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CONFIDENTIAL
DESKBY 090830Z
FM UKDEL IMF/IBRD WASHINGTON 082100Z
TO IMMEDIATE F C O
TELNO 282 OF 8 AUGUST 1983.

CONFIDENTIAL

Prime Minister

X is clearly crucial.

I understand
arrangements have been
made to test it. mh

WJ
9/8

IMF: ARGENTINA - FINANCIAL RESTRICTIONS

1. DALE (ACTING MANAGING DIRECTOR) INFORMED US THIS AFTERNOON THAT HE HAD HEARD BY TELEPHONE FROM DEL SOLAR AT 12.30 WASHINGTON TIME TODAY THAT THE DISCRIMINATORY RESTRICTIONS AGAINST UK NON-FINANCIAL FIRMS HAD BEEN ELIMINATED. DALE SAID THIS SEEMED TO BE CONFIRMED BY A TELEX THE MANAGING DIRECTOR HAD RECEIVED FROM DEL SOLAR. HE MENTIONED FOR OUR PRIVATE INFORMATION THAT BRACHET (WESTERN HEMISPHERE DEPARTMENT) HAD VISITED ARGENTINA OVER THE WEEKEND AT DEL SOLAR'S REQUEST.

2. DALE SAID THAT IF THE FUND MANAGEMENT WERE SATISFIED THAT THE ARGENTINE CLAIM TO HAVE ELIMINATED THE RESTRICTIONS STOOD UP, HE WOULD WANT TO BRING THE STAFF PAPER ON REVIEW OF THE ARGENTINE STANDBY (EBS/83/143) BEFORE THE EXECUTIVE BOARD PROBABLY ON 24 AUGUST. DALE SAID THAT, IN REACHING THEIR ASSESSMENT, THE FUND MANAGEMENT WOULD TAKE ACCOUNT OF THE FACTORS SET OUT IN MY INFORMAL MEMORANDUM TO HIM OF 5 AUGUST (PARAGRAPH 1 OF OUR TELNO 251).

3. SHORTLY AFTER RECEIVING DALE'S MESSAGE, HUNTRODS (DIRECTOR, LLOYDS BANK INTERNATIONAL) TELEPHONED FROM NEW YORK, TO SAY THE LEAD BANKS HOPED TO TELEX ALL THE BANKS INVOLVED IN THE COMMERCIAL BANK LOAN ON TUESDAY (PARAGRAPH 4 OF OUR TELNO 251). HUNTRODS RANG OFF TO TAKE A CALL FROM DALE ON ANOTHER LINE. HUNTRODS WAS AWARE OF THE ARGENTINE CLAIM TO HAVE ELIMINATED THE RESTRICTIONS AND WAS ANXIOUS TO OBTAIN CLARIFICATION OF WHETHER THIS MET HMG'S REQUIREMENTS. HE SAID THAT THE ARGENTINES WERE PRESSING FOR THE BANK LOAN TO BE SIGNED ON FRIDAY 12TH.

4. WE ARE SEEKING A COPY OF THE TELEX TO THE MANAGING DIRECTOR, MEANWHILE YOU WILL NO DOUBT BE CONSIDERING HOW WE CAN PUT THESE ARGENTINIAN ASSURANCES TO THE TEST. /x

5. FCO PLEASE ADVANCE TO PS/CHANCELLOR, PS/EST, LITTLER AND LAVELLE (HMT), GILCHRIST AND LOEHNIS (BANK OF ENGLAND), THOMAS, APLEYARD (ERD) AND OWEN (OT5, DT1).

WICKS
MONETARY
FID
ERD

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