

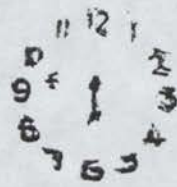
GRS 222

UNCLASSIFIED

FM MONTEVIDEO 071900Z MAY 82
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TELEGRAM NUMBER 265 OF 7 MAY.

27 MAY 1982

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ARG.
ENTINE DEBTS.

1. THE FOLLOWING REPORT APPEARED TODAY IN ONE OF THE MONTEVIDEO MORNING NEWSPAPERS.

BEGINS

ARGENTINA MAY PAY DEBTS TO SOME LONDON BANKS.

BUENOS AIRES (SPECIAL). THE ARGENTINE GOVERNMENT HAS AUTHORISED THE MINISTRY OF ECONOMY TO MAKE SOME EXCEPTIONS TO THE BAN ON PAYMENTS TO GREAT BRITAIN, APPARENTLY TO AVOID THE LONDON BANKS FROM DECLARING THAT ARGENTINA IS IN DEFAULT ON HER DEBTS.

THE NEWS EMERGED YESTERDAY FROM BANKING CIRCLES, WHO INDICATED THAT A DECREE TO THIS EFFECT SIGNED BY PRESIDENT GALTIERI - AND NOT PUBLICISED - GAVE MINISTER ROBERTO ALEMANN THE POWERS TO AUTHORISE EXCEPTIONS, IN VIEW OF THE NATIONAL INTEREST AND TO AVOID THE DETERIORATION OF ARGENTINA'S CREDIT WORTHINESS IN INTERNATIONAL FINANCIAL MARKETS.

THE BAN ON PAYMENTS WAS IMPOSED AFTER GREAT BRITAIN FROZE ARGENTINE FUNDS AND ASSETS IN LONDON ON 2 APRIL.

AVOID DEFAULT.

SOURCES COMMENTED THAT THERE WERE CERTAIN LOANS ON WHICH ARGENTINA SHOULD MAKE PAYMENTS TO RESIDENTS OF GREAT BRITAIN IN ORDER TO AVOID BEING DECLARED IN DEFAULT.

ARGENTINA HAS AN EXTERNAL DEBT OF 34.00 MILLION DOLLARS AND SOURCES QUOTE THAT THIS MEASURE COULD HELP BUENOS AIRES TO RENEW AND REFINANCE MEDIUM AND LONG-TERM LOANS.

NUMEROUS FOREIGN BANKS HAVE SUSPENDED LOANS TO BUENOS AIRES BECAUSE OF UNCERTAINTY CAUSED BY THE FALKLANDS CRISIS.