

CONFIDENTIAL

PRIME MINISTER

MEETING WITH THE TURKISH PRIME MINISTER

You are to see Mr. Ozal in Berlin. A meeting has been arranged at his hotel, following the first night dinner at the IDU Conference.

HEALTH

You will want to enquire after his health. He had a triple heart by-pass operation in the US in March. You will also want to give him a chance to tell you about the Turkish economy. ~~He~~ faces elections in November. You could ask about the prospects.

The main subject is the Gulf. The Turks have close contacts with both Iran and Iraq. Mr. Ozal should have some insights to offer on the views of both of them, and the likelihood that the Iranians may eventually accept a cease-fire. He would also be a good channel for conveying our outrage at the attack on a British-flagged ship. The Turks are well-placed to do rather more to encourage both sides to stop attacks on shipping.

Nothing much is happening on Cyprus and is unlikely to do so until after the Greek-Cypriot elections next February. The Greek-Cypriots are foolishly going to press for a UN debate on Cyprus this year. You might say that the Turkish Cypriots would be well-advised not to over-react. (Last time there was a UN debate, they declared UDI).

The meeting is an opportunity for you to say something about contracts for British firms, even though I know that you do not relish using this sort of meeting to do so. But the fact is that we are far and away the Turks' best friends in Europe but they persist in awarding contracts to others. You have already sent Mr. Ozal a letter about Warrior and are fully entitled to follow it up. A decision is imminent. Warrior is more expensive to buy than its American and German rivals.

CONFIDENTIAL

CONFIDENTIAL

- 2 -

But it is also the most modern; and its maintenance costs are much lower.

He may mention Turkey's EC application. You will want to be non-committal. It is being processed by the Commission. Meanwhile the Turks should make the fullest possible use of the Association Agreement.

Finally he may renew his invitation to you to visit Turkey. I suggest that you say that you very much hope to go in 1988, and will propose dates for a visit then before the end of this year.

CDP

22 September 1987

JA2ATU

CONFIDENTIAL

MEETING WITH MR. OZAL

1. Enquire after health.
2. Prospects for Turkish economy.
3. Election outlook.
4. The Gulf.
5. Cyprus
6. Sale of Warrior.
7. EC application.
8. Your visit.

CONFIDENTIAL

FM ANKARA

TO IMMEDIATE FCO

TELNO 300

OF 220755Z SEPTEMBER 87

PRIME MINISTER'S VISIT TO BERLIN: MEETING WITH TURKISH PRIME MINISTER

SUMMARY

1. OZAL CONCENTRATING ON 1 NOVEMBER ELECTION, FOR WHICH HE IS WELL PLACED: AND MEANWHILE NEGLECTING SOUND ECONOMIC MANAGEMENT. HE CONTINUES TO TAKE ALL SIGNIFICANT DECISIONS, AND WILL DECIDE ON THE HUGE PERSONNEL CARRIER PROJECT FOR WHICH THE GKN WARRIOR IS A FRONT RUNNER. A MAIN FOREIGN POLICY CONCERN REMAINS TURKEY'S APPLICATION TO JOIN THE EC.

DETAIL

2. THE 6 SEPTEMBER REFERENDUM COULD SCARCELY HAVE GONE BETTER FOR OZAL. AS IT ENDED, HE CALLED A SNAP ELECTION, LEAVING DEMIREL AND OTHER RIVALS WRONGFOOTED AND SHORT OF TIME. HE CHANGED AND MANIPULATED ELECTION LAWS IN THE PROCESS. BUT THE ELECTION ON 1 NOVEMBER WILL BE FAIRLY FAIR AND COMPLETE TURKEY'S RETURN TO PARLIAMENTARY DEMOCRACY. IT IS EARLY DAYS, BUT OZAL IS CLEAR FAVOURITE TO WIN. MEANWHILE HE HAS LET THE ECONOMY RIP (INFLATION NOW RISING TOWARDS 40 PER CENT) WITH THE EXPECTATION OF RETRENCHMENT AFTER 1 NOVEMBER.

3. OZAL IS A WORKAHOLIC WHO HAD A TRIPLE BY-PASS IN MARCH. BUT HE SEEMS FIT, IS RUNNING ALL ASPECTS OF THE ELECTION CAMPAIGN AND STILL TAKING ALL IMPORTANT DECISIONS.

4. THAT THE TURKISH ARMY'S NEW ARMoured PERSONNEL CARRIER IS NOW EFFECTIVELY IN HIS HANDS. HE MAY POSSIBLY DECIDE BEFORE 1 NOVEMBER. THE US AND FRG ARE EXERTING GREAT PRESURE IN FAVOUR OF THEIR RIVALS TO GKN'S WARRIOR. OPEN, OR IMPLIED, THREATS OVER MILITARY AID (BOTH GIVE IT - WE DO NOT) ARE BEING MADE. OZAL MAY BE TEMPTED TO THINK THAT THE EXCELLENT POLITICAL RELATIONSHIP WILL KEEP US ACTING AS TURKEY'S 'BEST FRIEND' WHATEVER HIS DECISION. THERE ARE OTHER PROSPECTS, SUCH AS THE PROBLEMATIC THIRD BOSPHORUS BRIDGE, WHICH COULD BE DANGLED TO KEEP US IN PLAY.

CONFIDENTIAL

1652
MDHIAN 3956

5. OZAL, ALTHOUGH PREOCCUPIED WITH ELECTIONS, WILL PROBABLY
LOOK FOR ASSURANCES OF SUPPORT OVER TURKEY/EC. BUT, THE THE
COMMISSION AVIS PENDING, HE WILL NOT REALLY EXPECT MORE THAN
GOOD WILL. HE MIGHT BE EXPECTED TO BE CONCERNED ABOUT LRINF
(BORDERS WITH BULGARIA AND USSR) BUT DOES NOT APPEAR TO BE.
HE IS IN CORRESPONDENCE WITH PAPANDREOU, SO FOR THE TIME
BEING NOT BOTHERED WITH A THREAT OF EARLY CRISES WITH GREECE.
AND HIS PERSONAL INSTINCTS ARE EVIDENTLY TO KEEP THE CYPRUS
PROBLEM ON THE BACK BURNER WHILST STRENGTHENING THE TURKISH
CYPRIOT ECONOMY THROUGH OZALITE POLICIES. HE HIMSELF IS NOT
YET AS WORKED-UP ABOUT GREEK CYPRIOT TACTICS IN GOING TO THE
UN GENERAL ASSEMBLY AS SOME OF HIS ADVISERS.

DAUNT

YYYY

DISTRIBUTION

52

MAIN

51

LIMITED
SED
WED
ECD(E)
DEF D
UND

PS
PS/PUS
PS/MRS CHALKER
SIR J FRETWELL
MR RATFORD

ADDITIONAL

1

NO 10 DOWNING ST

NNNN