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31st July 1984

ECGD POLICY TOWARDS RESCHEDULING COUNTRIES

Thank you for sending me a copy of your letter of 10th July to Nigel Lawson, proposing a change in ECGD's policy towards the provision of support to countries which have rescheduled their guaranteed debts. I note that military projects are not included in the proposals to resume credit cover for exports contributing to the economic recovery of these countries. Although I fully understand the rationale for this, I hope that it will still be possible to give consideration to including some military projects, on a case by case basis.

I am copying this letter to the Prime Minister, the Chancellor of the Exchequer, the Foreign and Commonwealth Secretary, the Minister for Overseas Development and to Sir Robert Armstrong.

Michael Heseltine

The Rt Hon Norman Tebbit MP

ECM PR

PT 4 indebtedness

- 3 AUG 1984

