

Ronald Reagan Presidential Library Digital Library Collections

This is a PDF of a folder from our textual collections.

WHORM Subject File Code: CO018
(Countries: Bermuda)
Case File Number(s): 200000-499999
Box Number: 45

To see more digitized collections visit:

<https://www.reaganlibrary.gov/archives/digitized-textual-material>

To see all Ronald Reagan Presidential Library inventories visit:

<https://www.reaganlibrary.gov/archives/white-house-inventories>

Contact a reference archivist at: **reagan.library@nara.gov**

Citation Guidelines: <https://reaganlibrary.gov/archives/research-support/citation-guide>

National Archives Catalogue: <https://catalog.archives.gov/>

Last Updated: 03/10/2025

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name WHITE HOUSE OFFICE OF RECORDS MANAGEMENT
(WHORM): SUBJECT FILE

File Folder CO018 (200000-499999)

Box Number 45

Withdrawer

DLB 2/18/2010

FOIA

S10-306

SYSTEMATIC

237

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
85012	MEMO	TYRUS COBB TO ROBERT MCFARLANE, RE: BERMUDA UPDATE R 4/25/2019 NSC/STATE WAIVERS	1	4/1/1985	B1
85013	MEMO	FRITZ ERMARTH TO COLIN POWELL, RE: BERMUDA STATUS REPORT R 4/25/2019 NSC/STATE/TREASURY WAI VERS	1	6/1/1987	B1

The above documents were not referred for declassification review at time of processing

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

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

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

~~CONFIDENTIAL~~
MEMORANDUM

~~CONFIDENTIAL~~

C. F.

85012
2599

231896

NATIONAL SECURITY COUNCIL

April 1, 1985

ACTION
INFORMATION

MEMORANDUM FOR ROBERT C. McFARLANE

FROM: TYRUS W. COBB *TWC*

SUBJECT: Bermuda Update

CO018
PR007-01
FG006-12
RCM HAS SEEN

Max Friedersdorf has arranged for Premier John Swan of Bermuda to pay a courtesy call on the President at 4:30 p.m. on Thursday, April 4. Swan will be in Washington meeting with senior officials at Treasury and State, and with key Congressmen.

Premier Swan's visit comes at a time when the prospects for securing the Convention Tax Benefit for Bermuda have greatly improved, because:

- Don Regan has moved over to the White House.
- Treasury Assistant Secretary Ron Perlman is very supportive of this effort, and with Jim Baker and Dick Darman there, we should expect full Treasury support.
- Senator Packwood has been briefed by Rick Burt and Commodore Loftus on the national security imperatives in obtaining this benefit, and is very sympathetic to our recommendation. Rostenkowski remains noncommittal, but he has indicated that he is sensitive to the arguments we have made.
- Most importantly, Max Friedersdorf, who was formerly our Consul General in Bermuda, has a strong personal interest in securing this benefit.

Perlman is taking the lead in exploring with House Ways and Means staffers options for securing the Convention Tax Benefit for Bermuda by way of a technical amendment. If we are successful, this would obviate the necessity of seeking to place Bermuda in the CBI package or securing special legislation, both of which would be difficult to achieve. The technical amendment would lessen the information requirements for Bermuda, but would require sufficient data that a precedent would not be set for other countries.

Swan will be here from Wednesday to Friday, and, in addition to the President, will meet with the Vice President, Jim Baker, Rick Burt, Congressman Rostenkowski, Senator Packwood, and Max Friedersdorf.

Attachment

Tab A - Background Memos

cc: Ron Sable

DECLASSIFIED

Authority
BY *du*

NSC/State Waiver's
NARS DATE *4/25/2019*

~~CONFIDENTIAL~~
Declassify: OADR

~~CONFIDENTIAL~~

NSC #85022599

THE WHITE HOUSE
WASHINGTON

March 27, 1985

TO: FRED RYAN
FROM: MAX FRIEDERSDORF *mf.*
SUBJECT: Meeting with the Premier
of Bermuda

Pursuant to our conversation, this is to request 5 minutes of the President's schedule during Admin. Times on Thursday, April 4th at 4:30 p.m. The Premier of Bermuda, John Swann, will be in Washington April 3-5 on government business meeting with top officials at the Treasury and State Departments. The President has met the Premier before and the purpose of the visit on April 4th will merely be a courtesy call, no substance.

Many thanks for your assistance.

bcc: ✓ Bud McFarlane

National Security Council
The White House

System #

I

Package #

2599

	SEQUENCE TO	HAS SEEN	DISPOSITION
Bob Pearson			
Bob Kimmitt	1	K	
John Poindexter	2		
Paul Thompson			
Wilma Hall	3		
Bud McFarlane	4	M	A
Bob Kimmitt	5	P	
NSC Secretariat	6		at all possible disseminate
Situation Room			

I = Information

A = Action

R = Retain

D = Dispatch

N = No further Action

cc: VP Meese Regan Deaver Other

COMMENTS

Should be seen by:

(Date/Time)

Bud: Did Mark raise this with you?

We are really stacked up on foreign
matters next week. Should we endorse it?

2/25

CB

National Security Council
The White HouseSystem # IPackage # 2599

(119)

1678

	SEQUENCE TO	HAS SEEN	DISPOSITION
Bob Pearson	<u>1</u>	<u>P</u>	
Bob Kimmitt	<u>2</u>	<u>IC</u>	
John Poindexter	<u>3</u>	<u>J</u>	
Paul Thompson			
Wilma Hall	<u>4</u>		
Bud McFarlane	<u>5</u>	<u>I</u>	
Bob Kimmitt		<u>24 APR 81</u>	
NSC Secretariat	<u>6</u>		<u>N</u>
Situation Room			

I = Information

A = Action

R = Retain

D = Dispatch

N = No further Action

cc: VP Meese Baker Deaver Other

COMMENTS

Should be seen by: COB 4/3
(Date/Time)

For Thursday 4:30 meeting.

No one will attend
from our office

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURE(S)

dh 2/17/10

RECEIVED 30 MAR 85 13

TO MCFARLANE

FROM FRIEDERSDORF, M

DOCDATE 27 MAR 85

KEYWORDS: BERMUDA

AP

SWAN, JOHN

SUBJECT: APPT REQUEST FOR PRES W/ SWAN OF BERMUDA 4 APR

ACTION: PREPARE MEMO FOR MCFARLANE

DUE: 01 APR 85 STATUS S FILES WH

FOR ACTION

FOR CONCURRENCE

FOR INFO

COBB

NORTH

MENGENS

SOMMER

MARTIN

TILLMAN

CANNISTRARO

KIMMITT

PEARSON

COMMENTS

REF#

LOG

NSCIFID

(CT *DL*)

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

DUE

COPIES TO

*McFarlane**X 4/1*
*4/4**For decision**McFarlane Noted**4/2**CO*

DISPATCH

W/ATTCH

FILE

*Wt (C) *DL**

5g

THE WHITE HOUSE
WASHINGTON

251035
3300
C0018
FC006-01
PY

August 10, 1984

Dear Jackie and John,

As Rick and I wing our way back home, we are leaving Bermuda with such wonderful memories which you both contributed to greatly.

