



MO 6/12L

NOTE FOR THE RECORD OF A DISCUSSION BETWEEN THE DEFENCE SECRETARY  
AND THE FOREIGN MINISTER OF TURKEY, 7TH JULY 1987

Mr Halefoglou, accompanied by the Turkish Ambassador and officials, called on Mr Younger for 45 minutes on 7th July. HM Ambassador in Ankara, Head of Sec(NATO/UK)(P) and RMD 4 were present.

Industrial Co-operation

2. After an exchange of greetings, Mr Halefoglou said that so far as he was concerned there were no political issues between us. The main point he wanted to make was that trade between Britain and Turkey should grow. The UK was seventh among Turkey's foreign trading partners; it should rank higher. British businessmen should be aware of developments in Turkey in the last few years, and the prospects for the next few years. The whole nature of the Turkish economy was changing; whereas it used to be agriculturally based, now industrial goods accounted for 75% of Turkey's exports. This remarkable change was not widely known even within Turkey. Turkish industrialists had pressed for Turkey to apply to join the European Community, whereas only a few years ago they had been against. 70-80% of Turkish industry would be able to compete within the Community framework. The Bosphorus bridge projects illustrated the change: it was an Anglo/German consortium that had built the first Bosphorus bridge in 1973, but each of the consortia that had competed for the second bridge had contained a Turkish construction firm and it was a Japanese/Italian/Turkish consortium that had won the competition. When it came to a third bridge, no doubt the Turkish element would be even stronger.

3. A huge project was under way in Southern Anatolia to build dams for electricity generation and for irrigation. Again, Turkish firms were participating extensively. It was no longer possible to look on Turkey simply as a customer who would buy this or that item; Turkey was an industrial partner which stood ready to co-operate in exploring markets at home and abroad. The F16 project, in which Turkey would be enjoying an increasing share of production, was a case in point. He drew an analogy between Thatcherism and Ozalism; Turkey looked at the UK's success and was encouraged by it. This was the right moment for the two countries to co-operate with each other. All the right ingredients were there. It was a pity that Britain had not secured the contract for the second Bosphorus bridge, but there were other possibilities.



4. The Defence Industrial Fund, about which Mr Younger would have been briefed when he was in Turkey, provided a good basis for Turkish partnership in defence projects.

5. Mr Younger said that this was an excellent message. He was happy to hear the account that Mr Halefoglu had given and Britain would be glad to play its part. As to defence projects, he had been delighted that we had been able to increase the credit available for Warrior. He hoped that this would enable the sale to be completed. Mr Halefoglu did not respond directly to this; he said that defence purchasing was not his specific field. Mr Younger asked about the prospects of selling jointly produced products to other countries in the area. Mr Halefoglu said that Turkey's special geographical position, close to the Middle East and at the same time in Europe, gave it unique opportunities and influence. Turkish stability commanded the respect of its neighbours in the Middle East. Turkey was setting an example of how a state could be both Muslim and secular. This was, he felt, the key to many problems in the Middle East; it might, for example, provide the model for an eventual solution in the Lebanon.

#### The Gulf

6. Mr Younger enquired about the visit to Turkey by the Prime Minister of Iran. Mr Halefoglu said that Mr Mussavi had made two main points: Iran wanted to separate the Gulf issue from the war - there should be freedom of navigation in the Gulf, while the war nevertheless continued; and secondly he had wished Turkey to pass on Iran's complaint that the United States had blocked the delivery of military spares for which Iran had already paid. Turkey had passed on this message, and passed back the United States' negative answer. Mr Younger doubted whether issues of the freedom of navigation in the Gulf and of the war could be considered separately from each other. He asked whether, if Iran deployed SILKWORM in the Gulf, this would be in Mr Halefoglu's view with the object of using them as a bargaining counter or to prevent Kuwaiti or Iraqi passage. Mr Halefoglu said that it was difficult to read the Iranians' minds but he tended towards the former view. Mr Younger commented that any deployment would carry great dangers. Mr Halefoglu said that the Iranians for their part were very reluctant to confront the Russians in the Gulf. There was a sizeable Iranian minority in the Soviet Union, in Soviet Azerbaijan. Mr Younger said that the UK was very concerned about the Gulf situation. He briefly described the Armilla Patrol, which had been stepped up. Mr Halefoglu said that the danger point in the Gulf was being approached. If a SILKWORM was used against a US warship, would the US mount an operation analogous to that against Qaddafi last year? He had asked the Foreign and Commonwealth Secretary what he thought the outcome would be of the UN Security Council discussion. If Iran refused to comply with the UN Security Council Resolution the next step should be sanctions. The Iranians



bought arms from many places: North Korea, Brazil, Spain, Eastern European countries. Mr Younger said that our own policy against selling arms to Iran was very strict.

#### Aegean Disputes

7. Mr Younger said that he was glad to see that a degree of caution was now being exercised over the Aegean. Mr Halefoglou said that he had discussed this with Sir Geoffrey Howe. Mr Papandreou had played a dangerous game over oil exploration but the immediate crisis had been defused. Turkey and Greece were now exchanging verbal messages. Mr Papandreou was talking personally to the Turkish Ambassador. The object was to agree terms of reference for a meeting between the two sides. He thought that Mr Papandreou was personally happy that the oil exploration issue had been defused but unfortunately Papandreou wished all other activities against Turkey to continue.

#### European Parliament Resolution on Armenia

8. The resolution of the European Parliament on Armenia was a case in point. It was sad that Britain and France had "helped to bring about" that result. President Evren had reacted very sharply and strongly to the vote. He had said that NATO had a duty to defend the territorial integrity of allies. He had been very angry. Mr Younger said that it was impossible to control the members of the European Parliament. We too had had silly resolutions passed against us. Mr Halefoglou said that the distinction between European Parliamentarians and Governments was unfortunately lost on the public. It would help enormously with Turkish public opinion if we could "do something about" these resolutions.

9. Mr Younger said that he had paid a most successful visit to Turkey in April, and thanked Mr Halefoglou for his part in it. Mr Halefoglou said that high level visits in each direction should be more frequent. Turkey for its part would be more than happy if Mrs Thatcher could make even a short visit. It would be very helpful to Turkey.

*J. F. Howe*

8th July 1987

(J F HOWE)  
PS/S of S



Distribution:

PS/Minister(AF)  
PS/Minister(DP)  
PSO/CDS  
PS/PUS  
PS/CDEC  
HDES  
DUS(P)  
AUS(Pol)  
Hd Sec(NATO/UK)(P)  
Hd Sec(O)(C)  
RMD 4

PS/Prime Minister  
PS/Foreign and Commonwealth Secretary  
Mr Woolley, Cabinet Office  
HM Ambassador, Ankara (c/o Head of  
Southern European Department, FCO)

