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TORONTO SUMMIT: FRENCH VIEWS ON DEBT AND AGRICULTURE.

SUMMARY

1. FURTHER DETAILS ON MITTERRAND'S DEBT INITIATIVE, FOLLOWING THE PRIME MINISTER'S MEETING LAST WEEK. RESTATEMENT OF FRENCH VIEWS ON AGRICULTURE IN THE GATT ROUND: SOME CONCERN AT POSSIBLE AMERICAN HARD LINE AT TORONTO.

DETAIL

- 2. MADAM GUIGOU (COUNSEILLER TECHNIQUE, ELYSEE), TOOK ADVANTAGE OF TODAY'S CALL BY LAVELLE (CABINET OFFICE) AND KERR TO REPLY TO SOME OF THE POINTS ON MITTERRAND'S DEBT INITIATIVE RAISED BY THE PRIME MINISTER ON 10 JUNE, AND TO RESTATE FRENCH VIEWS ON AGRICULTURE AND THE GATT.
- 3. ON THE DEBT INITIATIVE MADAME GUIGOU SAID THAT ELIGIBILITY WOULD BE AS FOR THE WORLD BANK SPECIAL ASSISTANCE PROGRAMME, IE
 - I) GDP PER CAPUT BELOW DOLLARS 500
 - II) A DEBT SERVICE RATIO OF AT LEAST 30 PER CENT
 - III) AGREEMENT TO AN IMF ADJUSTMENT PROGRAMME

SHE CONFIRMED THAT THERE WOULD BE NO FRENCH OBJECTION TO INCLUDING THIS LAST POINT IN THE TORONTO COMMUNIQUE.

- 4. THE CRITERIA POINTED TO A CLIENTELE OF AROUND 20 COUNTRIES, THOUGH THIS MIGHT NEED TO BE EXPANDED OVER TIME IF, EG, A COUNTRY'S DEBT SERVICE RATIO WERE TO MOVE ABOVE 30 PER CENT. (FURTHER TELEGRAM SETS OUT A LIST OF AFRICAN COUNTRIES WHICH THE QUAI D'ORSAY HAVE TOLD US SEPARATELY THEY BELIEVE WOULD BE COVERED BY THE INITIATIVE).
- 5. MADAME GUIGOU DESCRIBED THE THREE OPTIONS AVAILABLE FOR CREDITOR COUNTRIES ON THE LINES SET OUT IN MITTERRAND'S LETTER. SHE SAID THE

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OFFICE), LITTLER, MOUNTFIELD (TREASURY), ROBERTS (DTI), HADLEY (MAFF).

FERGUSSON

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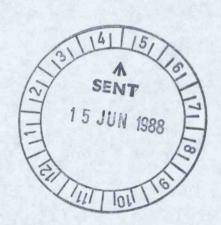
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