We are both so appreciative of the fact that we have gotten to know and enjoy you so much. Our dinners at Four Ways and the Penthouse were the most enjoyable dinners we had in Bermuda. Our day of sailing and luncheon at Lantana will be in our thoughts for a long, long time. Just think, Jackie, you won't have to go out on the boat for another year!

We are now anxiously awaiting your next visit to Washington, D.C. Please do let us know when that will be so that we can start assembling your many friends in Washington.

Many, many thanks for all your kindnesses. We do truly appreciate everything.

With warmest regards,

Sincerely,



Gahl L. Hodges
Social Secretary
to the White House

His Excellency
The Premier of Bermuda
and Mrs. Swan
Government House
Hamilton, Bermuda

298851

ID #

CO 018

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☐ I - INCOMINGDate Correspondence
Received (YY/MM/DD) 85,03,06Name of Correspondent: Gerry Studds☐ MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Encloses letter from Mrs. Hugh Bigelow, regarding his brother, Albert Francis Bigelow.

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
LA OGLE	ORIGINATOR	85,03,07	NAN	C	85,03,14 AB
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	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 C - Completed
B - Non-Special Referral S - Suspended

FOR OUTGOING CORRESPONDENCE:

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

Comments: Contacted Studds office & they will redirect case to Bermuda

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.

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: _____ Media: L Individual Codes: 1230

Prime Subject Code: CO 018 Secondary Subject Codes: HE 003
WE 002

PRESIDENTIAL REPLY

<u>Code</u>	<u>Date</u>	<u>Comment</u>	<u>Form</u>
C	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

SIGNATURE CODES:

CPn - Presidential Correspondence
 n - 0 - Unknown
 n - 1 - Ronald Wilson Reagan
 n - 2 - Ronald Reagan
 n - 3 - Ron
 n - 4 - Dutch
 n - 5 - Ron Reagan
 n - 6 - Ronald
 n - 7 - Ronnie

CLn - First Lady's Correspondence
 n - 0 - Unknown
 n - 1 - Nancy Reagan
 n - 2 - Nancy
 n - 3 - Mrs. Ronald Reagan

CBn - Presidential & First Lady's Correspondence
 n - 1 - Ronald Reagan - Nancy Reagan
 n - 2 - Ron - Nancy

MEDIA CODES:

B - Box/package
 C - Copy
 D - Official document
 G - Message
 H - Handcarried
 L - Letter
 M - Mailgram
 O - Memo
 P - Photo
 R - Report
 S - Sealed
 T - Telegram
 V - Telephone
 X - Miscellaneous
 Y - Study

882921

GERRY E. STUDDS
10TH DISTRICT, MASSACHUSETTS

WASHINGTON OFFICE:
1501 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
202-225-3111

COMMITTEES:
FOREIGN AFFAIRS
MERCHANT MARINE AND
FISHERIES

Congress of the United States
House of Representatives
Washington, D.C. 20515

DISTRICT OFFICES:
GREATER NEW BEDFORD
POST OFFICE BUILDING
NEW BEDFORD, MASSACHUSETTS 02740
617-999-1251
SOUTH SHORE
HANOVER COURT
193 ROCKLAND STREET
HANOVER, MASSACHUSETTS 02339
617-826-3866
CAPE AND ISLANDS
146 MAIN STREET
HYANNIS, MASSACHUSETTS 02601
617-771-0666

February 11, 1985

*NK
Rb ack. &
send to
MSC inf.*

Dear Mr. Friedersdorf:

298851

I am enclosing a copy of a letter I have received from a constituent, Mr. Hugh W. Bigelow, regarding his brother, Albert Francis Bigelow, II.

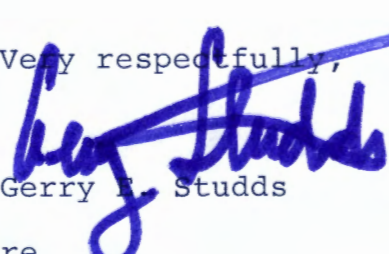
I would appreciate any information regarding Mr. Bigelow's health status, steps taken to remedy the hunger strike, prisoner exchange or like programs, the possibility of release from prison, and any recommended means of legal redress by the individual or members of his family.

Please respond to my District Office as follows:

146 Main Street
Hyannis, MA 02601
U.S.A.

Thank you for your help.

Very respectfully,


Gerry E. Studds

Mr. Max L. Friedersdorf, Esquire
American Consular General
American Consulate - Hamilton
FPO New York 09560

Enclosures

THE WHITE HOUSE
WASHINGTON

March 6, 1985

For Kathy Jaffke

From Nancy Kennedy

Pls handle routinely.

FEB. 11th, 1985

Dear Congressman Studds,

My brother, Albert P. Bigelow, II, is on a hunger strike in a Bermudian prison. I believe that the Bermuda government is directly responsible for his ~~is~~ drastic, desperate protest. I believe that my brother's situation is a result of a string of inhumane actions, and I humbly request that you look into this matter on humanitarian grounds.

Sincerely yours,

RECEIVED

FEB 11 1985

HYANNIS

Alwyn W. Bigelow

Box 206

AGAWAM PT. RD.,

BOURNE, MA 02532

TEL 617-759-3752

Mr. Hugh Bigelow, P.O. Box 206, Bourne, Massachusetts, 02532 U.S. of A.
Bay - and the other Americans situation here is as follows - make copies and
send (call) people listed at the end of this letter - send letters special delivery
registered! You'd best come down here as soon as possible - but

DEAR SIRs,

WE THE AMERICANS IMPLORE AND BESEEK YOU TO INVESTIGATE THE CRUEL AND
UNUSUAL PUNISHMENT AND TORTURE THAT WE HAVE TO ENDURE DAILY.

WE BEG YOU TO BE FRANK IN INVESTIGATING OUR CIRCUMSTANCES AS WE
BEEN ON A HUNGER STRIKE AS OF JANUARY, 23RD 1985, AND AS ONE OF THE AMER
HAS SERUM HEPATITIS THERE WILL BE MORE AMERICAN DEATHS AND VERY RARE
MURDERS TO COVER-UP AND SUPPRESS THE VERY GRAVE SITUATION AND CIRCUMSTANCES
HERE.

A YEAR AGO (FEBRUARY 1983) A PETITION SIGNED BY 132 PRISON OFFICERS
(90%+), WAS PRESENTED TO THE THEN MINISTER OF SOCIAL SERVICES OF BERMUDA
TO THE DEPLORABLE CONDITIONS AT CASEMATES PRISON - OVERCROWDED - UNHEALTHY
UNHEALTHY - UNSAFE - WHICH HAS GREATLY WORSENERED IN ALL OF THE ABOVE IN
PAST YEAR.

IN APRIL OF 1982 THREE BERMUDIANS (ALL DRUG OFFENDERS), WHO HAD
HELD IN CUBAN JAILS WERE RELEASED HAVING BEEN GRANTED AN UNCONDITIONAL
PARDON SUBSEQUENT TO THE PERSONAL INTERVENTION OF SIR ANTHONY KERSHAW, C
OF THE COMMONS SELECT COMMITTEE ON FOREIGN AFFAIRS, WHO APPROACHED CUBAN
FIDEL CASTRO AT THE REQUEST OF THE BERMUDIAN GOVERNMENT ON HUMANITARIAN
COMPASSIONATE GROUNDS, BUT A YEAR LATER IN JUNE OF 1983 WHEN THE THEN
CONSUL GENERAL OF BERMUDA, MR. MAX FRIEDERSDORF REQUESTED A PRISONER-EXCHANGE
TREATY ON HUMANITARIAN AND COMPASSIONATE GROUNDS HE WAS MET WITH A LIST OF
CONCESSIONS.

