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Last Updated: 06/23/2026

THE WHITE HOUSE
WASHINGTON

2/22/82

TO: Bill Clark

FROM: Ken Duberstein

The attached is for your information.

THE WHITE HOUSE
WASHINGTON

2/22/82

Charlie:

Per Ken's instructions, had
the original messengered to
Percy.

Also sent information copies
of original and incoming to
Bill Clark and Tom Enders.

Annie

*Pam Turner has already
received her copies*

ID # 061183

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

Co 001-09

☐ O - OUTGOING☐ H - INTERNAL☐ I - INCOMING

Date Correspondence Received (YY/MM/DD) 82102118

Name of Correspondent: Charles H. Percy

☐ MI Mail Report

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

Subject: Urges that the Caribbean Basin Initiative (1) receive your clear personal commitment when it is before Congress; (2) avoid, to the maximum extent possible, the appearance that it is just a device to foil Cuban efforts in the region; and (3) be presented as a constructive foreign policy initiative that will have short- and long-term benefits for all involved.

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 DUBÉ	CH ORIGINATOR	82102119	ICD	A	82102123
NS SECRETARIAT	D	82102123		B	1 1
		1 1			1 1
		1 1			1 1
		1 1			1 1
		1 1			1 1

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: NSC 8201243

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

February 8, 1982

061689
2400
4630
C 0 001-09
ST 051-02
LG SAN J

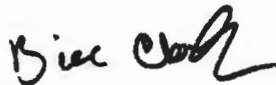
Dear Mayor Padilla:

I appreciate your kind and informative letter of January 18 and the attached recommendations that Puerto Rico has made concerning the Caribbean Basin Initiative.

I am aware of the discussions that have been going on between Puerto Rican and U.S. officials on those elements of the Caribbean Basin Initiative affecting Puerto Rico. The spirit and candor of these exchanges have been very helpful. We have no intention of helping other Caribbean countries at the expense of Puerto Rico. About that there should be no misunderstanding. Indeed we expect, as you do, that Puerto Rico will both benefit from the Caribbean Basin Initiative as well as contribute to its implementation. Together the U.S., Puerto Rico, and the countries of the region will strengthen and extend the model of political democracy and free enterprise which Puerto Rico represents so well and which remains the best hope in the region for escape from poverty and political oppression.

I assure you that the interests of Puerto Rico will be fully considered and look forward to working with you and other Puerto Rican officials to make this critical program a success.

Sincerely



William P. Clark

X
The Honorable Hernan Padilla, M.D.
The Mayor of San Juan
Puerto Rico

NSC # 8200486

REFERRAL

DATE: 08 FEB 82

MEMORANDUM FOR: STATE SECRETARIAT

DEPARTMENT OF STATE

DOCUMENT DESCRIPTION:

TO: PADILLA, HERNAN

SOURCE: CLARK

DATE: 08 FEB 82

KEYWORDS: CBI

PUERTO RICO

SUBJ: CLARK REPLY TO PADILLA LTR

REQUIRED ACTION: FOR DISPATCH VIA POUCH

DUE DATE:

COMMENTS:


FOR MICHAEL O WHEELER

STAFF SECRETARY

FOR NSC USE ONLY

FOR INFO

F WH

O CM C CM

National Security Council The White House

Package #

486

82 FEB 4 P3: 21

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>1</u>	<u>[initials]</u>	<u> </u>
Bud McFarlane	<u>2</u>	<u>[initials]</u>	<u> </u>
Jacque Hill	<u>3</u>	<u>[initials]</u>	<u> </u>
Judge Clerk	<u>4</u>	<u>[initials]</u>	<u>A</u>
John Poindexter	<u> </u>	<u> </u>	<u> </u>
Staff Secretary	<u>5</u>	<u> </u>	<u> </u>
Sit Room	<u> </u>	<u> </u>	<u> </u>
I-Information	<u>A-Action</u>	<u> </u>	<u> </u>

SIGNED

DISTRIBUTION

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CY To Deaver	<u> </u>	Show CC	<u> </u>
Other	<u> </u>		<u> </u>

COMMENTS

NATIONAL SECURITY COUNCIL

February 3, 1982

ACTION

SIGNED

MEMORANDUM FOR WILLIAM P. CLARK

FROM:

HENRY R. NAU *LRN*

SUBJECT:

Letter from Mayor of San Juan re
Caribbean Basin Issue

Mayor Padilla of San Juan, Puerto Rico, has written you (Tab II) about Puerto Rican concerns that the Caribbean Basin Initiative may impact adversely on Puerto Rican development.

Rich Williamson's office has recommended that you reply. Williamson and his staff have been involved in extensive discussions with Puerto Rican officials, the spirit of which has been quite good. They believe that a general reply from you would contribute to this spirit. I have cleared the reply with them.

Roger Fontaine concurs.

RECOMMENDATION: That you sign the reply to Mayor Padilla at Tab I.

APPROVE ✓

DISAPPROVE _____

Attachments

Tab I Reply to Padilla
 II Letter from Padilla

RECEIVED 29 JAN 82 10

TO CLARK

FROM PADILLA, HERNAN

DOCDATE 18 JAN 82

061689

KEYWORDS: CBI

PUERTO RICO

SUBJECT: LTR FM MAYOR OF SAN JUAN RE CARIBBEAN BASIN INITIATIVE

ACTION: RECOMMENDATIONS

DUE: 02 FEB 82 STATUS S FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

FONTAINE

NAU

COMMENTS

REF#

LOG

NSCIFID

(C /)

ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

Clark	X	10/1 for signatures		
C	2/8	Clark rep ltr		SA, Fo
State	-	2/8 for dispatch via pouch		

DISPATCH

✓ 2/8 to State

W/ATTCH

FILE

279 (C)

Oer

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: _____ Media: L Individual Codes: 1.220 _____

Prime Subject Code: Co 001-09 Secondary Subject Codes: Co 038 _____
ED _____

PRESIDENTIAL REPLY

Code	Date	Comment	Form
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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 - 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

February 23, 1982

Dear Senator Percy:

On behalf of the President, I would like to acknowledge and thank you for your letter of February 11, which was received here on February 19, outlining your thoughts and specific recommendations regarding Congressional consideration of the Caribbean Basin Initiative.

