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Foreign and Commonwealth Office

London SW1A 2AH

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23 September 1987

Dear Charles,

Meeting with the Turkish Prime Minister
in Berlin: 24 September

In meeting
Folder on
with CDP?

You will have seen the reference in Ankara's scene-setting telegram to US and FRG pressure on the Turks over armoured personnel carriers, and in particular the open or implied threats over military aid.

Should Mr Ozal raise this subject, the Prime Minister might point out that, against an aid budget of some DM 90 million a year, the Germans have already received substantial contracts in recent years (about £1,000 million for submarines, frigates etc). It is not HMG's policy to run military aid budgets. But MOD are currently reviewing their position to see what specific support they might provide in connection with this tender (for your information only - this would probably be in the form of a spare parts package worth up to £5 million).

You should also be aware that Mr Patten has today approved an increase in the soft loan to support the AMEC bid for the Ankara natural gas project. The last sentence of sub-paragraph (ii) of the Bilateral Relations section of my letter of 21 September should be amended as follows:

The Prime Minister might tell Mr Ozal that HMG have demonstrated their continuing interest in the project by decisions in August and this month to increase our offer of a soft loan for this project from £46.75 million to £65.62 million.

Yours ever,

(L Parker)
Private Secretary

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