

ZZ UKDEL IMF/IBRD WASHINGTON

FLASH

GRS 160

SECRET

FM DELHI 232000Z NOV 83

TO FLASH FCO

TELEGRAM NUMBER 924 OF 23 NOVEMBER

INFO FLASH UKDEL IMF/IBRD WASHINGTON

ADVANCE COPY

FOLLOWING FOR CHANCELLOR FROM FOREIGN SECRETARY

YOUR TELNO 875: LOANS TO ARGENTINA

ERD

PS

PS/CHANCELLOR

EX

WE ASSUME THAT WICKS WILL ALREADY HAVE ACTED IN WASHINGTON. THERE WILL BE TIME ON THURSDAY MORNING HERE TO CONSIDER IN THE LIGHT OF HIS REPORT THE LINE TO TAKE IN THE HOUSE, SO WE HAVE NOT DISTURBED THE PRIME MINISTER (YOUR TELEGRAM REACHED US JUST BEFORE 0100 LOCAL). IT WOULD BE HELPFUL TO HAVE BY 240130Z SOME BACKGROUND ON WHY GOVERNOR WOULD HAVE PREFERRED NO ACTION IN WASHINGTON. WE SHOULD ALSO LIKE TO THINK OVER THE LINE YOU PROPOSE TO TAKE IN THE HOUSE. IF WE ASK THE MANAGING DIRECTOR WHETHER HE IS FULLY SATISFIED WITH THE LOAN GOING AHEAD, AND IF HE GIVES US THIS ASSURANCE AND IS SUPPORTED BY THE BOARD, ON WHAT GROUNDS WOULD WE JUSTIFY A PUBLIC STATEMENT THAT THE ACTION OF THE BANKS WAS PREMATURE AND REGRETTABLE?

WADE-GERY

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