

E.R.
PRIME MINISTER

EX

1. You are familiar with the papers on the Bosphorus Bridge project. The Foreign Secretary will just have returned from Turkey. Only the Chief Secretary is blocking; and he more to draw attention to ECGD's growing financial problems than on the merits.
2. Strictly speaking no decision is needed on the NEI order. But you will want to consider whether to raise the ceiling for Turkey to accommodate this bid if necessary - if only to avoid another EX shortly.
3. There is also a tricky point on Iran (see Annex to the Cabinet Office brief) which may have to be deferred.
4. Finally the Chief Secretary will want to bring to colleagues' attention the increasingly serious financial position of ECGD and to introduce his proposed new procedures to protect ceilings. This needs to be sent for further study and discussion between the Chief Secretary and DTI.

C.D.P. 12 February 1985