WE AMERICANS WERE TOLD BY A U.S. STATE DEPARTMENT OFFICIAL OVER
YEAR AGO THAT WE ARE POLITICAL HOSTAGES - YET OUR BLIGHT WIDENS.

THIS IS JUST THE TIP OF THE ICE BERG. WE CAN, AND WILL PROVE TO
YOU THAT WE ARE SUBJECTED TO MASSIVE DISCRIMINATION (INSTANTLY (WE CAN
WILL REFER ^{you} TO DICTATORS WHO WILL VERIFY THIS).

WE WILL BE SENDING A COPY OF THIS THROUGH THE PAPER CHANNELS
WHICH YOU WILL NEVER RECEIVE (IT WILL BE NUMBERED NUMBER FIVE) (OVER)

DEAR SIRs,

WE THE AMERICANS IMPLORE AND BESEECH YOU TO INVESTIGATE THE CRUEL AND UNUSUAL PUNISHMENT AND TORTURE THAT WE HAVE TO ENDURE DAILY.

WE BEG YOU TO BE FRANK IN INVESTIGATING OUR CIRCUMSTANCES AS WE HAVE BEEN ON A HUNGER STRIKE AS OF JANUARY, 23RD 1985, AND AS ONE OF THE AMERICANS HAS SERUM HEPATITIS THERE WILL BE MORE AMERICAN DEATHS AND VERY POSSIBLY MURDERS TO COVER-UP AND SUPPRESS THE VERY GRAVE SITUATION AND CIRCUMSTANCES HERE.

A YEAR AGO (FEBRUARY 1983) A PETITION SIGNED BY 132 PRISON OFFICERS (90%+), WAS PRESENTED TO THE THEN MINISTER OF SOCIAL SERVICES OF BERMUDA AS TO THE DEPLORABLE CONDITIONS AT CASEMATES PRISON - OVERCROWDED - UNINHABITABLE - UNHEALTHY - UNSAFE - WHICH HAS GREATLY WORSENERED IN ALL OF THE ABOVE IN THE PAST YEAR.

IN APRIL OF 1982 THREE BERMUDIANS (ALL DRUG OFFENDERS), WHO HAD BEEN HELD IN CUBAN JAILS WERE RELEASED HAVING BEEN GRANTED AN UNCONDITIONAL PARDON SUBSEQUENT TO THE PERSONAL INTERVENTION OF SIR ANTHONY KERSHAN, CHAIRMAN OF THE COMMONS SELECT COMMITTEE ON FOREIGN AFFAIRS, WHO APPROACHED CUBAN PRESIDENT FIDEL CASTRO AT THE REQUEST OF THE BERMUDIAN GOVERNMENT ON HUMANITARIAN AND COMPASSIONATE GROUNDS, BUT A YEAR LATER IN JUNE OF 1983 WHEN THE THEN U.S. CONSUL GENERAL OF BERMUDA, MR. MAX FRIEDERSDORF REQUESTED A PRISONER-EXCHANGE TREATY ON HUMANITARIAN AND COMPASSIONATE GROUNDS HE WAS MET WITH A LIST OF CONCESSIONS.

WE AMERICANS WERE TOLD BY A U.S. STATE DEPARTMENT OFFICIAL OVER A YEAR AGO THAT WE ARE POLITICAL HOSTAGES - YET OUR SITUATION WORSENS.

THIS IS JUST THE TIP OF THE ICE BERG. WE CAN, AND WILL PROVE TO YOU THAT WE ARE SUBJECTED TO MASSIVE DISCRIMINATION INSTANTLY (WE CAN AND WILL REFER ^{you} TO DICTIONARIES WHO WILL VERIFY THIS).

WE WILL BE SENDING A COPY OF THIS THROUGH THE PRAYER CHANNELS WHICH YOU WILL NEVER RECEIVE (IT WILL BE NUMBERED NUMBER FIVE) (OVER)

send (call) people listed at the end of this letter - send letters special delivery registered! You'd best come down here as soon as possible - But

FURTHER FACT SO THAT YOU WILL SEE AND UNDERSTAND WHY YOU WILL BE ENCOUNTERING
A HUGE COVER-UP AND DECEPTION, AND WILL MORE THAN LIKELY BE SURPRISED FROM
SEEING AND TALKING TO US, WHO ARE DYING AND WILL DIE IF NEED BE IN ORDER TO
RETURN TO OUR BELOVED U.S. OF A., AND IF SO WANT THE AMERICAN PUBLIC TO BE
MADE AWARE OF WHAT IS GOING ON HERE.

BE ASSURED THAT YOU WILL BE MET WITH A MASSIVE RUN AROUND AND COVER
UP, AND THAT WHEN YOU KNOW THE FACTS YOU WILL BE MET WITH LISTS OF CONCESSIONS
AND MUCH RESENTMENT WHEN YOU INTERCEDE ON OUR BEHALF - PLEASE, WE BEG
YOU DO NOT LET US DIE IN VAIN.

SINCERELY,

Albert Francis Bigelow
Marina Auga
Patricia Edwards

WED. 23RD JANUARY 1985

Copies to: Mr. Mike GRIFFITH

Mr. Hugh BIGELOW

Boston Globe

New York Times

New York Post

Washington Post

Mr. Mike WALLACE, 60 Minutes, N.Y.C., N.Y.

Sen. Ted KENNEDY

Sen. Alphonse D'AMATO

Rep. Benjamin GILMAN

A.B.C., N.B.C., C.B.S., News (T.V.), N.Y.C., N.Y.

Paula LYONS, Ch. 5 BOSTON

U.P.I.

A.P.

UNITED NATIONS

Amnesty International

Cruising Club of America

INTERNATIONAL LEGAL DEFENSE COUNSEL

EXECUTIVE OFFICES • SUITE 2200 • 1616 WALNUT STREET • PHILADELPHIA, PENNSYLVANIA 19103, USA • (215) 545-2428

ROBERT L. PISANI
EXECUTIVE DIRECTOR

RICHARD D. ATKINS
ATTORNEY AT LAW
12TH FLOOR
1314 CHESTNUT STREET
PHILADELPHIA, PA 19107
(215) 732-3400

ALAN ELLIS
ATTORNEY AT LAW
SUITE 2200
1616 WALNUT STREET
PHILADELPHIA, PA 19103
(215) 545-3773

ROBERT C. FOGELNEST
ATTORNEY AT LAW
SUITE 2200
1616 WALNUT STREET
PHILADELPHIA, PA 19103
(215) 545-2427

MICHAEL GRIFFITH
ATTORNEY AT LAW
1501 FRANKLIN STREET
MINEOLA, NY 11501
(516) 747-3344

PETER H. MEYERS
ATTORNEY AT LAW
SUITE 205
1101 30TH STREET NW
WASHINGTON, DC 20007
(202) 338-8890

THEODORE SIMON
ATTORNEY AT LAW
SUITE 2400
117 SOUTH 17TH STREET
PHILADELPHIA, PA 19103
(215) 563-8550

Reply to:

Michael Griffith
1501 Franklin Avenue
Mineola NY 11501

October 29, 1984

Governor of Bermuda
Government House
Hamilton, Bermuda

Dear Governor:

I have been the American attorney for Albert Bigelow for approximately the past two years. During this time I have visited London once and Bermuda on five different occasions while working in tandem with the U. S. Consul General in attempting to promulgate Mr. Bigelow's transfer to a United States prison. Although the United States has agreements with a number of other countries in the prisoner exchange area, for various reasons we were not able to conclude an agreement with Bermuda in light of the fact that many United States and Commonwealth prisoners will shortly be exchanged under the Council of Europe Treaty.

