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WITHDRAWAL SHEET

Ronald Reagan Library

Collection: WHORM Subject File

Archivist: cas/cas

File Folder: IT044 (169500 - 175999)

Date: February 14, 1997

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. memo (173137)	Fred Fielding to Christopher Hicks re reappointment of US executive director of the IMF (1 pp.)	9/28/83	P5
2. memo (173137)	H. Lawrence Garrett to Fielding re reappointment of US executive director of the IMF (1 pp.)	9/28/83	P5
3. memo (173137)	Hicks to Fielding through John Herrington re reappointment of US executive director of the IMF (1 pp.)	8/31/83	P5
4. memo (173137)	Margery Waxman to Hicks re reappointment of IMF executive director (2 pp.)	8/26/83	P5
5. memo (173137)	Fielding to Helene von Damm re duration of holding office pursuant to a statutory holdover provision (2 pp.)	4/7/83	P5 WJH 12/15/00

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

- F-1 National security classified information [(b)(1) of the FOIA].
- F-2 Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA].
- F-4 Release would disclose trade secrets or confidential commercial or financial information [(b)(4) of the FOIA].
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA].
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA].
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

6811

← NSC/S

ID: 169335

CORRESPONDENCE TRACKING WORKSHEET

PAGE D01

INCOMING CORRESPONDENCE DATE 830922
(PREFIX) (FIRST)

RECEIVED DATE 830926
(LAST)

(SUFFIX)

MR. RICHARD W.
TITLE: PRESIDENT

ROBERTS

169335

ORGANIZATION: NATIONAL FOREIGN TRADE COUNCIL, INC

IT 044

STREET: 100 EAST 42ND STREET

CITY: NEW YORK

STATE: NY ZIP: 10017

COUNTRY:

SUBJECT: RECOMMENDS ENACTMENT OF LEGISLATION TO
INCREASE THE U. S. CONTRIBUTION TO THE
INTERNATIONAL MONETARY FUND

ci

AGY/OFF
NSCLAR

ACTION CODE
ORG

TRACKING DATE
830926

C 831003

STAFF NAME: PRESIDENT REAGAN
COMMENTS:

MEDIA: L OPID: LW TYPE: IBA

ci

CODES: REPORT MI INDIV:

USER:

✓ TRES- R 830003 TR A 831024

A831024
C832007

Heasung

OASIA/sec

WV

83-15496

OCT 24 1983

Industry
JM

Dear Mr. Roberts:

Thank you for your letter to the President expressing the strong support of the National Foreign Trade Council for the IMF legislation. As you are undoubtedly aware, the President has strongly endorsed the IMF's efforts and stated his "unbreakable commitment" to increased funding for the IMF. Enclosed for your information is a copy of the President's recent speech before the Annual Meetings of the World Bank and IMF.

The members of your organization are deeply involved in international trade and recognize fully the vital importance of a sound world economy and stable financial system to U.S. exports and jobs. While we do support many of the banking provisions currently in the House and Senate bills, I share your concern that some of the provisions could prove counterproductive and lead to an unwarranted contraction of the international bank lending needed to permit world trade to grow. We are hopeful that those provisions which go too far could be modified in conference to deal with legitimate concerns without damaging broad U.S. interests.

Sincerely,

(Signed) Charles H. Dallara

Charles H. Dallara

Mr. Richard W. Roberts
President
National Foreign Trade Council, Inc.
100 East 42nd Street
New York, New York 10017

Enclosure

CODE	INITIATOR	REVIEWER	REVIEWER	REVIEWER		
	Newman					
INITIAL/DATE	Bgh / dlr	/	/	/	/	

THE WHITE HOUSE OFFICE
REFERRAL

OCTOBER 3, 1983

TO: DEPARTMENT OF THE TREASURY

ACTION REQUESTED:
DIRECT REPLY, FURNISH INFO COPY

DESCRIPTION OF INCOMING:

ID: 169335

MEDIA: LETTER, DATED SEPTEMBER 22, 1983

TO: PRESIDENT REAGAN

FROM: MR. RICHARD W. ROBERTS
PRESIDENT
NATIONAL FOREIGN TRADE COUNCIL, INC
100 EAST 42ND STREET
NEW YORK NY 10017

SUBJECT: RECOMMENDS ENACTMENT OF LEGISLATION TO
INCREASE THE U. S. CONTRIBUTION TO THE
INTERNATIONAL MONETARY FUND

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE
UNDERSIGNED AT 456-7486.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE
(OR DRAFT) TO:
AGENCY LIAISON, ROOM 91, THE WHITE HOUSE

SALLY KELLEY
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE

#169335

NATIONAL FOREIGN TRADE COUNCIL, INC.

100 EAST 42ND STREET, NEW YORK, N.Y. 10017 (212) 867-5630

nsc

September 22, 1983

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

In order to strengthen the international monetary system during a difficult period of adjustment to Third World debt burdens, and in order to preserve the purchasing power of developing countries for the exports of American goods and services, the National Foreign Trade Council strongly recommends enactment of legislation to increase the United States contribution to the International Monetary Fund. In view of the close vote in the House of Representatives, we respectfully suggest that you personally recommend to Congress prompt enactment of this legislation.

Our Council, a private non-profit organization of more than 600 U.S. companies engaged in international business, believes that the resources of the IMF must be expanded if creditors are to be assured that developing countries, which account for more than a third of U.S. exports, will continue to be reasonable risks.

IMF assistance should continue to be conditioned on the adoption of appropriate adjustment policies. U.S. representatives on international financial institutions should use their voice and vote to encourage diversification of the economies of developing countries and to discourage development projects which depend on government subsidies.

