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10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

26 July 1990

**ANKARA SUBWAY PROJECT**

Stanley Hartt from the Canadian Prime Minister's office telephoned me again as threatened yesterday evening about this project. He claimed that our economic analysis was still out of line with that of everyone else who had examined the project (and claimed that ECGD took a different view to ODA). The rate of economic return was in fact similar to that on subway projects the world over. Certainly an operating subsidy would be required, but it would come from the national government not the municipal administration. A decision on the Canadian/UK bid was due by 31 July. Mr. Mulroney was taking a personal interest.

As agreed with you, I said that we would shortly be proposing a joint UK/Canadian/Turkish reappraisal of the project. This seemed to me indisputably the best way forward. Stanley Hartt said that he would welcome this, provided we could get started on it straight away. We would need the formal agreement of the Turkish side before 31 July.

I am copying this letter to Eamonn Taylor (Overseas Development Administration) and Martin Stanley (Department of Trade and Industry).

(C. D. POWELL)

Richard Gozney, Esq.,  
Foreign and Commonwealth Office.

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