We appreciate hearing from you and having your assessment of this important issue. I have taken the liberty of sharing your comments with the appropriate members of the President's staff, and please be assured that prompt and thorough consideration will be given to your concerns and suggestions for securing Congressional support of the Initiative.

With best wishes,

Sincerely,

Kenneth M. Dubarstein
Assistant to the President

The Honorable Charles H. Percy
United States Senate
Washington, D.C. 20510

KMD:CMF:np

cc: w/copy of inc, NSC Secretariat - for DRAFT response

✓ cc: w/copy of inc, Pam Turner - FYI

WH RECORDS MANAGEMENT WILL RETAIN ORIGINAL INCOMING

February 13, 1982

Dear Senator Percy:

On behalf of the President, I would like to acknowledge and thank you for your letter of February 11, which was received here on February 19, outlining your thoughts and specific recommendations regarding Congressional consideration of the Caribbean Basin Initiative.

We appreciate hearing from you and having your assessment of this important issue. I have taken the liberty of sharing your comments with the appropriate members of the President's staff, and please be assured that prompt and thorough consideration will be given to your concerns and suggestions for securing Congressional support of the Initiative.

With best wishes,

Sincerely,

Renneth M. Duberstein
Assistant to the President

The Honorable Charles H. Percy
United States Senate
Washington, D.C. 20510

RMB:CMF:hp

cc: \copy of inc, NSC Secretariat - for DRAFT response

\ cc: \copy of inc, Pam Turner - FYI

WE RECORDS MANAGEMENT WILL RETAIN ORIGINAL INCOMING

CHARLES H. PERCY, ILL., CHAIRMAN

HOWARD H. BAKER, JR., TENN.
JESSE HELMS, N.C.
S. I. HAYAKAWA, CALIF.
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EDWARD G. SANDERS, STAFF DIRECTOR
GERYLD S. CHRISTIANSON, MINORITY STAFF DIRECTOR

United States Senate
COMMITTEE ON FOREIGN RELATIONS
WASHINGTON, D.C. 20510

1982 FEB 18 AM 9 51

February 11, 1982

061183

Dear Mr. President:

I want to share a few thoughts with you about the Caribbean Basin Initiative (CBI), which I understand you will be announcing shortly. I have been in close contact with a number of people and private sector organizations that are enthusiastically supporting this concept, and they have kept me informed of progress in the development of the Initiative. As Chairman, I believe that the Committee on Foreign Relations will give its strong support to the CBI when it is submitted to the Congress.

I do believe that this is an issue on which broad, bipartisan support can be generated, and I hope the White House will be mobilized to give its full support to the Initiative even though they will have many other demands on their time.

In order to gain early, strong, bipartisan support in the Congress, I believe the CBI must --

- have your clear personal commitment and that of all your White House staff while the issue is before the Congress;
- avoid, to the maximum extent possible, the appearance that it is just a device to foil Cuban efforts in the region;
- be presented as a constructive foreign policy initiative that will have short- and long-term economic and political benefits for both the individual countries in the region and the United States.

I am sure you are aware of the need for your personal attention to this issue, which will be controversial and touch a number of particularly sensitive domestic interest "nerves." Some

The President
The White House

1005 FEB 18 AM 9 21

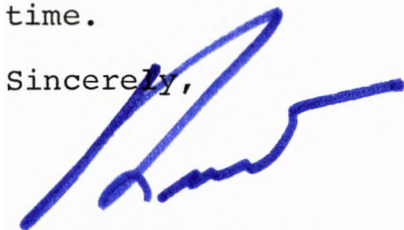
of these potential obstacles to passage of necessary legislation can be overcome if the CBI package is presented as a positive approach to the economic and political problems of this troubled region.

In this regard, I am especially concerned that the Cuba issue, the El Salvador crisis and U.S. national security interests not appear to be the principal driving forces motivating the Initiative. In part this is because it might undermine the broad, bipartisan coalition in the Congress to support the Initiative. More importantly, I am concerned that our friends, Mexico, Canada and Venezuela, would not be able to associate themselves with the Initiative if it appears to be targeted against Cuba. Failure to gain their support would undercut the chance for this bold initiative of yours to be successful.

Also, I believe that the recipient countries in the region, even though they share our concern over aggressive Cuban behavior, would find it difficult to be the benefactors of a policy characterized principally as a means to enhance the U.S. national security. In any case, our national interests are clearly best defended by policies that contribute to economic development and political stability in the region and thereby make the Cuban appeal less meaningful to the populations of these different countries.

I hope these thoughts are useful as you plan strategy for presenting the Caribbean Basin Initiative to the Congress. I look forward to assisting you in the development of what can be one of the most positive, constructive initiatives this country has taken toward Latin America in a very long time.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Charles H. Percy', with a stylized flourish extending to the right.