However, we question the need for restrictions on commercial bank loans to foreign borrowers, such as legislation mandating special reserves on restructured debt, or loan evaluation requirements tied to employment levels, or complex criteria for commercial loans to large development projects beyond those in the Senate bill. These restraints would diminish the amount of credit to U.S. exporters, increase the cost of credit, and open up new opportunities for foreign banks and foreign suppliers. The Council respectfully urges adoption of legislation which holds such undesirable restrictions to a minimum.

Your very truly,

Richard W. Roberts
Richard W. Roberts
President

RWR:pe

167311

4900

IT044

LE

DE

September 7, 1983

Dear Mr. Pollard:

Richard J. LD

Thank you for letting me know of Mr. Flanson's strong support for our efforts to increase the lending resources of the International Monetary Fund. Because of his assistance and yours, we were successful in House of Representatives before the August recess. I look forward to your continued support as we work for final passage of this legislation so vital to the sustained economic recovery we desire here in America.

With my appreciation and best wishes,

Sincerely,

RONALD REAGAN *A*

Mr. Alfred M. Pollard
Vice President for
Government Relations
Security Pacific National Bank
Suite 800
1819 L Street, N.W.
Washington, D.C. 20036

RR:AVH:RDC:pps

8

830907

DRAFT/Date ~~ANN~~ Sept 1, 1983

RR / RDC / cro / [Signature]
(Drafter) (Rev. I) (Rev. II)

AVH / _____ / _____

SPECIAL INSTRUCTIONS:

Enclosures:

Other:

S/AR
[Signature]

Dear Mr. Pollard: _____

Joan P. Moreci
Class Higgs

TO:

John Ransel

FROM:

Joan P. Moreci
Room 128, Ext. 7140

JUL 26 1983

APPROPRIATE ACTION

INFORMATION/FILE

DIRECT REPLY

PREPARE REPLY/FRW

HIGHLIGHT/FRW

CIRCULATE

COMMENTS:

From PMS
THANKS
For your help
IT PASSED THE
HOUSE



SECURITY PACIFIC NATIONAL BANK

GOVERNMENT RELATIONS OFFICE • TELEPHONE (202) 293-8440
SUITE 800 • 1819 L STREET, N.W. • WASHINGTON, D.C. 20036

July 25, 1983

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

Knowing of your strong interest in the passage of legislation to increase and strengthen the United States commitment to the International Monetary Fund, I want to present to you the text of a telegram transmitted this weekend to all members of the California delegation in the House from the chairman of Security Pacific Corporation, Richard J. Flamson, III.

Security Pacific remains an active participant in the international finance system which fuels international trade and commerce. As you will note in the strong words of our chairman, we see no viable alternative to passage of the IMF legislation to continue the orderly operation of trade and finance. We believe that a direct relationship exists between the IMF and jobs on farms and in factories in our State.

We will continue to work with you and your staff for passage of this vital legislation.

With all best wishes, I am

Sincerely,

Alfred M. Pollard
Vice President

Attachment

TELEGRAM TO CALIFORNIA DELEGATION IN U.S.
HOUSE OF REPRESENTATIVES

To: _____

The entire California economy is largely dependent upon the passage of H.R. 2957. This is not solely a bank issue, it is a pocket book issue.

U.S. failure to strengthen the international monetary fund will have serious negative impact on many developing countries, resulting in major reduction in world trade generally, including the key markets for California international trade.

The jobs directly involved in California include:

- * 292 thousand people employed in manufacturing jobs specifically for exported goods.
- * 105 thousand people in the agricultural sector owe their jobs to exports.
- * 66 thousand jobs in the maritime and shipbuilding and repair industries depend on international trade.

In addition, the number of workers in services and support industries dependent on international trade is probably two to three times the number of jobs directly related to international trade.

The IMF is unique in its ability to provide economic, fiscal, and monetary discipline in situations where that is required, and their participation is requisite for the stability of trade and financial flows. To weaken that organization with a "no-confidence" vote in Congress may very well have a disastrous effect on the world economy, the U.S. economy, and most particularly the California economy.

To repeat, this is a pocket book issue for Californians, and the misperception that it solely benefits the banks seriously clouds the issue. Your knowledge and understanding of the basic impact of this issue is important, and we would welcome the opportunity to provide you with any additional information you would like.

Sincerely,

Richard J. Flamson III
Chairman & Chief Executive Officer
Security Pacific Corporation

ldg

107922
17044

ID: 169525

CORRESPONDENCE TRACKING WORKSHEET

PAGE D01

INCOMING CORRESPONDENCE DATE 830927

RECEIVED DATE 830929

(PREFIX)

(FIRST)

(LAST)

(SUFFIX)

THE HONORABLE

BARBARA

BOXER

TITLE:

ORGANIZATION: U. S. HOUSE OF REPRESENTATIVES

STREET:

CITY: WASHINGTON

STATE: DC ZIP: 20515

COUNTRY:

SUBJECT: WRITES CONCERNING THE ATTACKS BY THE NRCC
AGAINST DEMOCRATIC REPS WHO OPPOSED THE
GRAMM AMEND. TO THE IMF AUTHORIZATION BILL

AGY/OFF

ACTION CODE

TRACKING DATE

LADUBE

ORG

830929

CP2 A 831024 WS

STAFF NAME: PRESIDENT REAGAN

MEDIA: L OPID: LW TYPE: IBA

COMMENTS:

CODES: REPORT

INDIV: 1230

USER:

THE WHITE HOUSE

WASHINGTON

October 24, 1983

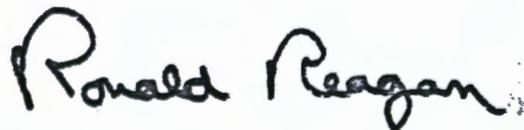
Dear Barbara:

I want to express my strong appreciation for your efforts on behalf of the Administration's position to maintain the flexible character of the IMF in order to preserve the IMF's effectiveness in serving our national interest.

