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From the Private Secretary

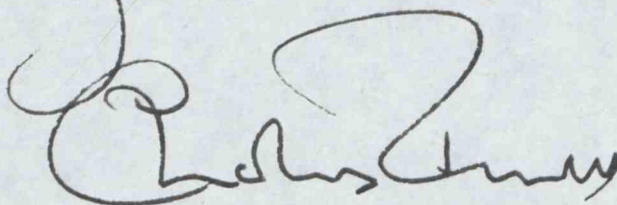
13 July 1990

Dear Stanley,

When we were in Houston, you asked me to look into the question of the Ankara Metro Project, and left me a note about it.

I am told that the appraisal by our experts suggests that the project offers an economic rate of return of between 4 and 6 per cent, and would require an operating subsidy estimated at between \$20 million - \$40 million a year over the first 15 years of operation. That would be something like a fifth of Ankara's total municipal budget. It worries us a good deal.

Despite these misgivings, we are talking further to the Turkish Government about their general attitude to the project and the scale of the operating subsidy necessary to implement it. Our people will be consulting yours further about this. I understand they have worked closely together up to now. We intend that should continue, as we come up to a final view on aid for the project.

Yours sincerely,


(C. D. POWELL)

Mr. Stanley Hartt

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