TELEGRAM

INCOMING

Foreign Service of the United States of America

ACTION POL-2 INFO FILES

CONFIDENTIAL

Classification

Control: 426

Recd:

22SPET#67

1024

R 220100Z SEP 67
FM AMEMBASSY SEOUL
TO RUEHC/SECSTATE WASHDC 6738
INFO RUESUA/AMEMBASSY RIO DE JANEIRO 7
STATE GRNC
BT
C O N F I D E N T I A L SEOUL 1464

SUBJ: IMF-IBRD ANNUAL MEETING

REF: A. STATE 21538

- B. SEOUL 1331
- C. SEOUL A-66
- D. STATE 32937 (AIDTO 360)
- 1. KOREAN DELEGATION LISTED REF B.
- 2. PURSUANT CONVERSATION REPORTED REF C, FINANCE MINISTER INSTRUCTED PRES SENT FOREIGN EXCHANGE BANK (FEB) TO PROCEED
 CONVERT ADDITIONAL KOREAN RESERVE HOLDINGS IN US INTO LONG
 TERM ASSETS AND OTHER SECURITIES FAVORABLE US BALANCE OF PAYMENTS.
 XAB PRESIDENT SAID HE STILL STYDYING MATTER WILL CONSULT FURTHER WITH US BANKING COMMUNITY AFTER RIO MEETING. FEB EXECUTIVE VICE PRESIDENT REPORTS RESERVES BEING HELD IN ACCOUNTS
 OF MORE THAN 12 MONTHS DURATION NOW TOTAL \$22 MILLION.
- 3. XAVE ENCOURAGE CHIEF DELEGATE (FINANCE MINISTER) SUH TO CONSIDER STATEMENT AT RIO ON POPULATION CONTROL MEASURES, POSSIBLY ALONG LINES OF THANKING IBRD FOR EFFORTS TO RELATE PROBLEM OF POPULATION GROWTH TO DEVELOPMENT PROCESSES, AND OF PROPOSING SUBSEQUENT DISCUSSIONS IN CONTEXT ASIAN GOVERNORS OF IBRD AND ADB. MINISTER APPEARED RECEPTIVE TO IDEA, AND MINISTRY OFFICIAL HAS INCE INFORMED US THAT SUH'S SPEECH WILL INCLUDE SOMETHING ON POPULATION CONTROL.
- 4. DURING RECENT CONSULTATIONS HERE, IMF MISSION CHIEF REPORTED SOME ROK SENTIMENT AGAINST RENEWAL IMF STANDBY NEXT MARCH ON BASIS THAT KOREA DOES NOT NEED THE DRAWINGHAIGHTS.

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AS OCCASION PRESENTS RECOMMENDS US OFFICIALS IN TALKS WITH KOREANS SUPPORT EMBASSY/USOM LINE THAT ROKG SHOULD RENEW IMF STANDBY NEXT YEAR. WE CONSIDER THIS ADVISABLE NOT ONLY FOR DESIRABLE DISCIPLINARY EFFECT ON ROKG MENETARY POLICY AND STRENG-THENING POSITION OF THOSE OFFICIALS SEEKING TOHAINTAIN PRICE

STABILITY, IBUT ALSO INERS LONG RANGE IMF-ROKG RELATION-SHIP AS WE AID PGOGRAM PHASES DOWN.

5. GP-4 PORTER BT

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