Enactment of any amendment that limits the use of IMF funds -- including the amendment regarding "communist dictatorships" referred to in the letters from you and some of your colleagues, or any other such amendment -- would unnecessarily tie the hands of the IMF, thus diminishing its effectiveness and adversely affecting the interests of the United States. While I understand much rhetoric and controversy has surrounded this issue, it is my hope that differences on both sides of the aisle could be laid aside, thus allowing for early passage.

It is this bipartisan tradition, and the awareness of the significant role which the Fund has played in protecting the vital interest of the United States, which gives me confidence that we can maintain an effective consensus. Thank you again for your help.

Sincerely,

A handwritten signature in black ink that reads "Ronald Reagan". The signature is written in a cursive style with a large, prominent "R" at the beginning.

The Honorable Barbara Boxer
House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE
WASHINGTON

Sept. 29

To: B

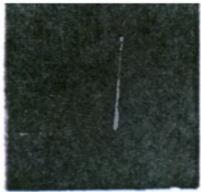
From: CHARLIE

THOUGHT You Ought TO SEE
The Latest Letter on The
IMF/NRCE Thing -

I understand you're still
working on this with
Treasury, etc. Just let
me know as soon as there
is any guidance -
Thanks!

Sept. 7

THE WHITE HOUSE
WASHINGTON



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ARMED SERVICES COMMITTEE
SUBCOMMITTEE ON RESEARCH
AND DEVELOPMENT
SUBCOMMITTEE ON MILITARY
PERSONNEL AND COMPENSATION
GOVERNMENT OPERATIONS
COMMITTEE
COMMERCE, CONSUMER, AND MONETARY
AFFAIRS SUBCOMMITTEE
GOVERNMENT ACTIVITIES AND
TRANSPORTATION SUBCOMMITTEE
GOVERNMENT INFORMATION, JUSTICE, AND
AGRICULTURE SUBCOMMITTEE
MAJORITY WHIP AT LARGE

To: NJR
From: CMP

Hanney - The letters are still coming in regarding the IMF legislation and the NRCC's "attack."

Do you have any guidance for response?

isan support for programs, ious defense and related lopment of the MX missile Most recently, I supported n to the International legislation to be in our

tates to honor our commit- tions that help prevent untries struggling with he current world debt ted without the attention velopment and economic path of recovery.

tack by the National ing my vote on the I.M.F. tack was not rebutted by NRCC attack focused on gislation providing that ist countries. The NRCC posing the amendment favored ies and basically questioned

our patriotism and allegiance.

I did not support the Gramm amendment because it placed unreasonable restrictions on an institution that is not solely a vehicle for U.S. foreign policy. Moreover, that amendment would not affect the Soviet Union and other communist countries that are not members of the I.M.F. I agree with my colleagues, and with the position of the White House, that economic develop- ment monies can hinder the spread of communism to countries whose economic situations severely weakens their ability to rebuff external communist overtures. The U.S. has much to offer

98th DEMOCRATIC NEW MEMBERS' CAUCUS

1517 Longworth House Office Building, Washington, D.C. 20515 (202) 225-5161

Executive Committee

- Barbara Boxer (CA)
President
- Michael Andrews (TX)
Vice-President
- Buddy MacKay (FL)
Secretary
- Marcy Kaptur (OH)
Treasurer
- Bruce Morrison (CT)
Past President
- Howard Berman (CA)
Steering/Policy Rep.
- Ronald Coleman (TX)
DCCC Rep.
- Sandy Levin (MI)
DSG Rep.
- Gerry Sikorski (MN)
Whip

Task Force Chairmen

- Robin Britt (NC)
Technical Assistance
- Dick Durbin (IL)
Rules and Procedures
- Major Owens (NY)
Employment Co-Chairman
- Frank McCloskey (IN)
Defense
- Roy Rowland (GA)
Medicare
- Timothy Penny (MN)
Budget Co-Chairman
- Robert Wise, Jr. (WV)
Utilities

Steering Committee

- Robin Tallon (SC)
- John Bryant (TX)
- Gary Ackerman (NY)
- Lane Evans (IL)
- Jim Slattery (KS)
- Norman Sisisky (VA)

Staff Director

Kathy Amano

September 27, 1983

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

We are writing as the Democratic New Members' Caucus to express our deepest concern over the recent attacks by the Republican Congressional Campaign Committee against Democratic Representatives who opposed the Gramm Amendment to the International Monetary Fund authorization bill. The DNMC consists of 62 members elected in November 1982 or after.

As you know, the NRCC sent a most disturbing press release to the districts of 21 Democratic opponents of the amendment. The NRCC release criticized their "no" vote and accused them of supporting communism. Over half of the 21 members targeted by the NRCC smear campaign were members of the freshman class.

Such a partisan attack on the patriotism of these Democratic members is utterly intolerable. Not only is it reminiscent of a dark period in our nation's history, but it jeopardizes the integrity of our political process as well.

Mr. President, as you actively solicited Democratic support for House passage of the IMF authorization, many Democratic members have worked in good faith with your Administration and the Republican leadership. But if those who trusted the Administration can be subjected to this type of duplicitous behavior, bipartisan cooperation on politically sensitive issues in the future is seriously threatened.

