

Turkey

PRIME MINISTER'S MEETING WITH TURKISH PRIME MINISTER, MR BULEND ULUSU:
JULY 1981

Points to Make

Anglo-Turkish Relations

1. Value close relations with Turkey. Glad that Lord Privy Seal made successful visit in April: first European Minister to go as guest of new Turkish Government.

Internal Political

2. Understanding for predicament posed by widespread terrorist violence and economic crisis prior to September 1980. Glad British parliamentarians have spoken up for Turkey in Council of Europe Assembly and European Parliament. Using our influence with European partners to explain the need to allow Turkey's rulers time to rectify situation and restore democracy.

3. Welcome convening of Constituent Assembly in October. But some important Europeans (notably FRG and France) under strong domestic pressure over total exclusion of political party members, and over 90-day detention and maltreatment/torture reports. Impact of demand for death sentences on over 50 trade unionists.

4. Very important no breach between Turkey and her European friends. Britain will continue to help but hope you will not over-react to criticism and will try to meet it when legitimate.

5. When might new Constitution be ready and elections take place?

Economic

6. Encouraged by signs of improvement in Turkish economy. Right medicine producing results. Programme must be adhered to.

Cyprus

7. Post-election period a unique opportunity. Need for courageous and flexible approach by both sides. Great concern it should not be wasted. Would be big plus for Turkey. Encouraged that Turkish side to table territorial proposals. Hope they will be generous. That would put Greek Cypriots under pressure over constitutional issues. Important that Turkish Cypriots negotiate seriously and accept UN guidance. Not neglecting to get right message across to Greek Cypriots.

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8. Turkish contribution vital. Welcomed statesmanlike attitude over Greek reintegration. Wish could do more to help over equipment - done what we can, as over economic aid.

GREECE

9. How view prospect of Papandreou doing well in Greek elections in autumn?

BACKGROUND

ANGLO-TURKISH RELATIONS

1. Mr Uluşu representing General Evren at Wedding.
2. Lord Privy Seal visited Turkey 26-30 April at invitation of Foreign Minister. First visit by West European Minister since coup.

INTERNAL/POLITICAL politics.

3. 1979/80 rising political violence, economic crisis and prolonged parliamentary deadlock. Terrorist killings near 20 per day by September 1980. General Evren became Head of State in bloodless coup on 12 September 1980. Under service commanders in National Security Council Uluşu (Navy Chief until August 1980) heads a Council of Ministers of technocrats and retired officers. Leaders pledged to restore democracy, after putting an end to political violence and reforming the Constitution and the electoral and party systems. Terrorism deaths down to less than one a day. On 23 October a Constituent Assembly from which all political party members excluded meets to start process of drawing up new Constitution and key legislation. Elections unlikely before 1983.
 4. Widespread allegations of torture - some evidence to substantiate. Criticism of detention of terrorist suspects for up to 90 days without charges. Clamour over recent call for death sentences on 52 leftist
- /(DISK)



(DISK) trade unionists charged with subversion of Constitution by violence. Turkish Government says torture allegations investigated and culprits punished. Generals increasingly resentful of foreign criticism.

5. European Parliament adopted resolution in April 1981 calling for suspension of Turkey's relations with the Community unless a return to democracy was initiated within two months. Also threat to conclusion of new financial protocol with EC. Calls for Turkey's exclusion from Council of Europe. British Conservative members conspicuously helpful to Turks but FRG Government have delayed disbursement of economic and military aid because of Bundestag opposition. Pressure also on new Mitterrand Government, particularly over trade unionists' trial. Evident danger of relations souring. Doubts over 1982 aid exercise (when £1 billion will again be needed). Some scope for British help as go-between.

Economic

6. Austerity programme since early 1980 aimed at reducing inflation and role of public sector, increasing exports and giving emphasis to market forces. Generals have continued same policies. Recent indications of improvement (eg. inflation down from over 100% to 35%). Temptation for Turkish relax (unemployment over 20%).

7. OECD members pledged US\$940m aid for 1981. UK contribution £15m, as in 1979 and 1980. But UK financial commitment much larger - includes rescheduling of official and officially guaranteed debts, contributions to Community aid, bilateral project aid and technical cooperation. Big ECGD losses (and no prospect of renewing cover until Turks stop defaulting).

