD WISH FOR.

3. THE TURKS MAY HAVE BEEN A LITTLE TAKEN ABACK BY THE VEHEMENCE AND PERSISTENCE OF SOME OF THE QUESTIONING ON HUMAN RIGHTS, EVEN THOUGH THEY KNEW THOSE QUESTIONS WOULD BE PUT. BUT OVERALL THEY WERE DEEPLY IMPRESSED FIRST AND FOREMOST BY MRS THATCHER HERSELF, BUT ALSO BY THE RANGE AND ATMOSPHERE OF THE FUNCTIONS ARRANGED FOR MR OZAL AND HIS PARTY. THE DINNER AT NO 10 WILL REMAIN FOR A LONG TIME A WARM MEMORY AND THE MAGNIFICENCE OF THE MANSION HOUSE LUNCHEON LEFT EVEN MR OZAL RATHER BREATHLESS.

4. A GREAT DEAL OF BUSINESS WAS CONDUCTED OUTSIDE THE OFFICIAL TALKS. THE DORCHESTER WAS ALIVE WITH BRITISH BUSINESSMEN AND BANKERS AND THE MEETING AT THE CBI PROVIDED ANOTHER USEFUL PLATFORM FOR PUSHING FORWARD ANGLO/TURKISH TRADE. I WAS NOT ABLE TO FOLLOW ALL THESE MEETINGS (THOUGH I WAS PRESENT AT THE CBI) NOR THE VARIOUS SEPARATE MEETINGS THE TURKISH DEFENCE MINISTER HAD WITH REPRESENTATIVES OF BRITISH FIRMS. BUT IN THAT CONTEXT THE FOLLOW-ON VISIT BY MR VAHIT ERDEM, THE HEAD OF THE NEW DEFENCE INDUSTRIES FUND, WILL BE IMPORTANT IN SHOWING WHAT ARE THE REAL POSSIBILITIES FOR MAJOR DEFENCE COOPERATION WITH TURKEY.

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5. AS REGARDS MR OZAL HIMSELF, I WAS STRUCK ONCE MORE BY HIS CONFIDENCE THAT HE IS SETTING TURKEY ON THE RIGHT ROAD AND BY HIS IMPERTURBABILITY UNDER PRESSURE. MR KINNOCK, FOR EXAMPLE, DID NOT MINCE HIS WORDS, BUT MR OZAL REFUSED TO BE RUFFLED AND WHAT MIGHT HAVE BEEN AN AWKWARD MEETING PASSED OFF WELL. MR OZAL'S SCHEDULE WAS PUNISHING. HIS STAFF ALLOWED HIM NO REPSITE IN THE INTERVALS BETWEEN HIS OFFICIAL ENGAGEMENTS. HE WAS REQUIRED TO SEE A CONSTANT STREAM OF BUSINESS REPRESENTATIVES AS WELL AS REPRESENTATIVES OF THE TURKISH COMMUNITY IN LONDON. BY THE EVENING OF 19 FEBRUARY HE WAS EXHAUSTED AND (WISELY) CANCELLED A LATE NIGHT ENGAGEMENT HOSTED BY A TURKISH BUSINESSMAN. IF AMERICAN DOUBTS ABOUT OZAL'S HEALTH ARE WELL FOUNDED, HIS STAFF OUGHT TO PROTECT HIM BETTER. BUT BY THE FOLLOWING DAY HE HAD RECOVERED, AS HIS PERFORMANCE WITH THE LEADERS OF THE OPPOSITION AND AT THE BANK OF ENGLAND LUNCH SHOWED. HE CONFIRMED THAT HE HAD INDEED BEEN VERY TIRED BUT WAS 'NOW FEELING FINE'.

6. OVERALL AND WITHOUT EXAGGERATING WHAT WAS ACHIEVED, I AM SURE THAT THIS VISIT HAS PROVIDED US WITH A FIRST-CLASS PLATFORM ON WHICH TO BUILD.

FCO PLEASE PASS SAVING ADDRESSEES

(REPEATED AS REQUESTED)

LIMITED

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ECDC(E)

UNID

TREI)

WED

PS

PS LADY YOUNG

PS MRS CHALKER

PS/PUS

MR DEBET THOMAS

MR BRAITHWAITE

MR RATFORD

MR RENWICK

PLANNING STAFF

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MR P. CHISNALL, HM TREASURY

MR D COOMBE, EC&D

MR D IREMONGER, RMD4, MOD

PS/W&D DOWNING ST

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Chancellor of the Duchy of Lancaster

CABINET OFFICE,
WHITEHALL, LONDON SW1A 2AS

Tel No: 233 3299
7471

26 February 1986

Robert Culshaw Esq
Private Secretary to the
Secretary of State for
Foreign and Commonwealth
Foreign and Commonwealth Office
Downing Street
LONDON
SW1

CDP
26/2

Yours Robert,

VISIT OF PRIME MINISTER ÖZAL OF TURKEY

On Thursday 20 February, the Chancellor of the Duchy, accompanied by Mr Jim Spicer MP, met Prime Minister Özal, accompanied by several members of the Turkish Parliament. HM Ambassador to Turkey was also present.

The Chancellor welcomed the increasingly close Parliamentary relations between the UK and Turkey. He looked forward to continuing friendly discussions between the Motherland Party and the Conservative Party. Prime Minister Özal also expressed his hope that there would be growth in relations at the Parliamentary level. They had seen the usefulness of this through their acceptance into the Council of Europe. But he saw problems still in relations with the European Assembly; he did not regard the right-wing parties there as sufficiently active. The Greeks were exploiting a left-wing antipathy towards Turkey. By contrast, the Council of Europe was a much more disciplined body, and the Motherland party welcomed its recent membership of the European Democratic Union. The Chancellor said that he looked forward to a long and steady process of improvement in relations.

Prime Minister Özal mentioned the presence of the Turkish Communist Party in London. It is illegal in Turkey. It is continuing to make propaganda, and making common cause with Turkish elements and Greek Cypriots in London.

Speaking of the domestic political situation in Turkey, Mr Özal said that the Motherland Party was entirely distinct from the former Justice Party of Mr Demirel. It had support in urban as well as rural areas. He looked forward to a continuing majority

er the 1988 elections. The total support of the social democrats was less than 35%.

The Chancellor of the Duchy said that much attention was given in the UK to any occasions when the Turkish Government restricted freedoms. He cited the recent case when Mr Tony Benn had apparently not been permitted to address a meeting. Mr Özal said that he had not been banned; it was simply that it was not permitted for commercial companies to undertake political activities and the ban had been on the company.

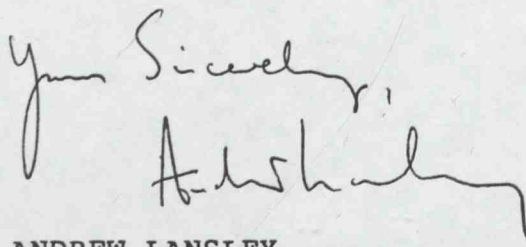
Turning to Turkish economic questions, Mr Özal said that inflation was coming down and growth was good. The Chancellor welcomed this. It should ease credit problems. The Bosphorus Bridge had given us problems but he had been careful to present it as a question of Japanese credit financing. Prime Minister Özal said that the finance had been very cheap, but he believed that an order for cable would be coming to Britain.

On the Akkuyu project, Mr Özal said that they would not propose to provide a sovereign guarantee, but would provide a guarantee of power take-off. Also the equity stake of Turkey Electric and Power may be increased, and Mr Özal spoke in terms of a guarantee of credit on a basket of currencies.

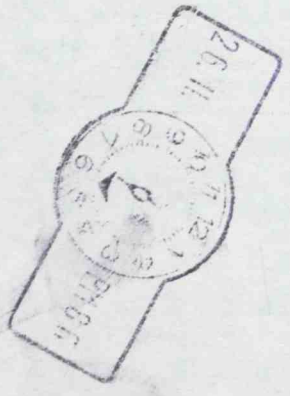
Generally, he expressed his intention that projects should be feasible, and credit be used generally on better projects showing a realistic rate of return. There would then be less need for sovereign guarantees.

The meeting closed with further expressions of mutual goodwill.

I am copying this letter to Charles Powell (No 10), Dennis Brennen (MOD), and to Mike Gilbertson (DTI).

Yours Sincerely,


ANDREW LANSLEY
Private Secretary



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be. Adv P.E.



10 DOWNING STREET

From the Private Secretary

24 February, 1986.

PRIME MINISTER'S MEETING WITH MR. OZAL

Thank you for your letter of 21 February enclosing a draft telegram to UKMIS New York about that part of the Prime Minister's discussions with Mr. Ozal which dealt with Cyprus.

You asked whether I had any comments to add on the atmosphere of the discussion. The only point which I would make was that Mr. Ozal seemed to me a good deal less confident in dealing with Cyprus than in the rest of the discussion. I rather got the feeling that he was not in the lead on this subject. But Mark Russell will be much better able to judge. Otherwise I am content with the telegram.

(C.D. Powell)

C.R. Budd, Esq.,
Foreign and Commonwealth Office.

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to
46

46
CEPC

Foreign and Commonwealth Office

London SW1A 2AH

21 February 1986

*Dear Charles,*Prime Minister's Meeting with Ozal

We believe the UN Secretary-General would find it helpful to be briefed on the main points to emerge from the Prime Minister's discussion with Ozal and on our assessment of where the Turks now stand on Cyprus. This would be particularly timely given that the second round of low-level talks involving the two Cyprus communities is due to start in Geneva on 26 February.

The assessment of the underlying Turkish attitudes which is given in the enclosed draft telegram of instructions to UKMIS New York and Washington is our own. But it would be helpful if you could cast an eye over the draft to see whether there is anything which could usefully be passed on to the Secretary-General about the atmosphere of this particular part of the Prime Minister's discussion with Ozal.

Yours ever

(C R Budd)
Private Secretary

PP

C D Powell Esq
PS/10 Downing Street

OUTWARD TELEGRAM

Classification	Caveat	Precedence
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TC	SECURITY CLASSIFICATION	
CAVEAT	PRIVACY MARKING/RESTRICTIVE PREFIX	
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TELNO	TELNO/TELELETTER	
OF	OF (Time of origin) Z (Month) (Year)	
AND TO	AND TO (precedence/post) ... IMMEDIATE WASHINGTON	
	
	AND TO SAVING	
INFO	INFO (precedence/post) ... IMMEDIATE ATHENS, ANKARA, NICOSIA	
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FCO TELEGRAM NO 62: PRIME MINISTER'S MEETING WITH OZAL:
CYPRUS

1. As you will have seen from the record of the meet-
in TUR, the Prime Minister covered the points proposed
by the Secretary-General in speaking to Ozal. You
will want to give him an account and assessment of the
meeting prior to the restart of low-level talks
next week.

2. We do not regard Ozal's insistence that the
Turkish Cypriots can accept no more than the January 1985
documentation as his last word. The production of
a third set of documentation will create a new situation.
The Turks know full well that sticking to that position
would spell the end of the Secretary-General's initiative,
with the blame falling on them. They wish to avoid that.

		Catchword: B/lon	
File number	Department	Drafted by: (block capitals)	Telephone no

3. On troop withdrawals, we believe he may be prepared to show flexibility in practice although we see little or no point in pursuing the point further before we have a new peg, such as a new set of documentation presented to the parties, to hang it on.

4. Ozal in public took a tough line, claiming the onus was on the Greek Cypriots to make a move. He spoke several times about there being no incentive for the Greek Cypriots to find a settlement semi colon the present situation suited them too well. But we still believe the Turks will not stand in the way of agreement if they are convinced that Turkish Cypriot interests are protected.

5. Please therefore seek an early meeting with the Secretary General and draw on preceding paragraphs and TUR. He can additionally be assured we are ready to speak to the Greeks in similarly direct terms when the Secretary of State visits Athens next month. By then the low-level talks will have taken place. It will be helpful to us to have a read-out of their progress and a clear idea of the Secretary General's intentions so best use of the Athens visit can be made.

For Washington.

6. Please pass on to the Americans the course of discussions and our thinking on the current Turkish position.



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CCRB
BUP

Foreign &
Commonwealth
Office

20 November 1992

London SW1A 2AH

Dear Stephen,

**PRIME MINISTER'S LUNCH WITH PRIME MINISTER DEMIREL OF TURKEY
ON 23 NOVEMBER, 1992**

The Prime Minister's meeting with Mr Demirel offers a good chance to follow up the EC-Turkey Association Council meeting on 9 November.

The Prime Minister met Mr Demirel for the first time in Rio de Janeiro on 11 June. He will be accompanied on this occasion by:

Hikmet <u>Cetin</u>	Minister of Foreign Affairs
Tahir <u>Köse</u>	Minister of Industry and Trade
Cavit <u>Caqlar</u>	Minister of State
Özdem <u>Sanberk</u>	Ambassador, Under Secretary of the Ministry of Foreign Affairs
Candemir <u>Önhon</u>	Turkish Ambassador in London

On our side the Prime Minister will, if you agree, be supported by:

Foreign Secretary	
Defence Secretary	<i>Another UK minister as yet unnamed</i>
HMA Ankara, John Goulden	
Sir Roderic Braithwaite	<i>M. Neillham</i>
Yourself	

Turkey's Geo-Political Position

As a regional power next to three areas of instability, the former Soviet Union, the Balkans and the Middle East, Turkey has a role in the issues of Iraq, Cyprus, the former Yugoslavia, Transcaucasia and central Asia. Turkey is in NATO, wants to be in the EC, and is shortly to become an associate member of the WEU.

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OF THE PUBLIC RECORDS ACT

Turkey's Domestic Situation

Prime Minister Demirel's government, which dates from October 1991, is a coalition between his own centre-right True Path Party and the Social Democratic Party, of which the Foreign Minister Cetin and Mr Köse (Industry and Trade) are members. Defections to opposition parties have reduced the Government's majority to three. Demirel is committed to development of a market economy and increased respect for human rights and the rule of law. But the problems of the South East (Kurds and terrorism) remain intractable.

EC/Turkey

EC/Turkey relations are founded on an Association Agreement from 1964, which covered commercial/economic relations and included a commitment to consider eventual Turkish membership of the Community. In 1990, after the FAC had endorsed the Commission's 1989 Opinion declaring Turkey's membership application premature, the Commission proposed a four part package ("the Matutes package") providing for

- Customs Union by 1996;
- a Fourth Financial Protocol worth 600 mecu/£462m;
- increased political dialogue;
- and further economic and technical cooperation.

Turkey's main priority is the Fourth Financial Protocol, which remains blocked by Greece, for Cyprus reasons. On Customs Union Turkey has made limited progress but remains behind schedule for 1996.

The UK's push to develop relations during our Presidency, culminated in the EC/Turkey Association Council on 9 November. The Greeks blocked a proposed Joint Statement on political dialogue, but eventually accepted practical arrangements for an enhanced dialogue to include meetings at Summit level.

The Turks are pleased with the outcome, and appreciate our Presidency efforts. But they increasingly doubt the EC's commitment to consider eventual Turkish membership. They tend, therefore, to view a strengthened EC/Turkey relationship as a consolation prize.

Demirel wrote to the Prime Minister on 30 October about Turkey's objectives for the Council. In my letter of 18 November I recommended that the Prime Minister reply on the basis of the EC's position for the Association Council.



The Prime Minister might say:

- Greatly value Turkey's links with Community. Have made particular effort to developing them during our Presidency.
- Glad that EC and Turkish Foreign Ministers in the recent Association Council were able to agreement on enhanced political dialogue (including meetings at Summit level as necessary and six monthly meetings of Foreign Ministers).
- (if necessary) Next task to make progress on Matutes package. Recognise importance you attach to Fourth Financial Protocol. But EC proceeds by consensus. You know where problems lie. Greece has made clear that its agreement to release will depend on progress over Cyprus. Further reason for really active Turkish effort with Denktash.

(If pressed on Turkey's eligibility for eventual membership)

- Immediate priority is to develop relationship by building further on Association Agreement, and unblocking Matutes package, to develop relationship with EC in short term, and to make progress towards criteria for membership in longer term.

(If raised) EC/Turkey: Textiles

Demirel wrote to the Prime Minister on 7 November (advice and draft reply in my letter of 20 November). The EC is now renegotiating informal limits on imports of clothing from Turkey. Turkish manufacturers want these informal restraints to be abolished in 1996, to coincide with the proposed (but unrealistic) date for completion of Turkey's Customs Union. But more protectionist Member States (eg Portugal - for whom Textiles are an important interest) oppose this. The first round of bilateral consultations (on 16/17 November) ended in deadlock. Talks will re-start in December, but no agreement is likely before year-end, in which case the present restrictions will be rolled over on a pro-rata basis, pending a full agreement in 1993.

The Prime Minister might say:

- UK supports linking increased access to EC market to Turkish progress towards Customs Union. We will try to persuade Partners to accept this. But Turkey also knows that textiles sensitive sector for EC too. Some Member States nervous about further market access. Turkey also needs to make its points to the Commission.

Temporarily Retained

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Cyprus

The latest round of talks in New York chaired by the UN Secretary-General adjourned on 11 November and is set to reconvene in March. It focussed on the UN "Set of Ideas" for helping to solve the dispute, on the basis of a united, federal, bi-zonal, bi-communal republic. The Set of Ideas offers a good deal to the Turkish Cypriots:

- Substantive autonomy within their own zone
- Renewed Security Guarantees
- Genuine power-sharing at the Federal level
- Agreed title to 28% of land despite only 18% of population
- Assistance with Economic Development.

In return the Turkish Cypriots must give up

- Some of the unequal proportion (38%) of the territory now held
- Pretence of "TRNC" independence
- Demand for ethnically pure zone.

/ (See Annex for details)

Although this round completed a full reading of the UN "Set of Ideas" in direct talks, and a table setting out the different positions, there was no progress of substance.

EC Foreign Ministers covered this with Cetin at the Association Council but there is still a danger that Turkey will misinterpret our willingness to be constructive over political dialogue as evidence that we are not really concerned about Cyprus. To counter this, the Prime Minister might wish to speak firmly to Demirel along the following lines:

- Deeply disappointed by lack of progress in New York talks on Cyprus.
- No sign of Denktash willingness to look for a settlement. Made no attempt to bring his overall policy in line with "Set of Ideas" endorsed in SCR 774 as basis for a framework agreement.