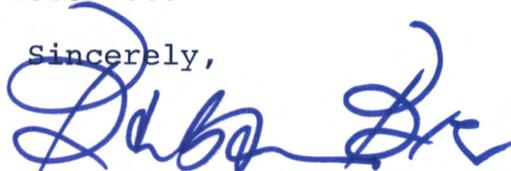
For these reasons, the Democratic New Members' Caucus has reached an agreement with the Speaker to withhold scheduling a vote on the IMF authorization bill until specific steps are taken to effectively repudiate the NRCC's actions. We are asking that you squarely address the NRCC press release so that targeted members receive assurance their support will not again be falsified for political purposes. We have also asked for a written apology and statement from the Chairman of the NRCC, a full disclosure of the names and organizations who received the irresponsible release and a mailed retraction to all recipients at the expense of the NRCC.

The President
September 27, 1983
Page 2

Mr. President, we strongly urge you to respond to the unwarranted attack by the NRCC. It is indeed tragic that an issue of the magnitude of the IMF authorization has become embroiled in this tangential, yet important controversy. However, unless the requested steps are taken to rectify this problem, our Caucus may be duty-bound to reconsider our position on this issue.

For the sake of continued bipartisan cooperation on the IMF bill and future legislation, we truly hope you will give this matter the serious attention it deserves.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Barbara Boxer', written in a cursive style.

BARBARA BOXER
DNMC President

BB/ka

12

ID: 169779 CORRESPONDENCE TRACKING WORKSHEET PAGE D01
INCOMING CORRESPONDENCE DATE 831003 RECEIVED DATE 831004
(PREFIX) (FIRST) (LAST) (SUFFIX)
MR. ALLEN OVERTON JR.
TITLE: PRESIDENT

ORGANIZATION: AMERICAN MINING CONGRESS

169779

STREET: SUITE 300
1920 N STREET, NW

IT 044

CITY: WASHINGTON STATE: DC ZIP: 20036

COUNTRY:

SUBJECT: SUPPORTS THE ADMINISTRATION'S REQUEST TO
REPLENISH THE INTERNATIONAL MONETARY FUND

AGY/OFF ACTION CODE TRACKING DATE
PLSHOR ORG 831004

C 831201 **LD**

STAFF NAME: PRESIDENT REAGAN MEDIA: L OPID: LW TYPE: IBA
COMMENTS:

CODES: REPORT PL INDIV: USER:

PL JACO R 83/10/06^{CS} C 83/10/06 **LD**

99TRB refer to Treasury for response **LD** *83/10/06*
NA 83/10/30 **LD**
See note

11/30

Sally,

It was determined by our International people that no response is necessary on the two items attached.

Carmen

T H E W H I T E H O U S E O F F I C E

REFERRAL

OCTOBER 26, 1983

TO: DEPARTMENT OF THE TREASURY

ACTION REQUESTED:

DIRECT REPLY, FURNISH INFO COPY

DESCRIPTION OF INCOMING:

ID: 169779

MEDIA: LETTER, DATED OCTOBER 3, 1983

TO: PRESIDENT REAGAN

FROM: MR. ALLEN OVERTON JR.
PRESIDENT
AMERICAN MINING CONGRESS
SUITE 300
1920 N STREET, NW
WASHINGTON DC 20036

SUBJECT: SUPPORTS THE ADMINISTRATION'S REQUEST TO
REPLENISH THE INTERNATIONAL MONETARY FUND

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE
UNDERSIGNED AT 456-7486.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE
(OR DRAFT) TO:
AGENCY LIAISON, ROOM 91, THE WHITE HOUSE

SALLY KELLEY
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE



**AMERICAN
MINING
CONGRESS**
FOUNDED 1897
SUITE 300
1920 N STREET NW
WASHINGTON
DC 20036
202/861-2800
TWX 710-822-0126

37
mailed shortly

#169779

October 3, 1983

Officers

Chairman:
Ralph E. Bailey

**Vice Chairman and Chairman,
Finance Committee:**
Paul W. Douglas

Vice Chairmen:
Charles F. Barber
George B. Munroe
Pierre Gousseland
Robert H. Quenon
Harry M. Conger
Thomas C. Graham
Walter E. Ousterman, Jr.

President:
J. Allen Overton, Jr.

Secretary and Treasurer:
Henry I. Dworshak

Directors

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George B. Munroe, New York
Stonie Barker, Jr., Lexington KY
P. Malozemoff, New York
Charles F. Barber, New York *
Otes Bennett, Jr., Cleveland
Robert W. Hutton, Greenwich
Richard A. Lenon, Northbrook IL
E.B. Leisenring, Jr., Philadelphia
Ralph E. Bailey, Stamford
Paul W. Douglas, New York
K.E. McElhattan, Pittsburgh
Samuel K. Scovil, Cleveland
Thomas A. Holmes, Woodcliff Lake NJ
Pierre Gousseland, Greenwich
A.M. Wilson, San Francisco
Robert H. Quenon, St. Louis
Ralph F. Cox, Denver
Thomas D. Barrow, Houston
Frank A. McPherson, Oklahoma City
W.A. Griffith, Wallace ID
Robert F. Anderson, Cleveland
Calvin A. Campbell, Jr., Chicago
Harry M. Conger, San Francisco
Robert M. McCann, Bethlehem
Richard G. Miller, Jr., Chicago
Walter E. Ousterman, Jr., Oakland
R.J. Gary, Dallas
Michael A. Morphy, Los Angeles
Charles W. Parry, Pittsburgh
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R.J. Assheton, Los Angeles
Kenneth J. Barr, Englewood CO
A.W. Calder, Pittsburgh
Gino P. Giusti, Stamford
Ralph L. Hennebach, New York
William G. Kegel, Indiana PA
Edward J. Killian, Dallas
John A. Wright, Clayton MO
Thomas C. Graham, Pittsburgh
Robert McInnes, Cleveland
Ian MacGregor, Greenwich †

The President
The White House
Washington, D.C. 20500

My dear Mr. President:

The American Mining Congress is strongly supporting the Administration's request for authorization of an \$8.4-billion U.S. contribution to the International Monetary Fund.

