SUBJECT



10 DOWNING STREET

From the Private Secretary

29 July 1983

Thank you for your letter of 27 July and for the briefs for Mr. Turkmen's call on the Prime Minister. I enclose a record of yesterday's meeting.

. W. P. S. RICKETT

Roger Bone Esq Foreign and Commonwealth Office. CONFIDENTIAL

NOTE OF A MEETING BETWEEN THE PRIME MINISTER AND THE TURKISH FOREIGN MINISTER HELD AT 1800 HOURS ON 28 JULY AT 10 DOWNING STREET

Present:

Prime Minister

H.E. Mr Mark Russell, HM Ambassador, Ankara

Sir Anthony Parsons

Mr. T. Flesher

Mr Turkmen

H.E. Mr. Rahmi Gumrukcuoglu

Mr. Baki Ilkin

Opening the meeting the <u>Prime Minister</u> expressed her thanks to Mr. Turkmen for his personal intervention in the case of the two British bird-watchers recently released from Turkish prison. For his part the <u>Foreign Minister</u> said that he was pleased to play a part.

The <u>Prime Minister</u> enquiried about the timetable for a return to democracy. The <u>Foreign Minister</u> said that the military government remained committed to Parliamentary democracy. Elections would be held on 6 November. The major problem was a proliferation of parties. Although not all would be able to participate, a particular difficulty was that the two major parties on the right had not been merged. If this continued

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Parliament which had led to military intervention would be reproduced in the new Parliament. It was however possible that they might merge after the election.

The Government were doing all they could to produce a stable situation after the election by excluding from Parliament parties which secured less than a ten per cent share of the vote. The election campaign itself would shortly be beginning; it should be free from the kind of disruption by Armenian terrorists which had characterised recent months, since the Armenians were incapable of operating efficiently inside Turkey.

Cyprus

The <u>Prime Minister</u> asked about the Turkish view of the situation in Cyprus. She had understood that Turkey did not want a permanent separation and she hoped therefore that the Turkish Government would seek to persuade Mr. Denktash from taking any steps which would undermine the possibility of a territorial and constitutional settlement and in particular a federation. It was with that aim in mind that the British Government wished to encourage continued work through the good offices of the United Nations Secretary General.

Perez de Cuellar was a man of great integrity and the British Government were seeking to persuade him to play a greater part in Cyprus. The <u>Foreign Minister</u> said

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that it had never been the policy of the Turkish Government to encourage partition although it would have been easy in 1974. Turkey supported the concept of federation. Nine years of experience of the present situation however demonstrated that the Greek Cypriots were not yet ready for separation. They wanted the power to change the status quo after a settlement. The demilitarisation of Cyprus deprived the Turks of a military guarantee of a settlement. The Turkish community would discuss a territorial settlement but they would need firmer guarantees than had been proposed so far. The Turkish Government would encourage Mr. Denktash to continue to negotiate but he was inevitably frustrated after nine years of impasse. A further failure of the inter-communal talks might convince him that there was no way out but independence. If the Greek Cypriots were serious about negotiations they would lift the economic restrictions on the Turkish sector. The Turkish Government would not object to a greater involvement by Perez de Cuellar. They would need however to be reassured that such an involvement would not lead to a change in the framework of the negotiations; in particular they would need to be convinced that intervention by the United Nations Secretary General would be based on results in the Security Council rather than the General Assembly. was difficult to be optimistic. A new generation of Greeks and Turks had grown up in Cyprus with no contact with each other.

/NATO Secretary General

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NATO Secretary General

The <u>Prime Minister</u> raised the question of the next Secretary General of NATO. She wished to promote the claims of Lord Carrington who was head and shoulders above other candidates. The <u>Foreign Minister</u> agreed that Lord Carrington was a very strong candidate. He thought however that some countries might prefer a Secretary General representing a small country rather than a large one. The <u>Prime Minister</u> said that any Secretary General of NATO would need political clout and that there was no doubt that Lord Carrington had such a quality.

Turkish Economy

In response to a question from the Prime Minister about the state of the Turkish economy, the Foreign Minister said that Turkey had done very well in the last two years. Inflation was down from over 100 per cent to 25 per cent and despite the world recession there had been a growth of 4 per cent both in 1981 and 1982. Exports had grown 65 per cent in 1981 and 25 per cent in 1982, although this year the performance would be not as good. The major increase in exports had been to the Middle East although Turkey wished to export more textiles to this country. The major problem was the heavy debt repayments

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which were due in 1985/86. Although banks were now beginning to give Turkey credit again it would be vital that the new government did not waste the work done by the present regime. The Foreign Minister noted that Iran had become a vital market for Turkish goods. Iran and Libya however were experiencing difficulties in meeting payments.

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Iran/Iraq War

The Prime Minister asked Mr. Turkmen for his assessment of the state of the Iran/Iraq war. The Foreign Minister said that in his view Iran would now go back to the 1975 agreement and would give up her claims to Iranian territory. Iran would however not give up until Saddam Hussein was disposed. Indeed it seemed likely that the war would not end until either Hussein or Khomeimi left the scene. The Prime Minister commented that the scale of the casualties on either side seemed incredible. The Foreign Minister said that Iran was an entirely different world today. It was based on the logical conclusion of the Shia philosophy which made a cult of martyrdom. Such a cult fuelled an extraordinary fanaticism which sent 14 year olds into battle. Khomeini himself was reported to be entirely cut off from the rest of the world and would not see any foreign visitors. The supremacy of the Mullahs was complete. Only a leftist revolution or an army coup could dispose the regime. The Tudeh /party

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