Charles H. Percy
Chairman

CHP:gqa

RECEIVED 25 FEB 82 18

TO PRES

FROM PERCY, CHARLES H

DOCDATE 11 FEB 82

DUBERSTEIN, K

22 FEB 82

KEYWORDS: CBI

CARIBBEAN

CO

SUBJECT: FEW THOUGHTS RE CARIBBEAN BASIN INITIATIVE

ACTION: FOR RECORD PURPOSES

DUE:

STATUS C

FILES WH

FOR ACTION

FOR CONCURRENCE

FOR INFO

NAU

FONTAINE

~~NAU~~

COMMENTS

REF#

LOG

NSCIFID

(M / M)

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

DUE

COPIES TO

DISPATCH

W/ATTCH FILE

(C)

22

Jan 21,

Loretta,

On this one, Dorothy French (Judge's secretary from State, along w/Jacque Hill) advises that Herman Padilla is not someone to encourage. Could Roger F. reply on behalf of Judge? (Not for Judge's signature) ~~Perhaps~~ Thanks.

Sally



CITY OF SAN JUAN

HERNAN PADILLA, M. D.

MAYOR

January 18, 1982

Mr. William Clark
Assistant to the President
for National Security Affairs
The White House
Washington, D.C. 20500

Dear Mr. Clark,

I would like to take this opportunity to congratulate you on your appointment as the President's National Security Advisor and to extend to you my best wishes for continued success as you assume your new responsibilities for the President.

It has been some time since we last met, and in the interim many events that may impact on the Puerto Rico-United States relationship have evolved. Because of your special interest in the Caribbean region, I would like to up-date several matters of special concern and importance.

You are most likely aware that President Reagan recently issued a statement on the political status of Puerto Rico, renewing his commitment for statehood should the people of our island choose it in a free and democratic manner. I strongly support the President's view, and I know his remarks will assist those of us in Puerto Rico who know that statehood is the best alternative to the status problem to persuade a greater number of our fellow citizens to this end. For this, we are most grateful to the President.

At the same time, however, other issues of concern remain.

Mr. William Clark

Page 2

January 18, 1982

Of particular importance to Puerto Rico at this time is the development of the Caribbean Basin Initiative, and a proper definition of Puerto Rico's role in its implementation. Frankly, despite several meetings between Puerto Rico officials -- including myself -- and the Administration, I am not confident that our interests are being fully considered in the development of this initiative.

I am deeply concerned about the effects of the CBI on Puerto Rico, based on what has been made public through the media and in discussions with various Administration officials.

I share the view that the U.S. government, in cooperation with other nations such as Mexico and Venezuela, must generate a program designed to provide assistance to the nations of the Caribbean Basin who are threatened by political forces, whose economies are failing and whose populations live in deep poverty. But such a program should not be undertaken without a clear and precise understanding of how it will affect the more than 3 million U.S. citizens of Puerto Rico, and our neighbors in the U.S. Virgin Islands. Proposals for one-way free trade and extension of U.S. Federal tax incentives for investment in the Caribbean by U.S.-based firms may seriously harm and perhaps irreparably damage our own economy if adopted without modification.

We in Puerto Rico recognize that as the major U.S. presence in the Caribbean we naturally pose a complicating factor for the United States. This need not be the case and, in fact, if certain actions are taken, Puerto Rico can both benefit from the CBI as well as contribute to its implementation.

Our island has traditionally sought to be a political, economic and technological model for the Caribbean, a clear and prosperous example of how the American political and free enterprise system can function in developing and Third World nations. Our vision of Puerto Rico as such a model for others to emulate is neither shared not even acknowledged by most of our neighbors in the region, many of whom view Puerto Rico as a semi-colonial appendage of the U.S. with little political or economic identity of our own.

Mr. William Clark
Page 3
January 18, 1982

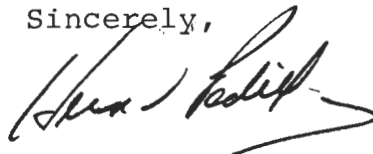
Before our island can establish itself in this manner and, indeed, before the United States can fully demonstrate the advantaged of our political and economic system to the nations of the Caribbean, we must take those actions that will insure continued economic and social progress for the U.S. citizens residing in this region.

The Caribbean Basin Initiative should not result in reversing the economic progress Puerto Rico has achieved in recent decades through an aggressive industrialization program and through increased cooperation with our fellow U.S. citizens. Anticipated changes in economic policies towards the nations of the Caribbean must not significantly harm the investment and trade potential crucial to Puerto Rico's economic growth.

In recent weeks I have met with Administration officials at the White House, the Office of the U.S. Trade Representative, and the U.S. Departments of Commerce, State and Treasury to present proposals for Puerto Rico's involvement in the Caribbean Basin Initiative and to caution against developing a program that will result in deterring economic development on our island. I believe our proposals are consistent with the overall objectives of the CBI and in line with the basic ideology of the Reagan Administration: expansion of private sector economies, modifications in laws and regulations that prevent economic growth and increased international trade and economic cooperation. I am enclosing a summary of our recommendations for your review.

I urge you in future conversations with the President, the Secretary of State and others in the Administration involved in the development of the Caribbean Basin Initiative to bear in mind our concerns and to become an advocate for our positive role in the implementation of this crucial program.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Hernán Padilla', with a stylized flourish extending from the end.

Hernán Padilla

II. Recommendations

(1) Puerto Rico should become the sole conduit for the entire Caribbean Basin Initiative and, as such, it (not Miami or other stateside locations) should be designated as the physical base and the leadership and personnel base for the Administration's Caribbean Basin initiative.

(2) Puerto Rico-based construction firms (as opposed to stateside and foreign firms) should be used as the primary source of outside construction capability by Caribbean Basin nations developing infrastructure or conducting industrial and economic development projects with U.S. foreign assistance. Non-Puerto Rican firms should be used only where Puerto Rico-based construction firms invite their participation because P.R. firms do not have specific capabilities required.