As part of our effort, I have written today to all Members of the House and Senate, explaining our position and enclosing a statement that also calls for certain reforms in the policies and practices of the IMF and other international financial and development institutions.

It is encouraging to know that the Administration has expressed support for the basic concepts of these reforms.

I am taking the liberty of enclosing a sample copy of my correspondence with the Members of Congress and the AMC statement.

If there is any further action we ought to take to generate support for the Administration's goals in this matter, I would be pleased to hear from you.

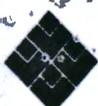
With warmest personal regards, I am

Sincerely,

J. Allen Overton, Jr.
President

Enclosures

* Immediate Past Chairman
† Honorary



**AMERICAN
MINING
CONGRESS**

FOUNDED 1897
SUITE 300
1920 N STREET NW
WASHINGTON
DC 20036
202/861-2800
TWX 710-822-0126

October 3, 1983

Following letter
individually addressed
to each member of the
House and the Senate—

Officers

Chairman:
Ralph E. Bailey

**Vice Chairman and Chairman,
Finance Committee:**
Paul W. Douglas

Vice Chairmen:
Charles F. Barber
George B. Munroe
Pierre Gousseland
Robert H. Quenon
Harry M. Conger
Thomas C. Graham
Walter E. Ousterman, Jr.

President:
J. Allen Overton, Jr.

Secretary and Treasurer:
Henry I. Dworshak

Directors

N.T. Camicia, Greenwich
George B. Munroe, New York
Stonie Barker, Jr., Lexington KY
P. Malozemoff, New York
Charles F. Barber, New York *
Otes Bennett, Jr., Cleveland
Robert W. Hutton, Greenwich
Richard A. Lenon, Northbrook IL
E.B. Leisenring, Jr., Philadelphia
Ralph E. Bailey, Stamford
Paul W. Douglas, New York
K.E. McElhattan, Pittsburgh
Samuel K. Scovil, Cleveland
Thomas A. Holmes, Woodcliff Lake NJ
Pierre Gousseland, Greenwich
A.M. Wilson, San Francisco
Robert H. Quenon, St. Louis
Ralph F. Cox, Denver
Thomas D. Barrow, Houston
Frank A. McPherson, Oklahoma City
W.A. Griffith, Wallace ID
Robert F. Anderson, Cleveland
Calvin A. Campbell, Jr., Chicago
Harry M. Conger, San Francisco
Robert M. McCann, Bethlehem
Richard G. Miller, Jr., Chicago
Walter E. Ousterman, Jr., Oakland
R.J. Gary, Dallas
Michael A. Morphy, Los Angeles
Charles W. Parry, Pittsburgh
Frank V. McMillen, Danbury CT
R.J. Assheton, Los Angeles
Kenneth J. Barr, Englewood CO
A.W. Calder, Pittsburgh
Gino P. Giusti, Stamford
Ralph L. Hennebach, New York
William G. Kegel, Indiana PA
Edward J. Killian, Dallas
John A. Wright, Clayton MO
Thomas C. Graham, Pittsburgh
Robert McInnes, Cleveland
Ian MacGregor, Greenwich †

The American Mining Congress supports the authorization of an \$8.4-billion U.S. contribution to the International Monetary Fund and respectfully urges you to support it.

We also believe, however, that this funding should be conditioned on strong U.S. advocacy of certain reforms in IMF policies and practices, and these same reforms should apply to the World Bank and other international development institutions.

We hope these reforms will also enjoy your support.

Last Friday, I sent to your office a statement that outlines the AMC position on the \$8.4-billion authorization and the changes we advocate in international lending policies, but in the press of legislative business, it may not have come to your personal attention.

I am taking the liberty, therefore, of enclosing another copy of that statement and hope it will engage your thoughtful consideration.

With warmest personal regards, I am

Sincerely,



J. Allen Overton, Jr.
President

Enclosure

* Immediate Past Chairman
† Honorary

President's Letter

Replenishing the International Monetary Fund: It needs more cash, but a few caveats as well

Debate has been raging here in Washington over President Reagan's request that Congress authorize an additional \$8.4 billion as the U.S. contribution to a fresh infusion of money into the International Monetary Fund (IMF), which the President rightly calls "the linchpin of the international financial system."

Before discussing the merits of the case, it is important to understand the extent of America's participation in what amounts to a global rescue mission. The \$8.4 billion would be about 20 percent of a \$42-billion package of new resources for the IMF. Many industrialized nations favored an even greater infusion of new funds and were willing to increase their proportionate share, but the U.S. resisted this as unnecessary at this time.

Moreover, it's not a "bailout" for banks. As the President said last week, "IMF plans to assist financially troubled countries call for the banks to put up more new money than the IMF itself."

The failure of Congress to act positively on this matter would have ominous consequences, what Mr. Reagan calls "an economic nightmare that could plague generations to come." Before examining these, however, and the much brighter prospects that congressional action could produce, it might be useful to review some major causes of the present crisis.

- The enormous price increases in oil in the 1970s placed awesome financial burdens on the poor countries and, without outside assistance, could have wrecked their fragile economies.

- At the same time, the Persian Gulf oil exporters were piling up a huge surplus of money, more than they could use, and this had to be invested somewhere. A large portion was deposited in interest-bearing accounts in U.S. commercial banks, which had to recycle these petrodollars somewhere in the form of interest-bearing loans. The greatest demand (with a few exceptions such as Poland) was in Third World countries, which quickly began to take on mounting debts.

- Even underdeveloped nations that were fortunate enough to have oil (such as Mexico and Venezuela) embarked on ambitious programs of growth and undertook heavy external debts, counting on high oil prices to repay their loans.