Cyprus

8. Ulusu also seeing the Foreign and Commonwealth Secretary, largely to discuss Cyprus.

9. Intercommunal talks entering decisive stage following elections in Cyprus: if there is no progress by time of UN General Assembly debate

/and



and Greek elections in October/November, breakdown likely. But good opportunity before. Requires Turkish Cypriot offer on territory (18% of population hold nearly 40% of island) and resolute UN leadership. Turkish Foreign Minister has promised UK and US that offer will be made. But Turkish Cypriot leader (Denktash) is publicly intransigent. Denktash in Ankara and will need very firm Turkish Government pressure if real negotiation to be possible. Turks habitually say foreign Governments should not interfere - or confine pressure to making Greek Cypriots see reason. But conscious that lack of any offer on territory puts them in poor light. [Not for disclosure] Close consultation UK, FRG, France and Italy and separately with US on coordinated action to help the UN (which must stay in the lead at least presentationally).

10. Growing concern in recent years of weakness of SE flank of NATO. Improvement with Greek military reintegration late 1980, over which Turkish generals showed admirable flexibility. Turkish equipment deficiencies serious. British contribution to NATO aid scheme modest (gift of surplus stores).



ULUSU, BULEND

Prime Minister.

Born Istanbul 1923.

Graduated from Naval War School in 1952. 1958-73 served successively in Malta, Chief of Operations, War Fleet Commander, Chief of Staff Naval Forces, Fleet Commander. 1974 promoted Admiral, member of Supreme Military Council. 1975 Under-Secretary of Defence, 1977 Commander Turkish Navy. Retired only weeks before the coup in September 1980 and appointed Prime Minister by General Evren, which cancelled his proposed appointment as Ambassador to Italy.

Married with one daughter. Sophisticated, very able, charming to meet, pro-British and NATO.

Speaks English and Italian.



TURKEY: BASIC STATISTICS

1. Population and Land Area

(a)	Land Area	780,576 km ²
(b)	Population (October, 1980 census)	45.2 mill
(c)	Population Growth Rate (1976-1979)	1.9 % pa

2. Economic

(i)	<u>Gross National Product</u>	1979
(a)	Total	60,159 US \$mill
(b)	Growth Rate	1.7 % pa
(c)	Per Capita	1,358 US \$

(ii) Overseas Finance

(a)	<u>Exchange Rates</u>	1977	1978	1979	1980	Currency
	£1 Sterling =	31.422	46.609	65.935	176.880)	
	US\$ =	18.002	24.282	31.078	76.038)	Lira

(b)	<u>Balance of Payments</u>	1979	Estimate 1980	US \$ mill
	Exports	2261	2910	
	Imports	-5096	-7200	
	Invisibles & Transfers (net)	1158	1162	
	Current Account	-1650	-3128	
	Capital Account	680	2562	
	Balancing Item			
	Overall Balance	-970	-566	

(iii) Foreign Trade

(a)	<u>Main Exports</u>	1975	1980	%
	Hazelnuts	11.0	13.6	
	Cotton	16.4	11.1	
	Tobacco	13.1	8.0	
	Manufactured products	26.7	28.8	
(b)	<u>Main Export Markets</u>	1975	1980	%
	FRG	21.8	20.8	
	Italy	5.9	7.5	
	USSR	5.3	5.8	
	France	4.4	5.6	
	USA	10.5	4.4	
	(UK)	(5.0)	(3.6)	



(c)	<u>UK Trade with: Turkey</u>	<u>1975</u>	<u>1980</u>		
	Total UK Exports	143.5	147.1	£ mill	
	Real Growth of Exports (five years ending)	15.3	-11.9	% pa	
	Position in UK Export League Table	31st (cf 152)	44th (of 151)		
(iv)	<u>Development Aid</u>				
(a)	<u>Reported Aid Receipts (ODA)</u>	<u>1978</u>	<u>1979</u>	US \$ mill	
	From: DAC Countries on a bilateral basis	154.0	458.8		
	(of which, UK)	(-30.0)	(91.0)		
	Multilateral Organisations	24.0	126.0		
(b)	<u>Aid per Head</u>	<u>1978</u>	<u>1979</u>	US \$	
	(i) Turkey	4.2	13.2		
	(ii) All LDC's	7.31	n/a		
(v)	<u>Inflation</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	% pa
	Consumer Price Index	61.9	63.5	94.3	

Sources: OECD: C/WP2 (81) 3 (12/3/81)
 International Financial Statistics
 March 1981
 OECD Geographical Distribution of
 Financial Flows
 IMF Direction of Trade