Foreign and Commonwealth Office

London SW1A 2AH

21 March 1988

Dear Charles,

Prime Minister's Visit to Turkey

As you know, the Prime Minister has agreed to record an interview with Turkish Television on Wednesday, 23 March to be broadcast shortly before her visit.

The journalist concerned, Mr Birand, suggested four areas in which he would like to question the Prime Minister. These are:

(a) bilateral relations

(b) Turkey's application to join the EC

(c) NATO

(d) East-West relations.

As agreed between the Department and Michael Bates, I enclose speaking notes covering these points together with a line on the recent meetings between the Turkish and Greek Prime Ministers, and a line to take on Cyprus.

Song ever

(L Parker) Private Secretary

C D Powell Esq 10 Downing Street

TURKEY: PRIME MINISTER'S INTERVIEW WITH TURKISH TELEVISION BILATERAL RELATIONS Welcome the opportunity of visiting Turkey; exciting country with great potential, a country of importance to Britain, a staunch NATO ally. Look forward to talks with Mr Ozal - an impressive politician who has a great role to play at a crucial time in Turkey's development. Applaud his economic philosophy and achievements. Applaud his determination to free the economy from over-dependence on the public sector. Nineteen eighty-eight a big year for Britain and Turkey. First official visit by serving British Prime Minister. Then President Evren's State Visit. Lots of other contacts. peoples beginning to get to know each other better. British tourists flocking to Turkey. Thousands of Britons visiting Suleyman the Magnificent Exhibition at the British Museum. Visited it myself. Really is magnificent. TRADE (If asked about Bosphorus Bridge:) Want to see British industry involved in Turkey across the board. British companies bidding for several major projects in Turkey in partnership with Turkish companies - including Bosphorus bridge. Would be delighted if proposals made by British companies accepted. My Government backing many of our companies with official aid. Pleased trade growing both directions. Your Government promoting Turkish exports to us. Turkish industrial exhibition in London in April - an excellent idea, sure will be successful. (If award of contracts linked to Turkey's EC application:) Commercial contracts should not be mixed up with political issues. British firms' bids will succeed on their merits.

TURKEY'S ROLE IN EUROPE AND NATO

No doubt that Turkey is a part of Europe. Clear from her recent history, her membership of many European and Western organisations and her extensive defence, trade and political links with Western Europe. A key member of NATO: crucial position on NATO's southern flank; long land border with Soviet Union; a vital part of the West's security as well as Turkey's own defence.

BRITISH MILITARY ASSISTANCE TO TURKEY

Turkey can expect help from other members of the Alliance if she is attacked. Turkey, like all members of the NATO Alliance, must keep its defences modern and effective. The United Kingdom already devotes a higher proportion of its GNP to defence than almost any other member of NATO. We undertake many defence activities outside the NATO area, including in the Gulf. Our resources are therefore already stretched, although we have increased our defence spending by over 20% since 1979. Turkey must look primarily to other NATO members for help. But we have participated in initiatives such as the Independent European Programme Group (IEPG) to help Turkey strengthen its defence industry.

TRANSFER OF BRITISH MILITARY TECHNOLOGY

Ready to help you modernise your defence industries and sell you the defence equipment you need. That includes readiness to transfer technology. Disappointed you seem to have decided against buying some important items, such as Warrior, the best and most modern equipment available. Finance is available for defence as well as civil contracts.

DAVOS AND MEETINGS BETWEEN TURKISH AND GREEK PRIME MINISTER

Meeting at Davos between the Turkish and Greek Prime Ministers, and follow-up in Brussels, very significant steps forward. Good for the peoples of the two countries and good for the region as a whole. Good for NATO as well. Will do anything we can to help and encourage the process. Britain has close relations with both

countries. Expect Mr Ozal to bring me up to date during my visit. But the key to reconciliation between Turkey and Greece lies in direct contacts between the peoples of the two countries themselves. Encouraged to hear that Turkish and Greek businessmen are meeting in greater numbers and that trade prospects are brighter. That is a good start.

TURKISH ATTITUDE TO CYPRUS

What happens in Cyprus is a matter of very great importance to Britain. We want to see an end to the current division of the island. The subject will of course come up during my talks in Ankara. I also hope to meet President Vassiliou before long. He's a businessman - someone to do business with, I hope. Following Davos and the election of Mr Vassiliou, there seems to be renewed hope of progress and we must make the most of it. The good offices of the United Nations Secretary General remain the best route to progress. Britain is ready to help him any possible way:

TURKEY'S APPLICATION TO JOIN THE EC

Perfectly legitimate for Turkey to apply. Under the Community's rules, application referred to European Commission for an opinion. When we have that opinion the Council of Ministers will reach a decision. Meanwhile we want closer relations between Turkey and the European Community, making fuller use of the 1963 Association Agreement.

RECENT DEVELOPMENTS IN NATO

The recent NATO Summit was a great success.

Since the last Summit in 1982, many positive developments: the INF Agreement signed; prospects for an agreement reducing the strategic nuclear weapons of the US and the Soviet Union by 50% opened up; bold reforms by Mr Gorbachev and some signs of change in the Soviet Union's external policies, notably the decision to withdraw from Afghanistan.

Against this background that NATO leaders came together, to take stock and to set guidelines for future action: They underlined the continuing vital importance of NATO for the defence of the West. They confirmed their unity and resolve in the face of Soviet attempts to separate Europe from the United States and to denuclearise Europe. They reaffirmed the validity of NATO's strategy of flexible response; and the consequent need to keep all NATO's weapons nuclear as well as conventional - up to date. This was particularly important because the Soviets have not ceased to modernise. They confirmed NATO's arms control priorities: - a START agreement - a global and verifiable ban on chemical weapons - the elimination of the enormous conventional imbalance in Europe (Warsaw Pact outnumbers NATO 3:1 in tanks and artillery, almost 2:1 in aircraft) - the real threat to stability and security in Europe. EAST/WEST RELATIONS - East/West relations in good shape. Shultz and Shevardnadze meeting this week, Moscow Summit set for May. Carlucci/Yazov meeting, Berne last week. Momentum of discussion being maintained. Own high-level dialogue excellent. - Of course fundamental differences remain, but prospects for cooperating much improved. In all our interests to take full advantage, without too many illusions. - Following Soviet reforms with much interest. Welcome steps towards freer, more humane society. But a very long way to go.

- Reaction to new-style Soviet foreign policy - cautious yet open minded approach: developments in Afghanistan encouraging, but huge, offensive Soviet military deployment and convential imbalance remains. Turkey, as immediate neighbour of Soviet Union, needs no reminding of threat this poses and of need for deeds not words.

(If raised:)

Gorbachev's Belgrade speech on Mediterranean - Seem to have heard these proposals before. Strikes us now, as previously, as attempt to constrain freedom of movement of NATO naval operations in areas close to Soviet Union.