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THE SLB
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LONDON SW1A 2AA

From the Private Secretary

12 September 1990

POLLY PECK INTERNATIONAL

The Turkish Ambassador came to see me this morning to hand over the enclosed message to the Prime Minister from President Ozal dealing with Polly Peck International. He held forth at some length at the iniquities of the campaign of slander by Greek Cypriots which was causing difficulties for Polly Peck International. He said that the Turkish Government quite understood that laws and regulations must be complied with and were confident that any inquiry would be completely impartial. Their only request was that matters should be conducted speedily so that there was no long term effect on Polly Peck International's position.

I said that I knew nothing of all this beyond what I had read in the newspapers. I imagined that it was a matter wholly within the authority of the Secretary of State for Trade and Industry. I could not therefore volunteer any comment. I did not think it would be appropriate for the Prime Minister to express any view either. I would, however, pass a copy of the message to the Department of Trade and Industry. I should be grateful if you could let me know in due course whether any further action is needed.

I took the opportunity to tell the Ambassador that the Prime Minister remained most concerned about the Turksat project and the apparent decision to award the contract to Aerospatiale, despite the fact that British Aerospace appeared to have put in the lowest bid. The Prime Minister found this very hard to understand and still hoped to hear from President Ozal that the matter would be reconsidered.

I am dealing separately with the point at the end of the message about a meeting between the Prime Minister and President Ozal.

I am copying this letter and enclosure to John Gieve (HM Treasury) and Simon Gass (Foreign and Commonwealth Office).

(C. D. POWELL)

Martin Stanley, Esq.,
Department of Trade and Industry.

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