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- Turkey has a responsibility. So-called "Turkish Republic of North Cyprus" recognised by no country except Turkey. Denktash dependent on Turkish army and Turkish money. Turkish interests are involved.
- Set of Ideas a good deal for Turkish Cypriots and an opportunity for Turkey to despatch the problem. Brings power-sharing, security guarantees and a chance for substantial economic improvement. Expect Denktash position to have changed substantively when talks reconvene in March.
- Expect Turkish Government to endorse Set of Ideas, including the map, as basis for settlement.

WEU

The WEU Ministerial on Friday 20 November is set to conclude the WEU enlargement process, begun at Maastricht, through which Turkey becomes an Associate Member, like Norway and Iceland. (Greece becomes a full member: Denmark and Ireland become observers.) Demirel may tell the Prime Minister of parliamentary difficulties he expects in presenting the document on associate membership for approval. His majority is small. The opposition are exploiting the fact that Turkey has second class status vis-a-vis Greece. The imbalance is a product of the insistence of some partners at Maastricht that full WEU membership could only be open to members of the EC.

WEU enlargement has, however, been arranged in such a way that Greece does not gain a new defence guarantee against Turkey.

The Prime Minister might say:

- Glad that process started at Maastricht has reached an acceptable conclusion.
- Associate Membership of a defence organisation a new concept. Believe the arrangements agreed since Maastricht can make it work.
- Gives you a voice at heart of European defence dialogue.

Iraq

On 22 October the Iraqis signed a new Memorandum Of Understanding allowing the UN to resume humanitarian operations in Iraq until 31 March and to deploy 300 UN guards. Wary of Iraqi unpredictability, especially in the supply of fuel, the UN plans to supplement supplies from Baghdad with cross-border deliveries from Turkey. The Turks have authorised this and seem aware of the need for urgency to avoid a humanitarian crisis.



We liaise closely with the Turks on Northern Iraq policy. The Iraqi Opposition have a fair working relationship with the Turks but were criticised at a recent meeting in Ankara of the Foreign Ministers of Turkey, Syria and Iran who agreed on the need to preserve Iraq's territorial integrity. The outcome of the meeting will help the Turks overcome domestic public and parliamentary criticism of Turkey's policy on Iraq, in particular in the context of extension of Operation Provide Comfort (in Northern Iraq).

Successful cooperation against Turkish Kurd terrorists between the Iraqi Kurds and the Turks in northern Iraq since October has also helped. Demirel is likely therefore to be more confident in recommending the National Assembly to renew Operation Provide Comfort from 1 January.

The Prime Minister might say:

- Saddam Hussein is wrong if he thinks that Clinton will be softer on Iraq. Vital to maintain a united front while Iraq continues to defy Security Council and refuse its obligations under SCR 687.
- Fully understand Turkish concerns about the long term risk to the territorial integrity of Iraq. Have repeatedly made clear, especially to the Iraqi Opposition, that our aim is a unified and democratic, not dismembered Iraq.
- Grateful for Turkey's full cooperation with Operation Provide Comfort and its coordination of cross border humanitarian relief operations.
- Coalition aircraft have been effective in deterring Iraqi attacks on northern Iraq. Continuation of Operation Provide Comfort essential to avoid refugee exodus to Turkey this winter. Hope that Turkey will agree to extension for 6 more months.

Human Rights

Most alleged human rights violations in Turkey occur in the troubled South East. Demirel has made human rights a priority for action. The Turkish Government are well aware of Western concern at its human rights record. A new Amnesty International report says Government pledges to improve human rights are not translated into action. Torture, assassination and death in custody remain prevalent. Proposed judicial reforms get watered down and delayed.



The Prime Minister may like to make the following points:

- Welcome priority which Prime Minister Demirel has given to human rights. But remain seriously concerned at evidence of continuing violations in the South East.
- Welcome Demirel's undertaking to investigate thoroughly all allegations of human rights abuses and to bring to justice those responsible.
- Regret delays in introducing human rights legislation. What news of progress?
- Understand Turkish Government may shortly permit Amnesty International to open an office in Ankara. We encourage this. Important to continue policy of openness contained in 1991 election pledge.

Former Yugoslavia

Demirel shares the general Islamic perception that the West is not doing enough to relieve the plight of the Muslims in Bosnia. He fears that if the conflict spreads to Macedonia, Sandzak and Kosovo, where there are sizable Turkish minorities, the religious aspect will increase. Muslim volunteers from Iran and elsewhere are already fighting in Bosnia on the Bosnian Government side. Internationalisation of the conflict, in for example Kosovo, could lead to Turkish involvement. Previously Turkey has suggested that foreign military action should not be ruled out, and that protected zones for refugees should be established. There will be pressure at the Islamic Conference meeting in early December for an initiative on Bosnia, but Turkey is also arranging a meeting of foreign ministers from the Balkans (except Serbia) and surrounding countries to discuss the whole situation.

The Prime Minister may wish to draw on the following:

- Sanctions having impact on Serbian economy: new UN resolution will ensure they are made more effective. Must maintain pressure, while encouraging Panic/Cosic to persevere against Milosevic.
- Do not believe lifting of arms embargo would be correct response. Would only increase number of arms in Bosnia on all sides, and make serious situation worse.
- Do not support foreign military action. Only a political solution which commands the respect of Bosnian Muslims, Croats and Serbs will bring peace.



- Increasingly concerned about humanitarian crisis. EC and member states giving generous humanitarian help (£70m) with UK troops (2,300 plus) helping prominently.
- Concerned about Muslim volunteers from other countries coming to Bosnia. Conflict is not about religion but preservation of internationally recognised state and human rights. Vance/Owen have put forward sensible Constitutional proposals for Bosnia. Best route to political settlement.
- Understand Turkish frustrations on the FRY problem and decision to hold meeting of Balkan area foreign ministers. Hope outcome will contribute to international efforts.
- Kosovo remains a serious concern, but encouraging that Kosovar/Serb dialogue has been started by Geneva Conference team. Will continue to press Serbs for concessions on autonomy and to encourage Kosovars to settle for less than independence.

Former Soviet Union

The Prime Minister could brief Demirel on his talks with President Yeltsin on 9 November. Turkey and Russia recently signed a Security and Cooperation Agreement. However the Russians remain suspicious of Turkey's role in the Central Asian republics and fear that Ankara may shift from a Western to a Muslim orientation. Russian fears have been heightened by the civil war in Tajikistan between the ex-Communist leadership and a democratic/Islamic alliance.

The Secretary of State recently urged Turkey to use its influence with the Azeris to agree a ceasefire in Nagorno Karabakh, the region of Azerbaijan inhabited by ethnic Armenians. The Azeris have agreed in principle and the Armenians seem ready to compromise after sackings of hard-line ministers.

The Turks see themselves as a model for the transformation of the Central Asian republics to secular, free-market societies. Turkish businessmen are heavily involved in the whole area.

The Prime Minister might say:

- Good talks with Yeltsin. Successful visit. Your relations, recent agreement?
- Results of Summit President Ozal hosted at the end of October with Central Asian Heads of State? Progress of reform there? Our impression: commitment to free-market but no understanding of it or legal framework for it.



- If raised: Need for ceasefire in Nagorno-Karabakh to allow CSCE talks to continue. Military victory would cost and leave guerilla conflict. Look for Turkey to influence Azeris. UK view: Nagorno-Karabakh should remain under Azeri sovereignty. But Armenians autonomy necessary for stability.

Bilateral Relations

In a recent meeting with HMA Ankara, Mr Demirel agreed that the next task of our two countries is to bring the economic relationship up to the same high level as the political relationship.

UK/Turkey trade has doubled since 1986 to over £1.1 bn in 1991. UK consistently supplies about 6% of Turkey's imports. In 1990 UK companies invested more in Turkey than anyone else (\$279.9m), fell to 7th place in 1991 due to the Gulf War and so far in 1992 has recovered to 5th position.

UK companies are seeking joint ventures with Turkish partners to penetrate the Central Asian Republics. John Laing have just announced an Anglo-Turkish venture for completing the Ashkabad Airport in Turkmenistan.

Lady Thatcher met both Mr Demirel and the President on her recent visit to Turkey (18-19 November). Ankara feel the visit went well with good discussions on commercial matters.

There is strong UK interest in the following projects:

1. Izmit Water - Thames Water are bidding for this project worth \$700 m.
2. Istanbul Gas - British Gas is pursuing an equity stake of up to \$120m. in Istanbul Gas Co whose privatisation was recently agreed in principle by Demirel.
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The Prime Minister might like to point out:

- Although bilateral trade is now over £1 bn pa, British exports to Turkey have actually fallen by 11% so far this



year, whereas Turkish exports to the UK have increased by 13% over the same period.

- Concerned that Britain has not won any major contracts in Turkey in recent years. Three projects are of particular interest to us at present, (they have been recently raised with the Turks and the Prime Minister's authority could help them progress). They are:

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(If Kozlu mine is raised)

Background

NEI Mining Equipment Ltd are negotiating to rehabilitate Kozlu mine. An explosion at the mine (262 dead) delayed talks and increased the job to be done. The Turkish coal board and NEI wanted ATP funding for this work but the ODA has rejected this application as being outside the normal requirements for development aid. The Turks may not yet have heard about the ODA decision. Mr Demirel is concerned about the mine and may raise the issue.

The Prime Minister might say:

- Aware that the mine is important economically to the region. But as mine is not projected to become economically viable, ODA is not able to approve funding. Feel sure will be more fully discussed at meeting between the two trade delegations following the lunch.

// I enclose biographical notes on Mr Demirel and Mr Cetin. I am copying this letter to John Pitt-Brooke (MOD), Peter Smith (DTI) and Melanie Leech (Cabinet Office).

*Yours ever,
Christopher Prentice.*

(C N R Prentice)
Private Secretary

J S Wall Esq CMG LVO
10 Downing Street



PRIME MINISTER'S LUNCH WITH PRIME MINISTER DEMIREL OF TURKEY
ON 23 NOVEMBER, 1992

POINTS TO MAKE

EC/Turkey

- Greatly value Turkey's links with Community. Have made particular effort to develop them during our Presidency.
- Glad that EC and Turkish Foreign Ministers in the recent Association Council were able to agree on enhanced political dialogue (including meetings at Summit level as necessary and six monthly meetings of Foreign Ministers).
- (if necessary) Next task to make progress on Matutes package. Recognise importance you attach to Fourth Financial Protocol. But EC proceeds by consensus. You know where problems lie. Greece has made clear that its agreement to release will depend on progress over Cyprus. Further reason for really active Turkish effort with Denktash.

(If pressed on Turkey's eligibility for eventual membership)

- Immediate priority is to develop relationship by building further on Association Agreement, and unblocking Matutes package, to develop relationship with EC in short term, and to make progress towards criteria for membership in longer term.

EC/Turkey: Textiles (if raised)

- UK supports linking increased access to EC market to Turkish progress towards Customs Union. We will try to persuade Partners to accept this. But Turkey also knows that textiles sensitive sector for EC too. Some Member States nervous about further market access. Turkey also needs to make its points to the Commission.

Cyprus

- Deeply disappointed by lack of progress in New York talks on Cyprus.
- No sign of Denktash willingness to look for a settlement. Made no attempt to bring his overall policy in line with "Set of Ideas" endorsed in SCR 774 as basis for a framework agreement.
- Turkey has a responsibility. So-called "Turkish Republic of North Cyprus" recognised by no country except Turkey. Denktash dependent on Turkish army and Turkish money. Turkish interests are involved.



- Set of Ideas a good deal for Turkish Cypriots and an opportunity for Turkey to despatch the problem. Brings power-sharing, security guarantees and a chance for substantial economic improvement. Expect Denktash position to have changed substantively when talks reconvene in March.
- Expect Turkish Government to endorse Set of Ideas, including the map, as basis for settlement.

WEU

- Glad that process started at Maastricht has reached an acceptable conclusion.
- Associate Membership of a defence organisation a new concept. Believe the arrangements agreed since Maastricht can make it work.
- Gives you a voice at heart of European defence dialogue.

Iraq

- Saddam Hussein is wrong if he thinks that Clinton will be softer on Iraq. Vital to maintain a united front while Iraq continues to defy Security Council and refuse its obligations under SCR 687.
- Fully understand Turkish concerns about the long term risk to the territorial integrity of Iraq. Have repeatedly made clear, especially to the Iraqi Opposition, that our aim is a unified and democratic, not dismembered Iraq.
- Grateful for Turkey's full cooperation with Operation Provide Comfort and its coordination of cross border humanitarian relief operations.
- Coalition aircraft have been effective in deterring Iraqi attacks on northern Iraq. Continuation of Operation Provide Comfort essential to avoid refugee exodus to Turkey this winter. Hope that Turkey will agree to extension for 6 more months.

Human Rights

- Welcome priority which Prime Minister Demirel has given to human rights. But remain seriously concerned at evidence of continuing violations in the South East.
- Welcome Demirel's undertaking to investigate thoroughly all allegations of human rights abuses and to bring to justice those responsible.



- Regret delays in introducing human rights legislation. What news of progress?
- Understand Turkish Government may shortly permit Amnesty International to open an office in Ankara. We encourage this. Important to continue policy of openness contained in 1991 election pledge.

Former Yugoslavia

- Sanctions having impact on Serbian economy: new UN resolution will ensure they are made more effective. Must maintain pressure, while encouraging Panic/Cosic to persevere against Milosevic.
- Do not believe lifting of arms embargo would be correct response. Would only increase number of arms in Bosnia on all sides, and make serious situation worse.
- Do not support foreign military action. Only a political solution which commands the respect of Bosnian Muslims, Croats and Serbs will bring peace.
- Increasingly concerned about humanitarian crisis. EC and member states giving generous humanitarian help (£70m) with UK troops (2,300 plus) helping prominently.
- Concerned about Muslim volunteers from other countries coming to Bosnia. Conflict is not about religion but preservation of internationally recognised state and human rights. Vance/Owen have put forward sensible Constitutional proposals for Bosnia. Best route to political settlement.
- Understand Turkish frustrations and decision to hold meeting of Balkan area foreign ministers. Hope outcome will contribute to international efforts.
- Kosovo remains a serious concern, but encouraging that Kosovar/Serb dialogue has been started by Geneva Conference team. Will continue to press Serbs for concessions on autonomy and to encourage Kosovars to settle for less than independence.

Former Soviet Union

- Good talks with Yeltsin. Successful visit. Your relations, recent agreement?
- Results of Summit President Ozal hosted at the end of October with Central Asian Heads of State? Progress of reform there? Our impression: commitment to free-market but no understanding of it or legal framework for it.



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Bilateral Relations

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(revised version)

Not used



cc-RB

Bup.

Foreign &
Commonwealth
Office

20 November 1992

London SW1A 2AH

Dear Sir,

**PRIME MINISTER'S LUNCH WITH PRIME MINISTER DEMIREL OF TURKEY
ON 23 NOVEMBER, 1992**

The Prime Minister's meeting with Mr Demirel offers a good chance to follow up the EC-Turkey Association Council meeting on 9 November.

The Prime Minister met Mr Demirel for the first time in Rio de Janeiro on 11 June. He will be accompanied on this occasion by:

Hikmet <u>Cetin</u>	Minister of Foreign Affairs
Tahir <u>Köse</u>	Minister of Industry and Trade
Cavit <u>Caqlar</u>	Minister of State
Özdem <u>Sanberk</u>	Ambassador, Under Secretary of the Ministry of Foreign Affairs
Candemir <u>Önhon</u>	Turkish Ambassador in London

On our side the Prime Minister will, if you agree, be supported by:

Foreign Secretary
Defence Secretary
HMA Ankara, John Goulden
Sir Roderic Braithwaite
Yourself

Turkey's Geo-Political Position

As a regional power next to three areas of instability, the former Soviet Union, the Balkans and the Middle East, Turkey has a role in the issues of Iraq, Cyprus, the former Yugoslavia, Transcaucasia and central Asia. Turkey is in NATO, wants to be in the EC, and is shortly to become an associate member of the WEU.

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OF THE PUBLIC RECORDS ACT



Turkey's Domestic Situation

Prime Minister Demirel's government, which dates from October 1991, is a coalition between his own centre-right True Path Party and the Social Democratic Party, of which the Foreign Minister Cetin and Mr Köse (Industry and Trade) are members. Defections to opposition parties have reduced the Government's majority to three. Demirel is committed to development of a market economy and increased respect for human rights and the rule of law. But the problems of the South East (Kurds and terrorism) remain intractable.

EC/Turkey

EC/Turkey relations are founded on an Association Agreement from 1964, which covered commercial/economic relations and included a commitment to consider eventual Turkish membership of the Community. In 1990, after the FAC had endorsed the Commission's 1989 Opinion declaring Turkey's membership application premature, the Commission proposed a four part package ("the Matutes package") providing for

- Customs Union by 1996;
- a Fourth Financial Protocol worth 600 mecu/£462m;
- increased political dialogue;
- and further economic and technical cooperation.

Turkey's main priority is the Fourth Financial Protocol, which remains blocked by Greece, for Cyprus reasons. On Customs Union Turkey has made limited progress but remains behind schedule for 1996.

The UK's push to develop relations during our Presidency, culminated in the EC/Turkey Association Council on 9 November. The Greeks blocked a proposed Joint Statement on political dialogue, but eventually accepted practical arrangements for an enhanced dialogue to include meetings at Summit level.

The Turks are pleased with the outcome, and appreciate our Presidency efforts. But they increasingly doubt the EC's commitment to consider eventual Turkish membership. They tend, therefore, to view a strengthened EC/Turkey relationship as a consolation prize.

Demirel wrote to the Prime Minister on 30 October about Turkey's objectives for the Council. In my letter of 18 November I recommended that the Prime Minister reply on the basis of the EC's position for the Association Council.

