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TELEGRAM

INDICATE
 COLLECT
 CHARGE TO

FROM Amembassy BRASILIA CLASSIFICATION CONFIDENTIAL

ECON

E.O. 11652: GDS
TAGS: IBRD, TW, CH
SUBJECT: CHINESE REPRESENTATION IN IMF/IBRD

ACTION: SECSTATE WASHDC IMMEDIATE

INFO: Amembassy MANILA

CONFIDENTIAL BRASILIA 8387

REF: STATE 237869

FOR MANILA PASS USDEL TO BANK/FUND MEETING

FINATT-2
AMB
DCM
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CHRON

1. Drawing from reftel, USG position on Chinese representation was outlined on September 27 to Ary Pinto, Finance Minister Advisor and Brazilian delegate to the annual meeting of the Bank/Fund. Pinto confirmed Brazil has had no indication that the issue of CHIREP would come up at the meetings. If it does, however, he indicated that Brazil would support a US move to seek a ruling from the chair to leave the matter in the hands of the EDs. Brazil would probably also support a counter-resolution to achieve this objective.

~~SECRET~~

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MRN

2. Pinto indicated that there is no approved GOB position on the question of CHIREP in Fund/Bank and of Finance that the Minister/has no specific instructions. Should, therefore, a formal resolution be offered to expel the Republic of China (ROC) in favor of the People's Republic of China, Pinto believed Brazil would have to abstain on that resolution.

3. COMMENT: We gather from Pinto's statements that Foreign Ministry may not be extensively involved in preparations for Fund/Bank meeting or may not have focused on possibility that CHIREP issue would arise. Under ~~formula~~ ^{Pinto,} described by ~~FINTEP~~ while as we understand it, Finance Ministry delegates would probably abstain in plenary vote to expel ROC, they would at least support friendly procedural motions to keep decision in hands of EDs. In light of our recent contacts with Foreign Ministry on other issues involving CHIREP, we believe Finance Ministry formula is probably best we can hope for. Therefore we have made no follow-up approach to Foreign Ministry out of concern that, if it focused on this particular issue, it might well further restrict Ministry of Finance delegation's freedom even to vote for friendly procedural moves: END COMMENT.

~~JOE CON~~

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