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The Rt. Hon. Peter Lilley MP Secretary of State for Trade and Industry

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DEN Charles,

TURKSAT, TURKEY

The telegram from Post dated 23 October reports the latest developments on this project: ie that negotiations with Aerospatiale have been suspended, and BAe are hopeful that a decision will be made to negotiate with them. The circumstances that gave rise to the suspension are, however, not altogether clear.

In the telegram, Post suggest that if the opportunity arises for the Prime Minister to have a telephone conversation with President Ozal on matters related to the Gulf crisis, the Turksat project could also be mentioned. We suggest that any action on Turksat should await further clarification of the situation, but in principle my Secretary of State supports this course of action. It would be appropriate for the Prime Minister to express appreciation to the President that negotiations with Aerospatiale have been suspended, and the hope that the BAe bid will now be considered on its merits.

I am copying this letter to Richard Gozney (FCO).

ROSALIND COLE Private Secretary

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