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The Prime Minister might say:

- Greatly value Turkey's links with Community. Have made particular effort to developing them during our Presidency.
- Glad that EC and Turkish Foreign Ministers in the recent Association Council were able to agreement on enhanced political dialogue (including meetings at Summit level as necessary and six monthly meetings of Foreign Ministers).
- (if necessary) Next task to make progress on Matutes package. Recognise importance you attach to Fourth Financial Protocol. But EC proceeds by consensus. You know where problems lie. Greece has made clear that its agreement to release will depend on progress over Cyprus. Further reason for really active Turkish effort with Denktash.

(If pressed on Turkey's eligibility for eventual membership)

- Immediate priority is to develop relationship by building further on Association Agreement, and unblocking Matutes package, to develop relationship with EC in short term, and to make progress towards criteria for membership in longer term.

(If raised) EC/Turkey: Textiles

Demirel wrote to the Prime Minister on 7 November (advice and draft reply in my letter of 20 November). The EC is now renegotiating informal limits on imports of clothing from Turkey. Turkish manufacturers want these informal restraints to be abolished in 1996, to coincide with the proposed (but unrealistic) date for completion of Turkey's Customs Union. But more protectionist Member States (eg Portugal - for whom Textiles are an important interest) oppose this. The first round of bilateral consultations (on 16/17 November) ended in deadlock. Talks will re-start in December, but no agreement is likely before year-end, in which case the present restrictions will be rolled over on a pro-rata basis, pending a full agreement in 1993.

The Prime Minister might say:

- UK supports linking increased access to EC market to Turkish progress towards Customs Union. We will try to persuade Partners to accept this. But Turkey also knows that textiles sensitive sector for EC too. Some Member States nervous about further market access. Turkey also needs to make its points to the Commission.

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Cyprus

The latest round of talks in New York chaired by the UN Secretary-General adjourned on 11 November and is set to reconvene in March. It focussed on the UN "Set of Ideas" for helping to solve the dispute, on the basis of a united, federal, bi-zonal, bi-communal republic. The Set of Ideas offers a good deal to the Turkish Cypriots:

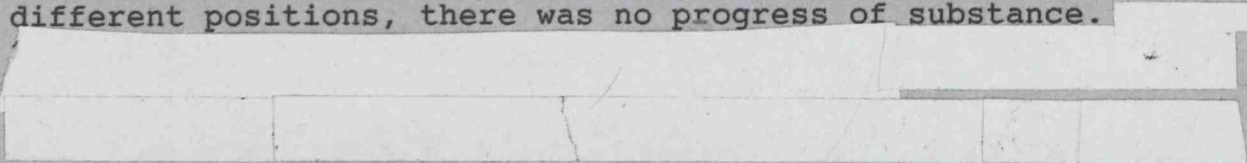
- Substantive autonomy within their own zone
- Renewed Security Guarantees
- Genuine power-sharing at the Federal level
- Agreed title to 28% of land despite only 18% of population
- Assistance with Economic Development.

In return the Turkish Cypriots must give up

- Some of the unequal proportion (38%) of the territory now held
- Pretence of "TRNC" independence
- Demand for ethnically pure zone.

/ (See Annex for details)

Although this round completed a full reading of the UN "Set of Ideas" in direct talks, and a table setting out the different positions, there was no progress of substance.



EC Foreign Ministers covered this with Cetin at the Association Council but there is still a danger that Turkey will misinterpret our willingness to be constructive over political dialogue as evidence that we are not really concerned about Cyprus. To counter this, the Prime Minister might wish to speak firmly to Demirel along the following lines:

- Deeply disappointed by lack of progress in New York talks on Cyprus.
- No sign of Denktash willingness to look for a settlement. Made no attempt to bring his overall policy in line with "Set of Ideas" endorsed in SCR 774 as basis for a framework agreement.

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- Turkey has a responsibility. So-called "Turkish Republic of North Cyprus" recognised by no country except Turkey. Denktash dependent on Turkish army and Turkish money. Turkish interests are involved.
- Set of Ideas a good deal for Turkish Cypriots and an opportunity for Turkey to despatch the problem. Brings power-sharing, security guarantees and a chance for substantial economic improvement. Expect Denktash position to have changed substantively when talks reconvene in March.
- Expect Turkish Government to endorse Set of Ideas, including the map, as basis for settlement.

WEU

The WEU Ministerial on Friday 20 November is set to conclude the WEU enlargement process, begun at Maastricht, through which Turkey becomes an Associate Member, like Norway and Iceland. (Greece becomes a full member: Denmark and Ireland become observers.) Demirel may tell the Prime Minister of parliamentary difficulties he expects in presenting the document on associate membership for approval. His majority is small. The opposition are exploiting the fact that Turkey has second class status vis-a-vis Greece. The imbalance is a product of the insistence of some partners at Maastricht that full WEU membership could only be open to members of the EC. The WEU enlargement has, however, been arranged in such a way that Greece does not gain a new defence guarantee against Turkey.

The Prime Minister might say:

- Glad that process started at Maastricht has reached an acceptable conclusion.
- Associate Membership of a defence organisation a new concept. Believe the arrangements agreed since Maastricht can make it work.
- Gives you a voice at heart of European defence dialogue.

Iraq

On 22 October the Iraqis signed a new Memorandum Of Understanding allowing the UN to resume humanitarian operations in Iraq until 31 March and to deploy 300 UN guards. Wary of Iraqi unpredictability, especially in the supply of fuel, the UN plans to supplement supplies from Baghdad with cross-border deliveries from Turkey. The Turks have authorised this and seem aware of the need for urgency to avoid a humanitarian crisis.



We liaise closely with the Turks on Northern Iraq policy. The Iraqi Opposition have a fair working relationship with the Turks but were criticised at a recent meeting in Ankara of the Foreign Ministers of Turkey, Syria and Iran who agreed on the need to preserve Iraq's territorial integrity. The outcome of the meeting will help the Turks overcome domestic public and parliamentary criticism of Turkey's policy on Iraq, in particular in the context of extension of Operation Provide Comfort (in Northern Iraq).

Successful cooperation against Turkish Kurd terrorists between the Iraqi Kurds and the Turks in northern Iraq since October has also helped. Demirel is likely therefore to be more confident in recommending the National Assembly to renew Operation Provide Comfort from 1 January.

The Prime Minister might say:

- Saddam Hussein is wrong if he thinks that Clinton will be softer on Iraq. Vital to maintain a united front while Iraq continues to defy Security Council and refuse its obligations under SCR 687.
- Fully understand Turkish concerns about the long term risk to the territorial integrity of Iraq. Have repeatedly made clear, especially to the Iraqi Opposition, that our aim is a unified and democratic, not dismembered Iraq.
- Grateful for Turkey's full cooperation with Operation Provide Comfort and its coordination of cross border humanitarian relief operations.
- Coalition aircraft have been effective in deterring Iraqi attacks on northern Iraq. Continuation of Operation Provide Comfort essential to avoid refugee exodus to Turkey this winter. Hope that Turkey will agree to extension for 6 more months.

Human Rights

Most alleged human rights violations in Turkey occur in the troubled South East. Demirel has made human rights a priority for action. The Turkish Government are well aware of Western concern at its human rights record. A new Amnesty International report says Government pledges to improve human rights are not translated into action. Torture, assassination and death in custody remain prevalent. Proposed judicial reforms get watered down and delayed.



The Prime Minister may like to make the following points:

- Welcome priority which Prime Minister Demirel has given to human rights. But remain seriously concerned at evidence of continuing violations in the South East.
- Welcome Demirel's undertaking to investigate thoroughly all allegations of human rights abuses and to bring to justice those responsible.
- Regret delays in introducing human rights legislation. What news of progress?
- Understand Turkish Government may shortly permit Amnesty International to open an office in Ankara. We encourage this. Important to continue policy of openness contained in 1991 election pledge.

Former Yugoslavia

Demirel shares the general Islamic perception that the West is not doing enough to relieve the plight of the Muslims in Bosnia. He fears that if the conflict spreads to Macedonia, Sandzak and Kosovo, where there are sizeable Turkish minorities, the religious aspect will increase. Muslim volunteers from Iran and elsewhere are already fighting in Bosnia on the Bosnian Government side. Internationalisation of the conflict, in for example Kosovo, could lead to Turkish involvement. Previously Turkey has suggested that foreign military action should not be ruled out, and that protected zones for refugees should be established. There will be pressure at the Islamic Conference meeting in early December for an initiative on Bosnia, but Turkey is also arranging a meeting this week of foreign ministers from the Balkans (except Serbia) and surrounding countries to discuss the whole situation.

Separately the French have proposed holding a re-run of the London Conference to demonstrate to Islamic Governments that the international community is taking the problem seriously. Lord Owen and Vance are resistant to a full-scale conference. But we are discussing with them the idea of a Ministerial-level meeting of the smaller Geneva Conference Steering Committee. The French seem likely to accept something on these lines.

The Prime Minister may wish to draw on the following:

- Sanctions having impact on Serbian economy: new UN resolution will ensure they are made more effective. Must maintain pressure, while encouraging Panic/Cosic to persevere against Milosevic.



- Do not believe lifting of arms embargo would be correct response. Would only increase number of arms in Bosnia on all sides, and make serious situation worse.
- Do not support foreign military action. Only a political solution which commands the respect of Bosnian Muslims, Croats and Serbs will bring peace.
- Increasingly concerned about humanitarian crisis. EC and member states giving generous humanitarian help (£70m) with UK troops (2,300 plus) helping prominently.
- Concerned about Muslim volunteers from other countries coming to Bosnia. Conflict is not about religion but preservation of internationally recognised state and human rights. Vance/Owen have put forward sensible Constitutional proposals for Bosnia. Best route to political settlement.
- Understand Turkish frustrations on the FRY problem and decision to hold meeting of Balkan area foreign ministers. Hope outcome will contribute to international efforts. Crucial point is that this should not cut across Owen/Vance activities. Hope your mission in Geneva will coordinate very closely with them.
- In response to recent French proposal, we are discussing with Owen/Vance idea of ministerial-level meeting of International Conference Steering Committee, on which Islamic Conference is represented, possibly in Geneva, possibly next month. Hope for your support. Would want to widen Steering Committee somewhat, to include Bosnia and a few others. No decisions yet.
- Kosovo remains a serious concern, but encouraging that Kosovar/Serb dialogue has been started by Geneva Conference team. Will continue to press Serbs for concessions on autonomy and to encourage Kosovars to settle for less than independence.

Former Soviet Union

The Prime Minister could brief Demirel on his talks with President Yeltsin on 9 November. Turkey and Russia recently signed a Security and Cooperation Agreement. However the Russians remain suspicious of Turkey's role in the Central Asian republics and fear that Ankara may shift from a Western to a Muslim orientation. Russian fears have been heightened by the civil war in Tajikistan between the ex-Communist leadership and a democratic/Islamic alliance.



The Secretary of State recently urged Turkey to use its influence with the Azeris to agree a ceasefire in Nagorno Karabakh, the region of Azerbaijan inhabited by ethnic Armenians. The Azeris have agreed in principle and the Armenians seem ready to compromise after sackings of hard-line ministers.

The Turks see themselves as a model for the transformation of the Central Asian republics to secular, free-market societies. Turkish businessmen are heavily involved in the whole area.

The Prime Minister might say:

- Good talks with Yeltsin. Successful visit. Your relations, recent agreement?
- Results of Summit President Ozal hosted at the end of October with Central Asian Heads of State? Progress of reform there? Our impression: commitment to free-market but no understanding of it or legal framework for it.
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Yours ever,
Peter Smith

PP. (C N R Prentice)
Private Secretary

J S Wall Esq CMG LVO
10 Downing Street

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cc Press
SUE Goodchild

ADMINISTRATIVE PLAN FOR THE VISIT OF
HIS EXCELLENCY THE PRIME MINISTER OF THE REPUBLIC OF TURKEY
AND MRS ÖZAL

MONDAY 17 FEBRUARY

Arrival 1300 Hours

When the aircraft has landed, a representative of the British Airports Authority will accompany the greeting party to the aircraft. His Excellency the Ambassador of the Republic of Turkey and Mrs Gümrukçüoğlu will board the aircraft and escort the Prime Minister and Mrs Özal to the tarmac where the visitors will be welcomed by:

The Lord President of the Council and
Leader of the House of Lords
The Rt Hon Viscount Whitelaw

HM Ambassador at Ankara
Sir Mark Russell and Lady Russell

Brigadier Alan Cowan
Secretary, Government Hospitality

Group Captain Anthony O'Neill
Government Hospitality

After the party have welcomed the principals, the Prime Minister and The Rt Hon Viscount Whitelaw will walk through the RAF Ceremonial Guard. Prior to entering the VIP lounge the Prime Minister will greet members of the Turkish Embassy who will be standing to the left of the VIP lounge door. The Official Suite will follow.

Transport

Cars are provided for the Official Suite by Government Hospitality. Please see car plans at Annex I.

Separate Appointment

Dr Özal will have a meeting with the Confederation of British Industry, 1030 to 1200 hrs on Tuesday 18 February.

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Participation of the Official Suite in the Prime Minister's Programme

His Excellency Mr Rahmi Gümrükçüoğlu, Ambassador of the Republic of Turkey and Sir Mark Russell, HM Ambassador at Ankara, will accompany His Excellency Mr Özal throughout the programme.

It is anticipated that the other members of the Official Suite, as listed on page 1 of the printed programme, will also accompany His Excellency Mr Özal throughout the programme with the following exceptions:

Monday 17 February

1945 Dinner Lancaster House
Hosts: The Secretary of State for Trade and Industry and Mrs Channon

The following are also invited:

Mr Güzel
Mr Yavuztürk
Dr Özal
Mr Pakdemirli

Tuesday 18 February

1025 Confederation of British Industry.
Names of those accompanying Dr Özal will be announced later.

1300 Luncheon at Mansion House. All are invited with the exception of:
Mr Çini
Mr Özdemir

1605 Talks with the Chancellor of the Exchequer. The following will accompany the Prime Minister:
Mr Güzel
Dr Özal
Mr Pakdemirli
Mr Kahveci
Mr Aktan
Mr Köksal

1700 Talks with the Prime Minister the Rt Hon Margaret Thatcher MP.
The Prime Minister will be accompanied by:
Mr Sanberk

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1945 Dinner No 10 Downing Street.
The Following members of the Official
Suite are also invited:
Mr Yavuztürk Mr Yasa
Mr Güzel Dr Özal
Ambassador Barutçu Mr Pakdemirli
Mr Demirtas Mr Albayrak
Mr Akyürek Mrs Kalaycioğlu
Mr Ozansoy

Wednesday 19 February

1100 Meeting with the Anglo/Turkish
Parliamentary Group.
Names to be announced later.

1245 Luncheon at the Royal Institute of
International Affairs, Chatham House.
The following are also invited:
Mr Yavuztürk
Mr Güzel
Ambassador Barutçu
Dr Özal
Mr Pakdemirli
Mr Aktan

2200 Supper at the Savoy.
Names to be announced later.

Thursday 20 February

from 0900 Appointments at the Duchy of Lancaster
Office and the House of Commons.
The Prime Minister will be accompanied by:

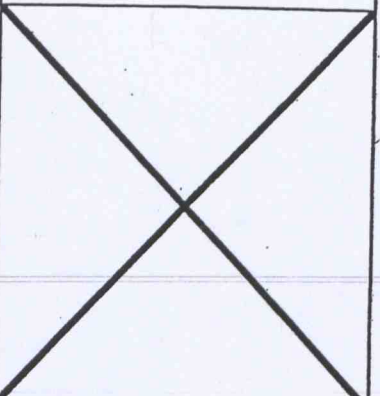
Mr Albayrak
Mrs Kalaycioğlu
Mr Ozansoy
Mr Demirtas
Mr Akyürek
Mr Yasa

1300 Luncheon Bank of England.
Names to be announced later.



Mrs A Morrison
Visits Section
Protocol Department
273 3585

A The National Archives

DEPARTMENT/SERIES PREM 19 PIECE/ITEM 3969 (one piece/item number)	Date and sign
Extract details: Annex 1 from Mrs A Morrison circa 18 February 1986	
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VISIT OF PRIME MINISTER OF TURKEY: ADVANCE PRESS LINE ON THE RECORD

CALL ON THE PRIME MINISTER

The Prime Minister and Mr Ozal had full and friendly discussions covering a range of bilateral and international issues. The Prime Minister noted with satisfaction the excellent state of bilateral relations and welcomed Mr Ozal's assurance that British firms are now well placed to secure several major civil and defence projects in Turkey. (Unattributably: in particular the Akkuyu power project - value £45 million).

The Prime Minister emphasised the importance we placed on Turkey's role within the NATO Alliance. The Prime Minister also fully supported Mr Ozal's wish to establish a better relationship between Turkey and the European Community and undertook that the UK would continue its efforts to achieve this.

The two Prime Ministers discussed Cyprus. They agreed that every effort should be made to help the UN Secretary General to bring his initiative to a successful conclusion. They agreed that it represented the best hope of a peaceful, just and lasting solution in Cyprus.

It was noted that during Mr Ozal's visit we would be signing a Double Taxation Agreement and a Memorandum of Understanding on Investment Promotion and Protection.

Defensive

Mr Ozal raised the possibility of Turkish application to join the Community. The Prime Minister noted that Mr Ozal himself recognised it would take the Community a number of years to absorb Spain and Portugal. They agreed that in the meantime Turkey's Association Agreement should be made to work effectively. (Off the record) The Prime Minister made clear that the UK would decide its position on Turkish membership of the Community in the light of the timing and circumstances of an application.



The Prime Minister commended Mr Ozal on the considerable progress made by his Government towards full democracy. She stressed the importance of continuing efforts, particularly on the investigation of abuses.

