



File SA
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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

29 December 1989

Dear Neil,

TURKISH SATELLITE CONTRACT

Thank you for your letter of 29 December about the Turkish satellite contract. I have consulted the Prime Minister by telephone about the proposal to send two messages to President Ozal. It seems a rather cumbersome way of proceeding. But there is not time enough to simplify it and I enclose copies of two messages which I think she will be ready to send. The texts should be telegraphed to Ankara for delivery as soon as possible, and I am sending them to the Resident Clerk in the Foreign Office for that purpose. The originals will follow in due course.

I am copying this letter and enclosure to Richard Gozney (Foreign and Commonwealth Office) and Simon Webb (Ministry of Defence).

Yours sincerely,

C. D. POWELL

Neil Thornton, Esq.,
Department of Trade and Industry



the department for Enterprise

The Rt. Hon. Nicholas Ridley MP
Secretary of State for Trade and Industry

Charles Powell Esq
Private Secretary to
the Prime Minister
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Date
29 December 1989

Dear Charles,

TURKISH SATELLITE CONTRACT

It has been agreed that this Department should take the lead in replying to your letter of 27 December to the Ministry of Defence, enclosing a letter from Mr Stuart of British Aerospace on the Turkey Satellite Communications project - Turksat.

Departments and our post in Ankara agree that it would be appropriate for the Prime Minister to send a New Year message referring to the project, and that this should be to President Ozal, rather than to Turkish Prime Minister in view of their personal links. I attach the draft of such a message, prepared by the FCO on the recommendation of HM Ambassador in Ankara. It will need to be despatched by telegram over the weekend. Our Ambassador has recommended that the Prime Minister should then send a follow-up letter to Mr Ozal, strongly supporting the British Aerospace bid for the Turkish project. The Ambassador believes that such a message, a draft of which is also enclosed, will be expected by the Turks given similar political activity by the French who are our major competitors for this prestigious £184 million contract.

As you may know, British Aerospace are bidding, in consortium with French and Germany partners, to supply two satellites and associated ground equipment, with a UK content (BAe's share) of £71m. Their rivals for this project are Aerospatiale (France) and Hughes (USA). In recent weeks the French have been lobbying the Turks hard, and officials suggest that the Prime Minister's intervention at this crucial stage - when the report of the evaluation committee is about to be submitted to the President for a decision - is justified in order to counteract this diplomatic pressure.



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the department for Enterprise

Finally, I enclose an acknowledgement for your signature to Mr Stuart.

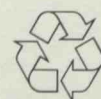
I am copying this letter and attachments to Richard Gozney and Brian Hawtin.

Yours ever,

Neil Thornton.

NEIL THORNTON
Principal Private Secretary

CONSERVATION



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NEW YEAR'S
MESSAGE FROM THE PRIME MINISTER TO PRESIDENT OZAL

SECURITY CLASSIFICATION

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

PRIVACY MARKING

.....
In Confidence

As we draw to the end of a decade which has seen great changes in Turkey and in Britain, may I offer my personal good wishes both to you and to the people of Turkey for the New Year and the forthcoming decade which will, I am sure, see an extension of the close relationship which exists between our two countries in all fields and at all levels.

I am pleased that during the 1980s we were each able to visit the other's country as Prime Minister and I look back with pleasure at meeting your predecessor, Kenan Evren, during his State Visit to Britain in July 1988.

In the area of commerce, I am particularly keen that Britain and Turkey should ^{in future} work together on a number of technological projects. I am aware that you are currently studying British Aerospace's bid for Turksat, and I am writing to you separately about this important project. My letter will be in the hands of Sir Timothy Daunt next week when I hope you will be able to receive him and discuss this project further.

PPS
C. / men
SA

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DRAFT LETTER FOR PRIME MINISTER TO SEND TO PRESIDENT OZAL

I know that, after your election as President, you are no longer so closely involved in day to day decisions. But I want you to know how keen I am to see Britain and Turkey working closely together on technically advanced projects. As you will know, British Aerospace are leading a strong European consortium which has made a bid for Turksat which meets the most exacting technical criteria at a highly competitive price. The ^{British Aerospace} ~~Bae~~ Eurostar satellite is of unrivalled reliability and the company have an unbroken record of success in orbit.

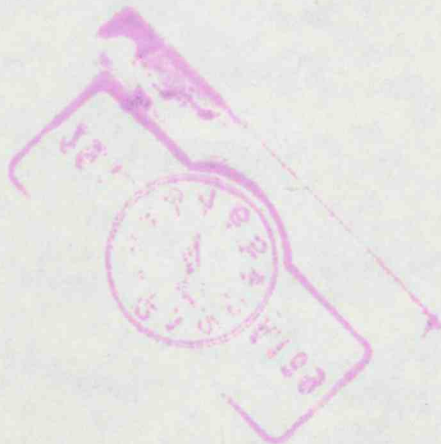
I have been frankly disappointed that our very close political and personal relations ever since you entered the political arena in the early 1980s have so far not been reflected in effective partnership over advanced industrial projects. Britain now leads the field as an investor in Turkey. But the big public projects go elsewhere. I would like to see this excellent British firm put this right and start to reflect in the industrial and technical field the mutually advantageous cooperation we have generally achieved in our political dealings.

c. lpps/ozal

DRAFT REPLY FROM CHARLES POWELL TO JOHN STUART OF BRITISH
AEROSPACE

Thank you for your letter of 27 December on BAe's bid for the
Turksat project.

The Prime Minister very much hopes that your bid for this
major contract will be successful. She will be contacting
President Ozal in your support.





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