

EPS 240

CONFIDENTIAL

CONFIDENTIAL

DESKBY 250900Z

FM UKDEL IMF/IBRD WASHINGTON 230010Z

TO IMMEDIATE F C O

TELNO 264 OF 22 JULY 1993.

*R. Scholer.*  
*AR 25/7.*

IMF: ARGENTINA - FINANCIAL RESTRICTIONS

1. PROMSE (AUSTRALIAN EXECUTIVE DIRECTOR) SOUGHT ME OUT TODAY TO TELL ME THAT HIS AUTHORITIES HAD TOLD HIM TO SUPPORT THE UK POSITION ON THE ARGENTINE DISCRIMINATORY PAYMENTS RESTRICTIONS. NEW ZEALAND, WHICH IS WITHIN HIS CONSTITUENCY, TOOK THE SAME VIEW BUT HAD ADDED THE GLOSS THAT THEY HOPED THE MATTER COULD BE SETTLED WITHOUT COMING TO THE IMF BOARD.

2. AT THE EC DIRECTORS LUNCH TODAY, POLAK (NETHERLANDS) INFORMED ME THAT HE HAD BEEN TOLD BY HIS AUTHORITIES THAT HE WOULD BE RECEIVING INSTRUCTIONS TO SUPPORT THE UK IN RESISTING A WAIVER. LASKE (GERMANY) SAID QUOTE WE SHARE YOUR VIEW UNQUOTE AND BELIEVED HIS AUTHORITIES WOULD SUPPORT THE UK POSITION.

3. CASEY (IRISH ALTERNATE ED FOR THE CANADIAN CONSTITUENCY) HAS TOLD US IN CONFIDENCE (PLEASE PROTECT) THAT HE HAD LEARNED FROM TEIJEIRO (ARGENTINIAN ALTERNATE ED) TODAY THAT THE LATTER STILL DID NOT KNOW WHETHER HE WOULD BE INSTRUCTED TO REQUEST A WAIVER, BUT THOUGHT THAT THEY WOULD DO SO AT SOME STAGE.

4. ERB (UNITED STATES) REPORTED IN A MEETING OF 65 DIRECTORS THIS EVENING THAT TEIJEIRO HAD TODAY TOLD HIM THAT THE BANKS ARE NOW MAKING CLEAR TO THE ARGENTINES THAT THEY WILL NOT PROVIDE THE NEW MONEY UNTIL ARGENTINA HAS REACHED AGREEMENT WITH THE IMF. I SAID THAT I WOULD BE SURPRISED IF THIS WAS NEWS TO ARGENTINA. BUT IF IT WAS, IT WAS FURTHER REASON FOR THEM TO ACT QUICKLY TO REMOVE THE DISCRIMINATORY RESTRICTIONS. I ALSO SAID IT SHOULD NOT BE TAKEN AS A WORRYING DEVELOPMENT.

5. FCO PLEASE ADVANCE TO LAVELLE (TREASURY), GILCHRIST (BANK OF ENGLAND), AND APPELYARD (ERD).

WICKS

MONETARY

FID

ERD

MR GIFFARD

MR URE

CONFIDENTIAL