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Sir Geoffrey Littler KCB
Second Permanent Secretary

17 June 1988

Dear Nigel,

I attach a revised passage for your draft Toronto communique, on the debt of the poorest countries.

As I explained on the telephone, I have not yet been able to clear this with the Chancellor, but I hope he would be willing to accept something on these lines.

Yours,

Geoffrey

Nigel Wicks Esq CBE
10 Downing Street.

D R A F T

Heads of Government recalled their decision at Venice to ease the debt burden of the poorest African countries that are undertaking adjustment efforts. They noted various proposals made since the issue was first raised in the IMF Interim Committee in April 1987. They agreed at this meeting to implement a new scheme of debt relief, the burden of which should be shared equitably among creditor governments on a clearly defined basis. In their view this should provide for differing forms of debt relief on terms which would recognise differing levels of risk and including arrangements in the event of any subsequent rescheduling of the debts concerned.

Heads of Government urged the Paris Club to complete the definition of a workable scheme which could be finally agreed in detail not later than the time of the IMF/IBRD Annual Meetings in Berlin in September.