

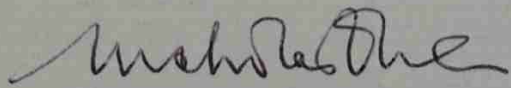
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MR POWELL

23 November 1984

GUANGDONG NUCLEAR PROJECT

It seems sensible, as Paul Channon suggests, to encourage President Mitterrand not to escalate a credit war on this project. An argument which might be used to reinforce this point is that softer credit terms will be very expensive. The French hope to sell other nuclear stations to the Chinese. If they concede more on Guangdong, the Chinese will try to hold them to these terms on the later business, too.

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