I am writing this letter to make a legal and humanitarian appeal to you to consider an immediate parole for Mr. Bigelow with respect to his application for such, due to the fact that his half-time in Casemates has now approached. I have followed the unfortunate history of Albert's case and I truly believe that he merits a parole, that is forthcoming under your laws. Initially the main thrust of my request is that you reinstate credit that he should rightfully be due for time in remand which he served from November 6, 1979 to January 24, 1980. I am aware of the fact that the retired Honorable Judge did not in fact give him credit for this time. As one who has represented American and British citizens in over 20 different countries, I was disappointed and shocked to find out that although Mr. Bigelow was incarcerated that he was not given jail credit. It has been my experience that almost every prison in the world gives credit for pre-trial and demand time as a prisoner is obviously denied his basic rights and freedoms being confined to a cell or prison.

Similarly, I would appeal to you for his immediate parole on other grounds, they being as follows:

1. He has been incarcerated 59 1/2 months.
2. His father is a 100 percent disabled veteran, is in a precarious health situation and could conceivably not be alive when Bert is free.
3. Bert has not been offered either work release or accesses to the prison farm while most other Bermudian prisoners have these opportunities.
4. I am advised that Bert has a job waiting at John Keller Productions in Los Angeles, California upon his release.
5. While in Casemates, Bert has been active in the following prison activities to help himself and other fellow inmates:
 - a) He took courses in Small Business Administration, navigation and sculpture.
 - b) He assisted indigent inmates, was the prison projectionist, took model ship building and
 - c) Helped to bring officials of Alcoholics Anonymous to the prison for the benefit of his fellow inmates.
6. To the best of my knowledge he has never broken any prison regulations and has been a model prisoner.
7. In my own personal view, the court may have erred in that they valued the four ounces of cocaine that Bert had had in his possession at approximately \$500,000 U.S. street value, whereby being quite familiar with cases of this type the four ounces even if it were cut a number of times would not be worth more than \$30,000 U.S.

I pray, your Honor in light of the commendable record that Albert Bigelow has built up while an inmate at Casemates and due to the fact that I have seen him grow over the past two years as a more well-rounded, mature and intelligent individual and taking into consideration that he did not get credit for

Governor of Bermuda

-3-

October 29, 1984

almost three months of his life, it is respectfully requested that you grant him an immediate parole so that he may come back to his home and family.

Thank you for your kind consideration.

Yours truly,

MICHAEL GRIFFITH

MG:jh

cc: J.M.A. Herdman
Rochelle Keller, Vice Consul
Albert Bigelow

With the Compliments
of
Messrs. Conyers, Dill and Pearman

- ☐ As requested
- ☐ For your information
- ☐ For your consideration and approval
- ☐

- ☐ Please phone to discuss
- ☐ Please sign and return
- ☐ Kindly acknowledge receipt
- ☐

CABLE ADDRESS "CODAN" BERMUDA
TELEPHONE 809 (29) 5-1422
TELEX 3213 CODAN BA

CLARENDON HOUSE,
CHURCH STREET,
HAMILTON, BERMUDA

boarding a flight to Boston, Massachusetts, USA.

4. On Monday, 14th, January 1980 the Petitioner appeared in the Supreme Court of Bermuda where he pleaded not guilty to the following charges:
 - a) Importation of a controlled drug contrary to S. 4(3) of the Misuse of the Drugs Act 1972
 - b) Possession of a controlled drug intended for supply contrary to S. 5(1) and 6(3) of the Misuse of the Drugs Act 1972.
5. On Thursday, 24th January 1980 the Petitioner was found guilty.
6. On Monday, 18th February 1980 the Petitioner was sentenced by the Chief Justice as follows:
 - a) 10 years imprisonment
 - b) 10 years imprisonmentBoth sentences to run concurrently.
7. On the 28th February 1980 the Petitioner gave Notice of Application for Leave to Appeal from Decision of the Supreme Court Sitting as Court of First Instance.
8. On the 2nd December 1980 the Petitioner was heard and the Judges of the Court of Appeal reserved Judgment.

On December 12th, 1980, the Court of Appeal dismissed the Petitioner's appeal.
10. The Petitioner humbly prays that mercy be given to him for the following reasons:

a) the Petitioner being a non resident has no family or other connections with Bermuda and has been incarcerated for four year and eight months, and has been completely isolated from his country, family and friends, while witnessing fellow resident inmates benefiting from such visits and contact with the community.

To His Excellency the Governor,
and to The Committee on The Prerogative of Mercy
In The Matter of Albert Francis Bigelow II

The humble petition of Albert Francis Bigelow II is as follows:

1. The Petitioner is a citizen of the United States of America.
2. The Petitioner arrived in Bermuda on November, 5th, 1979 on board British Airways Flight 264 from Panama.
3. On November, 6th, 1979 the Petitioner was searched and arrested at the Civil Air Terminal while in the process of boarding a flight to Boston, Massachusetts, USA.
4. On Monday, 14th, January 1980 the Petitioner appeared in the Supreme Court of Bermuda where he pleaded not guilty to the following charges:
 - a) Importation of a controlled drug contrary to S. 4(3) of the Misuse of the Drugs Act 1972
 - b) Possession of a controlled drug intended for supply contrary to S. 5(1) and 6(3) of the Misuse of the Drugs Act 1972.
5. On Thursday, 24th January 1980 the Petitioner was found guilty.
6. On Monday, 18th February 1980 the Petitioner was sentenced by the Chief Justice as follows:
 - a) 10 years imprisonment
 - b) 10 years imprisonmentBoth sentences to run concurrently.
7. On the 28th February 1980 the Petitioner gave Notice of Application for Leave to Appeal from Decision of the Supreme Court Sitting as Court of First Instance.
8. On the 2nd December 1980 the Petitioner was heard and the Judges of the Court of Appeal reserved Judgment.

