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Prime Minutes ②

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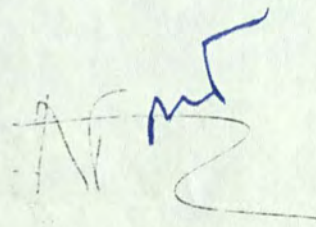
FROM: MRS A F CASE  
DATE: 10 June 1985

PS/CHANCELLOR

cc Chief Secretary  
Economic Secretary  
Sir P Middleton  
Mr Littler  
Mr Unwin  
Mr Lavelle  
Mr Mountfield  
Mr Sallnow-Smith

ARGENTINA

We have heard within the last hour from the Governor's party in Basle at the BIS that a \$500 million bridging facility for Argentina has been agreed. The participants are as follows: US (\$150 million), Latin Americans - unspecified - (\$150 million), Japanese (\$80 million), French (\$30 million), Canadians (\$20 million) with the balance made up of small contributions from Spain, Denmark and Austria. The Germans have apparently not contributed. There is no suggestion that the FIS be involved.



MRS A F CASE

cc Mr Turnbull - No 10  
Mr Maud - FCO

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CONFIDENTIAL

From: J B UNWIN  
10 June 1985

PS/CHANCELLOR

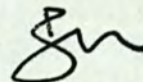
cc Chief Secretary  
Economic Secretary  
Sir Peter Middleton  
Mr Littler  
Mr Lavelle  
Mr Mountfield  
Mrs Case  
Mr Sallnow-Smith

ARGENTINA

I understand from the Governor's party in Basle at the BIS this morning that discussions are still in train on a bridging facility for Argentina. The Americans have been rather clod footed in sending a peremptory request to the Bundesbank, who are so far unwilling to contribute. The only willing sovereign participants so far are the French. The BIS, however, stand ready to join in provided they are fully guaranteed by central banks.

2. There has been no pressure on the UK to join in, and our position seems to be well understood.

3. Time is now very short, as the US bank regulators are due to start their meeting today. But I should be surprised if a package is not put together, with the US Treasury or Fed if necessary bearing a greater share than they had hoped.



J B UNWIN

cc also: Mr Turnbull - No 10  
Mr Maud - FCO

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