

## THE WHITE HOUSE

WASHINGTON

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## MEMORANDUM OF CONVERSATION

SUBJECT: President's Meeting with Prime Minister  
Turgut Ozal of Turkey (S)

PARTICIPANTS: U.S.  
The President  
James A. Baker III, Secretary of State  
John Sununu, Chief of Staff  
Brent Scowcroft, Assistant to the President  
for National Security Affairs  
Marlin Fitzwater, Assistant to the President  
for Press Relations  
Robert Zoellick, Counselor-Designate of the  
State Department, Notetaker

Turkey

Prime Minister Turgut Ozal  
Nuzhet Kandemir, Undersecretary of the  
Ministry of Foreign Affairs  
Umut Arik, Ambassador to Japan  
Cin Pulak, Press Advisor to the Prime  
Minister  
Volkan Bozkir, Advisor to the Prime Minister  
Kasif Bryalcin, First Counselor, Embassy of  
Turkey

DATE, TIME February 24, 1989, 4:15 p.m. - 4:35 p.m.  
AND PLACE: American Ambassador's Residence, Tokyo

President Bush and Turkish Prime Minister Turgut Ozal met for approximately twenty minutes February 24 at the American Ambassador's residence in Tokyo. The two leaders shared thoughts on NATO issues, Turkish-Greek relations, Cyprus, developments in the Soviet Union, and the outlook in the Middle East. In particular, there is a need to follow up on Ozal's request for U.S. support for Turkey's application to join the Asian Development Bank (to provide services, not to seek credit). (S)

Prime Minister Ozal began by saying he wanted to talk about the Central Region problem in anticipation of the upcoming Conventional Forces talks. (S)

Secretary Baker said he had raised this issue at lunch in Brussels with NATO Secretary-General Woerner and the NATO

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Permanent Representatives. He had also discussed the issue in other NATO capitals. As he noted on his recent visit to Turkey, the U.S. was sympathetic to Turkey's concern. Yet we consider it primarily to be a European problem, and it must be resolved by March 6 when the CFE talks begin. Secretary Baker asked about the status of Turkey's discussions within Europe, noting that time was short. (S)

Undersecretary Kandemir said the United Kingdom had developed the idea of the central zone. He said a high-level group was reviewing the problem now and that the Federal Republic of Germany (FRG) had offered a global approach which might solve the problem. Kandemir said that the FRG proposal appealed to the Turks. (S)

Chief of Staff Sununu asked about timing. (U)

Undersecretary Kandemir said the deadline for resolution was March 6. (U)

Prime Minister Ozal said the other major point he wanted to make was that Turkey was at a critical stage economically. Turkey had taken measures to reduce inflation, but would require support during this difficult period. United States military assistance, he said, was insufficient but he understood the constraint of the U.S. deficit. He said Turkey, of course, preferred grants. He added that the military aid under the Southern Amendment was a big help for modernization of Turkey's forces. (S)

Prime Minister Ozal said he wanted to support U.S. investments in Turkey, and he hoped the region's foreign policy problems (Greece, Cyprus) would not interfere. He was doing his best to solve Turkey's bilateral problems with Greece. Because of Greek elections in June, however, significant progress would probably not be possible before then. (S)

The President asked Ozal who would win the Greek elections. (U)

Prime Minister Ozal said it was hard to say, but he thought the Greek opposition may be ahead. He cautioned not to underestimate Papandreou. (S)

The President said that Papandreou seemed to be moderating a bit and asked Ozal whether he shared that judgment. (U)

Secretary Baker said he had been struck by Papandreou's friendliness during his recent visit to Athens. He said Papandreou had so far not used anti-Americanism in the campaign. (S)

Prime Minister Ozal repeated that one should not underestimate Papandreou. He said they had a good personal relationship and that he could probably solve problems better with Papandreou than with someone else. Papandreou was a clever politician who could be harder to deal with if he were in the opposition. (S)

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The President said that the U.S. would watch with great interest. He then asked for Ozal's opinion of the Cyprus problem. (Ø)

Prime Minister Ozal explained that Turkish Cypriots want a bizonal federated state. Since they do not have confidence in Greek Cypriots, they want effective guarantees from Turkey. He said if an agreement could be achieved on Cyprus, he would be willing to withdraw some of his troops. (Ø)

The President asked if there was a zone between the two communities. (Ø)

Prime Minister Ozal replied there was an uninhabited zone. (Ø)

The President asked if the zone had any strategic role in any solution to the Cyprus problem. (Ø)

Prime Minister Ozal said he didn't think so. (U)

Prime Minister Ozal said Turkey wanted to join the Asian Development Bank (ADB) and there were two necessary requirements: U.S. and Japanese support. Their support would achieve the necessary majority vote of the members. Ozal said Turkey wanted to offer development services, and did not view the ADB as a source of capital. (Ø)

The President asked where the matter stood. (U)

Secretary Baker said he was not aware of the application, but that the U.S. decision would be handled by the Treasury Department in concert with the State Department. (Ø)

The President asked for Ozal's views of Gorbachev. (Ø)

Prime Minister Ozal replied that if Gorbachev were successful, the change would be bigger than that of 1917. But that was a very bit if. He said it was difficult to change a system of 70 years in such a short period. The Soviets were short of consumer products and communism had come to its limits. After the Second World War, he said, the U.S. had turned its industry to the production of consumer products. The Soviet had not and now their transformation would be difficult. (Ø)

The President said that the U.S. hoped Gorbachev would succeed. (U)

Prime Minister Ozal agreed and said the Turks had engaged in joint ventures with the Soviets. But he complained that Soviet bureaucrats were tough to deal with. (Ø)

Secretary Baker said that Turkey had been successful in opening up its economy. (U)

Prime Minister Ozal agreed, but said it had been hard work and the Soviet challenge was ten times harder. (Ø)

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Prime Minister Ozal said that the Soviet social structure was changing. In Turkey a similar change had involved a shift from a farm-based to an urban economy. The Soviet change required a greater shift in social mores and work habits. (S)

The President inquired if Turkey had universal conscription. (U)

Prime Minister Ozal said Turkey did have conscription with service of about 21 months. He then asked the President for his views on Afghanistan. (S)

The President replied the U.S. was encouraged that the Soviets had withdrawn their troops and hoped that the Afghans could work out an internal arrangement. He said that while the U.S. was not sure who would assume leadership in Afghanistan, but he knew it would not be Najibullah. He said the Soviets were upset with our support for the Mujahidin. The U.S., however, thought the Soviets were still supplying Afghanistan to a degree, and had left supplies behind. We had to ensure a level field. (S)

The President said he believed there was no real tension between the U.S. and the USSR on this issue. He concluded that if the U.S. could help in the reconstruction of Afghanistan, it would like to try. (S)

Turning to the Middle East, Prime Minister Ozal said he hoped the U.S. would push Israel because it is the right time for an international conference. The PLO had come a long way. Ozal thought that if we lost momentum now, it could be difficult to retrieve later. (S)

Secretary Baker replied that Israeli President Herzog had acknowledged there had been some shifts within Israel. The Secretary argued, however, that if we pushed too far too quickly now we could preclude better possibilities in the future. (S)

Prime Minister Ozal said the U.S. must measure the situation as it saw fit, but he thought this was the right time for movement. (S)

The President concluded the Israelis needed to recognize that the situation had changed. (S)

Prime Minister Ozal said he would leave the President some notes on important issues (Tab A). (U)

Attachment

Tab A Talking Points from Prime Minister Ozal to the President (U)

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