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*CSB*  
*L3/4.*

23 April 1990

R H T Gozney Esq  
PS/Secretary of State for  
Foreign and Commonwealth Affairs  
Foreign and Commonwealth Office  
LONDON  
SW1A 2AH

*Dear Richard,*

**TURKEY: MIDLAND BANK**

*will request  
if required*

The Chancellor has seen your letter of 19 April to John Gieve concerning the difficulties that Midland Bank is encountering opening a branch in Turkey.

The Chancellor would like to send the following message to Mr Taner, the State Minister responsible for Economic Affairs:

"I am disturbed to hear that the decree authorising the Midland Bank to open in Turkey has been held up at a very late stage. I gather that it is putting in jeopardy the important seminar on Turkey and the European Financial Markets, due to be held under the auspices of the British Invisible Exports Council in Istanbul in early May. Since the German acquisition of part of Standard Chartered, there has been no British Bank in Turkey, whilst three Turkish Banks have banking authorisation in London.

"The Midland Bank's move into Turkey seems very much in line with your admirable policy of opening up the Turkish economy to world markets. It is just the sort of foreign investment which you have rightly been encouraging and are now getting. It would be a major blow, at a time when the financial sector is starting to expand satisfactorily, to have an important British Bank turned away in this fashion. I hope, you will be able to issue the necessary authorisation to enable the opening to proceed as planned at the beginning of next month."



As this message will be sent by telegram via our Ankara Embassy, I understand that you will not need a formal letter from the Chancellor to Mr Taner.

I mentioned to you on Friday that Sir Kit McMahon rang me to say that he had decided to abandon his trip to Turkey and to pull out of chairing the British Invisible Exports Council in Istanbul. Sir Kit has since reconsidered his position and has decided to wait and see how the Turks respond to the Chancellor's (and hopefully the Prime Minister's) overtures before taking a final decision on whether to travel to Turkey on 2 May.

I am copying this letter to Charles Powell (No.10), Ben Slocock (Department of Trade and Industry) and Paul Tucker (Bank of England).

Yours sincerely,  
Duncan Sparkes

DUNCAN SPARKES  
Assistant Private Secretary