(3) Puerto Rico manufactured and produced materials should be the primary source of construction materials used for the development of infrastructure or industrial development projects by Caribbean Basin nations undergoing such projects with U.S. foreign assistance, provided that such a policy

does not substantially increase construction material and/or transportation costs.

(4) The Reagan Administration should take those actions that may be necessary to coordinate and facilitate the development of San Juan as a banking and financial service center for the Caribbean Basin. Among those actions include the extension of Section 936 of the Internal Revenue Code to permit Federal tax-exempt profits from P.R.-based subsidiaries of U.S. firms that cannot be reinvested in the island's local economy to be loaned for the purposes of promoting economic development in Caribbean Basin nations. This should only be permitted if all financial transactions are conducted and closed by San Juan-based banking and financial institutions. The extended use of Section 936 in this matter would provide additional private sector capital for industrial development in Basin nations, as well as facilitate the development of San Juan as a banking and financial service center in the Caribbean. (The extended use of Section 936 in this manner could not be implemented until the U.S. Treasury and Puerto Rico resolve all current disputes relating to this provision of the IRC.)

(5) The Reagan Administration should assist Puerto Rico in the development of trade zone activities through the

provision of assistance for infrastructure development, rapid issuance of licenses and permits and technical assistance where needed.

(6) A Federally-funded agricultural research and development center should be established in Puerto Rico for the purpose of assisting the development of improved agricultural production, marketing and distribution in Caribbean Basin nations.

(7) An energy research and development center, established and administered jointly by the Governments of the United States, Mexico and Venezuela, should be located in Puerto Rico for the purpose of assisting the development of alternative energy sources in Caribbean Basin nations.

(8) Improved air transportation between Puerto Rico and Caribbean Basin nations, as well as between Puerto Rico and other cities throughout Latin America could be achieved by the adoption of an "open skies" policy for the City of San Juan. Under such a policy, foreign air carriers would be permitted access to San Juan without requiring reciprocity. This policy would go a long way to providing improved air transportation for Puerto Rico, for tourism as well as commerce and other purposes. The effect would be to minimize some of the negative effects of our insular location.

(10) The Reagan Administration should review maritime and shipping laws under the Foraker Act of 1900 and the Jones Act of 1920 and take those actions that may be necessary to modify provisions requiring all movement of passengers and cargo between the mainland United States and Puerto Rico to be in U.S. flag bottoms.

Because this policy greatly increases transportation costs for Puerto Rico, the U.S. should permit limited foreign flag entry into Puerto Rico for the purpose of moving commodities bearing high shipping costs. Furthermore, this policy restricts the potential of San Juan as a major location for cruise ship passengers, curbing the island's tourism industry. In addition to modifying maritime and shipping laws that adversely affect Puerto Rico, existing laws should be amended so as to allow Navieras de Puerto Rico to obtain a very substantial share of all Caribbean Basin sea transportation and support should be given to the Puerto Rico-based shipping firm to develop this service.

(11) The Twin Plant Concept, in which U.S.-based firms could combine the cost advantages of different locations in manufacturing goods by dividing the various stages of production among one or more Basin nations and Puerto Rico, should be more

fully developed and implemented, and incentives should be provided to U.S. firms providing employment opportunities in Puerto Rico and Caribbean Basin nations through this concept.

(12) Incentives should be provided to encourage cooperative agreements and joint ventures between U.S. and foreign firms involving petroleum products and other minerals and raw materials to be processed in Puerto Rico and then shipped to U.S. markets. This would assist Puerto Rico's development as a private sector service center in the Caribbean and increase the island's capabilities for processing, shipping, warehousing and insuring such products.

(13) The Reagan Administration should take those actions that would result in increasing defense-related and other Federal procurement to Puerto Rico-based manufacturing operations. The Administration should work with Puerto Rico to immediately identify potential recipients of increased defense procurement in Puerto Rico, and to take those actions that could result in expanding the island's private sector economy through defense-related expenditures.

(14) First priority should be given to the use of Puerto Rico-based commercial, educational and technical resources to support industrial and economic development activities in Caribbean Basin nations. Puerto Rico's political and economic leaders should actively participate in all relevant areas

of Caribbean Basin Initiative development and implementation. Selected studies needed to support aspects of the Caribbean Basin Initiative should be commissioned to Puerto Rico-based institutions or include Puerto Rican specialists. Various meetings, conferences, seminars and other activities related to this effort should be hosted in Puerto Rico.

(15) The appointment of a Puerto Rican to an ambassadorial position in the Caribbean Basin would serve to improve the political visibility of Puerto Rico in the region, and would improve relations between our island and surrounding Basin nations. The Republican Party of Puerto Rico has proposed candidates for ambassadorships in the Caribbean and Latin America. Furthermore, the appointment of Puerto Ricans to other foreign service positions in the Caribbean would also assist this objective.

###

Briefing on The Caribbean
Basin Initiative

062183

WS CD 00109

MC003

SP584

SP

FEBRUARY 23, 1982

10:30 A.M.

CARIBBEAN BASIN INITIATIVE

LET ME TURN NOW TO A FOREIGN POLICY INITIATIVE THAT I WILL BE ANNOUNCING TOMORROW. WE HAVE BEEN WORKING FOR THE BETTER PART OF A YEAR ON A PROGRAM TO STIMULATE FUNDAMENTAL ECONOMIC & SOCIAL PROGRESS IN THE CARIBBEAN BASIN AREA.

MY PROGRAM FITS NATURALLY INTO THE PROGRESSIVE DEVELOPMENT OF THIS ADMIN'S FOREIGN POLICY. WE BEGAN WITH STRONG PROPOSALS TO REVITALIZE AMERICA'S ECONOMY & MILITARY POWER. WE WORKED HARD LAST YEAR TO STRENGTHEN RELATIONS WITH MEXICO & CANADA. NOW WE ARE READY TO MOVE FORWARD WITH MEXICO, CANADA & VENEZUELA TO HELP OUR CARIBBEAN NEIGHBORS HELP THEMSELVES.