- Then came the worldwide recession, and the poorer nations found their export markets shrinking, the flow of investment funds diminishing, and inflation ravaging their economies, while the heavy schedules of debt repayment remained and became more burdensome as their currencies were devalued.

- The oil glut led to somewhat lower prices, but they provided little relief, because oil prices are denominated in dollars, and the strengthening of the dollar depreciated the value of local currencies when it came to paying the fuel bill.

- Finally there came a time when outright defaults on debts became a real threat, and clearly something had to be done fast.

- The banks that had lent the money had an obligation to help, and most tried to do so by restructuring and rescheduling debts, but the situation became extraordinarily tricky for both parties.

- The borrowers had to make politically difficult economic adjustments and some required the advice and encouragement of the IMF to face up to the task.

Thus the role of the IMF has become crucial and its resources are stretched perilously thin.

Although economic recovery is now underway in much of the world, there are immediate problems for many nations to hurdle before they can share in it.

If this can't be done, not only will these lesser developed countries suffer, but so will the industrial nations, because their export markets will stagnate, and these markets are vital to many American industries and workers.

The first stated purpose of the IMF is "to give confidence to members by making the general resources of the Fund temporarily available to them under adequate safeguard, thus providing them with opportunity to correct maladjustments in their balance of trade payments without resorting to measures destructive of national or international prosperity."

In supporting the added U.S. contribution to the Fund, the American Mining Congress wishes to emphasize that IMF's aim is to render *temporary* relief to overcome specific *maladjustments*. It is not a development institution.

Yet, in determining whether to render help and how much, IMF often imposes a stringent "conditionality" that a recipient nation must comply with, and this can profoundly affect the plans and works of the World Bank and other international development agencies, sometimes producing conflicts.

This is why the American Mining Congress, in its Declaration of Policy adopted at its annual Mining Convention in San Francisco last month, strongly urges the maximal coordination and cooperation among the IMF, the World Bank and other international financial institutions.

We also advocate that the Secretary of the Treasury should instruct U.S. repre-

sentatives to international development banks to use their voices and votes to encourage development projects that will help Third World nations to diversify their economies, but to discourage those projects that are not economically viable without government subsidy, or otherwise to prop up any imprudent policies of a recipient nation.

The purpose should be to assist them in strengthening their basic economies, to build the physical and social infrastructure needed for sound growth, to encourage industries that can create genuinely productive jobs that can gain export earnings through their capacity to compete fairly in the free marketplace of the world.

This type of development will also serve U.S. interests, because it will generate a growing demand for the goods and services that we excel in producing.

AMC's Declaration of Policy emphatically opposes assistance that fosters industries which, on their own, would not have the economic viability to compete in a free market.

In numerous instances, for example, such assistance creates the circumstances for increased production of minerals that are already in worldwide oversupply. These enterprises are often government-owned, controlled or subsidized. They are generally free from the antitrust and environmental constraints imposed on U.S. industries, and they generally maintain production at capacity levels in order to earn foreign exchange, provide jobs and curb social unrest.

The result is excessive production that forces prices down, causing great harm to U.S. producers of minerals and U.S. workers.

In the long run, it also harms the nations that engage in such practices, because it misdirects their scarce revenues and resources away from the more important task of diversifying their economies in the manufacturing and agricultural sectors, and it makes them vulnerable to overdependence on one or a few commodities that are extremely subject to volatile markets and prices.

It is very much to be hoped that the present crisis in international finance will focus attention on the urgent need for basic, long-range reform whereby the developed nations seek to help those less fortunate than themselves.

With the hope that such reform will be forthcoming, the American Mining Congress urges Congress and citizenry of the U.S. to support President Reagan's request for the \$8.4 billion authorization for the International Monetary Fund.

J. Allen Overton Jr.; President, AMC

170582

IT 044

ID: 170582 CORRESPONDENCE TRACKING WORKSHEET PAGE D01
INCOMING CORRESPONDENCE DATE 831013 RECEIVED DATE 831019
(PREFIX) (FIRST) (LAST) (SUFFIX)

MR. ROGER E. ANDERSON

TITLE: CHAIRMAN OF THE BOARD OF DIRECTORS

ORGANIZATION: CONTINENTAL BANK

STREET: 231 SOUTH LASALLE STREET

CITY: CHICAGO

STATE: IL ZIP: 60693

COUNTRY:

SUBJECT: SUPPORTS LEGISLATION TO INCREASE THE UNITED STATES' CONTRIBUTION TO THE INTERNATIONAL MONETARY FUND

AGY/OFF ACTION CODE TRACKING DATE
PLSHOR ORG 831019 C 83 10 19

STAFF NAME: PRESIDENT REAGAN MEDIA: L OPID: GF TYPE: IBA
COMMENTS:

CODES: REPORT PL INDIV: USER:

✓ PL/JACO R 83/10/19 C 83/10/19

99 PERS Refr to Treasury for response E 83/10/26 NAN C 83/10/19

NAN 83/11/04

C 83 11 07

11/4

Sally,

Per Mr. S. Canner, International Office at
Treasury, no response is necessary on attached.

