

Ronald Reagan Presidential Library  
Digital Library Collections

---

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

---

**WHORM Subject File Code:** IT044 (International  
Monetary Fund)

**Case file Number(s):** 040000-059999

---

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](mailto:reagan.library@nara.gov)

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

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

# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection:** WHORM Subject File

**Archivist:** cas/cas

**File Folder:** IT044 (040000-044406)

**Date:** February 14, 1997

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. memo (044178)	Donald Regan to the President re nomination for US alternative executive director to the IMF (2 pp.)	12/21/81	<del>P5, P6</del>
2. memo (044178)	Regan to James Baker, Edwin Meese, Michael Deaver re US alternative executive director at the IMF (3 pp.)	1/14/82	<del>P5, P6</del> <i>BG</i> <i>open old</i> <i>H/23/14</i>
3. memo (044178)	copy of item #1 (2 pp.)	12/21/81	<del>P5, P6</del> <i>non</i> <i>12/15/92</i>

### RESTRICTION CODES

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

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

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

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

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

# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection:** WHORM Subject File

**Archivist:** cas/cas

**File Folder:** IT044 (044407)

**Date:** February 14, 1997

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. memo	Cabinet Council on Economic Affairs to the President re Hungarian Application for Membership in the IMF (2 pp.)	3/30/82	P1, P5 <i>open d/b 4/23/2014 Non-class</i>
2. memo	L. Paul Bremer to Craig Fuller re Hungarian application for membership in IMF (1 pp.)	3/31/82	P1, P5
3. memo	p. 2 only of item #1 (1 pp.)	3/30/82	P1, P5
4. memo	original of item #1 (2 pp.)	3/30/82	P1, P5 <i>opened d/b 4/24/2014 Non-class</i>

### RESTRICTION CODES

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

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

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

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

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

PY ITD44 Files

# WHITE HOUSE STAFFING MEMORANDUM

*BPB*

DATE: 1/13/82 ACTION/CONCURRENCE/COMMENT DUE BY: \_\_\_\_\_

SUBJECT: RECOMMENDATION OF CHARLES H. DALLARA AS U.S. ALTERNATE EXECUTIVE DIRECTOR  
TO THE INTERNATIONAL MONETARY FUND

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	GERGEN	<input type="checkbox"/>	<input type="checkbox"/>
MEESE	<input type="checkbox"/>	<input type="checkbox"/>	HARPER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BAKER	<input type="checkbox"/>	<input type="checkbox"/>	JAMES	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEAVER	<input type="checkbox"/>	<input type="checkbox"/>	JENKINS	<input type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input type="checkbox"/>	<input type="checkbox"/>	MURPHY	<input type="checkbox"/>	<input type="checkbox"/>
ANDERSON	<input type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input type="checkbox"/>	<input type="checkbox"/>
CANZERI	<input type="checkbox"/>	<input type="checkbox"/>	WILLIAMSON	<input type="checkbox"/>	<input type="checkbox"/>
CLARK	<input type="checkbox"/>	<input type="checkbox"/>	WEIDENBAUM	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input type="checkbox"/> P	<input type="checkbox"/> SS	BRADY/SPEAKES	<input type="checkbox"/>	<input type="checkbox"/>
DOLE	<input type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input type="checkbox"/>
DUBERSTEIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
FULLER	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

Remarks:

For appropriate handling.

(ORIGINAL TO PEN JAMES)

Richard G. Darman  
Assistant to the President  
and  
Deputy to the Chief of Staff  
(x-2702)



THE WHITE HOUSE  
WASHINGTON

CABINET AFFAIRS STAFFING MEMORANDUM

DATE: December <sup>30</sup> 28, 1981 NUMBER: 044178CA DUE BY: --  
 Nomination of Mr. Charles H. Dallara to the Position of U.S.  
 SUBJECT: Alternate Executive Director to the International Monetary Fund

