

MEETING RECORD

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LONDON SW1A 2AA

25 April 1990

From the Private Secretary

See Richard.

PRIME MINISTER'S MEETING WITH THE PRESIDENT
OF TURKEY

The Prime Minister had an hour's talk with the President of Turkey immediately after the Gallipoli International Ceremony this morning. President Ozal was accompanied by the Turkish Prime Minister, Ambassador H. Celem (Political Director), Ambassador Kaya Toperi and Mr. Mabi Sensoy. HM Ambassador, Ankara, was also present.

Introduction

The Prime Minister congratulated President Ozal on the ceremony, and his speech which had struck just the right note. President Ozal said that he hoped it would encourage younger people to continue to take an interest in the history of the Gallipoli campaign.

East/West

The Prime Minister said it might be helpful to have a talk about developments in East/West relations. She had recently had a thorough discussion with President Bush in Bermuda. He had been admirably firm on the need to keep NATO as the main forum for the West's defence. He was also determined that a united Germany should be a member of NATO. Both she and the President had detected some hardening of Soviet attitudes in recent weeks. The military seemed to have been growing in influence and new difficulties had cropped up in arms control negotiations. She and the President both agreed that it would be useful to have an early NATO summit, and this might possibly be held in London. She had herself formed some ideas for developing the CSCE as a forum for East/West discussion.

President Ozal said that he had seen the President in January and had urged him to do everything possible to keep American forces in Europe. There were far too many uncertainties for us to be able to release our defences. He expected many new problems to emerge, particularly in the Balkans. Yugoslavia was already beginning to break up. The Russians had been unjustifiably severe in their treatment of the Azerbaijanis. They had treated the Lithuanians rather better,

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but he did not think Gorbachev could afford to let them leave the Soviet Union at this stage. He did not believe the Russian empire should continue in the long term, although equally he found it hard to see how there could be a peaceful transition to something new. Meanwhile the Soviet economy was in even worse shape than three years ago and Gorbachev seemed to be at the point of no return.

The Prime Minister said she was convinced the Lithuanian problem could be resolved by discussion. She did not think it had been well handled on either side. If the Russians continued to escalate their measures against Lithuania, it might be necessary for the United States and Europe to slow down some of our trade dealings with the Soviet Union. President Ozal asked what would happen if, against all the odds, President Gorbachev were to allow the Lithuanians their independence. Would the West help them? His own view was Lithuania was not viable economically. The Prime Minister said that she thought any help would be fairly minimal. We must not encourage the Lithuanians to have exaggerated expectations.

President Ozal asked whether the Prime Minister thought Gorbachev would survive. The Prime Minister said that she thought on balance he would, but only by adopting more hardline policies. Mr. Ozal said that he had some doubts, although this was just a personal feeling. There had been two types of Tsars in Russian history, the cruel and the kind, and the cruel were always more popular. Democracy had no roots in the Soviet Union.

German Reunification

President Ozal asked whether German reunification was giving rise to problems for the European Community. His own fear was that the proposed Monetary Union between the two Germanies would be inflationary. The Prime Minister said there was no doubt that in 10 years' time Germany would be the dominant country in Europe. President Ozal asked whether Germany was nationalistic. The Prime Minister said she frequently found herself in hot water for answering that question. But she thought it important that the rest of us should all stick together.

Turkey and the European Community

President Ozal said that he had first discussed Turkey's aspiration to join the European Community with the Prime Minister on his visit to London three years ago. He did not want to go over that ground on this occasion. He would only say that wider developments in Europe should make it possible for Turkey to achieve Customs Union by 1995. The Prime Minister said the Community could certainly not contemplate any further enlargement until the Single Market had been completed. But we were anxious to see the Fourth Financial Protocol implemented. President Ozal said cheerily that this was peanuts: Customs Union was what he was after. The Prime Minister said she had got the point.

Cyprus

The Prime Minister said that the United Nations Secretary-General had asked her to raise the Cyprus problem with President Ozal. It had been most unfortunate that the recent talks in New York had broken down. But it had quite clearly been Denktash's fault: she had not said this before, but this time there was no doubt about it. The main point she wished to establish was

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whether she and President Ozal still shared the same objective of a single state of Cyprus, which was bizonal and bicommunal. Partition had never solved anything and it would be a great mistake to make it an objective. If the objective remained a single state of Cyprus, then we could get the show on the road again. President Vassiliou offered a much better prospect of a settlement than any other likely President of Cyprus.

