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MINISTRY OF DEFENCE
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Telephone 01-218 2111/3

MO 14/25S

Sh March 1990

Dear Charles,

VISIT OF TURKISH DEFENCE MINISTER

We have already sent you briefs for a call by Mr Giray on the Prime Minister this afternoon but you might like to know of points that have come up during initial calls at the MOD.

Mr Giray has emphasised how conscious Turkey is of its twin borders with the problems in Eastern Europe. To the West, there are traditional linkages and rivalry - and ethnic inter-weaving - with Romania, Yugoslavia and Albania in particular. To the East, the Turks are conscious not only of their direct border with the Soviet Union but also the risks of instability in Iran as a knock-on consequence to problems in the Soviet Union's Asian provinces. There had been a sense of outrage at the events in Azerbaijan last month, though the internal Muslim-Armenian problems in Turkey had caused the Turkish Government to play a careful hand. The Turks are obviously worried that the preoccupation with unification of Germany may lead NATO Allies to overlook the risks to stability in their region.

Mr Giray also emphasised the potential consequences of CFE reductions on the Turkish Armed Forces modernisation programme. In reply, the Defence Secretary reminded Mr Giray of the mechanisms within the Harmonisation process which would enable Turkey's concerns to be taken into account. He also said that should problems remain which Turkey wished to discuss with us, the UK would be very pleased to give whatever support we could to ensure that their valid concerns were fully recognised in the continuing discussions within the Alliance.

On defence sales, it was apparent that the Turks placed great emphasis on co-operation between foreign companies and their own defence industry. This is, of course, an area in which RACAL are well positioned with their strong relationship with TELETAS, a point which Mr Giray clearly appreciated. There was, however, some

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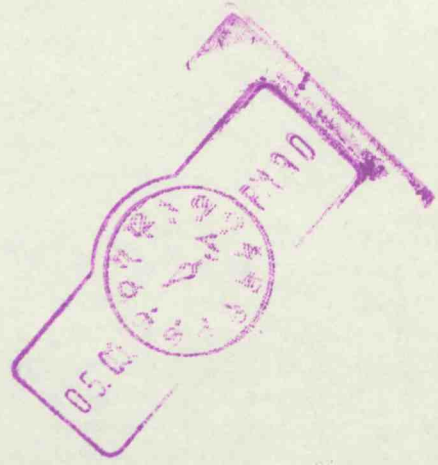
concern on the Turkish side over what they perceived as a vast trade imbalance between the UK and Turkey in the defence sales field. The Defence Secretary took the opportunity to remind Mr Giray that overall the trade imbalance was in the other direction (£533M against £434M) but he also said that they were disappointed that, despite the UK's open policy on buying defence equipment and encouragement from MOD, Turkish companies were not bidding for UK contracts. He therefore suggested that the Turks might like to consider arranging a presentation in the UK to show what their companies had to offer. We for our part would undertake to ensure that key UK companies attended. This suggestion was received enthusiastically and we will be taking arrangements for this forward with the Turkish Embassy.

Yours sincerely
I M Woodman

(I M WOODMAN)
Private Secretary



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COMPLIMENT

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