Briefing

- 2 -

THE CARIBBEAN BASIN INITIATIVE
BUILDS ON THE PRINCIPLES OF
MARKET-ORIENTED DEVELOPMENT THAT I
OUTLINED AT CANCUN LAST OCTOBER. IT
OFFERS THE PROSPECT OF ECONOMIC GROWTH
BASED ON FREE TRADE & INVESTMENT
INCENTIVES. FOREIGN AID SERVES THESE
PURPOSES; IT DOES NOT SUBSTITUTE FOR
THEM.

PASSING THIS PROGRAM WILL NOT BE
EASY. SOME WILL SAY WE CANNOT DO IT,
GIVEN OUR DOMESTIC ECONOMIC
DIFFICULTIES. OTHERS WILL ACCUSE US OF
MOVING TOWARD A MILITARY BUILDUP IN
CENTRAL AMERICA.

- 3 -

MY REPLY, & I HOPE YOURS ALSO, WILL BE SIMPLE. OUR NEIGHBORS ARE THREATENED. THEIR REAL ASPIRATION IS ECONOMIC & SOCIAL PROGRESS. IF WE HELP THEM IN THIS AREA, THE SPREAD OF VIOLENCE WILL BE SLOWED & EVENTUALLY STOPPED. THERE WILL BE A SMALL ECONOMIC PRICE TO PAY NOW TO OPEN UP AMERICAN MARKETS TO THEIR PRODUCTS & TO HELP THE MOST ENDANGERED COUNTRIES PROTECT THEIR DEVELOPMENT EFFORT. BUT IF WE HOLD BACK NOW, THERE WILL BE A MUCH GREATER PRICE TO PAY LATER.

MANY OF YOU WILL BE HERE TOMORROW MORNING FOR A FULL-SCALE BRIEFING, BUT I WANT TO CALL ON AL HAIG & THEN BILL BROCK FOR A FEW COMMENTS. AL . . .

ID # 062615

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

C0001-09

1741

☐ O - OUTGOING☐ H - INTERNAL☒ I - INCOMINGDate Correspondence
Received (YY/MM/DD)

82102627

Name of Correspondent:

William S. Broomfield

☐ MI Mail Report

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

Subject:

Expresses support for the President's
Caribbean Basin Initiative

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 Dube		ORIGINATOR	820207 WS	KD	A	820309 CS
NS att Secretary		Referral Note:	A CS	820311		1 1
		Referral Note:				1 1
		Referral Note:				1 1
		Referral Note:				1 1
		Referral Note:				1 1

ACTION CODES:

A - Appropriate Action
C - Comment/Recommendation
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C - Completed
S - Suspended

FOR OUTGOING CORRESPONDENCE:

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

Comments:

NSC ID # 8201741 BG

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: 1240 _____

Prime Subject Code: CO 001-09 Secondary Subject Codes: _____

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
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- G - Message
- H - Handcarried
- L - Letter
- M - Mailgram
- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

March 9, 1982

Dear Bill:

The President has asked me to thank you very much for your thoughtful letter of February 25. He sincerely appreciates having your wholehearted personal support for the Caribbean Basin Initiative, and I assure you that your comments and suggestions have been carefully noted. Please do not hesitate to keep us apprised of your thoughts on these very important issues.

With best wishes,

Sincerely,

Kenneth M. Duberstein
Assistant to the President

The Honorable William S. Broomfield
House of Representatives
Washington, D.C. 20515

KMD:CMF:nap

cc: w/copy of inc, NSC Secretariat - for appropriate action

WH RECORDS MANAGEMENT WILL RETAIN ORIGINAL INCOMING



062615

House of Representatives
Washington, D. C. 20515

William S. Broomfield
19th District, Michigan

February 25, 1982

Foreign Affairs
Ranking Member

Dear Mr. President:

I want to express my wholehearted personal support for your Caribbean Basin Initiative. As I stated for the Congressional Record, I believe that this initiative is of historic proportion. If one event can have a rallying effect on the American people, then I feel that your speech will serve such a purpose.

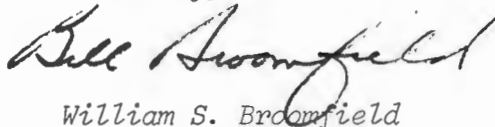
I will be proud to do what I can to support your initiative in the Congress. I believe that its announcement was timely, and will quickly garner the endorsement of the American people. Even today, during a hearing in the House Foreign Affairs Committee on Human Rights Certification in El Salvador, I witnessed a rare occurrence. Two of the most liberal Democrats on the Inter-American Affairs Subcommittee actually endorsed your initiative. Naturally, they placed a caveat here and there, but your leadership and clear enunciation of your government's policy in the region forced them to indicate that the policy is substantial and that it is correct.

I believe that continued public advocacy of the economic side of the package will assist in educating our citizenry on some of the vital issues at stake in Central America and the Caribbean. Despite the powerful propaganda war being waged

by the leftist forces in the region against our efforts, your initiative has seized the moment. I believe that we must continue to accentuate the positive.

Again, Mr. President, your speech was terrific.

Sincerely,

A handwritten signature in cursive script that reads "Bill Broomfield". The signature is written in dark ink and is positioned above the printed name.

William S. Broomfield
Member of Congress

P. S. It was also my privilege and pleasure to be present to hear your speech on the 40th anniversary of the Voice of America. It was perfect for the occasion.

The Honorable Ronald W. Reagan
The President
The White House
Washington, D. C.