Duty Desk

LIST OF GUESTS ATTENDING THE DINNER TO BE GIVEN BY THE PRIME MINISTER AND MR. DENIS THATCHER IN HONOUR OF HIS EXCELLENCY THE PRIME MINISTER OF THE REPUBLIC OF TURKEY AND MRS. OZAL ON TUESDAY, 18 FEBRUARY 1986 AT 7.45 PM FOR 8.00 PM BLACK TIE

The Prime Minister
and Mr. Denis Thatcher

Turkish Suite

His Excellency Mr. Turgot Ozal and Mrs. Özal	Prime Minister of the Republic of
His Excellency Mr. Zeki Yavuztürk	Minister of National Defence
Mr. Ahmet Akgun Albayrak	Member of Parliament
Mrs. Göksel Kalaysioğlu	Member of Parliament
Mr. Abdurrahman Demirtas	Member of Parliament
Mr. Bedrettin Dogancan Akyurek	Member of Parliament
Mr. Ahmet Memduh Yasa	Member of Parliament
Mr. Hasan Celâl Güzel	Permanent Under Secretary, Prime Minister's Office
His Excellency Mr. Ecmel Baratçu	Ambassador, Acting Permanent Under Secretary of State Ministry of Foreign Affairs
His Excellency the Ambassador of the Republic of Turkey and Mrs. Gümrukcuoglu	
Dr. Yusuf Bozkurt Ozal	Permanent Under Secretary of State Planning Organisation
Mr. Ekrem Pakdemirli	Permanent Under Secretary of State Treasury and Foreign Trade
Mr. Bedrettin Dalan	Mayor of Istanbul
Mr. Seladdin Beyazit	Turkish businessman

HM Government

Rt. Hon. George Younger, MP
~~and Mrs. Younger~~

Rt. Hon. Kenneth Baker, MP
and Mrs. Baker

Rt. Hon. John MacGregor, MP

Rt. Hon. Baroness Young
and Dr. Geoffrey Young

The Lord Lucas of Chilworth
and The Lady Lucas of Chilworth

Labour Party

Mr. Bruce George, MP

Select Committee on Defence.
Visited Turkey in 1983

Conservative MPs

Sir Anthony Kershaw, MP and Lady Kershaw	Chairman, Foreign Affairs Committ
Mr. Jim Spicer, MP and Mrs. Spicer	Chairman, Anglo-Turkish Parliamentary Group
Rt. Hon. Sir Frederic Bennett, MP and Lady Bennett	President, Anglo-Turkish Society
Mr. Richard Hickmet, MP and Mrs. Hickmet	of Turkish extraction
Mr. Edward Leigh, MP and Mrs. Leigh	

Businessmen

Mr. George Blunden and Mrs. Blunden	Deputy Governor, Bank of England. Mr. Ozal will be calling on the Bank of England
Admiral Sir Raymond Lygo and Lady Lygo	Managing Director, British Aerospace.
Sir Arnold Hall and Lady Hall	Chairman, Hawker Siddeley plc. Senior Industrialist with Duke of Kent's mission to Turkey in October 1984
Mr. J.G. Anderson and Mrs. Anderson	Managing Director NEI. Accompani Duke of Kent's visit to Turkey in October 1984. Interested in nuclear power project
Mr. M.F. Parsons and Mrs. Parsons	Partner, Freeman Fox and Partners. Consultants involved on original Bosphorus Bridge project and designed second Bridge
Mr. Eddy Warrington	Chairman, Turkish British Chamber of Commerce.
Rt. Hon Lord Barber	Chairman, Standard Chartered Bank Opening first branch in Istanbul

Others including Press, Academics

Admiral Sir James Eberle	Director, The Royal Institute of International Affairs. Mr. Ozal will be speaking at Chatham House
Sir John Burgh and Lady Burgh	Director General, British Council British Council very active in Turkey

Mr. David Stevens
and Mrs. Stevens

Chairman, United Newspapers

Mr. Rupert Pennant-Rea

Editor, Economist

Mr. John Thompson
and Mrs. Thompson

Editor, Sunday Telegraph

Officials

Air Chief Marshal Sir David Craig
and Lady Craig

Chief of Air Staff

Sir Mark Russell
and Lady Russell

HM Ambassador, Ankara

10 Downing Street

Mr. Charles Powell
and Mrs. Powell

*Professor Brian Griffiths
& Mrs Griffiths*

SUBJECT
cc Master

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file VC
cc PCV

10 DOWNING STREET

From the Private Secretary

18 February 1986

Dear Colin,

PRIME MINISTER'S MEETING WITH
THE PRIME MINISTER OF TURKEY

I enclose a record of the Prime Minister's meeting this afternoon with the Prime Minister of Turkey.

I am copying this letter and enclosure to Richard Motttram (Ministry of Defence), Rachel Lomax (HM Treasury), John Mogg (Department of Trade and Industry) and Michael Stark (Cabinet Office).

Yours sincerely,

(CHARLES POWELL)

C.R. Budd, Esq.,
Foreign and Commonwealth Office.

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PRIME MINISTER'S MEETING WITH THE PRIME MINISTER OF TURKEY ON
TUESDAY 18 FEBRUARY 1986 AT 1700 HOURS AT NO. 10 DOWNING
STREET

Present:

Prime Minister
HM Ambassador, Ankara
Mr. C.D. Powell

Mr. Ozal
The Turkish Ambassador
Mr. C. Duna

The Prime Minister offered a very warm welcome to Mr. Ozal. She had been greatly looking forward to their talks. She enquired after President Evren.

Turkish Economy

The Prime Minister invited Mr. Ozal to give an account of economic developments in Turkey. Mr. Ozal said that the Turkish economy had experienced two good years. Growth had been 6 per cent in 1984 and 5 per cent in 1985 and he expected a similar figure in the present year. Growth had come mainly from improved efficiency and productivity, particularly in the agricultural sector. The weak spot had been Turkey's failure to reach its inflation target although he was confident of doing so this year. Growth had been particularly marked in exports. Industrial exports had increased from 30 per cent of the total in 1979 to 78 per cent in 1983. Mr. Ozal gave details of his Government's privatisation programme.

The Prime Minister complimented Mr. Ozal on the success of his economic policies. This created the best possible guarantee of political stability. She was particularly impressed by the speed of Turkey's agricultural development. Mr. Ozal said that he had no doubt that if an election were held now, his Party would win again.

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Iran/Iraq

The Prime Minister referred to the recent Iranian attack into Iraqi territory across the Shatt-Al-Arab. This seemed to have been more successful than at first realised and the Iraqis were clearly having difficulty in dislodging the Iranian forces. Mr. Ozal thought that the offensive had been well prepared. There were reasons to fear further attacks further North. Kuwait would be concerned that fighting was very close to her borders. The Prime Minister said that it would indeed be very worrying if Iran began to get the upper hand. The effect on the Gulf States would be particularly serious. But she wondered how long the Iranian people would sustain the slaughter to which their young people were being subjected. Mr. Ozal commented that it seemed to be a war without end. In a sense continuation of the war was what kept the Iranian regime in power.

European Community

The Prime Minister said that she knew how strongly Mr. Ozal felt about Turkey's links with the European Community. She invited him to explain his objectives.

Mr. Ozal traced the history of Turkey's Association Agreement with the European Community. Lack of political stability in Turkey in the 1970s had prevented the implementation of that Agreement. Meanwhile restoration of democracy in Greece after 1974 had enabled that country to apply for full membership of the Community. He believed that Turkey was now in a position where it could seriously consider membership of the Community. Turkey was following a free market model. There were no restrictions on imports. VAT was already applied, which was more than could be said for Greece, Spain or Portugal. The economy was competitive in all the main sectors. Turkish agriculture was complementary to rather than competitive with that of the other members of the Community. There was a difficult problem over migrant workers, affecting Germany. It was politically impossible for

his Government to go back on the agreement providing for free movement of workers. But were negotiations for Turkish membership of the Community to begin, the issue could be safely subsumed into them and a solution found. Turkey's close relations with the Islamic world would be a bonus for the European Community. Overall he believed that within ten years Turkey would come close to catching up with the Community average for GDP.

The Prime Minister said that she wished to be very direct. When Turkey applied for membership of the European Community, she must be accepted. There must be no question of an application which was rejected. That would be a disaster. For the moment, the Community faced the task of absorbing Spain and Portugal. This would preoccupy the Community for several years, during which it could not simultaneously grapple with the problems of a Turkish application. It also had to be recognised frankly that there were political objections to Turkish membership on the part of some countries. Britain appreciated Turkey's historic importance and its essential role in NATO and greatly admired the achievements of Mr. Ozal's government. She could pledge that we would do everything possible to make the Association Agreement work better, to prepare the ground for eventual negotiations were Turkey to decide to apply for membership. It had been agreed that there should be a meeting of the Association Council in the early autumn. That would be under the United Kingdom's Presidency and would be a further opportunity for us to help restore relations and create the conditions in which an application would have a chance of succeeding. But the fact had to be faced that such an application had no chance of success at present. She had noted carefully some of Mr. Ozal's own remarks in a recent newspaper interview which pointed in the same direction.

Mr. Ozal said that he was a practical man. He agreed that the first step was to unfreeze the Association Agreement and follow a step-by-step approach to Community membership. The Prime Minister welcomed Mr. Ozal's realism. He could

count on Britain as a good friend of Turkey.

Human Rights

The Prime Minister said that she recognised the great progress which had been made over the past two years towards improving the human rights situation in Turkey although there was still some aspects which gave us concern. These were internal matters for Turkey and she was certain that progress would continue. There had been some curious stories in the press about Mr. Benn being prevented from attending a meeting. Mr. Ozal said that the meeting was organised by a commercial firm. In Turkey firms were not allowed to involve themselves directly in politics. It was the meeting which had been banned rather than Mr. Benn.

Cyprus

The Prime Minister recalled that President Kyprianou had come to see her before the negotiations on Cyprus in New York in January 1985. She had strongly advised him then to accept the Secretary General's proposals. He had failed to do so and thereby considerably weakened his position. She would continue to urge President Kyprianou to accept the Secretary General's recommendations. She did not know what Mr. Ozal would say to Denktash. But she thought the sensible advice would be to avoid being caught wrong-footed. The Turkish Cypriots should accept promptly whatever the Secretary General proposed on condition that the Greek Cypriots did the same.

Mr. Ozal gave a discursive and rather hesitant account of the background to the Cyprus problem. His main point was that the Greek Cypriots had done very nicely out of the division of Cyprus. He asked himself why President Kyprianou had not accepted the Secretary General's 17 January proposals which would have allowed Greek Cypriots to remain a dominant force on the island. He reached two conclusions. The first was that there was no incentive for the Greek Cypriots to reach any agreement since the present situation suited them well.

And second, he thought that Greece was intent on using the Cyprus problem against Turkey and equally had no incentive to see a solution.

The Prime Minister disputed this on the grounds that it could not be in the interests of the Greek Cypriots to see the partition of Cyprus formalised. In any case, if the Turkish analysis was that Greece and the Greek Cypriots had little incentive to reach a settlement, this was all the more reason to encourage Denktash to be reasonable and to accept the Secretary General's proposals. This would put President Kyprianou on the defensive. Mr. Ozal said that the Turkish Government had seen the 17 January proposals as the furthest point to which they could push Mr. Denktash. It would be politically impossible to get him to go any further. He wondered why some governments did not threaten to recognise the Turkish Cypriot government in the North unless the Greek Cypriots showed themselves more reasonable by accepting the Secretary General's proposals.

Sir Mark Russell suggested that the Turkish Government should put President Kyprianou to the test by persuading Denktash to show maximum flexibility during the next round. The Turkish Ambassador protested that one could not sacrifice the legitimate rights of the Turkish Cypriots simply in order to put pressure on Greece. The Prime Minister said that there was no question of that. But pressure on the Greek Cypriots would be greatly increased if Turkey could give some indication of an intention to withdraw Turkish troops.

British Embassy Compound in Ankara

The Prime Minister said that she wished to raise one final small matter with Mr. Ozal and that was our desire to build additional staff accommodation in our Embassy compound in Ankara. There seemed to be some inexplicable problem in the way of this. Mr. Ozal, who was clearly completely unsighted, asked whether the problem lay with the Mayor of Ankara. The Prime Minister said that her understanding was

that the objections were being raised by the Turkish Foreign Ministry. The Turkish Ambassador - by this time in a high state of excitement - explained the great difficulty faced by the Turkish Embassy in London in extending leases on its existing buildings or finding alternative accommodation. The Prime Minister pointed out that one could hardly compare the situation which existed in Ankara in 1924 with the London property market in 1986. She would be grateful if Mr. Ozal would have a look at the problem. The Turkish Ambassador said, through gritted teeth, that he would ensure that his Prime Minister was fully briefed.

The meeting ended at 1815.

C.D.P.

C.D. POWELL

18 January 1986

VC4AGA

PRIME MINISTER'S MEETING WITH THE TURKISH
PRIME MINISTER

1. Ask after Turkish President
2. State of Turkish economy
3. European Community
4. Textiles
5. Cyprus
7. British Embassy compound

CCPC
②

Foreign and Commonwealth Office

London SW1A 2AH

17 February 1986

Prime Minister
CDP
17/2

Dear Charles,

Talks with Turkish Prime Minister

As you know, Lady Young saw Mr Ozal for nearly an hour this afternoon. He clearly prepared very well for his visit to the United Kingdom and did not once refer to the formidable set of briefs before him. Whilst much of the conversation followed predictable lines, Lady Young thought that the Prime Minister would wish to be aware of the attitude he took on two questions likely to come up in her own talks with Mr Ozal tomorrow.

On Turkey's relations with the European Community, Ozal, although not saying as much directly, left little doubt that his preference was for full membership. He pointed out that the Turkish Association Agreement with the Community was one of the oldest. With Turkey a member of NATO, OECD, and the Council of Europe, it seemed odd that Europe was not prepared to allow Turkey to complete its set of relationships by joining the Community. Lady Young, knowing that this was a matter that the Prime Minister would wish to pursue personally, nevertheless drew attention to the hard work which HMG had devoted to trying to make the Association Agreement work properly. This, she argued, was the way forward. Ozal freely acknowledged the role which we had adopted in support of Turkey, not only in relation to the Community but also specifically in the Council of Europe.

On Cyprus, Ozal was disposed to give little ground. He recalled Kyprianou's behaviour at the January 1985 meeting with the Secretary-General in New York and said that it was all well and good for people to seek Turkey's help in encouraging Denktash towards a solution; but no-one had ever demonstrated to his satisfaction that there were any real pressures on the Greeks or Greek Cypriots to find a solution. He asked what incentives we thought there were for Kyprianou to reach a settlement? Surely the present situation gave him a great deal of advantage? Lady Young made clear that we certainly pressed the Greeks just as hard in pursuit of a solution and he should not believe that it was one way traffic. The Greeks had after all been held to accepting a Federal solution. Ozal remained unconvinced, saying that the Federal solution already existed de facto. He could only see the Greeks and

/Greek

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Greek Cypriots agreeing to a final settlement on their own terms. There may have been an element of teasing in Ozal's position; he must know that people often ask what is in a settlement for Denktash that he does not already have as "President of the TRNC". Nevertheless, the Prime Minister will wish to know that Ozal may be coming to the view that the status quo or a hardening of it into two separate states is not without attractions. It would be helpful if the Prime Minister could get across to him that the truth is that the present situation, whilst conferring a modest prosperity, places heavy financial burdens on the Greek Cypriot Government and prevents their natural entrepreneurial flair from achieving all the results they might expect within a United Federal Cyprus. Additional pressure on them arises from the fact that partition denies them part of their natural territory, denies the goal of unity and leaves Turkish troops in possession of part of Cyprus. It would be damaging if Ozal went away with the idea that we in any way accept his kind of analysis.

Yours ever,

(R N Culshaw)
Private Secretary

C D Powell Esq
PS/10 Downing Street

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H/T TREASURY Mr Fitchew MR C D CRABBIE	MAFF PERMANENT SECRETARY	PLUS OGDS Mr Powell NO 10 DOWNING ST

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FM LUXEMBOURG

TO IMMEDIATE FCO

TELNO 031

OF 171734Z FEBRUARY 86

AND TO IMMEDIATE UKREP BRUSSELS

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FROM UKREP BRUSSELS.

FRAME EXTERNAL

FOREIGN AFFAIRS COUNCIL: LUXEMBOURG: 17/18 FEBRUARY.

EC/TURKEY.

SUMMARY

1. GREECE CONTINUED TO OPPOSE EARLY MEETING OF ASSOCIATION COUNCIL. MOST OTHERS FAVOURED A GRADUAL PROCESS OF UNBLOCKING DETAILED ISSUES FOLLOWED BY AN ASSOCIATION COUNCIL IN THE AUTUMN. THE UK GOT LITTLE SUPPORT FOR AN EARLIER MEETING. VAN DEN BROEK CONCLUDED THAT THE AIM SHOULD BE A MEETING IN THE EARLY AUTUMN WITH A FIXED AGENDA. MEANWHILE WORK AND CONTACTS SHOULD CONTINUE ON OUTSTANDING ISSUES. FOR FURTHER DISCUSSION AT MARCH FAC.

DETAIL

2. VAN DEN BROEK (PRESIDENCY) FOLLOWED UP OVER LUNCH THE FAC DISCUSSION OF 27 JANUARY. HE UNDERSTOOD THE PROBLEMS FACED BY GREECE, BUT THE COMMUNITY COULD NOT TURN DOWN THE REQUEST FOR AN ASSOCIATION COUNCIL. PANGALOS (GREECE) SAID THAT HE WOULD NOT CAUSE DIFFICULTIES OVER THE TURKISH LETTER. BUT, ALTHOUGH PROGRESS HAD BEEN MADE IN TURKEY, THE PARLIAMENT WAS STILL NOT REPRESENTATIVE, THERE REMAINED OVER 32,000 POLITICAL PRISONERS, AND THERE WERE REPORTS FROM VARIOUS SOURCES OF TORTURE. IN ADDITION, THE TURKS REMAINED IN MILITARY OCCUPATION OF CYPRUS. IT WAS UNDERSTANDABLE THAT THE TURKS WANTED A GUARANTEE FOR THE TURKISH CYPRIOTS. GREECE COULD ACCEPT SOME FORM OF COMMUNITY GUARANTEE BUT NOT CONTINUED MILITARY OCCUPATION. GREECE COULD AGREE TO AN ASSOCIATION COUNCIL, BUT THE AGENDA WOULD HAVE TO BE SPECIFIC AND CONCRETE RATHER THAN OPEN. THE COMMUNITY SHOULD PREPARE THE AGENDA THROUGH CONTACTS. IT WAS IMPORTANT TO AVOID AN OPEN STATEMENT BY THE TURKS, TO WHICH GREECE WOULD HAVE TO REACT.

