

PRIME MINISTER

Bilateral with Chancellor

Chancellor has given notice of two issues for the  
bilateral:

(i) The PES round - what the early indications  
are. How Chancellor wishes to handle expenditure  
Cabinet on 5 or 12 July. You should agree on  
timetable for Chancellor to prepare a draft paper  
and clear it with you.

(ii) Argentina - what is the latest position in  
the negotiations? What line are our banks taking?  
Is there anything the Government can do to ensure  
that they do not retreat from insisting on an agreed  
letter of intent and a contribution from Argentine  
reserves before any further loans are made?

19 June 1984

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