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TO PRIORITY FCO

TELEGRAM NUMBER 280 OF 5 AUGUST

INFO TOKYO

IMF: ARGENTINA—DISCRIMINATORY RESTRICTIONS AGAINST THE UK.

1. IN THE LIGHT OF TOKYO TELNO 394 OF JULY 27, I TOOK THE OPPORTUNITY OF A LUNCH TODAY WITH HIRAO (IMF JAPANESE EXECUTIVE DIRECTOR) TO EMPHASISE THAT THERE WAS NO DOUBT THAT THE ARGENTINE PAYMENTS RESTRICTIONS WERE DISCRIMINATORY. THE FUND MANAGEMENT ACCEPTED THAT AND SO DID THE ARGENTINES. INDEED, THE LETTER OF JULY 8 TO THE MANAGING DIRECTOR FROM THE ARGENTINE CENTRAL BANK GOVERNOR AND MINISTER OF ECONOMY, CIRCULATED AS ATTACHMENT TO EBS/83/143, OPENLY TERMED THE RESTRICTIONS AS QUOTE DISCRIMINATORY RESTRICTIONS ON PAYMENTS AND TRANSFERS FOR CURRENT INTERNATIONAL TRANSACTIONS WITH RESPECT TO FIRMS OWNED OR CONTROLLED BY RESIDENTS OF ONE FUND MEMBER UNQUOTE. I URGED HIRAO THAT IF HE HAD ANY DOUBTS ON THIS SCORE, HE SHOULD TALK TO THE FUND STAFF.

2. HIRAO ALSO TOLD ME THAT THE ARGENTINE AMBASSADOR IN TOKYO HAD MADE MUCH OF OUR ALLEGED DISCRIMINATION IN NOT PERMITTING ARGENTINE FISHING VESSELS ACCESS TO THE FALKLANDS ISLANDS PROTECTION ZONE. I EXPLAINED THE BACKGROUND TO THE ZONE, THE ARGENTINE FAILURE TO DECLARE A CESSATION OF HOSTILITIES, AND THE FACT THAT THEY HAD NOT MADE ANY APPLICATION FOR ACCESS TO THE ZONE. HIRAO TOOK NOTE BUT HIS JAPANESE INSCRUTABILITY MADE IT DIFFICULT TO JUDGE WHETHER HE WAS IMPRESSED BY MY POINTS.

3. FCO PLEASE ADVANCE TO LITTLER AND LAVELLE (TREASURY) GILCHRIST (BANK OF ENGLAND) AND APPELYARD (ERD), AND OWEN (OT5,DT1)

WICKS  
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