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Loans to Argentina Head Off a Default

By THE ASSOCIATED PRESS

WASHINGTON, Jan. 16 — The International Monetary Fund and Argentina ended 11 months of arduous negotiations today by announcing an agreement on new loans to keep the cash-shy nation from defaulting on its obligations to the fund just hours before a deadline.

The agreement would be transmitted to fund executives in Washington and presented to the fund's executive board for review "in the coming days," said Thomas Dawson, a spokesman for the fund. The board usually approves its negotiators' deals.

In Buenos Aires, President Eduardo Duhalde told local radio that the country would dip into its reserves to make a \$1 billion payment it owes to the monetary fund on Friday. Armando Torres, a spokesman for Argentina's Economy Ministry, confirmed that Argentina made the payment late tonight.