3. VAN DEN BROEK POINTED OUT THAT IT WAS THE COMMUNITY RATHER THAN

IMMEDIATE



THE TURKS WHO HAD SUGGESTED AN OPEN AGENDA IN ORDER TO ENGAGE IN A DIALOGUE COVERING A WIDE RANGE OF AREAS OF CONCERN TO MEMBER STATES. GENSCHER (GERMANY) AGREED. CHEYSSON (COMMISSION) TOOK THE STANDARD COMMISSION LINE THAT THERE SHOULD BE GRADUAL NORMALISATION, INCLUDING THE UNBLOCKING OF THE FOURTH FINANCIAL PROTOCOL LEADING TO AN ASSOCIATION COUNCIL MEETING. LALUMIERE (FRANCE) AGREED.

600-6c

4. UNDER QUESTIONING FROM MRS CHALKER, PANGALOS CONFIRMED THAT HE COULD AGREE TO THE APPROACH SET OUT BY CHEYSSON PROVIDED THAT THE AGENDA WAS LIMITED. HE COULD ALSO AGREE TO A GENERAL DISCUSSION WITH THE TURKS, BUT NOT THAT ALONE. TYGESEN (DENMARK) WAS ANXIOUS NOT TO GIVE THE TURKS CARTE BLANCHE. HE WAS WORRIED ABOUT RECENT REPORTS OF MEASURES AGAINST THE TURKISH TRADE UNIONS. ANDREOTTI (ITALY) FAVOURED A STEP BY STEP APPROACH TO ENCOURAGE THE TURKISH GOVERNMENT TO ELIMINATE MARTIAL LAW AND IMPROVE RESPECT FOR HUMAN RIGHTS.

5. VAN DEN BROEK SPECULATED THAT IT WOULD BE SUFFICIENT TO HOLD AND ASSOCIATION COUNCIL BEFORE DECEMBER 1986. CHEYSSON FAVOURED A DATE AS EARLY AS POSSIBLE IN THE AUTUMN, BY WHICH TIME THE COMMISSION WOULD HAVE DISCUSSED THE QUESTION OF MOVEMENT OF WORKERS WITH THE TURKS. PANGALOS SAID THAT, WHILE A COUNCIL IN THE AUTUMN MIGHT BE THE AIM, IT WOULD BE BETTER NOT TO MAKE A FIRM COMMITMENT AT THIS STAGE. MRS CHALKER ARGUED STRONGLY FOR A MEETING AT MINISTERIAL LEVEL AS EARLY AS POSSIBLE. VAN DEN BROEK CONCLUDED THAT THE COMMISSION SHOULD CONTINUE ITS CONTACTS WITH A VIEW TO MAKING PROPOSALS IN TIME FOR DISCUSSION AT THE MARCH FAC. HE HOPED THAT IT WOULD BE POSSIBLE TO HAVE AN ASSOCIATION COUNCIL BY THE EARLY AUTUMN.

6. NO REFERENCE WAS MADE IN THE DISCUSSION OF A VISIT BY CHEYSSON AND VAN DEN BROEK TO ANKARA. FOLLOWING THE DISCUSSION OVER LUNCH VAN DEN BROEK REMOVED THE ITEM FROM THE COUNCIL AGENDA.

COMMENT

7. THIS DOES NOT TAKE US FORWARD AS FAR OR AS FAST AS WE AND THE TURKS WOULD LIKE. BUT I DOUBT WHETHER AN IMPATIENT REACTION BY THEM OR AN ATTEMPT TO CONTEST THE PROCESS LEADING UP TO AN ASSOCIATION COUNCIL IN THE AUTUMN WILL SERVE A USEFUL PURPOSE. INDEED, IT WILL PROBABLY PLAY INTO THE HAND OF THE GREEKS, WHO INSTEAD OF BEING SUBJECTED TO A PROCESS OF ATTRITION ON THE DETAILED EC/TURKEY ISSUES (ENLARGEMENT ADAPTATION, FINANCE, LABOUR) WILL BE ABLE TO GO ON STONEWALLING IN POLITICAL LEVEL DISCUSSIONS. SEEN FROM HERE, THE BEST WAY FORWARD MAY BE TO RESUSCITATE THE IDEA OF AN EARLY PRESIDENT OF THE COUNCIL/COMMISSION MEETING AT POLITICAL LEVEL WITH THE TURKS. THIS COULD BOTH HELP THEM POLITICALLY AND ASSIST US AS THE INCOMING PRESIDENCY WITH THE SUBSEQUENT PROCESS OF GRINDING DOWN GREEK OBJECTIONS. IT IS FOR THE DUTCH PRESIDENCY TO INFORM THE TURKS OF THE POSITION REACHED SO FAR AND TO DISCUSS THE NEXT STEPS WITH THEM.

MILES

YYYY

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FCO ADVANCE TO:

FCO - PS, PS/MRS CHALKER, RENWICK, SHEPHERD, RICHMOND (ECDE), THOMAS, NEILSON (SED).

CAB - JAY.

ODA - FREEMAN.

TSY - FITCHEW.

NO. 10 - POWELL.

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<u>CABINET OFFICE</u> MR D WILLIAMSON MR JH HOLROYD MR MH JAY MR SHEARER	<u>DTI (VICTORIA STREET)</u> MR R WILLIAMS MR A C HUTTON OT2	<u>ODA</u> MR P FREEMAN
<u>H M TREASURY</u> MR C D CRABBIE <i>N FITZGERALD</i>	<u>MAFF</u> PERMANENT SECRETARY	<u>PLUS OGDS</u> <i>N POWELL NO/10 D.S.</i>

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TO IMMEDIATE FCO

TELNO 034

OF 172040Z FEBRUARY 86

AND TO IMMEDIATE UKREP BRUSSELS

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FROM UKREP BRUSSELS.

NIPT: FOREIGN AFFAIRS COUNCIL 17 FEBRUARY.

EC/TURKEY.

1. FOLLOWING IS TEXT OF PRESIDENCY PRESS RELEASE:

WE DISCUSSED OUR RELATIONS WITH TURKEY AT LENGTH, IN THE LIGHT OF THE TURKISH REQUEST TO HOLD AN ASSOCIATION COUNCIL.

WE NOTED THAT WORK IS NOW GOING AHEAD ON ALL THE PROBLEMS THAT HAVE BEEN PENDING: THUS

- THE PROTOCOL NEGOTIATED AFTER THE FIRST ENLARGEMENT (UK, DK, IRL) CAN NOW COME INTO EFFECT (THIS IS A DOSSIER THAT HAS BEEN IN ABEYANCE FOR ABOUT 12 YEARS):

- TECHNICAL WORK IS GOING AHEAD TO FINISH NEGOTIATIONS ON PROTOCOLS OF ADAPTATION FOLLOWING THE 2ND AND 3RD ENLARGEMENT:

- ON FINANCIAL AID, INTERNAL WORK (AND CONTACTS BETWEEN THE

- ON FINANCIAL AID, INTERNAL WORK (AND CONTACTS BETWEEN THE COMMISSION AND TURKEY) CAN NOW GO AHEAD ON ALLOCATING THE 29 MECUS WHICH HAD REMAINED UNSPENT SINCE 1981: ALSO, WE HOPE FOR THE SIGNATURE SOON OF THE 4TH FINANCIAL PROTOCOL (WHICH WILL ALLOCATE 600 MECUS TO TURKEY):

- WORK WILL SOON BEGIN WITHIN THE COMMUNITY SO THAT NEGOTIATIONS CAN TAKE PLACE WITH TURKEY ON THE COMPLEX PROBLEM OF THE FREE CIRCULATION OF WORKERS.

ON THE PROCEDURAL LEVEL, I CAN ANNOUNCE THAT THE COMMISSION WILL GIVE US A "STOCKTAKING" REPORT IN MARCH, SO THAT WE CAN REVIEW THE OVERALL SITUATION. WE HOPE THAT THERE WILL BE SUFFICIENT PROGRESS ON ALL THESE MATTERS TO MAKE IT POSSIBLE TO HAVE A MEETING OF THE ASSOCIATION COUNCIL IN EARLY AUTUMN.

MILES

YYYY

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FCO ADVANCE TO:

FCO - PS, PS/MRS CHALKER, RENWICK, SHEPHERD (ECDE),
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NNNN

PRIME MINISTER

MEETING WITH THE PRIME MINISTER OF TURKEY

You have an hour with Mr. Ozal on Tuesday afternoon, before giving him dinner later that evening. He is coming just with his Private Secretary and Ambassador. Our Ambassador in Ankara, Sir Mark Russell, will also be present.

It is clear that Mr. Ozal attaches very great importance to his visit to Britain. The Turks regard us as their best friends in Europe. Trade with Germany is bigger but relations are bedevilled by the time bomb of Turkish migrant workers. The latter will have a right of totally free access to the Community labour market from 1 December this year unless the Turkish Government can be persuaded to accept deferral. Mr. Ozal will come here looking for overt and visible signs of British support for Turkey to show that the Greeks do not have it all their own way in Western Europe. We have a strong interest in responding positively because of Turkey's strategic importance; because Mr. Ozal is running a conservative government with sensible economic policies; and because Turkey offers a considerable potential market.

Mr. Ozal is an engineer by training and an economist by profession. You might therefore start by asking him about his economic policies, in particular privatisation.

But the main subject he wants to talk about is the European Community. Here we face a very real problem. It is quite clear that Mr. Ozal is under strong pressure within Turkey, particularly from industry, to make an early application for full membership of the Community. And of course Turkey is fully entitled to do this under the terms of the 1963 EC/Turkey Association Agreement, once Turkey is in a position to meet fully the obligations of membership. The trouble is that there is no chance whatsoever of an application being accepted at the moment.

The fact is that Turkey's economy is nothing like in a state in which it could cope with membership (per capita GDP

is 12 per cent of the Community average). Moreover, Turkish membership would cost the existing Community a bomb in subsidies and support. The Community itself is pre-occupied with absorbing Spain and Portugal and will be for some years. And there will be political objections from several Member States such as Denmark and Ireland.

We have therefore got to persuade Mr. Ozal that, in Turkey's own interests, he should not make an application for membership now because it would be rebuffed and this would be very damaging to Turkey and to Western interests generally. Instead we must work steadily away over a period of several years to create the conditions in which an application would have a chance of succeeding. In practical terms this means making a success of the Association Agreement. Even this is difficult as the Greeks are being obstructive and refusing to agree to convene a meeting of the Association Council. But there is no practical alternative and you are better placed than anyone to convince Mr. Ozal of this fact in a firm but kindly manner.

Mr. Ozal himself is quite likely to raise the subject of textiles on which he wrote to you last year. Turkey is now the European Community's largest supplier of textiles and clothing and in some areas their exports represent a real threat which has led the Community to take safeguard action. We have for some time been trying to negotiate a voluntary restraint agreement but the Turks have refused except in certain limited categories. We have no scope to be more forthcoming than this: the Turks must not press us too hard.

You will want to raise the question of Cyprus even though there is not a great deal to say at the moment. The UN Secretary General will shortly be submitting some new documentation. If the Turkish Cypriots are sensible they will accept it promptly on condition that the Greeks do the same. The UN Secretary General has asked us to suggest to Mr. Ozal that the Turks should also make a statement promising withdrawal of Turkish troops, arguing that such a statement

would give Turkey a considerable moral advantage. I think you should ~~deploy this suggestion very cautiously:~~

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The briefs suggest that you should raise Aegean disputes and the question of human rights. There does not seem much point to me. We can't do anything about Aegean disputes and I see no reason to interfere in Turkey's internal business by commenting on human rights, particularly when it is clear they are moving steadily in the right direction. I would also favour leaving commercial issues to Mr. Channon, with whom Mr. Ozal is having a separate meeting and dinner.

There is one small point which it would be helpful if you could raise and that concerns the British Embassy compound in Ankara. This is an absurd matter which only diplomats could get themselves into. In 1924 the Turk's treated us quite generously when we had to move our Embassy to Ankara and helped us find some land. Now the Turks want to move embassies in London and expect us to help them, taking no account of the fact that London in 1986 is not quite the same as Ankara in 1924. Because we have said that we cannot give them any free land they are refusing to allow us to build new staff houses in our compound in Ankara. This latter decision has apparently been taken by the Turkish Foreign Minister and can only be overturned by Mr. Ozal. You might ask him to have a look at the matter.

You will recall that you sat next to Mr. Ozal at a lunch in New York at the end of October and saw him again at President Reagan's NATO Briefing in Brussels after the Geneva Summit in November.

I attach the briefs and a card.

C.D.P.

CDP

14 February 1986

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CCTS/UP ccpc



Foreign and Commonwealth Office

London SW1A 2AH

14 February 1986

Dear Charles,

Visit of Prime Minister of Turkey : 17-20 February

I enclose briefing for the Prime Minister's meeting at No.10 with Mr Ozal at 5.00 p.m. on Tuesday 18 February. For the sake of clarity we have kept EC matters separate from the others. We expect Ozal to focus principally on the EC points at issue.

Apart from EC considerations Ozal's other major concern is likely to be the availability of ECGD cover both for civil and defence contracts. The level of this cover has recently been reviewed and increased significantly, with Mr Ozal's visit very much in mind. It still however falls well short of the likely total of Turkey's military and civil demands.

The Turks attach great importance to this visit which, as you know, follows Sir Geoffrey Howe's visit to Ankara in February 1985. It is the first official visit by a Turkish Prime Minister to the UK since 1952 and to any European country since the military takeover in September 1980. You will have seen Sir Mark Russell's two scene-setting telegrams (Ankara telegrams Nos. 84 and 89 - copies attached for ease of reference).

In addition to his meeting with the Prime Minister, Mr Ozal will be having talks with Lady Young (in Sir Geoffrey Howe's absence) and the Chancellor, as well as the Secretaries of State for Defence and Trade and Industry. He will be accompanied by a large delegation, including the Defence Minister, Mr Yavuzturk. Although this must inevitably be slightly artificial, we have tried to agree with the Turks specific subjects for the various meetings. The Prime Minister may wish to concentrate on :

/ (a)

C D Powell Esq
No.10 Downing Street

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- (a) Turkey's European aspirations
- (b) Cyprus
- (c) the Aegean
- (d) human rights
- (e) major contracts post Bosphorus bridge, including defence sales
- (f) British Embassy compound, Ankara

The last is an irritating point which would normally not have to be raised at this level. But our present problems seem to stem from an unhelpful decision by the Turkish Foreign Minister which is only likely to be overturned by Ozal himself. We suggest that the Prime Minister might simply touch on it, but in such a way as to leave Ozal in no doubt of our concern.

At our suggestion Mr Ozal will only be accompanied to No.10 by Mr Sanberk, his adviser on foreign affairs, and the Ambassador Mr Rahmi Gumrukcuoglu. We have told the Turks that the Prime Minister will probably be accompanied by yourself and possibly HM Ambassador and/or an FCO official. Perhaps you could please let me know your views on the latter.

*Yours ever,
Colin Budd*

(C R Budd)
Private Secretary

C D Powell Esq
No.10 Downing Street



VISIT OF PRIME MINISTER OF TURKEY: 17-20 FEBRUARY 1986

EC/TURKEY

OUR OBJECTIVES

- To underline UK's leading role in restoration of normal EC/Turkey relations.
- To deter Turks from making an early application for EC membership and convince them that making the most of the Association Agreement is only realistic way forward.

ARGUMENT

1. UK regards Turkey as indispensable member of western democratic group of nations.
 - We have been a tireless advocate of need for Community to improve relations with Turkey and acknowledge progress Turkey has made over last two years in restoring democracy.
 - These efforts beginning to bear fruit: we have been instrumental in getting Danes to unblock first part of outstanding EC aid.
 - No one has worked harder than UK to persuade partners of importance of early meeting of Association Council; optimistic we shall succeed.
 - We shall then continue to work hard to get Association Agreement back in good working order.
 - Convinced this is right way forward for EC/Turkey relations: UK will do all it can to promote progress.
 - Fully agree with your recent press interview in which you argued cautious approach to membership question and pointed out need to normalise relations. Sure this is the right approach.

THEIR OBJECTIVES

- To seek our advice on/support for an early application for EC membership which they will justify on following grounds:
 - political conditions improved by settlement of five nations human rights case;



- new economic policies designed to prepare Turkey for membership;
- negotiation will be long process so need to start now to achieve membership by 1995-2000.

- To press for more liberal UK attitude to imports of Turkish textiles.

OUR RESPONSE

A. Turkish Membership of the EC

2. Turkey's right to apply not in question.

- As good friend of Turkey must say that an early application for membership would court a damaging rebuff and jeopardise possibility of real progress on Association Agreement, with possible damaging consequences in other fields.

- In any case, it will be a number of years before Member States are ready to contemplate negotiations on further enlargement.

- Community must have time to adapt to Spanish and Portuguese entry. Will not be able to assess until after transition period (7-10 years).

3. Our common aim must be to normalise relations and put new life in Association Agreement: this already provides framework for a much closer economic relationship, including customs union which should meet immediate concerns of Turkish industry.

- Would provide time for Turkey to educate European opinion as to economic and political progress.

4. [If Ozal signals that in absence of EC application Turkey would press for implementation of commitment of free movement of labour]

- Turks will understand that with present unemployment in Community (average of 11.1%) this issue will be very difficult. Germans will have explained their concerns.

5. [If Ozal mentions role of European Parliament]

- There is a real danger that European Parliament would



immediately adopt a negative resolution on a Turkish application at this stage. This would be a set-back and would influence attitude of member states.

B. Textiles

6. UK textiles and clothing industry has lost many jobs in recent years (250,000 since 1980). But remains very important: still employs about 500,000.

- Faced with similar pattern in rest of Community, EC has called for further renewal of Multi-Fibre Arrangement; also believes that Voluntary Restraint Arrangements for preferential partners continue to be necessary.

- Even Portugal and Spain will continue to exercise restraint on sensitive products.

7. At same time, UK prepared to see some liberalisation in next MFA, believing it necessary to give right signal to less developed countries in context of new GATT Round.

