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*bc: PC*

10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

23 May 1988

*Dear Brian,*

**MILITARY ASSISTANCE FOR TURKEY**

*bf*  
Thank you for your letter of 19 May spelling out in some detail the position on military aid to Turkey. The Prime Minister would like the further steps to increase our military aid which you suggest to be examined in more detail. She would be grateful if the Cabinet Office would coordinate a fuller study which should make recommendations to Ministers.

I am copying this letter to Lyn Parker (Foreign and Commonwealth Office), Alex Allan (HM Treasury), Neil Thornton (Department of Trade and Industry) and Trevor Woolley (Cabinet Office).

*Yours sincerely,*

(C. D. POWELL) -

Brian Hawtin, Esq.,  
Ministry of Defence.

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*all*



*Prime Minister*

*The expected modest response to your request for the case for a military aid programme to Turkey to be considered.*

MINISTRY OF DEFENCE  
MAIN BUILDING WHITEHALL LONDON SW1A 2HB  
Telephone 01-218 2111/3

MO 14/25L

May 1988

*Agree to the proposed Cabinet Office study of the limited options available (mostly credit for military sales)?*

*Yes no*

*CDP*

MILITARY ASSISTANCE FOR TURKEY

*at flight - Turkey PM's visit 1988/20/5*

In your letter of 9th April to Lyn Parker, you sought advice about military aid for Turkey. Many of the points you raised are primarily defence-related, and we have agreed with the FCO that we should provide an initial response.

As the Prime Minister perceived on her visit, there are significant weaknesses in Turkish military capabilities. They lack sufficient ships, modern equipment, and war reserve stocks. Although Turkey invests substantial resources in defence, amounting to 4.7% of GDP, their GDP per capita is the lowest in the alliance and the heavy foreign debt limits the rate of further growth. NATO accepts that increased assistance is needed but the problem is massive. The Turks say they would require an additional \$1bn of aid each year to bring their forces fully up to NATO standards.

Taking the points you raised, the current position is as follows.

Current military aid to Turkey

NATO has long recognised the need for assistance to Turkey, as well as to other nations on the Southern Flank. Very substantial help has been provided by the US and FRG, amounting to more than £300M over the last 12-18 months. The level of their aid reflects their close bilateral links with Turkey (bases and foreign workers respectively) and is often related to sales of defence equipment and to joint commercial and industrial developments. Indeed, a large proportion of US aid is in the form of credits for their Foreign Military Sales scheme. Other NATO countries, including Belgium, Canada and Italy also contribute surplus equipment and carry out equipment support and defence industrial co-operation schemes, though on a much smaller scale than the US and FRG.

Charles Powell Esq  
10 Downing Street



The UK's military assistance to Turkey is small in comparison with that of the US and FRG; in part, this reflects the fact that we do not have a military aid budget. But we have provided some assistance with training, by reducing or waiving charges. We have also been able to gift surplus equipment to the Turkish Armed Forces, for example in 1981 when Turkey received some £3.5m worth of ammunition. In addition, ECGD support is available for defence sales, although the credit terms are markedly less favourable than those available from the US.

Whilst there is no "NATO" military aid programme as such, Turkey has benefited greatly over the years from NATO infrastructure funding. Although the Graeco-Turkish dispute has caused difficulties in recent years, Turkey is a significant net beneficiary; she receives currently about 18% of the total value of the infrastructure programme for a contribution of 0.8%. Much of this expenditure goes on improvements to airfields used by the US, or by the US and Turkey jointly.

#### Use of military aid

Turkey has used military aid to improve and to modernise her forces; without the US and German contributions Turkish forces would certainly be in a much worse state than they are today. Their modernisation programme includes F16 aircraft and new frigates but, in view of the large size of the Turkish Armed Forces, they still possess large quantities of older equipment.

#### Scope for more assistance from US, FRG and NATO

At present, there is little likelihood of a significant increase in assistance to Turkey from other nations. The US has already reduced its planned aid; budgetary problems are likely to lead to further retrenchment. Furthermore, a recent press report indicated that supplies of surplus US equipment (including Phantom aircraft and frigates) which, in recent years, have compensated for reductions in formal aid, will not continue as budgetary pressures make it uncertain what material will be surplus to US needs in future. The Germans also face significant budgetary difficulties and are likely to want to give priority for any additional expenditure to their own forces on the Central Front.

#### A greater UK contribution

There are good arguments for doing more to assist Turkey. Efforts to encourage Turkey to modernise her forces, and to develop her defence industrial base, would enhance security on the south-eastern Flank to the benefit of the Alliance as a whole. It would also be a helpful step in the context of burdensharing and strengthening of the European pillar of the Alliance and would help



to reassure Turkey that her presence in NATO is valued. From the UK's point of view, more assistance would help to develop further our already close relations with Turkey and could lead to increased defence sales. The Defence Secretary recently met the Director of the Turkish Defence Industries Developments Administration, who said that Mr Ozal was keen to expand defence trade with us but that he would like HMG to give British companies greater financial support when mounting sales offers. This squares with the importance Turkey attaches to improving its defence industrial base.

The Defence Secretary considers, however, that direct financial aid is not the most cost-effective form of help. Buttressing Turkey cannot be considered in isolation. Notwithstanding the fact that Turkey's strategic importance and loyalty as an Ally might justify special treatment, increased assistance in the form of direct financial support to Turkey, whether by the UK or by NATO collectively, might well have to be extended to Greece and Portugal also. This suggests that if we were to establish a military aid budget, we would probably have to do so on a substantial scale and that it would be difficult to target it exclusively on the areas in which we wished to provide assistance. We would run the risk of constant pressure from the recipient countries for it to be increased. A military aid budget would also involve diversion of scarce resources towards an area which is not crucial for our overall security. Such expenditure could not be found from within the Defence Budget, save at the expense of much higher priority items with concomitant and adverse implications for our own defence posture.

Nevertheless, the Defence Secretary considers that there are a number of steps that we could take to increase our assistance to Turkey:

- a. A trawl for equipment in British service that might be gifted to the Turks to improve their capabilities in key deficiency areas;
- b. A review of our training programme to identify areas (eg. procurement and language training) where we might be able to assist Turkey;
- c. A review of policy on credit terms to support defence sales to Turkey and on related measures to support industrial co-operation. It is apparent that the Turks are especially interested in both these aspects, and that sales proposals need to involve Turkish industry if they are to succeed. Development of the Turkish defence industrial base would also be a major step towards making Turkey progressively less dependent on military aid in the long term. To some extent, this is already underway and the UK could help in its further development. More



favourable credit terms could well be the most useful form of assistance that we could give to benefit both Turkey and our own industry.

The Defence Secretary would be content to discuss this with colleagues, when convenient. But he considers that the discussion would benefit from a more detailed analysis of the measures that might be taken, particularly in relation to (c) above. As a number of departments have an interest, he suggests that it might be appropriate for the Cabinet Office to take the lead in examining the options and in providing co-ordinated advice to Ministers on the best way ahead.

I am copying this letter to Lyn Parker (FCO), Alex Allan (HM Treasury), Neil Thornton (DTI) and to Trevor Woolley (Cabinet Office).

*Your sincerely,  
Brian Hawtin*

(B R HAWTIN)  
Private Secretary

TURKEY: Pm's visit.

Feb 88