On December 12th, 1980, the Court of Appeal dismissed the Petitioner's appeal.
10. The Petitioner humbly prays that mercy be given to him for the following reasons:
 - a) the Petitioner being a non resident has no family or other connections with Bermuda and has been incarcerated for four year and eight months, and has been completely isolated from his country, family and friends, while witnessing fellow resident inmates benefiting from such visits and contact with the community.

b) The Petitioner has been incarcerated at Casemates Prison for more than four years and eight months.

c) The Petitioner being a non resident is not afforded compassionate leave or work release.

d) The Petitioner being a non resident has not been afforded a transfer to the prison farm.

e) The Petitioner has serum hepatitis (type B), the most serious, and uncureable virus of hepatitis. The Petitioner has suffered and suffers from migraine headaches - at the time of the Petitioner's incarceration he was awaiting the availability of a bed so as to be admitted into the Roosevelt Hospital, NYC, NY. The Petitioner suffers as well from a recurring slipped disc which is the source of much pain and discomfort.

f) The Petitioner brings to your attention the date April 9th, 1982 (Good Friday) when three Bermudians that were held in a Cuban jail for 9 months were released. They were granted pardons after the personal intervention of Sir Anthony Kershaw, Chairman of the Commons Select Committee on Foreign Affairs, who approached Cuban President Fidel Castro at the request of the Bermuda Government on humanitarian and compassionate grounds;

g) The Petitioner brings to your attention that on June the 6th, 1983, the then U.S. Consul General, Mr. Max Friedersdorf requested a prisoner exchange treaty on humanitarian and compassionate grounds.

h) The Petitioner humbly brings to your attention that since the early fall of 1982 his American attorney Mr. Michael Griffith had meetings and talks with your now Deputy Governor, Mr. Mark Herdman as to the transfer of the Petitioner, and other Americans to the USA, and that he is still negotiating along with The United States State Department a Prisoner Transfer Treaty. In March of 1983, the United States signed a multilateral prisoner transfer treaty with the Consul of Europe, enabling most Americans imprisoned in Austria, Belgium, Denmark, West Germany, Greece, Portugal, Luxembourg, the Netherlands, Sweden, and Switzerland to return home (the USA) to serve out their sentences as of this year. The British Government also signed a Prisoner Exchange Agreement with the EEC and the USA in August of 1983, and that eventually a prisoner transfer will come about through the efforts initiated by the Petitioner, his attorney, and the United States State Department between the USA and Bermuda but by which time it will not benefit the Petitioner.

i) The Petitioner asks that consideration be given to the fact that three foreign citizens [see Appendix] have met with desparate deaths at Casemates Prison in the span of nine weeks (Sept 9, 1982 to Nov 15, 1982). This exemplifies the sadly demoralizing effect of Casemates on those who have not lived with its spectre as part of their daily lives, and which the Petitioner has endured for more

j) The Petitioner does not come from a very large family, and since his incarceration two of his uncle's have died, his only aunt is on her death bed, and whose father is rated at 100% totally and permanently disabled by the Veteran's Administration as a result of wounds received in WW II on the European front. The Petitioner knows no words to convey to you the hardship and anguish he endures by his separation from family, loved ones, and friends, which is compounded by the fact that the Petitioner is not afforded compassionate leave. The Petitioner's parents need him now to help them in their twilight years.

k) The Petitioner prior to his incarceration worked for Greenwich Street Video Company in New York City in the capacity as manager. In the summer of 1979 Greenwich Street Video Company was awarded a grant from The National Endowment for The Arts, Washington, D.C. for work that the Petitioner had done, and was for a video (film) the Petitioner was working on at the time of the Petitioner's incarceration;

l) The Petitioner prior to his incarceration worked on a number of occasions for a Dr. John S. Mark, M.D., M.P.H., Director and Principal Epidemiologist, Bureau of Infectious Disease Control, Department of Health, City of New York, USA. In the field of photography the Petitioner worked with Dr. Marr as to the curbing and prevention of alcoholism and tuberculosis, and the Petitioner had in the Fall of 1979 discussions with Dr. Marr as to the working of video tapes as to the prevention and curbing of influenza;

m) The Petitioner being a citizen of the USA and a non resident was denied bail having been incarcerated in the remand cell at Casemates prison Nov 6, 1979 to January 24, 1980 when the Petitioner was moved into the prison itself upon having been brought in guilty. The Petitioner was sentenced on Feb 18, 1980. The Petitioner therefore humbly asks that these 105 days spent incarcerated before the Petitioner was sentenced be taken into consideration;

n) Your Petitioner therefore humbly prays that the balance of his sentence remaining to be served be commuted to enable him to leave Bermuda to return to his homeland, the United States of America, his family, friends, and loved ones, all of whom the Petitioner has dearly missed, longed, ached, and yearned for, for more than four years and eight months.

DATED this day of 1984.

Albert Francis Bigelow II

(By His Attorneys)

Messrs. Conyers, Dill & Pearman

The Petition was issued by Messrs Conyers, Dill & Pearman, Attorney's for the Petitioner, and whose address for service is

from caver, orter - start- dle the yle re- et will up, al- won't ce.

chan- ular to nsburg ill in- Inter- dents associ- local le seg- nd on- s."

It will - and since f MTV- e air - ngeles, dcasts

ire

"Dyna- cratic agan's ess on he rat- predict- 7.6 rat- nesday 25.5/38 ratings of sets re mea- the na- in use. ABC to ge mea- sponse out 20 watched nocratic

officer Michael Primm. "But now, they're hurting the ones who try to stay in shape."

BCH now requires officers

Boston Globe 2/8/85

"Our perception is that Health and Hospitals has been bearing the cost and that it cannot do so anymore," said Wal-

But Primm said the number was closer to 30, and that on most days "you had to wait your turn to get to play basketball."

US man in Bermuda prison continues hunger strike to protest denial of parole

By Peter Mancusi
Globe Staff

For five years, Albert Bigelow was sure he would be released from Casemates Prison in Bermuda by Jan. 23, 1985.

That date marked the midway point in the 38-year-old American's 10-year prison sentence for two drug convictions, and he knew that Bermuda, in almost all cases, frees foreign inmates after they have served half their term.

But that day came and went, and Bigelow remains in the prison, a converted fort at the west end of the island. The parole he had thought was certain has been denied. Instead of celebrating his freedom, he marked his expected release date by beginning a hunger strike in protest.

He has now gone 15 days without food and, according to his relatives and American officials in Bermuda, appears determined to continue his hunger strike until he is freed or dies.

No new parole date has been set, but he is not expected to be released before September 1986, the two-thirds mark in his sentence.

"Everyone was telling Bert that he would be getting out in January," said his brother, Hugh Bigelow of Bourne, who met with Bermudian officials late last week to ask them to reconsider the parole. "The prison guards were telling him that and the American consulate was telling him that."

"They weren't leading him on," Hugh Bigelow added. "They really thought he would get out then. But what's happened is that his hopes have been built up all this time and then smashed down."

Bermuda prison officials rejected a request for a telephone interview with Bigelow.

Hugh Bigelow said his brother does not contest his guilt. He was arrested in November 1979 by US Customs agents at the Civil Air Terminal in Bermuda as he was about to board a plane for Boston.

Four ounces of cocaine

According to Hugh Bigelow, his brother was carrying four ounces of nearly pure cocaine, worth an estimated \$50,000 on the street. He had bought the cocaine in Peru and planned to sell it in the United States. Bigelow was convicted in Bermuda of importing an illegal drug and possession with intent to distribute.

"No one is making any claims he is innocent," said Hugh Bigelow. "But they got their pound of flesh and should let him go."