	ACTION	FYI		ACTION	FYI
ALL CABINET MEMBERS	<input type="checkbox"/>	<input type="checkbox"/>	Baker	<input type="checkbox"/>	<input type="checkbox"/>
Vice President	<input type="checkbox"/>	<input type="checkbox"/>	Deaver	<input type="checkbox"/>	<input type="checkbox"/>
State	<input type="checkbox"/>	<input type="checkbox"/>	Allen	<input type="checkbox"/>	<input type="checkbox"/>
Treasury	<input type="checkbox"/>	<input type="checkbox"/>	Anderson	<input type="checkbox"/>	<input type="checkbox"/>
Defense	<input type="checkbox"/>	<input type="checkbox"/>	→ Darman (For WH Staffing)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Attorney General	<input type="checkbox"/>	<input type="checkbox"/>	Jenkins	<input type="checkbox"/>	<input type="checkbox"/>
Interior	<input type="checkbox"/>	<input type="checkbox"/>	Gray	<input type="checkbox"/>	<input type="checkbox"/>
Agriculture	<input type="checkbox"/>	<input type="checkbox"/>	Beal	<input type="checkbox"/>	<input type="checkbox"/>
Commerce	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Labor	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HHS	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HUD	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Education	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Counsellor	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
CIA	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
UN	<input type="checkbox"/>	<input type="checkbox"/>			
USTR	<input type="checkbox"/>	<input type="checkbox"/>			
CEA	<input type="checkbox"/>	<input type="checkbox"/>	CCNRE/Boggs	<input type="checkbox"/>	<input type="checkbox"/>
CEQ	<input type="checkbox"/>	<input type="checkbox"/>	CCHR/Carleson	<input type="checkbox"/>	<input type="checkbox"/>
OSTP	<input type="checkbox"/>	<input type="checkbox"/>	CCCT/Kass	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	CCFA/McClaghry	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	CCEA/Porter	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: The attached should be forwarded to appropriate White House staff.

RETURN TO: Craig L. Fuller  
 Assistant to the President  
 for Cabinet Affairs  
 456-2823



THE SECRETARY OF THE TREASURY  
WASHINGTON

December 21, 1981

MEMORANDUM FOR THE PRESIDENT

Subject: Nomination of Mr. Charles H. Dallara to  
the Position of U.S. Alternate Executive  
Director to the International Monetary Fund

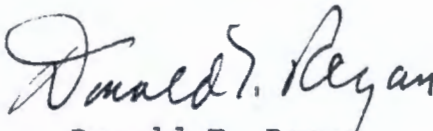
The position of U.S. Alternate Executive Director to the International Monetary Fund (IMF) has been vacant since early October. Due to the pressing demands on the U.S. Executive Director and the need to ensure that our interests in this important institution are fully represented, the filling of this position is an urgent matter.

The Alternate's position requires a high degree of technical competence in IMF operations and considerable expertise in dealing with issues concerning the international monetary system. Selection of an individual with the necessary qualifications, experience and technical skills will be particularly important to us as we work to strengthen the IMF's ability to promote economic adjustment in its member countries. We have made good progress in our initial efforts to strengthen the IMF, and it is extremely important that we have the right people to help maintain the momentum. I recommend, therefore, that you nominate Mr. Charles H. Dallara of Virginia to the position of U.S. Alternate Executive Director to the International Monetary Fund.

Mr. Dallara is particularly well suited to fill this position. He has impressive professional expertise and knowledge of all aspects of IMF operations, as well as substantial experience in the formulation and execution of U.S. international monetary policy in the Treasury. The knowledge gained through work on IMF issues in the Treasury has been enhanced by his conduct of a detailed study of IMF lending programs. His work in this area should add significantly to our ability to ensure that these programs promote financial stability, balance-of-payments adjustment, and private sector growth. In addition, Mr. Dallara's experience in dealing with policy matters in the Treasury, combined with his excellent presentational skills, should ensure first-rate representation for the United States in the IMF.

