

GRS 420

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FM UKDEL IMF/IBRD WASHINGTON 020016Z

TO IMMEDIATE FCO

TELEGRAM NUMBER 267 OF 1 DECEMBER

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IMF: CHAIRMANSHIP OF THE IMF INTERIM COMMITTEE

1. AS ALREADY REPORTED TO THE TREASURY BY TELEPHONE, DE GROOTE (EXECUTIVE DIRECTOR FOR BELGIUM) TOLD THE MANAGING DIRECTOR'S OFFICE AND MYSELF THIS MORNING THAT DE CLERCQ WAS NOT PURSUING HIS CANDIDACY AND WOULD SUPPORT THE CHANCELLOR. DE GROOTE ADDED, IN PRIVATE CONVERSATION WITH ME, THAT DE CLERCQ MIGHT BE INTERESTED ON SOME SUBSEQUENT OCCASION OR, FOR EXAMPLE, IF THE CHANCELLOR WAS, FOR ANY REASON, UNABLE TO GET TO A PARTICULAR MEETING.

2. THE MANAGING DIRECTOR THIS AFTERNOON CALLED AN INFORMAL MEETING OF EXECUTIVE DIRECTORS. AFTER I HAD INDICATED THE CHANCELLOR'S WILLINGNESS TO SERVE, THE MD ASKED DIRECTORS TO INDICATE THEIR POSITION. INDIA SPOKE FIRST IN SUPPORT OF THE CHANCELLOR. OTHERS INDICATING SUPPORT WERE ITALY, BELGIUM, GERMANY, CANADA, JAPAN; UNITED STATES, SAUDI ARABIA, FRANCE, FRANCOPHONE AFRICA, AUSTRALIA AND CHINA. NETHERLANDS AND THE NORDICS SAID THAT THEY HAD EVERY REASON TO BELIEVE THAT THEIR AUTHORITIES WOULD SUPPORT THE CHANCELLOR. ANGLOPHONE AFRICA, LIBYA, VENEZUELA AND INDONESIA SAID THAT THEY HAD NOT HEARD FROM ALL THEIR CONSTITUENTS, BUT HAD NO REASON TO EXPECT OPPOSITION. CHILE (WHO ALSO REPRESENT ARGENTINA) AND BRAZIL (REPRESENTED BY AN ADVISER IN KAFKA'S ABSENCE) DID NOT COMMENT.

3. POLAK (NETHERLANDS), RECALLING THE DIFFICULTIES LAST TIME, EXPRESSED CONCERN ABOUT THE PROCEDURE, FEELING THAT IT WAS UNSATISFACTORY THAT THE EXECUTIVE BOARD APPEARED TO BE ELECTING THE CHAIRMAN.

4. SALEHKHOU (IRAN) DID NOT EXPRESS ANY VIEW ON THE CANDIDACY, BUT OBJECTED TO THE METHOD, SAYING THAT SOME LDCS HAD AN EYE ON THE CHAIRMANSHIP OF THE COMMITTEE, AND SHOULD BE QUOTE GIVEN THE BENEFIT OF DEMOCRACY UNQUOTE. THE MD SAID THAT EXECUTIVE DIRECTORS WERE NOT ELECTING THE CHAIRMAN. UNDER THE PROCEDURE ADOPTED FOR THE ELECTION OF MONORY TWO YEARS AGO, IT WAS QUOTE CLEAR THAT THE ELECTIO

N WOULD BE MADE BY THE INTERIM COMMITTEE, ALTHOUGH BY CORRESPONDENCE. IN VIEW OF THE WIDE SUPPORT WHICH THE CHANCELLOR CLEARLY HAD, THE SECRETARY WOULD FOLLOW THAT PROCEDURE AGAIN, AFTER A FEW DAYS DELAY IN ORDER THAT DIRECTORS COULD INFORM THEIR GOVERNMENTS OF TODAY'S MEETING. THE SECRETARY WOULD DESPATCH, ON DECEMBER 7, A TELEX TO THE MEMBERS OF THE INTERIM COMMITTEE, USING A SIMILAR FORMULA TO THAT USED IN THE MONORY CASE, I.E. THAT UNLESS VIEWS

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WERE RECEIVED TO THE CONTRARY WITHIN TWO WEEKS, A PRESS RELEASE
WOULD BE ISSUED ANNOUNCING THE ELECTION.

5. FCO PLEASE ADVANCE TO PS/CHANCELLOR OF THE EXCHEQUER AND SIR
K.COUZENS (TREASURY).

ANSON

ADVANCED AS REQUESTED

MONETARY
ERD

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