Hugh Bigelow said his brother, who weighed about 150 pounds when he began the strike, was "weak but clear-headed" when he visited him briefly at the prison last week. "He thinks this was an arbitrary decision and that he has to try to do something about it."

Bermudian officials acknowledged that foreign prisoners have usually been released after serving half their sentence. The policy has applied to local prisoners as well, they said.

In the last year, however, the government has tightened parole procedures for serious offenders, especially those convicted of drug crimes, as part of a larger effort to control drug traffic on the island, the officials said.

While the officials would not discuss why Bigelow had been refused parole, they said Bermuda's Ministry of Health and Social Services, which has final say on all parole decisions, has strictly followed the new policy guidelines.

Ann Cartwright de Couto, who was appointed to head the Ministry early last year, rejected Bigelow's request for parole, according to Edward Dyer, the island's commissioner of prisons. Cartwright de Couto, a lawyer who serves part time in her government position, was unavailable for comment.

"I can't say that Bigelow was denied parole because of any change in policy," Dyer said. "But I think it's being attributed that way."

According to Hugh Bigelow and the American consulate in Hamilton, the Bermudian parole commission had recommended that Bigelow be released. Dyer would not comment on the commission's decision but said that Bigelow's release may have been ultimately rejected by Cartwright de Couto even if there had been no change

in policy concerning parole.

"There is no rule that everyone goes out after half their sentence is up," Dyer said, adding that other foreigners have been refused parole in recent years. "It's not an automatic thing."

Dyer acknowledged, however, that Bigelow had probably been told by prison officials that he would likely be released in January. "I would have made the same assumption as Bigelow had I been in his position," Dyer said.

Richèle Keller, an official in the American consulate, said Bigelow was informed last February that the new Bermudian parole policy could affect his release. "I can say, however, that he was still given every expectation by the prison authorities that he would be released," Keller said.

Bigelow learned that his parole had been rejected a week before he completed the fifth year of his sentence, she said, but held out hope that he still might be released on Jan. 23.

"Looking forward"

"He was looking forward to that date," said Keller, who pays monthly calls on Bigelow and the other three Americans currently imprisoned in Bermuda. "Having that taken away from him has caused him a lot of psychological stress. I think he is prepared to continue the hunger strike until he dies."

During his incarceration at Casemates Prison, the island's only maximum-security facility, Bigelow has been considered a model prisoner and has been placed in the group of inmates permitted the greatest number of privileges.

But because he is a foreigner, these privileges do him little good, Hugh Bigelow said. "Sure, he can receive more cigarettes and visitors, but there is no one to visit him," he said.

Hugh Bigelow described the prison as a "dungeon - dank and wet" - and said it was overcrowded. His assessment was supported by several Bermudian journalists who asked not to be named. The journalists said the prison has facilities for 80 prisoners but now holds about 160 inmates.

Before his arrest in Bermuda, Bigelow had been living in New York City and working as a cameraman for a video production group, according to his brother, who had no success in persuading Bermudian officials to reconsider the parole.

"I think he realizes that he is going to have to stay here longer," Hugh Bigelow said, "but he is very angry, and I think it's going to be difficult to talk him out of the strike."



(Photo by Arthur T. Gregorian)

Fine Oriental Rugs For Sale

akistan to get them. Several times each yce Gregorian buy fine old Belouchis and om these men and others like them. They ish rugs, decorative Chinese carpets and ; from India and Iran.

find rugs from every major rug-weaving in every size, weave and color, at prices ssible. Nearly 6000 personally selected wait your visit. Please come in soon -

COME JOIN US FOR
Sunday

310444

THE WHITE HOUSE
WASHINGTON

March 27, 1985

1110
COPIES
PROB7-01

TO: FRED RYAN

FROM: MAX FRIEDERSDORF *MF.*

SUBJECT: Meeting with the Premier
of Bermuda

Pursuant to our conversation, this is to request 5 minutes of the President's schedule during Admin. Times on Thursday, April 4th at 4:30 p.m. The Premier of Bermuda, John Swann, will be in Washington April 3-5 on government business. Meeting with top officials at the Treasury and State Departments. The President has met the Premier before and the purpose of the visit on April 4th will merely be a courtesy call, no substance.

Many thanks for your assistance.

APPROVED FOR

Date *9-4-85*

Time *4:30*

Length *5 min*

Date *3/28/85*

Ag

THE WHITE HOUSE
WASHINGTON

324230

VI 1150

CO 018

FB006-01

June 14, 1985

Dear Mel:

It was a pleasure seeing you again this week here at the White House and I certainly enjoyed our visit and the luncheon together.

Reflecting on your letter concerning Senator Packwood's visit July 12, 13, and 14, I believe your proposed schedule is most satisfactory. The brunch at Chelston is fine, and I am sure the Senator will enjoy meeting the guests you have suggested for this event. I do not yet have our specific time of arrival and departure, but will keep you posted as the visit approaches.

Meanwhile, with kindest personal regard, I am

Sincerely yours,

Max

Max L. Friedersdorf
Assistant to the President

The Honorable Melville E. Blake, Jr.
Consul General
Hamilton, Bermuda

MLF:SI

bcc: Central Files w/incoming
CHRON FILES



CONSULATE GENERAL OF THE
UNITED STATES OF AMERICA

HAMILTON, BERMUDA

June 7, 1985

The Honorable
Max Freidersdorf
Special Assistant to the President
for Legislative Strategy
The White House
Washington, D.C. 20500

Dear Max:

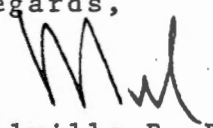
Thanks for your letter of May 22 on the visit of Senator Packwood, Assistant Secretary of Defense Russell Rourke and yourself, all accompanied by spouses. Don Gentry and I have arranged a briefing at the Naval Air Station, subject to your approval, as follows:

July 13, 9:00 a.m.: Classified briefing at the Naval Air Station. 30-40 minutes to be immediately followed by a helicopter tour of the island. The entire program should be over by 11:00-11:15 a.m.

I understand that the Senator has been briefed in his office on U.S.-Bermudian relations and Bermuda's strategic importance to the United States and NATO. Nevertheless, it might be beneficial for him to receive brief comments on current political and economic developments, and I could make this presentation as part of the briefing. Please advise. - yes

John Swan and I have discussed plans for the visit. I gather that he is working out dates for dinner with the Wahls. There is a temptation to overload CODELs with activities, but I suggest for your consideration a brunch on July 14 at Chelston. I would draw upon segments of Bermuda society and business which might have been overlooked. I am keen that CODELs meet representatives of the resident American, in addition to the local business, community and too often these Americans tend to be overlooked. Let me know if I can assist.

Regards,


Melville E. Blake, Jr.
Consul General



CONSULATE GENERAL OF THE
UNITED STATES OF AMERICA
HAMILTON, BERMUDA

470487

00018
FIDIO-02
LE

January 24, 1986

TB

Admiral John Poindexter
National Security Adviser
to the President
The White House
Washington, D.C.

Dear John:

Senator Bob Packwood (R-Oregon), Chairman of the Senate Finance Committee, has written me that he intends to offer S. 1718 to the Tax Reform Bill when Mark-up starts next month.