RECEIVED 16 MAR 82 18

TO PRESIDENT

FROM BROOMFIELD, WILLIAM

DOCDATE 25 FEB 82

KEYWORDS: CBI

CCO

SUBJECT: SUPPORT FOR CBI

ACTION: APPROPRIATE ACTION

DUE: 26 MAR 82 STATUS C FILES WH

FOR ACTION

FOR CONCURRENCE

FOR INFO

STATE

NAU

FONTAINE

FRENCH

HILL

COMMENTS

REF# LOG NSCIFID (V / V)

ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

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_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____

DISPATCH _____ W/ATTCH FILE _____ (C)

REFERRAL

DATE: 16 MAR 82

MEMORANDUM FOR: STATE SECRETARIAT

DOCUMENT DESCRIPTION:

TO: PRESIDENT

SOURCE: BROOMFIELD, WILLIAM

DATE: 25 FEB 82

KEYWORDS: CBI

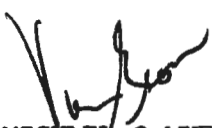
CCO

SUBJ: SUPPORT FOR CBI

REQUIRED ACTION: APPROPRIATE ACTION

DUE DATE: 26 MAR 82

COMMENTS:


FOR MICHAEL O WHEELER

STAFF SECRETARY

FOR NSC USE ONLY

FOR INFO NAU

FONTAINE

F WH

O V C V

FRENCH

HILL

79

063147

1230

C0001-09

12033

12001

March 2, 1962

Dear Bob:

I have noted your recent remarks concerning my Caribbean Basin Initiative, and just wanted to thank you for your expression of support.

This plan offers us an important opportunity to create a strong and productive Western Hemisphere, and I shall continue my efforts to achieve this goal. Please accept my appreciation for all your support and guidance.

Sincerely,

RON

+
The Honorable Robert J. Laomarsino
House of Representatives
Washington, D.C. 20515

RWR:KND:CMF:nap

Ltr. of appreciation re his remarks on behalf of the
President's Caribbean Basin Initiative

820302

159

063148

1240

C0001-09

FG032

PR001

March 2, 1982

Dear Tom:

I have noted your recent remarks concerning my Caribbean Basin Initiative, and just wanted to thank you for your expression of support.

This plan offers us an important opportunity to create a strong and productive Western Hemisphere, and I shall continue my efforts to achieve this goal. Please accept my appreciation for all your support and guidance.

Sincerely,

RON^a

The Honorable Thomas B. Evans, Jr.
House of Representatives
Washington, D.C. 20515

RWR:KMD:CMF:nap

820302

Ltr. of appreciation sent re his remarks on behalf of
the President's Caribbean Basin Initiative

830303

BMK:KMD:CWB:usd

RECEIVED: D.C. 30212
HONOR OF REVENUE OFFICE
THE HONORABLE JAMES D. GARRA, JR.

7

4718

STANDARD

subject and interest
copy. Please advise me immediately for any loss
and I will continue to advise to continue until
clearly a record and description of the property
this item of value as an individual obligation to

Thank you for your explanation of subject.
Sincerely yours, JAMES D. GARRA, JR.
I have noted your letter concerning the

Best regards

March 5, 1983

841230

ID #

063187

00001-09

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☒ I - INCOMINGDate Correspondence
Received (YY/MM/DD)

82103103

Name of Correspondent:

L.A. "Skip" Papaleo

☐ MI Mail Report

User Codes:

(A)

(B)

(C)

Subject:

Encloses a letter from W. Bernard Lester outlining
the fears of possible damage to the Florida citrus industry
relative to the Caribbean Basin program

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 Data	ORIGINATOR	82103103	RD	A	82103117 FG
NS SECRETARIAT	D	82103118 FG		C	8210320 PG
99 DOS	R	82103120		A	82105101 PG
		1 1			1 1
		1 1			1 1

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:

NSC ID# 8201834

Keep this worksheet attached to the original incoming letter.

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RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

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Prime Subject Code: CO 001-09 Secondary Subject Codes: Hu 040 _____
BE 003-06 _____
CM 003-03 _____

PRESIDENTIAL REPLY

Code	Date	Comment	Form
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DSP	_____	Time: _____	Media: _____

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 P - Photo
 R - Report
 S - Sealed
 T - Telegram
 V - Telephone
 X - Miscellaneous
 Y - Study

(Classification)
UNCLASSIFIED

S/S # 8208656

Date May 4, 1982

DEPARTMENT OF STATE
EXECUTIVE SECRETARIAT
TRANSMITTAL FORM

FOR: Mr. William P. Clark
National Security Council
The White House

REFERENCE:

TO: The President FROM: Congressman Bafalis

DATE: 3/2/82 SUBJECT: Caribbean

Basin Initiative

WHITE HOUSE REFERRAL DATED: 3/20/82 NSC #ID8201834
(if any)

THE ATTACHED ITEM WAS SENT DIRECTLY
TO THE DEPARTMENT OF STATE

ACTION TAKEN:

_____ A draft reply is attached.

_____ A draft reply will be forwarded.

_____ A translation is attached.

XX An information copy of a direct reply is
attached.

_____ We believe no response is necessary for the
reason cited below.

_____ Other.

REMARKS:

Thomas J. White / for
L. Paul Bremer, III
Executive Secretary

UNCLASSIFIED

UNCLASSIFIED

UNCLASSIFIED



DEPARTMENT OF STATE

Washington, D. C. 20520

Dear Mr. Bafalis:

I refer to your letter of March 2 to President Reagan, written on behalf of your constituent, Mr. W. Bernard Lester, Executive Director, Florida Citrus Commission, regarding the Caribbean Basin Initiative. Congressmen Fascell, Fuqua and Hutto have also expressed Mr. Lester's concerns. Mr. Lester has a series of questions which I will try to answer in order.

