

TYPIST

(33)

ADVANCE COPIES: FALKLAND ISLANDS

PS
 PS/MR HURD
 PS/MR ONSLOW
 PS/PUS
 MR GIFFARD
 MR WRIGHT
 MR ADAMS
 MR URE
 MR GILLMORE
 HD/S AM D (FCO DIST + A/D F/I)
 HD/DEF D
 HD/NEWS D
 HD/UND
 HD/PLANNING STAFF
 MR ANTHONY WILLIAMS W60
 RESIDENT CLERK

PS NO 10 ~~DOWNING ST~~
 PS/S OF S FOR DEFENCE
 PS/CHANCELLOR)
 SIR K COUZENS)
 MR LITTLER)
 MR HAWTIN)
 MR PERETZ) TREASURY
 MR ILETT)
 MR McINTYRE)
 MISS DICKSON (EIP DIV) D/EN
 DIO CABINET OFFICE
 MR WADE-GERY CABINET OFFICE
 MR FULLER SAPU/DIO " "
 SIR M PALLISER CABINET OFFICE
 SIR R ARMSTRONG " "

Ad/ERD

(Copy passed to Emergency Staff)

Bank of England

SECRET

DESKBY 030900Z
 FM WASHINGTON 301900Z APR 82
 TO IMMEDIATE FCO
 TELEGRAM NO 1540 OF 30 APRIL
 INFO CARACAS

MS

ADVANCE COPY

IMMEDIATE

MY TELNO 1532: ARGENTINE DEBT

1. ECONOMIC MINISTER HAS COMPARED NOTES WITH AMMERMAN (US TREASURY) ON THIS SUBJECT IN THE LIGHT OF THE IMPRESSIONS RECORDED IN MY TELEGRAM UNDER REFERENCE. AMMERMAN SAID THAT HIS IMPRESSION OF THE PRESENT SITUATION WAS BROADLY SIMILAR, ALTHOUGH MUCH OF THE INFORMATION IS NECESSARILY ANECDOTAL. HE ADDED THE FOLLOWING POINTS.

(A) AMMERMAN HAD HAD NO (NO) REPORTS OF NON-PAYMENT BY THE ARGENTINE TO OTHER EC COUNTRIES, IN SPITE OF THEIR HAVING TAKEN PART IN THE IMPORT BAN.

(B) ON ROLLING OVER SHORT-TERM ARGENTINE DEBT, AMMERMAN HAD DETECTED VARIATIONS IN THE ATTITUDE OF BANKS IN DIFFERENT COUNTRIES RANGING FROM THE US BANKS, WHICH WERE THE MOST AMENABLE TO ROLLING OVER THE JAPANESE LEAST, WITH THE EUROPEANS SOMEWHERE IN BETWEEN.

... SEEN ... DURING YESTERDAY IN CARACAS THAT A

ROLLING OVER THE JAPANESE LEAD, WITH THE
BETWEEN.

(C) THERE HAD BEEN A RUMOUR YESTERDAY IN CARACAS THAT A DOLLARS 2 BILLION JUMBO LOAN WAS BEING DISCUSSED IN THE FINANCE MINISTRY ON THE BASIS THAT THE UK BANKS WOULD BE EXCLUDED. THE US BANKS HAD BEEN VERY CONCERNED ABOUT THIS AND WERE NOT PREPARED TO GO ALONG WITH QUOTE BLACK-BALLING UNQUOTE. A LATER STORY TODAY INDICATED THAT NATWEST WOULD AT LEAST BE INVITED TO TAKE PART IN THE TALKS.

(D) BUENOS AIRES HAD BEEN RIFE WITH RUMOURS THIS WEEK, E.G. THAT THE US WERE ABOUT TO PUT A FREEZE ON ASSETS, OR THAT THE ARGENTINE CENTRAL BANK HAD STOPPED MAKING ALL HARD CURRENCY PAYMENTS. SENTIMENT THERE HAD ALSO CLEARLY BEEN DISTURBED BY THE US SENATE RESOLUTION RECORDED IN MY TELNO 1528.

(E) THE ARGENTINE CENTRAL BANK HAD RETAINED AS AN ADVISER A FORMER ASSISTANT SECRETARY OF THE US TREASURY (DAVIS), WHO WAS INVOLVED IN THE IRANIAN FREEZE. DAVIS IS QUOTED IN THE NEW YORK TIMES AS SAYING THAT THE ROLE OF HIS LAW FIRM WILL BE TO REASSURE AMERICAN BANKS WITH OUTSTANDING LOANS TO ARGENTINA.

2. FCO PLEASE ADVANCE TO TREASURY AND BANK OF ENGLAND.

HENDERSON

NNNN