

EBS/85/119
Supplement 3

CONFIDENTIAL

June 14, 1985

To: Members of the Executive Board
From: The Secretary
Subject: Guyana - Overdue Financial Obligations to the Fund

Attached for the information of Executive Directors is the text of a telex dated June 12, 1985 from the Honorable Carl B. Greenidge, Minister of Finance of Guyana to the Acting Managing Director.

Att: (1)

ATTACHMENT

TO: RICHARD ERB,
ACTING MANAGING DIRECTOR,
INTERNATIONAL MONETARY FUND

GUYANA'S OVERDUE FINANCIAL OBLIGATIONS TO THE FUND

THANK YOU VERY MUCH FOR YOUR TELEX OF MAY 17TH ON THE ABOVE SUBJECT. I HAVE NOTED THE CONTENTS OF YOUR TELEX VERY CAREFULLY AND IT HAS BEEN BROUGHT TO THE ATTENTION OF MY COLLEAGUES IN THE CABINET. WE HAVE NOTED YOUR COMMENTS ABOUT THE RECENT PAYMENTS AND YOUR SYMPATHY FOR GUYANA'S DIFFICULT ECONOMIC CIRCUMSTANCES. GIVEN THOSE CIRCUMSTANCES IT IS UNFORTUNATE THAT THE FUND HAS FOUND IT NECESSARY TO FORMALLY DECLARE GUYANA INELIGIBLE TO USE THE IMF'S GENERAL RESOURCES. WE TOO RECOGNISE THE NEED FOR A FORCEFUL AND COMPREHENSIVE ADJUSTMENT PROGRAMME AND WE ARE COMMITTED TO DEVOTING THE AVAILABLE SKILLS TO MODIFYING THE EXTENSIVE AND HARSH PROGRAMME OF ADJUSTMENT CURRENTLY IN TRAIN IN A MANNER WHICH WILL YIELD REAL AND POSITIVE ECONOMIC AND SOCIAL BENEFITS TO GUYANA.

WE WELCOME YOUR STATEMENT ABOUT THE FUND'S DESIRE TO RESTORE CLOSE AND NORMAL FINANCIAL RELATIONS WITH GUYANA. AS WE HAVE INDICATED ON SEVERAL OCCASIONS BEFORE, THIS HAS ALSO BEEN OUR DESIRE.

MY OFFICIALS SHALL CONTINUE TO COLLABORATE WITH THE STAFF OF THE FUND AS PART OF THE NORMAL CONSULTATIONS. THE TECHNICAL ASSISTANCE AGREED TO BY THE BOARD IS ALREADY UNDER WAY. WITH THIS AND OTHER ASSISTANCE WE SHALL CONTINUE TO EXPLORE ALL POSSIBLE AVENUES FOR A RAPID AND SUSTAINABLE RESUSCITATION OF GUYANA'S ECONOMY. WE WILL OF COURSE CONTINUE TO HONOUR OUR OBLIGATIONS TO THE FUND AS A WAY OF CONTINUING IN OUR EFFORTS TO REDUCE THE ARREARS THAT HAVE ACCUMULATED TO DATE. WE RECOGNISE THAT WE SHALL NEED A GOOD DEAL OF ASSISTANCE FROM THE FUND IN THIS ENDEAVOUR SINCE SUCCESS WILL DEPEND IN NO SMALL MEASURE ON OUR ABILITY TO RESTORE GUYANA'S SUPPLY CAPABILITY. I TRUST THAT WE CAN ALSO RELY ON YOUR CONTINUED CO-OPERATION ON THIS FRONT.

I SHALL BE IN WASHINGTON NEXT WEEK FOR THE MEETING OF THE CARIBBEAN GROUP FOR COOPERATION AND ECONOMIC DEVELOPMENT (CGCED) AND SHOULD LIKE TO TAKE THE OPPORTUNITY TO HAVE WORD WITH YOURSELF OR THE MANAGING DIRECTOR IF YOUR SCHEDULE PERMITS.

REGARDS,
CARL B. GREENIDGE,
MINISTER OF FINANCE

Received in Cable Room, June 12, 1985.