President Ozal said that Turkey certainly accepted the objective of a bizonal and bicommunal state with equal political rights. But a federal Cyprus must be very carefully planned. The division was not between two halves of one people but two antagonists. If the constitution of a new Cyprus was not designed well and there was again a confrontation, Greece and Turkey would inevitably come face to face. He could assure the Prime Minister that Turkey was not trying to make partition the end result: he had enough problems in the Aegean without that. But any new arrangements would need understanding if they were to work, and that would take time. Central government should have minimal powers, with as many as possible devolved. He had to deal with the reality of the situation. Recent opinion polls had shown that 80 per cent of people in the Turkish part of Cyprus did not want to become part of a unified state. We also had to recognise that Denktash was a very different man from Vassiliou. The latter was very businesslike, but Denktash emphatically was not. Why did the Prime Minister not talk to Denktash? The Prime Minister said she had no aspiration to be a mediator. What we all had to do was help the United Nations Secretary-General find a solution before the end of his term of office. President Ozal noted that the Prime Minister ought to hear the other side of the story. The Prime Minister said it had clearly not been President Vassiliou's fault the talks had broken down. President Ozal said he agreed with that. But it had not been a very good idea to hold the talks immediately before elections in the northern part of Cyprus. That was the worst possible time to try to bring pressure on Denktash. The Prime Minister concluded that she was pleased that she and President Ozal were still pursuing the same objective. She found that a hopeful sign.

Human Rights

The Prime Minister said she was regularly asked in Parliament about human rights in Turkey. She had always quoted President Ozal's earlier assurances to her that he was doing his best to overcome the problems which existed. President Ozal said there had been tremendous improvements since 1983 although there were still some incidents. These were not the result of any action by the government but of mistakes made by the police and security forces. However, the great bulk of the allegations made by Amnesty International were lies. The Prime Minister might be interested to know a human rights commission was being established in the Turkish parliament. The Prime Minister said she was grateful for these comments, which she would quote.

Midland Bank

The Prime Minister said there was a problem over obtaining authorisation for Midland Bank to operate in Turkey. She found this inexplicable, given that three Turkish banks were operating in London and no British banks in Turkey. President Ozal said that life would be easier if the Bank of England would explain precisely what the problem was. The Prime Minister said she would arrange for the President to receive details of the

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criteria which had to be met under the Banking Act and the interpretation which the Bank of England put upon them. President Ozal concluded by saying: "in any event, I will help you".

Iraq

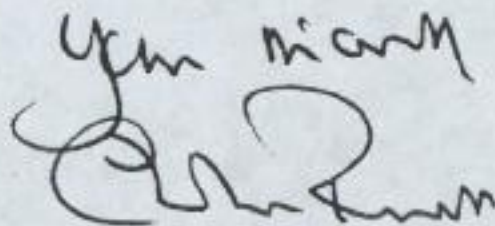
The Prime Minister thanked President Ozal for Turkey's help in intercepting parts of what we believe to be a super gun destined for Iraq. President Ozal said that he hoped the consignment could be returned to the United Kingdom. But there were some legal difficulties. These could only be resolved if the company itself sent instructions to the haulier to bring the load back. It was agreed that the Ambassador would pursue this with the Turkish authorities.

Commercial relations

The Prime Minister recalled that she had sent President Ozal a message about British Aerospace's bid for Turksat. We had been grateful for the award of the contract for military radios to GEC/Marconi. President Ozal did not respond directly to this but suggested the UK might like to undertake the possibility set for the Dardanelles Crossing. This would be bigger than the Bosphorous Bridge.

The Prime Minister had to leave for the British ceremony at this point.

I am copying this letter to John Gieve (HM Treasury), Simon Webb (Ministry of Defence), Martin Stanley (Department of Trade and Industry), Paul Tucker (Bank of England) and Sonia Phippard (Cabinet Office).

A handwritten signature in dark ink, appearing to read 'C. D. Powell', with a horizontal line underneath.

(C. D. POWELL)

Richard Gozney, Esq.,
Foreign and Commonwealth Office.

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