You will recall that this is the bill Packwood offered at the request of the Administration to provide Bermuda reclassification and/or definition as a "North American" country for the purpose of allowing deductions of business expenses by U.S. taxpayers attending conventions in Bermuda.

Bermuda lost this concession during the Carter years and it has been a hot political issue here ever since, threatening the security of our three U.S. Naval installations and NASA tracking station in Bermuda.

Packwood is willing to lead the fight in the Senate, but in his letter to me, requested White House support.

I have spoken to "B" and he is fully briefed, but it occurs that Packwood would be better equipped if he had a Presidential letter similar to the one the President sent to Packwood and Rostenkowski last year.

Rob Sable, Don Fortier and Ty Cobb worked this issue and could get out another letter for Packwood.

NSC 8600865

S-1718 re: inclusion of Bermuda as
North American Country for TAX
Purposes

Page Two

The Government of Bermuda is watching the Senate action with a hawk eye and if something doesn't happen soon on this four-year-old issue, I'm worried about our bases here.

Yours sincerely,



Max L. Friedersdorf
United States Consul General

cc: "B" Oglesby
Assistant to The President
for Legislative Affairs
The White House
Washington, D.C.

Don Fortier
Deputy Assistant to The President
for National Security Affairs
The White House
Washington, D.C.

Ty Cobb
Office of the National Security
Adviser
The White House
Washington, D.C.

Ron Sable
Office of the National Security
Adviser
The White House
Washington, D.C.

Ms. Pamela Turner
Deputy Assistant to the President
for Legislative Affairs
The White House
Washington, D.C.

Mr. Jim Medas
Office of European Affairs
Room No. 5227
Department of State
Washington, D.C. 20520

NSC/S PROFILE

UNCLASSIFIED

ID 8600865

RECEIVED 31 JAN 86 20

TO

POINDEXTER

FROM FRIEDERSDORF, M

DOCDATE 24 JAN 86

KEYWORDS: BERMUDA

CONGRESSIONAL

SUBJECT: S-1718 RE INCLUSION OF BERMUDA AS NORTH AMERICAN COUNTRY FOR TAX
PURPOSES

ACTION: PREPARE MEMO FOR POINDEXTER DUE: 03 FEB 86 STATUS S FILES WH

FOR ACTION

FOR CONCURRENCE

FOR INFO

COBB

NORTH

SABLE

SOMMER

TILLMAN

HUGHES

SACHS

COMMENTS

REF# LOG NSCIFID (PS)

ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

	C/1/13/87	COB/S/Status original unknown		

DISPATCH

W/ATTCH FILE (C)

Epj
~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

C.F. 85013
474495 4129
C0018

ACTION

June 1, 1987

MEMORANDUM FOR COLIN L. POWELL

FROM: FRITZ W. ERMARTH *J*
SUBJECT: Bermuda Status Report

F1010-02
F6012
F6006-12

Treasury Assistant Secretary Roger Mentz briefed our new (effective today) Consul-General for Bermuda, Jim Medas, last week on the status of the package of measures we are pursuing to demonstrate our good faith effort to comply with commitments made to Premier Swan. I asked Roger to provide an update to you on where we stood and what needs to be accomplished next. In his report (Tab A) Roger notes:

- A legislative proposal is being drafted that will mitigate the impact of the "triple tax" provision. Treasury believes this was an unintended fallout of the 1986 Tax Reform Act; unfortunately, it does not appear that it can be resolved by a "technical fix," nor will it be "Bermuda specific."
- Our preliminary discussions with Bermuda indicate that they still favor the Tax Treaty we initialled last year but could not get through the SFRC. State will take the lead in pressing for Senate support for the Treaty and will develop a strategy which will rely heavily on making effective presentations on the Hill regarding the national security importance of Bermuda (DOD will be a major player).

At my urging Mentz and Medas will meet with Swan this week in Bermuda to obtain his endorsement of this approach. Assuming the Premier agrees, Treasury will press the legislation on the "Triple Tax" and State will lead the charge to get the treaty through the Senate. In accordance with your PRG directions State will convene an IG session to coordinate this strategy this week.

WJ
for Bill Cockell, Nelson Ledsky, Steve Danzansky, Alix Platt, Alison Fortier concur. *ML* *Appr* *AP*

RECOMMENDATION

That you review Mentz' status report at Tab A.

Approve *JCR*

Disapprove _____

Attachment
Tab A Bermuda Status Report

Prepared by: *TW*
Tyrus W. Cobb

~~CONFIDENTIAL~~

Declassify on: OADR

NSC#8704129

DECLASSIFIED *treasury*
Authority NSC/State Waiver's
BY dlb NARA DATE 4/25/2019



DEPARTMENT OF THE TREASURY
WASHINGTON

May 29, 1987

ASSISTANT SECRETARY

MEMORANDUM FOR: GENERAL COLIN L. POWELL
ASSISTANT TO THE PRESIDENT FOR
NATIONAL SECURITY AFFAIRS

FROM: J. Roger Mentz
Assistant Secretary (Tax Policy)

SUBJECT: Bermuda Status Report

This is a status report on our progress in addressing the so-called triple tax issue affecting Bermuda captive insurance companies. We have developed a legislative proposal that would mitigate the Bermuda triple tax problem but is not Bermuda-specific. The proposal would correct the structural problem that currently exists generally when a U.S. person receives a dividend from earnings of a foreign corporation that have previously been subjected to U.S. tax. Specifically, the proposal would allow a shareholder credit for a U.S. branch or withholding tax and allow a dividends received deduction to corporate shareholders with respect to dividends from earnings of a foreign corporation that have been subject to U.S. corporate tax.

Secretary Baker approved the proposal in concept, but directed us to consult with appropriate Hill staffs. The Hill staffs, while hesitant to help offshore insurance companies, have expressed a willingness to consider proposals to correct the underlying problem. Attached is a memorandum describing our discussions with the respective Hill staffs. The next step is for us to consult with Bermuda regarding the proposal. Since the proposal is based on one of the approaches discussed at our April 13 meeting with Premier Swan, I expect Bermuda to be supportive.

My current intention is to meet with Premier Swan in Bermuda sometime next week. I will advise you of the outcome of my discussions with Premier Swan. With the legislative initiative under way, we should turn to the Treaty. We understand that State will take the lead with respect to the Treaty; we will supply any necessary technical support. As I discussed with Ty Cobb and Jim Medas, the case for the Treaty has to be made on national security grounds. The importance of Bermuda to our national security is well understood on the Hill; however, there is simply disbelief among the staffs that a failure to ratify the Treaty will result in a loss of the bases.

cc: Ms. Ridgeway
Mr. Medas

87 MAY 29 P 8:47



DEPARTMENT OF THE TREASURY
WASHINGTON

27 MAY 1987

MEMORANDUM TO: J. Roger Mentz
Assistant Secretary (Tax Policy)

FROM: Stephen E. Shay *SES*
International Tax Counsel

SUBJECT: "Triple Tax" Proposal/Results of
Briefings With Congressional Staffs

During May 14-20, we met with staff members of the Joint Committee on Taxation and representatives of the majority and minority committee staffs of the Senate Finance Committee and House Ways and Means Committee. The purpose of the meetings was to outline the legislative proposal that Treasury may support to mitigate the "triple tax" problem and to assess the reactions of Hill staffs.

