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10 DOWNING STREET

From the Private Secretary

6 February 1984

Argentina: Debt Rescheduling

Thank you for your letter of 3 February.

The Prime Minister has noted that, if there is a preliminary discussion of Argentina at the Paris Club meeting this week, and we are asked about our attitude, you intend to say that we are supplying the information requested by the IMF and the Paris Club in the normal way, but that we shall not be drawn further about our attitude.

We have further noted that you will consult the Prime Minister again if and when a definite Argentine request is received.

I am copying this letter to John Kerr (HM Treasury), Callum McCarthy (Department of Trade and Industry) and John Bartlett (Governor of the Bank of England's office).

A. LOOSE

Peter Ricketts, Esq.,
Foreign and Commonwealth Office



Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister⁽¹⁾

An Argentine request for debt
rescheduling remains on the cards. 3 February 1984

Content with the line at X overleaf, on the basis
that you ~~will~~ be consulted again if a definite
request is received?

Dear John,

DMB
3/2

Argentina: Debt Rescheduling

In his minute of 17 January, the Chancellor of the Exchequer referred to the possibility that Argentina would request a rescheduling of official debt through the Paris Club. Although a definite request has not yet been made, we now have some more details of which the Prime Minister should be aware.

The IMF and the Paris Club secretariat have asked creditor governments to supply figures for Argentine debt in preparation for a possible Argentine application. I understand ECGD and the Treasury are supplying this information in the normal way. The Swiss have also reported an approach to them by the Argentine government asking whether they would be prepared to represent British interests at any Paris Club negotiations. We have not replied to this approach. The Swiss are prepared to act in accordance with our wishes although the arrangements proposed would be unprecedented. But we are under no pressure to come to a decision on this point, not least because a definite Argentine request to the Paris Club is still some time away. We should of course consult the Prime Minister when a decision becomes necessary. Our inclination at this stage is to reject the approach through the Swiss on the grounds that we do not wish to see the Paris Club politicised and that as a creditor we have every right to take part in the negotiations.

/Although an

A J Coles Esq
10 Downing Street



Although an immediate request for rescheduling is not likely, creditors may have a preliminary discussion of Argentina at the Paris Club meeting next week. There is no need to volunteer anything at this stage about our attitude. But if asked we think we should say that we are supplying the information requested by the IMF and the Paris Club in the normal way, but refuse to be drawn further about our attitude. We should consult the Prime Minister again if and when a definite Argentine request is received. In deciding our substantive attitude and tactics we should take account of the Argentine response to our proposals for the normalisation of bilateral relations, particularly in the economic and commercial fields. This would be consistent with our attitude of not politicising the Paris Club.

Any agreement by the Paris Club to reschedule Argentina's debts would be dependent on prior agreement with the IMF in conformity with normal Paris Club procedures.

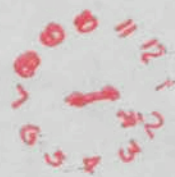
I am copying this letter to John Kerr (HM Treasury), Callum McCarthy (DTI) and the Private Secretary to the Governor of the Bank of England.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

Econ 102: Indebtedness pt. 3



3 FEB 1984