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From the Private Secretary

8 July 1987

Dear Lynn,

PRIME MINISTER'S MEETING WITH THE FOREIGN MINISTER OF TURKEY

The Prime Minister received the Turkish Foreign Minister this morning. Mr. Halefoglu was accompanied by the Turkish Ambassador and by his Special Adviser, Mr. Günden. H.M. Ambassador at Ankara was also present.

The Prime Minister recalled Mr. Ozal's very successful visit to the United Kingdom. She had found her talks with him stimulating. Their views were very similar and both recognised the need for sound economic policies as the basis for everything else. Mr. Halefoglu said that Mr. Ozal had asked him to convey in person his congratulations upon the outcome of the General Election.

Turkey and Europe

Mr. Halefoglu said that Turkey wanted to be anchored in the west once and for all and a member of all the European institutions. Membership of the European Community would be the final step in this process. The Prime Minister expressed surprise that there were any longer difficulties in getting across the message that Turkey was a part of Europe. It seemed entirely natural and acceptable to us. We were accustomed to working with Turkey in NATO and the Council of Europe. Mr. Halefoglu said that he was nonetheless constantly being pressed as to whether Turkey's real vocation was in Europe or Asia, and on what would happen if Turkey's application for membership of the European Community were rejected. The Prime Minister said that it was better not to answer hypothetical questions.

Mr. Halefoglu recalled Turkey's application for membership of the European Community and expressed gratitude for Britain's help to Turkey in the Council of Europe and during the British Presidency of the Community. The Prime Minister said that Turkey's application would inevitably take a long time to process. It was as well to recognise this. Indeed it was probably in Turkey's own best interests. Mr. Halefoglu suggested that it would be better to say that consideration of Turkey's application would take a while. The Prime Minister said that it was only realistic to acknowledge that it would be a considerable while. Mr. Halefoglu said that he recognised that it might take up to two years for the

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Commission to give its opinion. The important thing was that the procedure had been engaged. The Prime Minister said that it would be a mistake to stir up opposition in the Community to Turkey's application by agitating for progress. The Community still faced the problem of digesting Spain and Portugal. Long transition periods had been set for both countries and it would be many years before they were fully absorbed into the Community. Their membership made more acute existing problems with agricultural surpluses. This was bound to affect the pace at which Turkey's application was considered. Moreover, as a relatively poor country, Turkey would obviously expect considerable financial help from the Community. It was difficult to envisage this until the Community had solved its internal problems and brought the CAP under control. But there must be no question of an affront to Turkey. Mr. Halefoglou conceded that consideration of Turkey's application and eventual negotiations would be a very long process. The Prime Minister's formulations were helpful because they made clear that the reasons for this lay at least as much with the Community as with Turkey.

Bilateral relations

Mr. Halefoglou spoke of the enormous changes which were being wrought in Turkey. The pace of industrialisation was extraordinary. Where six or seven years ago 60 per cent of Turkey's exports were agricultural, now 75 per cent were industrial. Turkey was entering the phase of privatisation and liberalising foreign investment. His Government very much wanted to see a stronger British presence in Turkey. They would also like to renew their invitation to the Prime Minister to pay an early visit to see the changes for herself. An entirely new and different Turkey would emerge over the next eight to ten years.

The Prime Minister said that she would gladly visit Turkey. Her programme for the remainder of this year was already full but she would look forward to a visit in 1988. She shared the wish to see greater trade between Britain and Turkey. We were particularly interested in the contract for armoured personnel carriers, for which we had offered Warrior. She was writing to Mr. Ozal about this. But the experience of the second Bosphorus Bridge still rankled. It had been a particular indignity. Mr. Halefoglou said that Turkey was now planning a third bridge. He understood that the United Kingdom was best placed to secure it. The Prime Minister said that we had been best placed for the second bridge but that had not stopped the Japanese from taking it from us. She continued to find Japan's tactics in these matters, as well as its wider trade policies, unacceptable. Mr. Daunt pointed out that this decision was proving expensive for Turkey because the Japanese loans were dominated in Yen.

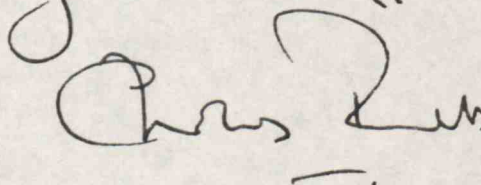
Middle East

The Prime Minister asked Mr. Halefoglu his views on the situation in the Gulf. Mr. Halefoglu said that Moussavi had recently visited Turkey. He had given no sign that there was any change in Iran's conditions for ending the Iran/Iraq War, although he seemed to want to draw a distinction between the situation in the Gulf and the wider war. Moussavi had asked the Turks to pass a message to the Americans to the effect that they still wanted spare parts for aircraft and ammunition for which they had paid. There had been a very negative response from the Americans. Mr. Halefoglu added that the army in Iran were gradually winning back prestige. They would eventually have a political role to play in Iran when the present regime collapsed. This was one reason why the present leadership kept them well away from Tehran.

European Parliament

Mr. Halefoglu drew attention to the outrage in Turkey at the European Parliament's recent resolution dealing with the Armenian question. People simply did not understand how such a resolution could be allowed to pass and asked why Turkey's friends had not prevented it. The Prime Minister pointed out that the European Parliament frequently passed resolutions which were highly objectionable to the United Kingdom on matters such as Northern Ireland. It was better to ignore them.

I am copying this letter to Alex Allan (H.M. Treasury), John Howe (Ministry of Defence), Timothy Walker (Department of Trade and Industry) and Trevor Woolley (Cabinet Office).

Yours sincerely,


CHARLES POWELL

Lyn Parker, Esq.,
Foreign and Commonwealth Office.