With regard to which countries would be included in the proposed free trade area, a list of potential beneficiaries can be found in the enclosed materials. However, the final designation of a country as a beneficiary under the proposed legislation will depend on a Presidential determination involving a series of factors. Mr. Lester is correct in his statement that Mexico is not an eligible country.

U.S. sanitary and health regulations will remain unchanged. The USDA has been an integral part of the interagency team which has developed the Caribbean Basin Initiative (CBI). Efforts will be made to improve the processing and administrative handling of all CBI shipments, but adequate sanitary safeguards will be maintained.

Safeguard provisions will be available to protect U.S. industry from injury which might be caused by increased imports from the Basin. In addition, there will be a special provision in the legislation to allow for very rapid Presidential action in the case of perishable agricultural products.

The legislation will also contain Rules of Origin criteria which will prohibit trans-shipment from other non-beneficiary countries.

The Honorable

L. A. "Skip" Bafalis,

House of Representatives.

In determining whether to designate a country as a beneficiary under the proposed free trade area, the President will take into account the trade policies of these countries. More fundamentally, the rationale behind this proposal is that it is in our own interest to help the countries of the Basin help themselves. The economic growth and political stability which we hope to foster by this Initiative will provide the U.S. with benefits which will far exceed any short-term costs. It is indeed a two-way street.

There are no products which are exempt from the overall CBI. Textile and apparel products which have traditionally been treated in the international framework of the Multi-Fiber Arrangement will not receive duty preferences, but will be given liberalized quota treatment. In order to protect the integrity of the U.S. sugar program, sugar will receive duty-free treatment, but suppliers will be subject to certain ceiling limitations. There are no other limitations on duty-free treatment. It is our expectation that given the small size of the Basin economies and the limited capabilities of the region to expand production, the growth in Basin agricultural exports will be gradual and well within the absorptive capacity of U.S. markets.

I hope that the above information responds to the concerns of the Florida Citrus Commission. I am also enclosing a copy of the President's speech of February 24 on the Caribbean Basin and fact sheets which may provide additional background to the Commission. If you should have any further questions, please feel free to call on me again.

The President noted in his speech that the Caribbean Basin Initiative "represents a farsighted act by our own people at a time of considerable economic difficulty at home. I would not propose it if I were not convinced that it is vital to the security interests of this nation and this hemisphere. The energy, the time, and the treasure we dedicate to assisting the development

of our neighbors now can help to prevent the much larger expenditures of treasure, as well as human lives, which would flow from their collapse."

I hope that you, as well as the Florida Citrus Commission, will give the Initiative your full support.

With cordial regards.

Sincerely,



Powell A. Moore
Assistant Secretary for
Congressional Relations

Enclosures:

1. Copy of President's Speech.
2. Fact Sheets.

NSC/S PROFILE

UNCLASSIFIED

ID 8201834

RECEIVED 20 MAR 82 10

TO PRESIDENT

FROM BAFALIS, L A

DOCDATE 02 MAR 82

LESTER, W BERNARD

18 FEB 82

DUBERSTEIN, K

17 MAR 82

KEYWORDS: CARIBBEAN

CBI

CO

SUBJECT: POSSIBLE EFFECTS OF CBI ON FLORIDA CITRUS INDUSTRY

ACTION: DIRECT REPLY FURNISH INFO COPY DUE: 24 MAR 82 STATUS C FILES WH

FOR ACTION

FOR CONCURRENCE

FOR INFO

STATE

NAU

FONTAINE

CHILDRESS

COMMENTS

REF#

LOG

NSCIFID

(N / N)

ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

C 5/4 Recd S/S Reply Fontaine, 10 ✓

DISPATCH

W/ATTCH FILE (C)

RECEIVED 20 MAR 82 10

TO PRESIDENT FROM BAFALIS, L A DOC DATE 02 MAR 82
LESTER, W BERNARD 18 FEB 82
DUBERSTEIN, K 17 MAR 82

KEYWORDS: CO CBI
CARIBBEAN

SUBJECT: POSSIBLE EFFECTS OF CBI ON FLORIDA CITRUS INDUSTRY

ACTION: DIRECT REPLY FURNISH INFO COPY DUE: 24 MAR 82 STATUS *D* FILES

FOR ACTION
STATE

FOR CONCURRENCE

FOR INFO
NAU
FONTAINE
CHILDRESS

COMMENTS

REF# LOG NSC IF ID (N / *W*)

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
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DISPATCH *ed 3/20 MN* W/ATTCH FILE _____ (C)

REFERRAL

DATE: 20 MAR 82

MEMORANDUM FOR: STATE SECRETARIAT

8208156

DOCUMENT DESCRIPTION:

TO: PRESIDENT

SOURCE: BAFALIS, L A

DATE: 02 MAR 82

KEYWORDS: CO

CBI

CARIBBEAN

SUBJ: POSSIBLE EFFECTS OF CARIBBEAN BASIN INITIATIVE ON FLORIDA CITRUS IND

REQUIRED ACTION: DIRECT REPLY FURNISH INFO COPY

DUE DATE: 24 MAR 82

COMMENTS:

Michael E. Norton
FOR MICHAEL Q WHEELER

STAFF SECRETARY

FOR NSC USE ONLY

FOR INFO NAU

FONTAINE

CHILDRESS

F

O N C

March 17, 1982

Dear Skip:

On behalf of the President, I would like to acknowledge and thank you for your letter of March 2, in which you express support for the Caribbean Basin Initiative, but urge that the particular concerns of the Florida citrus industry be kept under consideration as the details of this plan are developed.

