

CAN YOU ASK IF OTTAWA CAN CLOSE PSE ? K

GOT ABOUT ANOTHER 3 FOR YOU ALL FROM OTT

(Secretary)

Hd ERD

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PS/M Riffkind

PS/M Onslow

PS/PVS

M Hammy

M Thomas

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FM OTTAWA 070240Z SEP 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 435 OF 07 SEPTEMBER

INFO ROUTINE UKDEL IMF/IBRD WASHINGTON

*ms*

FOLLOWING FROM UK DELEGATION TO IMF/IBRD ANNUAL MEETINGS,  
TORONTO.

IMF: ARGENTINA

1. THE MANAGING DIRECTOR HELD A SHORT INFORMAL MEETING WITH EXECUTIVE DIRECTORS ON SEPTEMBER 7 TO PUT THEM IN THE PICTURE ON ARGENTINA. THE ARGENTINE DELEGATION HAD CALLED ON HIM THAT MORNING AND INDICATED THAT - SUBJECT TO FINAL POLITICAL APPROVAL IN BUENOS AIRES - THEY WISHED A FUND MISSION TO BE SENT TO NEGOTIATE AN ECONOMIC PROGRAMME. THE ARGENTINE DELEGATION HAD ALSO SHOWN HIM THE TEXT OF A PRESS NOTICE WHICH THEY WISHED TO ISSUE SHORTLY (TEXT IN MIFT). HE FELT THAT THE TERMS OF THIS NOTICE WERE SATISFACTORY AND ADEQUATELY PROTECTED HIS POSITION. HE THOUGHT HOWEVER THAT DIRECTORS SHOULD HAVE AN OPPORTUNITY TO SEE IT.

2. IAREZZA (ARGENTINA) EXPLAINED THAT THEY HAD SOUGHT THE MANAGING DIRECTOR'S CONCURRENCE TO THE PRESS NOTICE BECAUSE THEY WANTED TO SHOW IT TO CERTAIN COMMERCIAL BANKS. THEY BELIEVED THAT THIS WOULD HELP TO ENABLE THEM TO RE-ENTER THE MEDIUM-TERM MARKET AND IMPROVE THE PROFILE OF THEIR DEBT, AND ALSO TO GET THEM

MARKET AND IMPROVE THE PROFILE OF THEIR DEBT, AND ALSO TO GET THEM THROUGH THE COMING PERIOD.

3. THOSE DIRECTORS WHO COMMENTED OBSERVED THAT THE REFERENCE IN THE PRESS NOTICE TO THE MD'S POSITION WAS RIGHTLY QUALIFIED AND NO OBJECTION COULD BE RAISED TO IT. THEY WONDERED HOWEVER WHETHER IT WOULD BE MORE EFFECTIVE IF IT WERE ISSUED AFTER FINAL POLITICAL APPROVAL HAD BEEN OBTAINED, SO THAT THE LAST SEVEN WORDS COULD BE OMITTED. ROBICHEK (STAFF) EXPLAINED THAT THIS WAS BEING DONE TO ENABLE THE NOTICE TO BE USED IN DISCUSSION WITH BANKS IN TORONTO BEFORE THE DELEGATION RETURNED TO BUENOS AIRES.

4. AFTER THE MEETING THE MANAGING DIRECTOR TOLD ANSON PRIVATELY THAT HE HAD MADE IT CLEAR TO THE ARGENTINE MINISTER THAT ONE OF THE CONDITIONS MUST BE THAT ARGENTINA SHOULD REMOVE DISCRIMINATORY RESTRICTIONS AFFECTING THE UK. THE MINISTER HAD SAID THAT HE CLEARLY UNDERSTOOD THIS.

MORAN

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