Carmen

T H E W H I T E H O U S E O F F I C E

REFERRAL

OCTOBER 26, 1983

TO: DEPARTMENT OF THE TREASURY

ACTION REQUESTED:

DIRECT REPLY, FURNISH INFO COPY

DESCRIPTION OF INCOMING:

ID: 170582

MEDIA: LETTER, DATED OCTOBER 13, 1983

TO: PRESIDENT REAGAN

FROM: MR. ROGER E. ANDERSON
CHAIRMAN OF THE BOARD OF DIRECTORS
CONTINENTAL BANK
231 SOUTH LASALLE STREET
CHICAGO IL 60693

SUBJECT: SUPPORTS LEGISLATION TO INCREASE THE UNITED STATES' CONTRIBUTION TO THE INTERNATIONAL MONETARY FUND

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE UNDERSIGNED AT 456-7486.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE (OR DRAFT) TO:
AGENCY LIAISON, ROOM 91, THE WHITE HOUSE

SALLY KELLEY
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE

M. Shortley



#170582

CONTINENTAL BANK

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO • 231 SOUTH LA SALLE STREET, CHICAGO, ILLINOIS 60693

October 3, 1983

ROGER E. ANDERSON
CHAIRMAN OF THE
BOARD OF DIRECTORS

OCT 12 1983

The Honorable Ronald W. Reagan
President of the United States
The White House
Washington, D.C. 20500

CU
foreign aid
~~*(support)*~~
Supportive

Dear Mr. President:

This is to let you know how much we appreciate your support for the legislation to increase the United States' contribution to the International Monetary Fund. We hope in the coming weeks that you will be able to redouble your efforts and those of the Treasury Department to pass this overdue and much needed measure. The legislation benefits our economy and, as you have indicated, its failure would be a serious blow to an already delicately balanced world financial system. We understand that the delay in passage is related largely to political factors not connected to the merits of the bill and that your personal involvement is critical to breaking the logjam. Accordingly, we very much hope that you will make the personal effort needed to persuade Congress and to obtain passage.

Please know how much we appreciate your efforts and of how deeply we feel that the prospects for passage hinge on your efforts. For our part, we will continue to make the case for passage and we look forward to working with you, the Secretary of the Treasury, and others to achieve that end.

Sincerely,

IT044

LG

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
- H - INTERNAL
- I - INCOMING
Date Correspondence Received (YY/MM/DD) 1 1 1

Name of Correspondent: Christopher Hicks John Herrington

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Reappointment of the United States Executive Director of the International Monetary Fund.

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>CUH011</u>	<u>ORIGINATOR</u>	<u>83 109 123</u> <i>WVS</i>			<u>C 83 109 128</u>
	Referral Note:				
<u>CUAT 02</u>	<u>D</u>	<u>83 109 123</u> <i>WVS</i>			<u>C 83 109 128</u>
	Referral Note:				
<u>CUFIEL</u>	<u>S</u>	<u>83 109 28</u> <i>WVS</i>			<u>C 83 109 28</u>
	Referral Note:	<u>Sep 28 83 FF memo to Chris Hicks</u>			
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				

ACTION CODES:

- A - Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure

- I - Info Copy Only/No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

DISPOSITION CODES:

- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

FOR OUTGOING CORRESPONDENCE:

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.
 Send all routing updates to Central Reference (Room 75, OEOB).
 Always return completed correspondence record to Central Files.
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

THE WHITE HOUSE

WASHINGTON

September 28, 1983

MEMORANDUM FOR CHRISTOPHER HICKS
ASSOCIATE DIRECTOR
PRESIDENTIAL PERSONNEL

FROM: FRED F. FIELDING *Orig. signed by FFF*
COUNSEL TO THE PRESIDENT

SUBJECT: Reappointment of the U.S. Executive Director
of the International Monetary Fund

This responds to your request for advice concerning whether Dr. Richard Erb, who is currently serving as Executive Director of the International Monetary Fund (IMF) under the holdover provisions of 22 U.S.C. § 286a(a), must be renominated if he is to continue to serve in that position.

While the statute makes clear that the Executive Director of the IMF shall remain in office until his successor has been appointed, I believe it is equally clear that Congress did not contemplate that the Executive Director sit for an indefinite term by failure of the President to nominate a successor, even if such nomination results in the reappointment of an incumbent.

I continue to be of the view that an individual may hold office pursuant to a holdover provision only for a limited "reasonable" period. As I stated in a previous memorandum on this subject, Congress enacted holdover provisions to guarantee that offices are occupied without interruption and to ensure continuity in Government operations. It did not intend that holdover provisions be used as a means of circumventing its advice and consent function.

For the foregoing reasons, I must take issue with the conclusions of the Department of Treasury's memorandum to you, dated August 26, 1983.

Accordingly, while I see no legal objection to your delaying the renomination of Dr. Erb until the current controversy concerning the IMF is resolved, assuming it is resolved within a "reasonable" period of time, I am of the opinion that the holdover provisions found at 22 U.S.C. § 286a(a) may not be used as a substitute for the statutorily mandated nomination and confirmation process.

cc: John Herrington
FFF:HLG:aea 9/28/83

bcc: FFFielding/HLGarrett/Subj./Chron

THE WHITE HOUSE

WASHINGTON

September 28, 1983

MEMORANDUM FOR FRED F. FIELDING

FROM: H. LAWRENCE GARRETT, ~~III~~

SUBJECT: Reappointment of the U.S. Executive Director
of the International Monetary Fund

Chris Hicks asked for your advice concerning whether Dr. Richard Erb, who is currently serving as Executive Director of the International Monetary Fund (IMF) under the holdover provisions of 22 U.S.C. § 286a(a), must be renominated if he is to continue to serve in that position.

He cited a recent memo from you to Helene Von Damm concerning members of the Board of Directors of the Security Investor Protection Corporation, five of whose seven members are appointed by the President, by and with the advice and consent of the Senate, for fixed terms. The holdover provisions relative to the Board found at 15 U.S.C. § 78ccc(c)(4)(C) are similar to the holdover provisions applicable to the Executive Director of the IMF. We held in that instance that an individual may hold office pursuant to a holdover provision only for a limited "reasonable" period; that Congress enacted holdover provisions to guarantee that offices are occupied without interruption and to ensure continuity in Government operations; and that Congress did not intend that holdover provisions be used as a means of circumventing its advice and consent function.

I believe that advice is equally applicable in this case, and have prepared, for your signature, an appropriate memorandum so advising.