We appreciated hearing from you and receiving the copy of the letter which you received from the Florida Department of Citrus. In order to expedite a thorough study of the Department's views and questions, I have taken the liberty of sharing your correspondence with the appropriate Presidential advisers. Please be assured that close attention and consideration will be given to your concerns, and those expressed by the Florida citrus industry.

With best wishes,

Sincerely,

Kenneth M. Duberstein
Assistant to the President

The Honorable L.A. "Skip" Bafalis
House of Representatives
Washington, D.C. 20515

KMD:CMF:nap

cc: w/copy of inc, NSC Secretariat - for DRAFT response

WH RECORDS MANAGEMENT WILL RETAIN ORIGINAL INCOMING

L. A. "SKIP" BAFALIS
10TH DISTRICT, FLORIDA

WAYS AND MEANS COMMITTEE

SUBCOMMITTEES:

PUBLIC ASSISTANCE AND
UNEMPLOYMENT COMPENSATION

TRADE

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

WASHINGTON OFFICE:
2433 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
202-225-2536

DISTRICT OFFICES:
ROOM 106, FEDERAL BUILDING
FORT MYERS, FLORIDA 33901
813-334-4424

700 VIRGINIA AVENUE
FORT PIERCE, FLORIDA 33450
305-465-3710

March 2, 1982

063187

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

Dear Mr. President:

Your Caribbean Basin program is a sound plan for strengthening the western hemisphere and halting the spread of Castro's communism.

However, as you can imagine, several industries, particularly those in Florida, have expressed some fears regarding the possible consequences of this new initiative.

For that reason, I am enclosing a copy of a letter I recently received from the Florida Department of Citrus which outlines that industry's fears of possible damage. I would urge these serious problems be kept under consideration as the details of the Caribbean Basin initiative are developed.

Thank you for your kind assistance in this matter.

With best wishes and warm personal regards, I am

Sincerely,



L. A. "Skip" Bafalis
Member of Congress

LAB/mkm



STATE OF FLORIDA

DEPARTMENT OF CITRUS

1115 E. MEMORIAL BLVD./P.O. BOX 148/LAKELAND, FLORIDA 33802-0148

AGENCY HEAD
FLORIDA CITRUS COMMISSION
JOE L. DAVIS, SR., Chairman

EXECUTIVE DIRECTOR
W. BERNARD LESTER
Phone 813/682-0171

February 18, 1982

The Honorable L. A. "Skip" Bafalis
U. S. Representative
Room 2433
Rayburn House Office Building
Washington, D.C. 20515

Dear Skip:

In recent conversations which we have had with various officials in both Tallahassee and Washington, DC, it has come to our attention that the Administration's "Caribbean Basin Plan" is now being formulated. Our understanding of this "Caribbean Basin Plan" is that it is the Administration's way of giving assistance to a number of the Caribbean Islands as well as Latin America. While the Florida citrus industry does not have any problems with giving assistance to these specified nations, we do want certain questions answered before a plan is initiated. It is essential to this industry's well-being that certain safeguards be built into any plan which the Administration develops.

As you know, the Florida citrus industry is the second largest industry in the state of Florida and contributes heavily to the soundness of its economy. Because of the similarities in climate, the "Caribbean Basin Plan" as we see it, could hurt Florida more than any other state with the possible exception of California due to our proximity to the Caribbean Basin. Some of our concerns and questions are:

- 1) It is our understanding that the "Caribbean Basin" includes all of the West Indies Islands, and all of Latin America, including Guyana and Surinam, but excludes Mexico. We would like to be sure of the countries involved. Mexico could be included in such a plan and as you know, Mexico is a large citrus and vegetable producer.
- 2) Many of these "Caribbean Basin" countries have serious problems with disease and insects which could be devastating to the Florida citrus industry. Any provision which will increase shipments coming into Florida and the United States from those countries will greatly increase the risk of infestation by these insects or contracting some of these diseases. We would certainly hope that APHIS and the USDA will be invited to participate in the formulation of this agreement so that proper safeguards will be included.

The Honorable L. A. "Skip" Bafalis

Page 2

February 18, 1982

- 3) Will certain precautions be taken to be sure that these countries do not ship large quantities of cheaply produced fresh fruit and processed products into the U.S. at a time that would totally disrupt our markets, particularly early in the season? Since Caribbean countries are located further south, their maturity dates would occur earlier than ours. Since they don't have to adhere to the same production or maturity standards and/or regulations, their products will probably be much cheaper than ours.
- 4) Will safeguards be built-in that will prevent these countries from being used as a conduit by some of their neighbors to the south?
- 5) Any agreement the U.S. makes with these countries should be based on two-way trade. If we're going to open up our borders to them, they should be required to open up their borders to us which is not always true of some of our trade agreements.
- 6) Will there be any products which will be exempt from this agreement? Is there a chance that citrus, sugar or other products could be exempt from such an agreement?

We are presenting these comments to you so that you will be aware of our concerns with reference to this upcoming trade matter. As we stated earlier, the Florida citrus industry does not have any problems with giving assistance to the "Caribbean Basin." We are, however, requesting that you express our concerns to the Administration when you have the opportunity, and ask that they include safeguards which will protect the second largest industry in the state of Florida which plays such a vital role in this state's economy.

We appreciate your assistance in this matter, and should your office need any additional information with reference to this industry, don't hesitate to contact my office.

Sincerely,



W. Bernard Lester
Executive Director

WBL/ff:n

cc: U.S. Trade Representative
Florida Citrus Commission Members
Florida Citrus Mutual
Florida Citrus Packers
Florida Citrus Processors Assn.
Florida Farm Bureau
Indian River Citrus League
United Growers & Shippers Assn., Inc.