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the department for Enterprise

COVERING CONFIDENTIAL

The Rt. Hon. Lord Young of Graffham Secretary of State for Trade and Industry

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Dear Charles, OF

THIRD BOSPHORUS BRIDGE AND ISTANBUL EXPRESSWAY

On 9 May, the Prime Minister wrote to Bedrettin Dalan, the Mayor of Istanbul, responding to his suggestion that the Third Bosphorous Bridge and Istanbul Expressway projects be combined in some way. I enclose the Mayor's reply together with a telegram from Ankara with our Ambassador's comments. Mr Dalan does not mention the Bridge, decisions on which we believe have been postponed until next year. He has accepted the Prime Minister's offer of funding for studies related to the Expressway, to be undertaken after Tarmac/Wimpey have agreed a contract with the Municipality and to be completed before the contract becomes effective. This is tantamount to the personal assurance that the contract would be awarded to Tarmac/Wimpey which the Prime Minister sought from Mayor Dalan.

However, the Ambassador warns that the Turkish Government has yet to take the formal decision to allow the Expressway project to go ahead. Mr Daunt is to see Yusuf Ozal as soon as possible to clarify the situation.

In the meantime, we are discussing with Tarmac/Wimpey the content and cost of the studies. We would propose then to respond to the Mayor's letter by asking the Ambassador to call on him to explain the next steps. At present, a further letter from the Prime Minister is not, in our view, necessary.





·I am copying this letter to Lyn Parker (Foreign and Commonwealth Office), Alex Allan (HM Treasury) and Myles Wickstead (Overseas Development Administration).

Your sing Step Ratello

STEPHEN RATCLIFFE Private Secretary