8. Recognise importance to Turkey of textile exports.

- Very much hope recently signed Voluntary Restraint Agreements on textiles can be extended to cover clothing products sensitive for EC; this would remove need for safeguard action by Community.

- If comprehensive VRA concluded, Turkey can expect significantly better treatment than MFA suppliers.



BACKGROUND

1. 1963 EC/Turkey Association Agreement covers preferential trade access, progress to customs union and consideration of possibility of Turkish membership

"when operation of the agreement has made it possible to envisage the full acceptance by Turkey of the obligations arising out of the Treaty setting up the Community".

2. Turks increasingly frustrated at EC's failure to restore normal relations and unblock outstanding aid despite ending of military rule more than two years ago. UK is concerned at damage EC's continued intransigence might do to wider western interests.

3. We have played leading role in reminding Community of progress Turkey has made towards restoring democracy and in trying to persuade Greeks and Danes to unblock EC aid, which would be most tangible evidence of improved relations. Following settlement of human rights case, our lobbying was instrumental in recent Danish decision to lift reserve on the supplementary protocol on the first enlargement (worth 47 mecu) - the first of three tranches of EC aid still outstanding. (The others are the 1980 Special Aid Programme worth 29 mecu and the (unsigned) fourth financial protocol worth 600 mecu).

4. At January Foreign Affairs Council we also strongly supported Turkish request for early meeting of Association Council and hope to get agreement when discussion is renewed at February Council. Greeks now the main obstacle.

5. Case for normalising relations is strengthened by need to reach a compromise with the Turks later this year on deferring their entitlement (under the terms of a 1970 Additional Protocol) to free access to the EC labour market from 1 December 1986 - of particular concern to Germans with whom Turks have been negotiating privately.



Application for Membership

A 6. Turks are determined to exercise their right to apply to join the EC: they see eventual full membership of the EC as test of their acceptance by Europe, and as essential complement to their membership of NATO and progress back to democracy. The Prime Minister's answer to a Parliamentary Question on Turkish membership last April is attached.

B 7. If the Turks did apply, this would be likely to be blocked by the Greeks. No one in the Community is prepared to contemplate a further enlargement, given time it will take to absorb Spain and Portugal. In a Turkish press interview in January, Ozal recognised problems for Community and need to normalise relations first. But pressure to make early application is strong, especially from industrialists.

8. Ozal is keen to get Prime Minister's views as friend of Turkey. This discussion could have major influence in dissuading Turks from an application which, at this stage, could only end in rejection with serious repercussions for wider Western interests. Our advice will be unpalatable, but our record of support for Turkey makes it easier for us to speak frankly, but without conveying the impression that the UK is opposed to Turkish membership or that no Turkish application will ever be accepted.

9. Turks have begun to introduce trade liberalisation and other economic reforms (including VAT) in order to prepare Turkish economy for membership of EC. But even if these policies were sustained, Turkish membership would still entail intolerable costs to Community, particularly in terms of structural and agricultural spending: Turkey's GDP per capita is only 12% of EC average.

Textiles

10. Textiles provide 20% of Turkey's industrial exports. It is EC's largest supplier by volume of textiles and clothing products combined. The EC has never been able to negotiate a comprehensive



C voluntary restraint agreement (VRA) with Turkey and has been forced in recent years to impose safeguard quotas on various categories of clothing products. This has provoked Turkish complaints, including a letter from Ozal to the Prime Minister last October. In her reply, the Prime Minister rehearsed the background to the EC's action in some detail, called for a resumption of textile negotiations and looked forward to a mutually satisfactory outcome. In December, the Commission concluded VRAs for five categories of textiles.

11. Given their importance to the Turkish economy, Ozal can be expected to press us hard on textiles, arguing that restrictions are contrary to the spirit of the Association Agreement. (But provision does exist for safeguard actions.)

EXTRACT FROM THE HOUSE OF COMMONS OFFICIAL REPORT
FOR ..2 APRIL 1985.....

Volume ..76.....

No ..93.....

Column(s) ..1069.....

Mr. Nicholas Budgen (Wolverhampton, South-West):
Will my right hon. Friend confirm that one of the reasons why she was in favour of the accession of Spain and Portugal was her belief that thereby she would support democratic government in Spain and Portugal? Will she further confirm that, if Turkey adopts a democratic Government and applied to join the EEC, she will be in favour of that application?

The Prime Minister: If that were the case and Turkey applied, we should have to decide what position to adopt. I recognise the force of the point that my hon. Friend is making. The European Community is a community for which democracy is an absolutely vital condition of entry. One of the reasons why we are anxious to have Spain and Portugal in is to enlarge the area of democracy and to consolidate in those countries. I do not believe that we shall be faced with another application shortly, but if we are we shall have to consider it.

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STRASBOURG, 20 JAN 1986
20 JAN 1986

TURKEY/ EC

1. PRIME MINISTER OZAL SPOKE IN DETAIL ON TURKISH EC ASPIRATIONS IN AN INTERVIEW WITH THE NATIONAL DAILY, CUMHURIYET, WHICH APPEARED ON 16 JANUARY. FOLLOWING IS OUR UNOFFICIAL TRANSLATION:-

"TODAY OUR CLEAR CUT OBJECTIVE IS TO BECOME A FULL MEMBER OF THE EC. THERE ARE NO INTERNAL DISAGREEMENTS ON THIS. HOWEVER, THE TIMING OF THE APPLICATION MUST BE CONSIDERED VERY CAREFULLY. SOME PEOPLE THINK THAT SINCE WE DO NOT APPLY, WE DO NOT WANT TO BECOME FULL MEMBERS. THIS IS NOT TRUE. RECENTLY I TOLD PRIVATE SECTOR REPRESENTATIVES: 'GO LOOK AND FIND OUT, WHAT WILL HAPPEN IF WE APPLY TODAY. IF WE ARE REJECTED, IT WILL BE VERY DIFFICULT FOR US TO RE-APPLY. WE MUST BE ABSOLUTELY CERTAIN THAT OUR APPLICATION WILL NOT BE REJECTED.' THEY WENT AWAY, TALKED AND CAME BACK SAYING THAT THE TIME IS NOT RIGHT.

TODAY THE EC HAS CERTAIN PROBLEMS. PORTUGAL AND SPAIN HAVE JUST BECOME FULL MEMBERS. THEY HAVE TO BE DIGESTED FIRST AND THE COMMUNITY ADAPT TO THIS ENLARGEMENT. I BELIEVE THERE WILL BE MANY PROBLEMS OF HARMONISATION, PARTICULARLY IN CONNECTION WITH THE AGRICULTURAL FUND. ANOTHER PROBLEM IS THAT WITHIN 5 - 10 YEARS TURKEY WILL BE THE LARGEST COUNTRY WITHIN THE EC (SIC). THERE IS THE PROBLEM OF FREE CIRCULATION. SOONER OR LATER THIS WILL BE ACHIEVED. GIVEN THE EXPERIENCE OF RECENT YEARS, THEY ARE VERY MUCH CONCERNED ABOUT THE ANATOLIAN PEASANT HITTING THE EUROPEAN HIGHWAYS.

IN GENERAL TERMS TURKEY SHOULD BECOME AN EC MEMBER. THIS IS NOT A POLICY WHICH CHANGES ACCORDING TO PARTY OR GOVERNMENT. BUT WE SHOULD NOT ENTER IN A SITUATION WHICH MAY NOT BE IN TURKEY'S BEST INTERESTS, HINDER HER DEVELOPMENT OR INVOLVE HER MAKING IMPORTANT CONCESSIONS. WE MUST SIT DOWN AND NEGOTIATE VERY SERIOUSLY. THE TIMING IS VERY IMPORTANT. MAYBE WE SHALL APPLY THIS YEAR. I AM SAYING, MAYBE. BUT WE MUST PREPARE THE FOUNDATIONS BEFORE WE APPLY. WE MUST NORMALISE RELATIONS FIRST. THE OLD FINANCIAL PROTOCOL IS NOT WORKING, NOR IS THE NEW FINANCIAL PROTOCOL - THERE ARE SHORTCOMINGS IN IT. IT SEEMS TO ME THAT THESE ARISE FROM THOSE WHO DESIRE THAT TURKEY SHOULD NOT APPLY.

(IN ANSWER TO A QUESTION)

'OF COURSE ACCEPTANCE OF AN APPLICATION WOULD HAVE POLITICAL EFFECTS. NO-ONE CAN SAY THAT EUROPE DOES NOT AFFECT TURKEY TODAY, AND IN IMPORTANT WAYS. LOOK AT THE ISSUE WITH THE 5 EUROPEAN COUNTRIES, THE SITUATION IN THE COUNCIL OF EUROPE AND THE DEBATES AND DISCUSSIONS IN THE EUROPEAN PARLIAMENT. WE MUST BE REALISTIC. EVEN IF SOME OF THE DECISIONS IN THE EUROPEAN PARLIAMENT ARE NOT IN OUR FAVOUR, FROM THE POINT OF VIEW OF TURKEY'S DEMOCRATIC SYSTEM, THEY HAVE A POSITIVE EFFECT.'

2. FCO PLEASE PASS SAYING ADDRESSEES.

(REPEATED AS REQUESTED)

RUSSELL

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Annex C

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TEXTILES: PRIME MINISTER'S MESSAGE TO OZAL
 1. PLEASE ARRANGE FOR THE FOLLOWING MESSAGE FROM THE PRIME
 MINISTER TO BE DELIVERED TO OZAL.
 BEGINS:
 DEAR PRIME MINISTER, THANK YOU FOR YOUR TELEX MESSAGE OF 20
 SEPTEMBER ABOUT THE INTRODUCTION OF SAFEGUARD ACTION BY THE
 EUROPEAN COMMUNITY ON CERTAIN CATEGORIES OF CLOTHING IMPORTS FROM
TURKEY.

I ENTIRELY SHARE YOUR VIEWS ABOUT THE IMPORTANCE TO WESTERN
 EUROPE OF A STRONG TURKEY. AS YOU KNOW THE UK HAS PLAYED A
 LEADING ROLE IN EFFORTS TO IMPROVE RELATIONS BETWEEN THE EUROPEAN
 COMMUNITY AND TURKEY AND TO RE-VITALISE THE ASSOCIATION
 AGREEMENT. WE SHALL CONTINUE TO DO ALL WE CAN TO MAKE PROGRESS.

I VERY MUCH REGRET THAT THE RECENT TALKS BETWEEN THE COMMISSION
 AND TURKISH REPRESENTATIVES ON A BALANCED VOLUNTARY RESTRAINT
 ARRANGEMENT COVERING CLOTHING PRODUCTS PROVED UNSUCCESSFUL. THE
 COMMUNITY HAS BEEN SEEKING FOR A NUMBER OF YEARS AN
 EXTENSION OF THE INFORMAL ARRANGEMENT IT ALREADY HAS WITH TURKEY
 ON COTTON YARN TO COVER A COMPREHENSIVE RANGE OF TEXTILE AND

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CLOTHING PRODUCTS ON A SIMILAR BASIS TO THE ARRANGEMENTS WITH ITS OTHER MEDITERRANEAN PREFERENTIAL PARTNERS. RECENTLY TURKEY HAS BECOME THE COMMUNITY'S LEADING SUPPLIER IN VOLUME TERMS OF TEXTILE AND CLOTHING PRODUCTS. AS A RESULT THE QUESTION OF A VOLUNTARY RESTRAINT ARRANGEMENT WITH TURKEY HAS ASSUMED INCREASED IMPORTANCE. IN JULY THE COMMUNITY DECIDED NOT TO RENEW SAFEGUARD MEASURES ON SEVERAL CATEGORIES OF CLOTHING PRODUCTS IN THE HOPE THAT THIS WOULD CREATE THE RIGHT ATMOSPHERE FOR FRESH NEGOTIATIONS ON A VOLUNTARY RESTRAINT ARRANGEMENT.

I APPRECIATE YOUR WISH TO SEE A RAPIDLY EXPANDING TURKISH TEXTILES INDUSTRY. AS YOU RECOGNISE, THE EUROPEAN INDUSTRY HAS BEEN MAKING PAINFUL ADJUSTMENTS IN THE FACE OF OUTSIDE COMPETITION. THE UK TEXTILES INDUSTRY HAS LOST 250,000 JOBS IN THE LAST FOUR YEARS, EQUIVALENT TO ONE JOB IN THREE IN THE INDUSTRY. IT IS AGAINST THIS BACKGROUND THAT THE COMMUNITY HAS CALLED FOR A RENEWAL OF THE MULTI FIBRE ARRANGEMENT FOR A FURTHER PERIOD AND SOUGHT TO NEGOTIATE VOLUNTARY RESTRAINT ARRANGEMENTS WITH ITS PREFERENTIAL PARTNERS. THE RAPID INCREASE IN TURKISH TEXTILE AND CLOTHING EXPORTS IN RECENT YEARS COMPARED WITH THOSE OF OTHER SUPPLIERS DEMONSTRATES THAT THE COMMUNITY HAS NO WISH TO TREAT TURKEY UNFAIRLY. I THEREFORE HOPE THAT NEGOTIATIONS ON CLOTHING PRODUCTS CAN RESUME AS SOON AS POSSIBLE AND THAT FORTHCOMING NEGOTIATIONS ON TEXTILE PRODUCTS WILL ACHIEVE A MUTUALLY SATISFACTORY OUTCOME.

WITH BEST WISHES, MARGARET THATCHER.
ENDS.

HOWE
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PS
PS/LADY YOUNG
PS/MR RIFKIND
MR JENKINS
MR RENWICK

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VISIT OF PRIME MINISTER OF TURKEY: 17-20 FEBRUARY 1986

GENERAL ISSUES

OUR OBJECTIVES

A: Cyprus

- Encourage Turkish/Turkish Cypriot side to accept new UN documentation after next round of low level talks - on condition Greek Cypriots do same.
- Encourage Turks to consider flexible public statement about troop withdrawals.

B: Aegean disputes

- Attempt to nudge Turks and Greeks into dialogue.

C: Human Rights

- Acknowledge considerable progress since 1983.
- But urge that more be done.

D: Akkuyu Nuclear Power Project

- Press NEI Parsons bid.
- Explore scope for financing with Turkish Government guarantees instead of the "build and operate" proposals Ozal advocates.

E: Defence Sales

- Establish Turkish priorities without encouraging unrealistic expectations of HMG credit support.

F: British Embassy Compound Ankara

- Urge agreement to planning permission to build 16 staff houses.



ARGUMENTS

A: Cyprus

- Essential for UN Secretary General to succeed. Current situation not rosy. Secretary General will shortly present his documentation. This will be crunch point.
- Realise you have made helpful concessions (eg on territory and rotating Presidency). But to achieve settlement more flexibility required on both sides.
- Seems tactically wise for Turkish Cypriots to accept the revised documentation that Secretary General intends to put forward after the next round - on condition Greek Cypriots do same.
- The pressure on them to do so would be greatly increased if you could also make some kind of statement that Turkish troops will be withdrawn.
- Timing obviously for you to decide. But statement would take wind out of Greek and Greek Cypriot sails making it more difficult to resist agreement.

B: Aegean disputes

- Concerned about the continuing tensions in Greek/Turkish relations and about their impact on NATO. The basic solution must be a matter for negotiation between the two parties.
- Urge both sides to exercise restraint and to avoid allowing their disputes to spill over into international fora.
- Aware of the Turkish policy and appreciate Ozal's efforts.
- But is there anything further he can do to engage Papandreou in genuine dialogue? If so, Sir Geoffrey Howe would be happy to convey any indications to the Greek government during his visit to Athens in March.
- Recognise that Turkey may not be in a position to make unilateral gesture on vital issues, but can anything be done to reassure Greece over its apparent concern about the military threat eg over the so called Turkish Army of the Aegean?

C: Human Rights

- Impressive progress since 1983. Tribute to your determination.
- But real parliamentary and public concern in UK and Europe, particularly over Peace Association and Trade Union trials.



- Understand constraints imposed by Constitution.
- Although UK understands circumstances surrounding the military takeover, other countries not so well informed.
- Our ability to help Turkey's case in Europe depends on Turkey's human rights performance. Hope you can maintain rapid progress.

D: Akkuyu Nuclear Power Project

- NEI Parsons considerable commitment to project - ready to put up equity stake.
- Favourable outcome would encourage other UK exporters and investors.
- Additional ECGD cover approved for Turkey: but unfortunately not unlimited choices will have to be made between projects; ECGD prepared in principle to provide cover for Akkuyu.
- But reservations on "build/operate" concept; is it appropriate for major strategic development projects of this kind where Government guarantees of export credits involved?
- Bosphorus Bridge (won by Japanese) financed with Turkish sovereign guarantee. Why not Akkuyu?
- Know Canadian Government share our reservations.

E: Defence Sales

- UK firms offer high technology equipment proven with British Forces.
- Will give careful consideration to credit support within overall limits. Know UK firms wants to cooperate with Turkish industry including transfer of technology, local manufacture and marketing rights in third countries.
- What are your priorities? Again, in so far as UK credit support is concerned, choices will have to be made between civil and military projects.
- Glad to hear some of your delegation staying on to see UK companies involved in defence contracts.

F: British Embassy Compound Ankara

- Bilateral relations excellent. Trivial blemish over Embassy compound. Hope you can agree to building of staff accommodation.



THEIR OBJECTIVES

A: Cyprus

- Confirm that we oppose Soviet proposals for an international conference.
- Express disquiet over EC/Cyprus Customs Union.
- Point out Greek Cypriot/Greek intransigence.

B: Aegean disputes

- Convince us that blame for the current log jam lies with Greece.

C: Human Rights

- Impress on us extent of progress made; request continued support.

D: Akkuyu Nuclear Power Project

- Gain sympathetic response to the "build/operate" concept as acceptable security for ECGD cover.

E: Defence Sales

- Seek backing for indigenous defence industry base.
- Seek confirmation that ECGD credit available for UK firms, particularly those establishing local manufacturing facilities.
- Seek credit support for UK element of sale of 40 Tornados.

F: British Embassy Compound Ankara

- Link our request with theirs for assistance in buying or leasing property for their Embassy in London on favourable terms.



