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10 DOWNING STREET

From the Private Secretary

11 August 1983

Argentina/IMF

As you know, the Prime Minister and the Chancellor spoke twice on the telephone this morning about this. Their conclusions may be summarised as follows:

- a) The IMF Executive Board would not be meeting until 31 August; but the signature of the commercial bank loan would probably take place early in the week of 15 August. The Bank of England had indicated to the UK banks involved that the Government would not approve of their signing the loan in advance of the discussion in the IMF Board.
- b) Evidence had now been obtained that the Argentines had in fact abandoned their discrimination against UK banks and UK non-banking companies. If this evidence proved watertight, then this was good news.
- c) The Chancellor had sent a terse message to Secretary Regan deploring the role of the US Treasury in encouraging the IMF to issue a certificate to the New York Advisory Group in advance of the IMF Board discussion. Nigel Wicks had delivered a formal note of protest to the IMF, and would follow this up with a phone call to Larosiere deploring the actions that the IMF had taken in his absence.

I should be grateful for a copy of the message that the Chancellor has sent to Secretary Regan in due course.

Timothy Flesher

Miss Margaret O'Mara,
HM Treasury.

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