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Cypc 2



Foreign and Commonwealth Office

London SW1A 2AH

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CDP

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 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.

Jours war,

(R N Culshaw) Private Secretary

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