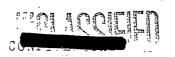
TEGUCIGALPA 7647 нина "VZCZCTGI RR RUEHC DE RUEHTG #7647 ZNY CCCCC ZZH CLASS: CONFIDENTIAL 212349Z JUL 83 CHRGE: PROG 7/21/83 FM AMEMBASSY TEGUCIGALPA APPRV: AMB: JDNEGROPONT SECSTATE WASHDC 15954 DRETD: 1MP. IDNEGROPONE BT CLEAR: 1.ECON: PVACKERE PEGUCIGALPA 07647 2.ECON:LCOHEN DISTR: AMB DCM POL ECON CML AID BHHH FOR ARA/AMBASSADOR RYAN FROM NEGROPONTE E.O. 12356: IECL: 7/21/89
TAGS: EAID, ECON, EFIN, EINV, EXIM, IMF, HO SUBJECT: NEW DEBT RESCHEDULING CONDITIONS PERPLEX GOH TEAM - ENTIRE TEXT IN CONVERSATION WITH HONDURAN CHAIRMAN OF SPECIAL COMMISSION ON DEBT RESCHEDULING, ROBERTO GALVEZ BARNES, GALVEZ TOLD AMBASSADOR THAT HE HAD RECEIVED A TELEX FROM BANK OF AMERICA LAYING OUT "CONDITIONS" FOR CONTINUED RESCHEDULING NEGOTIATIONS. ACCORDING TO GALVEZ, CONDI-TIONS INCLUDE WHAT GALVEZ CALLED A DOUBLING OF THE PRE-VIOUSLY MENTIONED AGENCY FEE, A SIGNIFICANT INCREASE IN EARLIER ANTICIPATED ARRANGEMENT FEES AND AN UNEXPECTED PRO -POSED CHARGE FOR \$50,000 IN ECONOMIC ADVISORY SERVICES PAYABLE IN 1983 AND \$40,000 PER ANNUM FOR SIMILAR SERVICES PAYABLE IN 1984 AND 1985. THESE FEES ARE OVER AND ABOVE THE NORMAL EXTENSION AND CONVERSION FEE WHICH WILL HAVE TO BE PAID IN ANY EVENT. THE BOTTOM LINE OF BANK OF AMERICA TELEX IS THAT HONDURANS, IN EXCHANGE FOR DEBT RESCHEDULING AND ADDITIONAL FINANCING OF \$40 MILLION, WILL HAVE TO PAY AN ADDITIONAL FEE STRUCTURE OF \$646,500 OVER A SEVEN-YEAR PERIOD. THE UP-FRONT COST OF THIS SERVICE WILL BE \$245,500 PAYABLE VITHIN FIVE DAYS OF SIGNATURE OF AGREE-MENT. GALVEZ SAID THAT GOH IS PERPLEXED BY INTRODUCTION OF THESE NEW ELEMENTS AT THIS STAGE OF RESCHEDULING NEGOTIA-TIONS AND GOH INTENDS TO GO BACK TO BANKERS IN EFFORT TO EITHER ELIMINATE OR SIGNIFICANTLY REDUCE SOME OF THE PRO-POSED FEES. MEANWHILE, GALVEZ POINTED OUT THAT BANKS HAVE NOT SENT GOH SECOND DRAFT OF RESCHEDULING AGREEMENT WHICH GOH HAS BEEN EXPECTING SINCE LAST FEBRUARY. GALVEZ ASKED IF WE MIGHT INFORMALLY INTERCEDE ON HIS HUUB BEHALF WITE CONSORTIUM TO ASCERTAIN REASON FOR THESE APPAR -ENTLY NEW DEVELOPMENTS AND TO CONVEY GOH'S SERIOUS CONCERN AT LENGTHY DELAYS IN CONCLUSION OF NEGOTIATION PROCESS. GALVEZ IS CONCERNED, AS ARE WE, AT FACT THAT COMPOSITION OF BANKIRS' STEERING COMMITTEE IS APPARENTLY UNDERGOING ITS THIRD CHANGE SINCE THE MEMORANDUM OF UNDERSTANDING WAS INITIALLED IN FEBRUARY. GOH UNDERSTANDABLY IS CONCERNED THAT BAWLERS ARE HAVING DIFFICULTY APPLYING CONSISTENT APPROACE TO THEIR PROBLEM WHICH FOR GOH, OF COURSE, IS OF CRITICAL URGINCY.

Dept. of State, RPS/IPS, Margaret P. Grafeld, Dir. (V) Release () Excise () Deny (V) Declassify
Date (2/9/) Exemption.



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5. ACTION REQUESTED: WE WOULD GREATLY APPRECIATE DEPART —
MENT TAXING INFORMAL SOUNDINGS WITH BANK OF AMERICA, WHICH
HAS REPLACED WELLS FARGO AS CHAIRMAN OF THE STEERING
COMMITTEE; WE BELIEVE IT WOULD BE APPROPRIATE TO POINT OUT
URGENCY OF THIS MATTER TO GOF; FACT THAT JOH HAS BEEN A
MOST RELIABLE INTERLOCUTOR; AND THAT IT HAS KEPT ITS
INTEREST PAYMENTS CURRENT WE UNDERSTAND THAT NEW
STEERING COMMITTEE CHAIRMAN TS HELMUT STROHMEYER
(TELEPHONE: 305/443-8381) WHO ALSO HAS EXPERIENCE WITH
COSTA RICAN DEBT RESCHEDULING IN EVERY CONVERSATION WE
HAVE HAD WITH KNOWLEDGTABLE BANKERS ON THIS SUBJECT; THEY
HAVE INVARIABLY SAID THAT HONDURAN DEBT RESCHEDULING IS A
CONSIDERABLY LESS COMPLEX AND MORE STRAIGHTFORWARD MATTER
COULD BE PERSUADED TO ASCERTAIN THIS FOR HIMSELF ON AN
URBENT BASIS. NEGROPONTE
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