1. The first and most thorough discussion was on May 14 with David Brockway, Pat Oglesby and Harrison Cohen of the Joint Committee staff. Treasury was represented by Steve Shay, Marcia Field and Peter Barnes. Shay and Barnes described the "triple tax" problem and outlined the possible options for relief. In this meeting and each of the other four sessions, we followed closely the discussion set forth in your May 7 memorandum to Secretary Baker.

Brockway indicated that he is sympathetic to a legislative proposal that would remove the extra layer of tax that can occur when a foreign corporation owned in whole or in part by U.S. shareholders earns U.S.-source income. Of the options presented, Brockway stated that he would prefer giving the shareholder credit to the first U.S. shareholder, whether corporate or individual, on the ground that potential differences in ultimate shareholder tax rates do not warrant the much greater administrative complexities of a pass-through approach that would limit use of the credit to individual shareholders.

Brockway raised the question of whether there should be a more direct approach to relief by allowing all foreign corporations to elect to be treated as engaged in a U.S. trade or business. He noted that he has long supported the idea that, in general, foreign corporations should be able to elect to be taxed as U.S. corporations. Brockway added, however, that he is concerned that foreign corporations should not be treated more

	INITIATOR	REVIEWER	REVIEWER	REVIEWER	REVIEWER	SECRETARIA
OFFICE CODE SURNAME	XLI BARNES	XAA FIELD				
INITIALS/DATE	PAB/5/27	INDF/5/27	/	/	/	/

favorably than U.S. corporations (e.g., by deferring the U.S. tax on their foreign-source income while electing U.S. treatment on U.S.-source income.) Brockway indicated that any such election should be conditioned on an adequate exchange of information system.

Pat Oglesby seemed less receptive to the proposal than Brockway, but Oglesby seemed to accept the idea of giving relief to U.S. shareholders if the United States can be assured that foreign shareholders will not benefit.

2. Following the session with the Joint Committee, Shay, Field and Barnes, joined by Mary Bennett, met with Lindy Paull of the Senate Finance minority staff. The discussion with Paull was less detailed, in part because she has only recently assumed responsibility for international issues. The session focused more on the nature of the problem than on the mechanics of possible solutions.

Paull was somewhat skeptical of the proposal because of concern that relief would cost revenue for the principal benefit of an "unsympathetic" group, the captive insurance companies. But she did not reject the idea that relief from the "triple tax" may be appropriate. She promised to consult with John Colvin and other members of the minority staff and let Shay know their reaction. (We have not yet heard further from Paull.)

3. On May 18, Peter Barnes and Mary Bennett met with Barbara Groves of the Senate Finance majority staff. Groves has a strong understanding of insurance taxation and has expressed the view on several previous occasions that some relief from the "triple tax" should be provided.

Groves stated that the Treasury proposal sounded "fairly attractive." She noted that it could be attacked (1) by domestic insurers, simply because it helps foreign competitors, and (2) by opponents of Bermuda, simply because it helps Bermuda. In each case, however, she noted that the opposition would not erode the merits of the proposal as a matter of good policy. Groves asked what the proposal would cost and seemed pleasantly surprised that the estimate was approximately \$50 million per year.

Before any of the briefings, we believed that Groves was likely to be the Hill staff member most receptive to the proposal; her response to our discussion confirmed that view.

4. On May 19, Peter Barnes met with Jim Clark and Paul Auster of the Ways and Means minority staff. Clark and Auster did not give a strong reaction either way, but they generally seemed receptive to further consideration of the proposal. Auster stated that he personally had favored the provision in the House bill that provided a credit for the branch tax.

Clark and Auster both expressed a strong concern about finding an appropriate legislative vehicle for the proposal.

5. The final briefing was on May 20 with Janice Mays, Maxine Champion and Susan Rogers of the Ways and Means majority staff. Peter Barnes and Marcia Field represented Treasury.

Mays stated that the majority staff and, she believes, the majority members of the Committee will initially have "a slight bias against" any proposal to mitigate the "triple tax" problem. The majority members have been "out front" in resisting requests by Bermuda and the insurance industry, Mays said, and having taken the heat on these issues they will not be eager to reverse field. Nonetheless, she added, the staff and the members are always looking for "the right answer," and if they are persuaded that some variation of the Treasury proposal is the correct policy to adopt, the majority members will not oppose it just to be stubborn.

Mays said that when critics of the "triple tax" first came to the Hill for relief, she discussed the issue with staff members of the Joint Committee and concluded, in her own mind, that there was no inadvertent error in the tax reform legislation. She said she told that to representatives of Bermuda and that no one should be surprised that the Ways and Means majority is content to leave the law unchanged. Mays noted that revenue could be a problem in moving the Treasury proposal, and that there also will be difficulty in finding an appropriate legislative vehicle.

Mays was extremely cordial and said she would be willing to talk about the issue further at any time. For the present, however, she said the best result that Treasury should hope for would be to have the Ways and Means majority sit quietly aside while any proposal is considered.

C.F. 474495

NATIONAL SECURITY COUNCIL
EXECUTIVE SECRETARIAT STAFFING DOCUMENT

TIME STAMP

SYSTEM LOG NUMBER:

4129 C0018

87 MAY 29 P 8: 47

ACTION OFFICER:

COBB

DUE:

Jun 1, 1987 COB

☐ Prepare Memo For President

☐ Prepare Memo Green to Peterson / Murr

☐ Prepare Memo For Carlucci / Powell

☒ Appropriate Action

☐ Prepare Memo

to

CONCURRENCES/COMMENTS*

PHONE* to action officer at ext.

FYI

FYI

FYI

☐ Batjer
☐ Bemis
☐ Brooks
☐ Burns
☐ Childress
☐ Cobb
☐ Cockell
☐ Cohen
☐ Collins
☐ Danzansky
☐ Dean, B.
☐ Donley
☐ Douglass
☒ Ermarth
☐ Farrar
☐ Flower
☐ Fortier
☐ Grimes

☐ Henhoeffer
☐ Howard
☐ Kelly, B.
☐ Kelly, J.
☐ Kimberling
☐ Kissell
☐ Kraemer
☐ Linhard
☐ Mahley
☐ Major
☐ Mathews
☐ McNamara
☐ Oakley
☐ Paal
☐ Platt
☐ Porter
☐ Pugliaresi
☐ Reger

☐ Rodman
☐ Rosenberg
☐ Ross
☐ Rostow
☐ Saunders
☐ Scharfen
☐ Smith
☒ Sommer
☐ Sorzano
☐ Steiner
☐ Stevens
☐ Tahir-Kheli
☐ Thompson
☐ Tice
☒ Tillman
☐ Tobey
☒ LEDSKY

INFORMATION

☒ Green

☐ Carlucci (advance)

☒ Pearson

☐ Powell (advance)

☒ Secretariat

☐

COMMENTS

Logged By

TC

Return to Secretariat

THE WHITE HOUSE
WASHINGTON

29/5

Grant

Capture

7

DISTRIBUTE

A large, stylized handwritten mark or signature in blue ink, consisting of a large loop followed by a horizontal line and a downward stroke.