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From the Private Secretary

25 January 1989

## PRIME MINISTER'S MEETING WITH THE TURKISH DEFENCE MINISTER

The Prime Minister had a talk this morning with the Defence Minister of Turkey. Mr. Vurulhan was accompanied by the Turkish Ambassador, by Mr. Erdem, Director of Turkey's Defence Industries Development Administration and by a note-taker. The meeting lasted some 40 minutes.

The meeting started with reminiscences about the Prime Minister's visit to Turkey and exchanges about current developments there. The Prime Minister observed that Mr. Ozal had worked miracles since 1983 by following the same principles in which she believed. Mr. Vurulhan said that there would be a further phase of reforms after the local government elections. He referred to what he described as the slanderous campaign against Turkey by Amnesty International. He could give a solemn assurance that there was no systematic practice of torture in Turkey. The Prime Minister said that she had already accepted Mr. Ozal's assurances on this point.

Defence Relations

Mr. Vurulhan handed over a letter to the Prime Minister from Mr. Ozal (copy enclosed). As you will see, it says that a decision has been taken from a technical point of view to award the military radio project to Marconi. Mr. Vurulhan added two points. First, he hoped there would be no obstacles to technology transfer. Second, Turkey was still in discussion with the company about financial terms. Marconi had said that they would look to the Government for further help. ("I bet they did" commented the Prime Minister.) The contract would amount to some £200 million over 15 years. Turkey would like to see cooperation extended to a number of other defence projects.

The Prime Minister welcomed the news in Mr. Ozal's letter. She did not expect there to be any obstacles to technology transfer to a major NATO ally. We would see whether anything could be done to help ease the cash flow burden on Turkey in the early years of the contract. This



would have to be discussed with the banks and others. We had been disappointed at Turkey's decision to reject ZEUS and adopt the American system which even the Americans themselves had not used. We still thought it could be advantageous to Turkey to take ZEUS and link the credit arrangements for it and the radios.

#### Turkey and the European Community

Mr. Vurulhan said that Turkey hoped for Britain's support for its application for membership of the European Community. There was a consensus in Turkey for membership. He understood that the Commission's report on Turkey's application would be delivered in the course of the year and hoped that a dialogue between Turkey and the Community could start during 1989. Britain's support would be vital. Turkey was already beginning to amend its laws and institutions to prepare for membership.

The Prime Minister said that our understanding was that the Commission would deliver its first report only at the end of 1989. We would have to see what it contained. The Community was still absorbing Spain and Portugal. But we would look at Turkey's application from the point of view of a country which had a strong, traditional friendship for Turkey.

#### Relations between Greece and Turkey

Mr. Vurulhan commented that Mr. Ozal had said to him, just before his departure, that he had "gone to the limits of his patience" with Greece. He had done all he could to get a dialogue going but the response had not matched his hopes. Mr. Ozal already faced considerable difficulties with Turkish public opinion in pursuing the dialogue and was criticised in the press for not being firm enough with Greece. The Prime Minister commented that she had predicted that the going would get more difficult once Mr. Ozal and Mr. Papandreou got down to substance. She hoped that Mr. Ozal would not give up. For our part we would continue to do what we could to facilitate Turkey's relations with the European Community. Considerable skill was needed to circumvent Greek blocking tactics. We had to produce proposals which were difficult for Greece to refuse.

#### Cyprus

The Prime Minister commented that President Vassiliou was a very different sort of person to his predecessor. She believed that he genuinely wanted a settlement. He would be visiting London again in early March and she would encourage him to persist with negotiations. Speaking frankly, she thought that a number of the proposals put forward by Mr. Denktash were un-negotiable, particularly when it came to suggesting postponement of freedom of movement and restoration of property rights for twenty years or more. Mr. Denktash had to show that he was genuine in negotiating for a federation rather than two separate states. Mr. Vurulhan said that negotiations were now into a second phase. Turkey had



encouraged Mr. Denktash to adopt a moderate approach. Their goal was a federal, bizonal state based on political equality between the two communities. President Vassiliou was adept at giving a good impression in public. But it was very difficult to pin him down to detailed negotiation.

Conventional Stability Talks

Mr. Vurulhan expressed concern that the flank countries would be isolated in the Conventional Stability Talks. It was not right to lump them in a category with Greece and Norway while allowing Italy to join a group of central area countries. The Prime Minister said that she was always very sensitive to the interests of the flank countries and she could well understand Turkey's wish not to be isolated or detached from the main body of the Alliance. She would discuss the matter with the Defence and Foreign Secretaries, although it might now be too late to change the arrangements.

I am copying this letter to Richard Gozney (Foreign and Commonwealth Office) and Carys Evans (Chief Secretary's Office).

(C. D. POWELL)

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Ministry of Defence.