OUR RESPONSE

A: Cyprus

- Soviet proposals not new. Cut across Secretary General's initiative. We see no advantage.
- 1972 Association Agreement committed EC and Cyprus to eventual Customs Union. An economic measure potentially of benefit to whole island, especially Turkish Cypriots. At our firm instigation EC Commission now consulting Turkish Cypriots. Will do our best to see their interests respected. We have done well by Turkish Cypriot community.

B: Aegean disputes

- Not for HMG to take sides between.
- But both Greece and Turkey must show vision and statemanship if current situation to be overcome.
- A signal from Turks could have positive effects in Athens.
- No guarantee that Greeks will respond. But unless one side shows readiness to compromise, progress will be impossible.
- Our interest solely to see progress on these issues which causes both parties, and by extension the Alliance, such difficulties.

C: Human Rights

- Acknowledge progress made.
- Encourage further efforts.

D: Akkuyu Nuclear Power Project

- Not normal for major projects where Government guarantees of export credits are involved. Helpful to have more information about your proposals.

E: Defence Sales

- ECGD credit available, inter alia, for defence projects.
- We give careful consideration to companies requesting credit support for UK exports.
- On Tornado, not for us alone to decide: FRG and Italy involved as partners. Amount of cover requested on Tornados in 1984 simply too large to handle. Believe BAe exploring with German and Italian



partners ways of reducing credit needed. Cover likely to be required is going to be large. This will remain difficult but we will look at any new proposals they may have.

- What are other major requirements? Armoured Personnel Carriers (APCs)?

F: British Embassy Compound Ankara

- Cannot accept that there should be linkage between our compound and your estate problems in London.

- Agree that Turkish authorities were generous in 1924.

- But they were trying hard then to attract Embassies to their new capital. So parallel irrelevant. We have no land in London to give away.

- London a free property market. HMG cannot instruct private landlords to accept less than market rate for property.

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BACKGROUND

1. Prime Minister last met Mr Ozal when she sat next to him at lunch during the UN 40th Anniversary Celebrations in New York in October 1985.

2. Cyprus

Despite Secretary General's success in arranging second round of low level talks (Turkish Cypriots 27 February: Greek Cypriots 3 March), outlook is poor. He badly needs help to keep his initiative on the rails. We have consulted him on how best we can help and the above arguments take account of his advice. HMA Ankara thinks that the Turks may play up if pressed on a statement. But the Secretary General thinks a statement very important: his initiative is at a key stage: if properly presented Ozal should see the logic of the argument.

Soviet proposals for an international conference on Cyprus were circulated last month. They have fallen flat, although Kyprianou is threatening to make mileage (unspecified) for domestic reasons. Turks and Turkish Cypriots are resolutely opposed.

In December the Greek Cypriots attempted to use progress towards EC Customs Union as a political lever against the Turkish Cypriots. The Turks responded angrily. We encouraged the EC Commission to consult the Turkish Cypriots during the negotiations: they are doing so. We have done well by the Turkish Cypriot side.

3. Aegean disputes

Main disputes over i) continental shelf ii) territorial waters iii) control of airspace iv) remilitarisation of Greek Eastern Aegean islands, especially Lemnos, which Turks claim [redacted] contrary to 1923 Treaty. Talks between Greeks/Turks held in late 1970s. Broken off when Papandreou came to power in 1981. Ozal offered to resume dialogue when he became Prime Minister but refused by Papandreou. Disputes, especially Lemnos, spilling over into NATO. Infrastructure projects being blocked by either side. Greece refuses to participate in NATO exercise in Aegean while NATO does



not acknowledge her troops on Lemnos. Force planning hampered because Greece and Turkey regularly block each other's country chapters. Ozal's visit and Sir Geoffrey Howe's visit to Athens next month present opportunity to try to nudge two sides back to conference table.

4. Human Rights

Turkey still has a good way to go. But much done since 1983. Should compare present with state of anarchy that existed in lead up to 1980 military takeover (over 20 politically motivated murders a day). Several progressive measures under consideration but not yet implemented. Delays in concluding trials, particularly Peace Association and Trade Unions, cast blemish. Turkey's sense of alienation and isolation in Europe stems largely from criticism of their human rights record. Ozal appreciative of our understanding and support.

5. Akkuyu Nuclear Power Station

Canadian led (AECL) consortium, including NEI Parsons, bidding. Parsons to supply turbine generators (£45 million). Ozal's "build/operate" proposal unclear. Helpful to have clarification. Lenders apparently have to forego repayments if the project were delayed. When on stream, repayment depends on ability of the project to generate an economic return which in turn depends on Turkish Government policy. ECGD normally expect a sovereign guarantee of repayment for project of this size. Canadian Government still to reach a final decision on support but is also opposed to "build/operate" proposal.

6. Defence Sales

Turkey largest European market in recent years - main sales Rapier and Sea Skua (£300 million). Main suppliers US and FRG with substantial military aid budgets.

Future prospects considerable;

Tornado - Possibly 40 aircraft (£400 million UK content). Panavia proposed to Ozal (4 Feb) plan for 16 aircraft unwanted by the Italians (therefore available early) and remainder for



delivery by 1990. But credit problems. UK Cabinet rejected application for Tornado cover in 1984. Turkish economy since much improved. So Germany may now be willing to take lead on credit. BAe likely to approach Ministers for large amount of ECGD cover.

Armoured Fighting Vehicles - Three UK firms (GKN, Alvis and Royal Ordnance) competing with US and FRG to supply 3000 vehicles valued at £400m. Believe GKN on short list.

7. British Embassy Compound Ankara

The then Sultan gave us land in Istanbul for our Embassy (now our Consulate) and the then government gave us further plot in Ankara. Turks now argue HMG should repay this generosity by helping them buy or lease property for their Embassy in London on favourable terms and secure planning permission for alterations to present offices. HMG unable to help. Turks refusing our request (made in April 1984) to construct 16 staff houses on our Embassy Compound in Ankara until we help in London. Linkage apparently made by Foreign Minister. Will take Ozal to unblock the jam.

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TURKISH PRIME MINISTER'S VISIT: THE SCENE

SUMMARY

1. OZAL WILL COME IN CONFIDENT MOOD WITH CLEAR PROGRESS BEHIND HIM ON THE DOMESTIC AND EXTERNAL FRONTS. HE FACES BIG PROBLEMS BUT HIS POLITICAL POSITION IS STRONG. THE RISKS ARE THAT CONFIDENCE WILL LEAD HIM TO UNDER-ESTIMATE DOMESTIC DANGER SIGNALS AND TO OVERREACH HIMSELF IN HIS APPROACH TO EUROPE. BUT HIS RECORD IS THAT OF A REALIST. THE UK'S SHOW OF CONFIDENCE IN HIM IS JUSTIFIED.

DETAIL

THE VISIT AND ANGLO/TURKISH RELATIONS

2. OZAL WILL BE COMING TO THE UK IN CONFIDENT MOOD, VERY PLEASED TO HAVE RECEIVED THIS INVITATION FROM THE PRIME MINISTER, BOTH AS A SIGN OF CONFIDENCE IN TURKEY AND AS UNDERLING THE EXCELLENT STATE OF ANGLO/TURKISH RELATIONS.

3. THESE HAVE DEVELOPED STEADILY OVER THE PAST THREE YEARS. TURKEY IS APPRECIATIVE OF THE CONSTANT SUPPORT HMG HAVE GIVEN IN EUROPEAN FORA. TRADE HAS DOUBLE IN TWO YEARS WITH UK VISIBLE EXPORTS TO TURKEY IN 1985 AT OVER £450 MILLION AND DEFENCE SALES RISING OVER THREE YEARS FROM ZERO TO £350 MILLION. TURKEY WOULD LIKE TO SEE THE RELATIONSHIP DEVELOP FURTHER, PARTICULARLY ON THE ECONOMIC AND DEFENCE COOPERATION SIDES. SHE WILL LOOK FOR CONTINUING UK HELP IN EUROPE IN GENERAL AND IN PARTICULAR FOR SUPPORT FOR THE PRINCIPLE OF EVENTUAL FULL TURKISH MEMBERSHIP OF THE EC. SHE WILL ALSO SEEK GREATER ACCESS TO UK MARKETS FOR HER TEXTILES AND CERTAIN AGRICULTURAL PRODUCTS. SHE WILL LISTEN TO ADVICE TO THE NEED TO SUSTAIN PROGRESS ON HUMAN RIGHTS IN A WAY WHICH WOULD NOT BE POSSIBLE HAD WE BEEN LESS GENERALLY SUPPORTIVE.

DOMESTIC: POLITICAL

4. 1985 WAS A GOOD YEAR FOR THE GOVERNMENT. THE RULING MOTHERLAND PARTY (VERY MUCH OZAL'S CREATION) SETTLED DOWN, ITS INTERNAL DIVISIONS WERE KEPT FIRMLY UNDER CONTROL AND ITS COUNTRYWIDE ORGANISATION STRENGTHENED. THIS DID NOT PREVENT THE PARTY'S POPULARITY SLIPPING IN THE POLLS FROM OVER 40 PER CENT TO JUST OVER 30 PER CENT, OR PROTECT OZAL FROM GROWING CRITICISM IN PRESS AND PARLIAMENT ON INFLATION, HUMAN RIGHTS AND POLICY

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TOWARDS EUROPE. OZAL ALSO FACES STRONGER POLITICAL OPPOSITION FROM THE MERGER OF TWO OF THE MAIN PARTIES OF THE LEFT. BUT HE AND HIS PARTY SHOW UNDIMINISHED CONFIDENCE IN THEIR ABILITY TO BUILD UP THEIR SUPPORT OVER THE NEXT 2-1/2 YEARS TO THE GENERAL ELECTION. MARTIAL LAW HAS BEEN PROGRESSIVELY LIFTED. THEY BELIEVE THAT THE GOVERNMENT'S MOST DIFFICULT DECISIONS HAVE BEEN TAKEN AND THAT BY 1988 THEY WILL BE ABLE TO SHOW CLEAR PROGRESS. THEY MAY BE OVER CONFIDENT. BUT THE SOLID BASIS OF THEIR SUPPORT IS A FACT AND THEY HOLD THE POLITICAL INITIATIVE.

DOMESTIC: ECONOMIC

5. THE PROBLEMS REMAIN FORMIDABLE. DOMESTIC INFLATION WAS STILL 40-45 PER CENT AT THE END OF 1985. THE JANUARY 1986 FIGURES SUGGEST A CONTINUING DOWNWARD TREND AND WITH A GOOD HARVEST THIS YEAR (WINTER RAINS HAVE BEEN FAVOURABLE) 30-35 PER CENT MAY BE ATTAINABLE. BUT THAT IS STILL A FAR CRY FROM THE 25 PER CENT AT THE END OF 1985 AND THE UNDER 10 PER CENT BY 1988 WHICH WERE AND ARE THE GOVERNMENT'S AIMS.

6. SIGNS OF REAL DISTRESS AMONG THE POPULATION ARE NOT READILY APPARENT TO THE OUTSIDE OBSERVER. BUT THE RUMBLINGS ARE THERE, PARTICULARLY FROM THE LOWER MIDDLE CLASS AND THE FARMERS, WHOSE SUPPORT OZAL NEEDS. THE TURKISH TRADES UNION CONFEDERATION ARE TO MOUNT A MASS RALLY IN IZMIR ON 22 FEBRUARY.

7. THE MOOD IN BIG BUSINESS IS SURPRISINGLY BUOYANT. THE SCEPTICISM HAS GIVEN WAY TO A READINESS TO ADMIT THAT OZAL HAS PROVIDED A MORE BRACING CLIMATE AND SIZEABLE OPPORTUNITIES FOR THOSE ABLE TO SEIZE THEM. MEDIUM AND SMALL FIRMS ARE LESS HAPPY. UNABLE LIKE THE LARGE FIRMS TO CONDUCT MUCH OF THEIR BUSINESS IN FOREIGN CURRENCY, THEY ARE FACED WITH EXHORBITANT INTEREST RATES AND SHORTAGE OF CAPITAL. AGRICULTURE TOO MUST PERFORM BETTER IF IT IS TO FEED TURKEY'S 51.4 MILLION WITH A MILLION ADDITION MOUTHS EACH YEAR AND TO CONTINUE TO PROVIDE AN EXPORT SURPLUS.

EXTERNAL: ECONOMICS

8. HERE THE RECORD IS GOOD. TURKEY'S EXPORTS HAVE CONTINUED TO EXPAND AT BROADLY THE PLANNED RATE (ABOUT DOLLARS 7.9 BILLION AT END 1985), THE PARALLEL RISE IN IMPORTS IS NOT EXCESSIVE AND WITH THE HELP OF INCREASED INVISIBLE EARNINGS THE BALANCE OF PAYMENTS DEFICIT WAS UNDER DOLLARS 1 BILLION IN 1985 AND THE CHANCES OF BRINGING IT DOWN FURTHER THIS YEAR LOOK FAIR. TURKEY MET HER DEBT SERVICING OBLIGATIONS IN FULL IN 1985 AND THE GOVERNMENT ARE CONFIDENT OF BEING ABLE TO DO SO IN 1986 AND BEYOND. THE EFFECT ON TURKEY'S BALANCE OF PAYMENTS OF THE DROP IN OIL PRICES IS NOT YET CLEAR. SHE STANDS TO GAIN ON HER IMPORT BILL BUT HER MIDDLE EAST EXPORT MARKETS MAY SUFFER. THE EFFECT SHOULD BE AT LEAST NEUTRAL. THE FUTURE HINGES ON SUSTAINING THE EXPORT DRIVE AT A RATE OF 12 PER CENT INCREASE PER YEAR. BIG BUSINESS AND GOVERNMENT OPINION IS THAT THIS CAN BE DONE.

EXTERNAL: POLITICAL

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9. RECENT WEEKS HAVE SEEN AN EASING IN TURKEY'S RELATIONS WITH EUROPE: THE SETTLEMENT OF THE FIVE NATIONS HUMAN RIGHTS CASE AND SIGNS OF PROGRESS ON (I) AN ASSOCIATION COUNCIL MEETING, (II) THE LIFTING OF THE BLOCKAGE ON COMMUNITY PAYMENTS AND (III) TURKISH PRESIDENCY OF THE COE MINISTERIAL COUNCIL ARE POINTERS TO FURTHER PROGRESS. THE ROLE OF HMG IN ALL THIS IS RECOGNISED HERE. THE TURKS HOPE (AND PROBABLY EXPECT) THAT BY THE END OF THE UK PRESIDENCY SOLUTIONS SATISFACTORY TO THEM WILL HAVE BEEN FOUND ON ALL THESE ISSUES.

10. AS REGARDS AN APPLICATION FOR EC MEMBERSHIP, THE SIGNALS ARE CONFLICTING. OZAL IS UNDER PRESSURE FROM SOME OF HIS CLOSE ADVISERS TO MOVE SOONER RATHER THAN LATER. BUT HE APPEARS TO BE KEEPING HIS OPTIONS OPEN AND MAKING NO COMMITMENT EITHER WAY.

11. ON WIDER ISSUES:

(A) TURKISH/US RELATIONS ARE CURRENTLY CENTRED AROUND THE RE-NEGOTIATION OF THE DEFENCE AND ECONOMIC COOPERATION AGREEMENT, WHERE PROGRESS IS PROVING SLOW AND DIFFICULT SEMI COLON

(B) IN THE MIDDLE EAST TURKEY CONTINUES TO PURSUE HER ECONOMIC INTERESTS AND TO AVOID BEING DRAWN INTO POSITIONS WHICH MIGHT JEOPARDISE THOSE INTERESTS (EG OVER LIBYA) SEMI COLON

(C) IN NATO TURKEY CONTINUES TO TAKE A TOUGH LINE ON ANY ISSUES WHERE SHE FEELS THAT SHE IS BEING PRESSED TO COMPROMISE IN ORDER TO ACCOMMODATE GREEK INTRANSIGENCE. ON THIS TURKISH FEELINGS RUN STRONG SEMI COLON

(D) RELATIONS WITH GREECE CONTINUE BAD. THE PAPANDEOU/OZAL ENCOUNTER AT DAVOS NOTWITHSTANDING, DISTRUST OF PAPANDEOU REMAINS VERY STRONG. PRESS AND PUBLIC OPINION ARE QUICK TO JUMP ON ANY SIGN THAT OZAL MAY BE GIVING SOMETHING AWAY FOR NOTHING IN HIS APPROACH TO GREECE SEMI COLON

(E) ON CYPRUS, ANKARA, WHILE EXPRESSING CONTINUED SUPPORT FOR THE SECRETARY GENERAL, IS CONTENT TO STAND PAT AND WAIT.

CONCLUSION

12. THE PICTURE ABOVE IS GENERALLY UPBEAT. BUT THE FUTURE WILL NOT BE PLAIN SAILING AT HOME OR ABROAD AND A GREAT DEAL DEPENDS ON OZAL HIMSELF. THERE IS NO OBVIOUS ALTERNATIVE IN SIGHT. I SEE THREE MAIN DANGERS:-

(A) AT HOME CONFIDENCE IN HIS POLICIES MAY CAUSE HIM TO UNDERESTIMATE THE LEVEL OF OPPOSITION WHICH MAY BE BUILDING UP SEMI COLON

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(B) ABROAD.

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(B) ABROAD HE MAY FAIL TO UNDERSTAND THE FULL COMPLEXITIES OF TURKEY'S RELATIONSHIP WITH EUROPE AND OVERREACH HIMSELF WITH DISILLUSION ALL ROUND SEMI COLON

(C) ON THE PARTICULAR LEVEL OF ANGLO/TURKISH RELATIONS, HE MAY OVER-ESTIMATE WHAT WE CAN OR ARE WILLING TO DO FOR TURKEY WITH AGAIN THE DANGER OF DISILLUSION.

13. BUT ON THE EVIDENCE, OZAL IS A REALIST. HE HAS TO DATE CONFOUNDED MOST OF THE SCEPTICS. WE ARE RIGHT TO GIVE HIM THE SHOW OF CONFIDENCE REPRESENTED BY THIS VISIT. ITS SUCCESS WILL POSITION US STRONGLY TO DEVELOP OUR COMMERCIAL, DEFENCE AND POLITICAL RELATIONS IN THE FUTURE.