Attachment

17313700

THE WHITE HOUSE
WASHINGTON
August 31, 1983

1983 SEP 13 PM 4:35

MEMORANDUM FOR FRED FIELDING
THROUGH: JOHN S. HERRINGTON
FROM: CHRISTOPHER HICKS
SUBJECT: Reappointment of the United States Executive Director of the International Monetary Fund

Dr. Richard Erb was appointed United States Executive Director of the International Monetary Fund in July 1981. That appointment required Senate confirmation. Erb's two-year term has now expired, and he is currently serving as a holdover. The President has approved Erb's reappointment, and your office is currently handling his clearance papers.

Attached hereto is a memorandum from the Department of Treasury which states in part that Dr. Erb "need not be reappointed at the expiration of his term in order to remain in office, and in this particular case a reappointment would be unnecessary and unwise". We would appreciate your advice as to whether or not Dr. Erb must be renominated.

You will note that in the final paragraph of the attached memorandum it is suggested that if Erb is to be renominated for a second term that this be done after the resolution of the current controversy on funding for the International Monetary Fund. I have previously discussed that suggestion with Deputy Secretary McNamar and have agreed to hold Dr. Erb's nomination until after the IMF Funding Bill is enacted or voted down in order to avoid putting Dr. Erb through confirmation hearings in the midst of that controversy. Of course, the attached memorandum goes well beyond merely holding the nomination for a short period of time, and for the first time puts Treasury on record as advising against ever renominating Dr. Erb.

I have attached a copy of a memorandum you previously wrote on a similar question in the context of the Securities Investors Protection Corporation.

Thank you for your attention to this matter.

Attachments



Memorandum

ACTION

BRIEFING

INFORMATION

FOR: Christopher Hicks
Associate Director
Office of Presidential Personnel

DATE: AUG 26 1983

FROM: Margery Waxman *MW*
Deputy General Counsel

SUBJECT: Reappointment of IMF Executive Director

We understand that the White House staff is presently considering whether it is necessary to officially reappoint the U.S. Executive Director of the International Monetary Fund, Mr. Richard D. Erb, for another term of office of two years. Such an official reappointment would require the submission of the nomination to the Senate for its advice and consent.

It is our opinion that, as a matter of law, the Executive Director need not be reappointed at the expiration of his term in order to remain in office and in this particular case a reappointment would be both unnecessary and unwise.

Pursuant to section 3 of the Bretton Woods Agreements Act, 22 U.S.C. §286a(a), the Executive Director of the Fund is appointed by the President for a term of two years and shall remain in office until a successor is appointed. We believe this statutory language makes it clear that the expiration of the two-year term does not necessarily end the Executive Director's tenure. Rather, the Executive Director continues to hold his office until a successor is appointed, resigns, or is removed by the President. Thus, there is no legal requirement that the Executive Director must be officially reappointed at the end of the two-year term although the President may decide he wants to do so as a policy matter.

In addition, the only precedent for officially reappointing the Executive Director at the end of the two-year term has been where there is a change of administration. The previous U.S. Executive Director, Sam Cross, who was appointed by President Nixon, served over seven years at the Fund from May 1974 to October 1981. Nevertheless, he was officially reappointed only once -- in June 1977, after the Carter Administration had come into office. Sam Cross' predecessor, William Dale, who had initially been appointed by President Johnson, was similarly reappointed after the Nixon Administration took office.

	INITIATOR	REVIEWER	REVIEWER	REVIEWER	REVIEWER	SECRETARIAT
OFFICE CODE SURNAME						
INITIALS / DATE	/	/	/	/	/	/

Finally, if the President decides, as a matter of policy, that he wants to officially reappoint Mr. Erb, we suggest that this be done after resolution of the current controversy on IMF funding. It would be unfortunate for Mr. Erb personally and for the President's legislative program if the reappointment process were to be made part of the IMF appropriation.

cc: Peter Wallison
R. T. McNamar

THE WHITE HOUSE

WASHINGTON

April 7, 1983

MEMORANDUM FOR HELENE VON DAMM

FROM: FRED F. FIELDING

SUBJECT: Duration of Holding Office Pursuant
to a Statutory Holdover Provision

You have asked this office for guidance on the length of time a member of the Board of Directors of the Securities Investor Protection Corporation (SIPC) may hold office after expiration of his term pursuant to the statutory holdover provision. Five of the seven members of the SIPC Board are appointed by the President, by and with the advice and consent of the Senate, for fixed terms. Pursuant to 15 U.S.C. § 78ccc(c)(4)(C), a "director may serve after the expiration of his term until his successor has taken office."

Although this statutory holdover provision contains no specific limit on the length of time an individual may hold over, it is our view that an individual may hold office pursuant to a holdover provision only for a limited, "reasonable" period. Congress has enacted holdover provisions to guarantee that offices are occupied without interruption and to ensure continuity in government operations. It did not intend holdover provisions to be used as a means of circumventing its advice and consent function. While we have found no pertinent federal authority, this view of holdover provisions is amply supported by state court decisions interpreting analogous provisions in state law.

What constitutes a "reasonable" length of time will of course vary with the circumstances of each particular case. A given period of time may not be objectionable if, during that time, a nomination were pending before the Senate, the Senate recently rejected a nominee, or there were articulable difficulties in selecting a nominee, while the same period could be objectionable in the absence of such circumstances.

In sum, the SIPC Board holdover provision may not be used as a substitute for the statutorily mandated nomination and confirmation process. Permitting an incumbent to hold over indefinitely by failing to nominate someone (including the incumbent) for the vacancy would not only create a serious political controversy, but it could also subject the incumbent to lawsuits challenging his authority and subject any actions taken by him to collateral attack.