RUSSELL

YYYY
FCO PLEASE PASS SAVING ADDRESSEES.

AOHPAN 0630

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MY TELNO 084: TURKISH PRIME MINISTER'S VISIT:

PEN PICTURE OF MR OZAL

1. ALTHOUGH YOU HAVE MET MR OZAL HERE AND THE PRIME MINISTER SAT NEXT TO HIM AT LUNCH IN NEW YORK LAST AUTUMN, IT MAY BE USEFUL TO HAVE A PEN PICTURE OF HIM AND MRS OZAL.

2. PHYSICALLY HE IS MARKEDLY SHORT, FAT

LEAVES A GOOD IMPRESSION ON THOSE WHO MEET HIM. HE IS A MOST EFFECTIVE PERFORMER ON DOMESTIC TELEVISION, THOUGH THE STYLE OF THAT IS PERHAPS THIRTY YEARS OUT OF DATE BY CURRENT UK STANDARDS.

2. HIS MAIN CHARACTERISTIC IS QUIET CONFIDENCE BORN, IT SEEMS TO ME, OF A DEEP RELIGIOUS FAITH (THOUGH HE IS NOT OSTENTATIOUS ABOUT IT), A HAPPY MARRIAGE AND A CONVICTION THAT HIS POLICIES ARE RIGHT FOR TURKEY. HE SPEAKS SOFTLY BUT CLEARLY. HIS ENGLISH, THOUGH OFTEN GRAMMATICALLY INCORRECT, IS PRETTY FLUENT AND I HAVE NEVER KNOWN HIM USE AN INTERPRETER, THOUGH HE WILL SOMETIMES LOOK FOR HELP OVER THE ODD WORD. HIS FORTE IS ECONOMICS (THOUGH AN ENGINEER BY ACADEMIC BACKGROUND). BUT HIS GRASP OF WIDER INTERNATIONAL ISSUES HAS DEVELOPED MARKEDLY.

3. HE REGARDS HIS MAIN TASK IN GOVERNMENT AS BEING TO PUT TURKEY BEYOND QUESTION ON THE ROAD TO BECOMING A LIBERAL MARKET ORIENTATED ECONOMY ABLE TO HOLD ITS OWN WITH THE ECONOMIES OF TURKEY'S PARTNERS IN OECD. HE DOES NOT UNDERESTIMATE THE TASK. BUT HE BELIEVES THAT UNLESS THE OBSTACLES TO PROGRESS ARE TACKLED HEAD ON, IN A COUNTRY SUCH AS TURKEY WHERE CONSERVATISM (WITH A SMALL C) IS DEEPLY ENTRENCHED IN THE FABRIC OF SOCIETY, THEY WILL NOT BE SOLVED. RATHER THE SAME FEELING UNDERLINES HIS APPROACH TO THE

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EUROPEAN COMMUNITY. HE ALSO BELIEVES THAT HE AND HIS PARTY HAVE THE BROAD BACKING OF THE ELECTORATE IN WHAT THEY ARE TRYING TO DO. HE HAS AN ADVANTAGE IN THAT ALTHOUGH HE IS A RADICAL (IN TURKISH TERMS) IN ECONOMIC POLICY, HE IS A SOCIAL AND POLITICAL CONSERVATIVE.

4. HE MAINTAINS A FORMIDABLE WORK AND TRAVEL RATE, BOTH INSIDE AND OUTSIDE TURKEY. FEARS HAVE BEEN EXPRESSED ABOUT HIS HEALTH (HEART CONDITION). I HAVE NEVER SEEN HIM FLAG AND HE ALWAYS APPEARS TO HAVE TIME FOR HIS VISITORS HOWEVER CROWDED HIS SCHEDULE. BUT THE AMERICANS, WHO KNOW MUCH MORE ABOUT HIS MEDICAL CONDITION, ARE RATHER WORRIED. HE IS UNQUESTIONABLY THE MAIN MOTIVE FORCE WITHIN THE GOVERNMENT AND CURRENTLY THE DOMINANT FIGURE IN TURKISH POLITICS. HE AND PRESIDENT EVREN HAVE DEVELOPED A SOUND WORKING RELATIONSHIP.

5. I DO NOT KNOW IF HE HAS ANY PARTICULAR LEISURE INTERESTS. HIS WORK APPEARS TO BE HIS LIFE. BUT HE READS WIDELY ON CURRENT AFFAIRS. FOR EXAMPLE, IN CONVERSATION WITH PANAVIA (TORNADO) LAST WEEK, HE DREW ON GENERAL HACKETT'S "THIRD WORLD WAR" TO ILLUSTRATE A POINT.

6. MRS OZAL, LIKE HER HUSBAND, IS SHORT, SHE HAS BEEN THE BUTT OF A GOOD DEAL OF MALICIOUS PRESS CRITICISM ABOUT HER EXTRAVAGANCE AND SHE IS SAID TO BE VERY DEMANDING. BUT NEITHER MY WIFE OR I KNOW HER AT ALL WELL. SHE APPEARS AT FEW INTERNATIONAL DIPLOMATIC OCCASIONS. THE DIPLOMATIC SCENE ON THE WIFE SIDE IS VERY MUCH DOMINATED BY MRS HALEFOGLU. ALL ACCOUNTS AGREE THAT THE PRIME MINISTER AND MRS OZAL ARE DEVOTED TO EACH OTHER AND SHEE ALWAYS TRAVELS WITH HIM ON HIS TRIPS ABORAD. SHE SPEAKS LITTLE OR NO ENGLISH. SHE AND MRS GUMRUKCUOGLU, THE WIFE OF THE TURKISH AMBASSADOR, ARE FRIENDS OF LONG STANDING.

RUSSELL

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PLANNING STAFF
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PS/LADY YOUNG
PS/MR EGGAR

PS/RUS
MR DEREK THOMAS
MR RATFORD

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PS CHANCELLOR
OF EXCHEQUER
PS LORD RESIDENT
OF THE COUNCIL
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MR POWELL

TURKISH TELEVISION INTERVIEW

We have a 30 minute slot in the diary for the interview on 18 February. The interviewer is Mr Mehmet Ali Birand whose praises were sung in Ankeratelno 003 of 3 January (flat A).

Mr Birand has now telexed me his list of questions (flag B). Question 1 will not require briefing save for forewarning the Prime Minister. Will you commission briefing for the other questions?

Mr Birand will write up his meeting with the Prime Minister in the Milliyet newspaper enabling us to kill two birds etc.

MICHAEL HORNE
PRESS OFFICE

10 February 1986



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10 DOWNING STREET

From the Private Secretary

10 February 1986

The Prime Minister has agreed to give an interview to Turkish Television on 18 February in the context of the visit of the Turkish Prime Minister. The journalist in question, Mr. Ali Birand, has submitted the questions in the enclosed telex. It would be helpful to have some briefing material on questions 2 and 3 by Friday 14 February which will enable the Prime Minister to deal fully with these points.

(Charles Powell)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

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ATT: HORNE /10 DOWNING STREET
FROM : ALI BIRAND/TURKISH TV AND MILLIYET NEWSPAPER
CONCERN : OUTLINES OF QUESTIONS TO THE PRIME MINISTER MRS TATCHER .

1) QUESTIONS CONCERNING MRS TATCHER : AS A WOMEN HOW SHE HANDLES
HER JOB-DIFFICULIES-HER PRIVATE LIFE AFFECTED OR NOT ?

2) BRITISH-TURISH RELATIONS : WHAT CAN BE DONE TO PROMOTE IT ?
WHY BRITIAN WAS SON BITTER ABOUT THE BOSPHOROUSE BRIDGE ?
HOW SHE SEES OZAL'S PRIVATISATIONS POLICIES ?

3) TURISH-EEC REALATIONS : IS THERE A ROOM FOR TURKEY IN THE
EEC OF 12 ? WHEN THE RELATIONS ARE GOING TO BE BETTER .

SINCERLY YOURS

ALI BIRAND .

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ate *SM*
cc Mike Home
Sir P. Coadock

10 DOWNING STREET

From the Private Secretary

16 January 1986

VISIT OF THE PRIME MINISTER OF TURKEY

I see from Ankara Telegram No. 003 that a leading Turkish television journalist has requested an interview with the Prime Minister before Mr Ozal's visit to Britain. It would be helpful to know as soon as possible whether you will be recommending this request so that we can try to find diary space for it.

C D POWELL

Colin Budd, Esq.,
Foreign and Commonwealth Office

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TURKISH TV REQUEST FOR INTERVIEW WITH THE PRIME MINISTER

SUMMARY

1. MEHMET ALI BIRAND, TURKEY'S LEADING FOREIGN AFFAIRS CORRESPONDENT WILL BE REQUESTING A TELEVISION INTERVIEW WITH THE PRIME MINISTER BEFORE MR OZAL'S VISIT TO BRITAIN. I RECOMMEND THAT IF POSSIBLE THIS BE GRANTED. IT PROVIDES A GOLDEN OPPORTUNITY FOR BRITISH VIEWS TO BE PUT ACROSS TO THE TURKISH GENERAL PUBLIC. THE PRIME MINISTER IS HELD IN HIGH REGARD HERE.

DETAIL

2. BIRAND WRITES AND PRESENTS A MONTHLY TV FOREIGN AFFAIRS PROGRAMME CALLED 'THE 32ND DAY' FOR TURKEY'S MONOPOLY TV CHANNEL, TRT. BASED NORMALLY IN BURSSELS, HE ALSO WRITES A DAILY COLUMN FOR THE NEWSPAPER MILLIYET, WHICH CONCENTRATES ON TURKISH RELATIONS WITH EUROPE AND NATO. BIRAND IS GENERALLY REGARDED AS TURKEY'S BEST FOREIGN CORRESPONDENT. HE IS OBJECTIVE AND RESPONSIBLE. THE 32ND DAY PROGRAMME IS OF AN EXCEPTIONALLY HIGH STANDARD IN TURKISH TERMS AND ON A PAR WITH EUROPEAN CURRENT AFFAIRS PROGRAMMES.

3. BIRAND'S IDEA IS TO SCREEN ABOUT 30 MINUTES OF AN INTERVIEW WITH MRS THATCHER ON TRT ON TUESDAY, 11 FEBRUARY AS A CURTAIN RAISER TO PRIME MINISTER OZAL'S VISIT TO LONDON. HE PLANS TO ASK QUESTIONS ON GENERAL INTERNATIONAL AFFAIRS AS WELL AS TURKISH RELATIONS WITH EUROPE AND ANGLO/TURKISH RELATIONS. HE WOULD, NO DOUBT, BE PREPARED TO SUBMIT QUESTIONS IN ADVANCE. HE WOULD ALSO WISH TO USE EXTRACTS OF THE INTERVIEW FOR HIS DAILY COLUMN IN MILLIYET.

4. THE MINISTRY OF FOREIGN AFFAIRS PRESS SPOKESMAN HAS ADDED OFFICIAL GOVERNMENT SUPPORT FOR BIRAND'S REQUEST.

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5. OZAL'S VISIT TO THE UK WILL ATTRACT ENORMOUS PUBLIC INTEREST HERE AS THE FIRST OFFICIAL VISIT BY A TURKISH PRIME MINISTER TO A LEADING EUROPEAN COUNTRY SINCE RESTORATION OF DEMOCRATIC GOVERNMENT. THE INTERVIEW ON TRT WOULD ENSURE THAT THE UK GETS ITS FULL SHARE OF THE PUBLICITY BENEFIT. THE PRIME MINISTER WOULD BE SEEN BY UP TO 30 MILLION VIEWERS (TRT'S AVERAGE EVENING AUDIENCE).

6. BIRAND HIMSELF IS AN EXPERIENCED INTERVIEWER WITH A SOPHISTICATED UNDERSTANDING OF INTERNATIONAL AFFAIRS. HE SPEAKS EXCELLENT ENGLISH. WHEN HE RECENTLY INTERVIEWED LORD CARRINGTON FOR HIS PROGRAMME, THE RESULT WAS DUBBED FAITHFULLY INTO TURKISH AND WAS A SUCCESS IN ALL RESPECTS.

7. BIRAND'S OFFICIAL REQUEST CAN BE EXPECTED WITHIN THE NEXT FEW DAYS.

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MY TELNO 501: OZAL'S VISIT TO THE UK

1. I WAS ASKED TO CALL AT THE FOREIGN MINISTRY THIS MORNING TO RECEIVE FROM BELEN (DIRECTOR GENERAL FOR WESTERN EUROPE) MR OZAL'S FORMAL ACCEPTANCE OF THE PRIME MINISTER'S INVITATION TO HIM TO VISIT THE UK. HE HAS CHOSEN THE 18 FEBRUARY DATE. BELEN SAID THAT THE INVITATION HAD GIVEN GREAT PLEASURE TO THE PRIME MINISTER, A FACT WHICH WAS ALSO MENTIONED TO ME LAST NIGHT BY MR OZAL'S PRIVATE SECRETARY.

OK.
Talks 1700.
1945 Dinner.
CR
13/11
BF

2. WE DISCUSSED PROVISIONALLY THE OUTLINES OF A PROGRAMME. BELEN THOUGHT THAT MR OZAL WOULD DEFINITELY WANT A PROGRAMME COVERING 18 - 20 FEBRUARY. ARRIVAL MIGHT BE ON THE AFTERNOON OF 17 FEBRUARY WITH 18 FEBRUARY DEVOTED TO THE TALKS WITH MRS THATCHER AND MRS THATCHER'S DINNER. BELEN SAID THAT MR OZAL WOULD CERTAINLY WANT TALKS WITH YOU, THE DEFENCE SECRETARY AND THE CHANCELLOR OF THE EXCHEQUER. THEY WOULD LIKE TO CONSIDER OTHER MINISTERS. MR OZAL WOULD ALSO LIKE THE OPPORTUNITY FOR A MAJOR BUSINESS OCCASION. I SUGGESTED (PURELY PERSONALLY) THAT A SPEECH AT CHATHAM HOUSE MIGHT ALSO BE A VALUABLE ITEM ON THE PROGRAMME. IN DUE COURSE I WOULD WELCOME YOUR SUGGESTIONS FOR AN OUTLINE PROGRAMME TO PUT TO THE TURKS.

3. IN VIEW OF MR OZAL'S COMMENTS RECORDED IN MY TUR, BELEN SUGGESTED THAT AN ANNOUNCEMENT MIGHT BE MADE SIMULTANEOUSLY IN ANKARA AND LONDON LATER THIS WEEK. WE AGREED THAT IT MIGHT BE APPROPRIATE TO ISSUE A STATEMENT ON THE LINES OF: "MRS THATCHER HAS INVITED THE TURKISH PRIME MINISTER TO PAY AN OFFICIAL VISIT TO THE UNITED KINGDOM IN FEBRUARY 1986. MR OZAL HAS ACCEPTED WITH PLEASURE." GRATEFUL FOR INSTRUCTIONS.

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cc PC

10 DOWNING STREET

From the Private Secretary

31 October 1985

Possible Visit to the UK by the Turkish Prime Minister

Thank you for your letter of 29 October proposing that the Government should extend an official invitation to the Prime Minister of Turkey to visit the United Kingdom in the first half of 1986.

The Prime Minister would be content for such an invitation to be issued in her name. But this is on the assumption that her own participation in the programme would be limited to a full session of talks and a dinner, both on the same day. Subject to your confirming that this is adequate, we could offer a choice of 18 February or 12 March.

(Charles Powell)

L.V. Appleyard, Esq.,
Foreign and Commonwealth Office.

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12 March

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to him at the
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Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

29 October 1985

Agree that we should
invite Mr Ozal as an
official visitor? It would involve
a round of talks and a dinner.
We have identified 18 February and
Dear Charles, 12 March as possible dates. COP 30/11
Yes, no

Possible Visit to the UK by the Turkish Prime Minister

During the summer we corresponded about an invitation to the Turkish Prime Minister to Britain as an alternative to the Prime Minister visiting Turkey. In your letter of 2 July you said that the Prime Minister was not keen to invite Mr Ozal in the last quarter of this year. You said that this meant that we should look towards 1986 for such an invitation. Our reply of 4 July indicated that Sir Geoffrey Howe was content with this but recorded his view that we should not allow ourselves to be left too far behind our Western competitors and that it would therefore be wise to issue an invitation later this year.

We would now like to proceed along the lines agreed during the summer and issue an invitation to Mr Ozal soon for an official visit to this country. The arguments in favour of such a visit remain very much as set out in our letter of 1 July (copy enclosed for ease of reference). But since then the Turkish economy has continued to improve. There are several major contracts in prospect, both in the civilian and military fields, from which British industry can hope to benefit. A visit by Mr Ozal should help their chances. There is the question of Mr Ozal's invitation to the Prime Minister but we believe this could be finessed.

The complicating factor remains Turkey's human rights record. During the summer the Turks have made some progress on this, and with the further development of the democratic process. On the other hand, the prospect for an amnesty has receded. The reason for this was understandable. Ozal discovered the proposals could not benefit political prisoners. He accordingly rejected the plan and asked for a re-examination. Public perception in Western Europe may however be less understanding of the motive. We should therefore expect some opposition from those whose main concern is human rights. The Secretary of State, however, thinks that this can be managed. We would be able to say that Mr Ozal's visit provides inter alia a further opportunity to make clear to the Turkish Government at the highest level our concern over the human rights situation and our support for further progress in this and other fields. For his part Mr Ozal has shown during his visits to the US and Germany earlier this year that he can defend himself skilfully.

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It is important that if the visit goes ahead it is treated as a full official visit. Mr Ozal's reception elsewhere, eg Washington, Bonn, Tokyo, was such that he would quickly discern any suggestion of lesser treatment in Britain.

The precise timing of any visit would have to take account of other high-level visitors to the UK and to Mr Ozal's own programme. Ideally we would suggest having him here in the first half of the year, before the United Kingdom is in the Presidency of the European Community. Meanwhile, partly with Greek anxieties in mind, Sir Geoffrey Howe is considering the possibility of paying a visit to Athens himself during 1986.

I would be grateful for the Prime Minister's agreement that we should proceed along the above lines.

Your ever,
L V Appleyard
(L V Appleyard)
Private Secretary

C D Powell Esq
10 Downing Street



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