Richard D. Erb, the U.S. Executive Director at the IMF, shares my view that the combination of skills Mr. Dallara possesses makes him the most highly qualified person to assist Mr. Erb in representing our interests in the IMF, and strongly recommends him to the position of U.S. Alternate Executive Director. I hope you will concur and that we can proceed with Mr. Dallara's nomination quickly.

Attachment

  
Donald T. Regan



PROFESSIONAL EXPERIENCE

U.S. Treasury Department

- March 1981 - Present. Special Assistant to the Assistant Secretary for International Affairs. Advise and consult with the Assistant Secretary on a wide range of international economic issues. Serve as the principal aide to the Assistant Secretary, working directly with him in the formulation and execution of Treasury's international economic policies, including trade, monetary, investment and development policies. Assume major responsibilities for the management of professional staff and coordination of policies within Treasury and U.S. government.
- 1979 - 1980 Special Assistant to the Under Secretary for Monetary Affairs. Advised and consulted with the Under Secretary on wide range of international and domestic economic issues. Assisted the Under Secretary in the planning, coordination and implementation of Treasury policy on international monetary, trade and energy issues with special emphasis on monetary and financial policies, including U.S. exchange rate policy and operations and U.S. policy in the International Monetary Fund.
- 1976 - 1979 International Economist, Office of International Monetary Affairs. Provided staff support on broad issues relating to the structure and operation of the international monetary system, including: international liquidity; exchange rate policies and the adjustment process; 1976 monetary reform agreements; substitution account proposals. Also served as the IMF desk officer, providing support for U.S. participation in the Fund, covering major policy issues (i.e., IMF quotas, surveillance, conditionality, etc.).

EDUCATION:

Ph.D. candidate, Fletcher School of Law and Diplomacy (ABD).

(During 1980, awarded sabbatical by the Treasury Department as Guest Scholar at The Brookings Institution to research and write Ph.D. dissertation, entitled "The Role of the IMF in Balance of Payments Adjustment, 1974-1979.")

M.A.L.D. (Master of Arts in Law and Diplomacy), Fletcher School, 1976.

M.A. in International Economics, Fletcher School, 1975.

B.S. in Economics, University of South Carolina, 1970.



MILITARY EXPERIENCE

Commissioned Ensign, USN, 1970. Resigned as Lieutenant, 1974.

1973 - 1974 Admiral's Aide/Flag Lieutenant to a Rear Admiral.  
Served as executive assistant, with duties including speech writing, protocol matters, press relations, and Flotilla watch officer at sea.

1970 - 1973 Division Officer, Department Head aboard guided missile destroyer USS SAMPSON (DDG-10). Served as Navigator, Personnel Officer, Legal Officer (1 year); Deck Officer (10 months); Gunnery Officer (10 months).

OTHER PROFESSIONAL EMPLOYMENT

Summer 1975 Economist, Raytheon Services Company. Performed economic research, analysis and report writing for Department of Transportation, with focus on the international economic impact of potential changes in the regulation of the automotive industry.

Part-time 1975. Latin American Teaching Fellows Program. Coordinator of Seminar Program for mid-career Latin businessmen and diplomats attending Fletcher under Fulbright-Fletcher Fellows Program.

HONORS, AWARDS

Treasury Department - Special Achievement Award (1981), Performance Award (1979).  
Graduate School - Public Service Fellow (Full Fellowship).  
Military - Vietnam Service Medal, Vietnam Civic Action Medal, Naval Achievement Medal, Meritorius Unit Commendation Medal.  
Undergraduate School - Who's Who in American Colleges and Universities, Thomas Moore Craig Leadership Award, Outstanding Midshipman Award, Outstanding Senior Award, Dean's List.

LANGUAGE PROFICIENCY

Spanish: Working proficiency in reading and writing; limited speaking ability.

PERSONAL

Age 33, married, one child.

Home address: 4915 Heritage Court, Annandale, Virginia 22003  
Phone: (703) 941-4324

Business address: Room 3425, Treasury Department, 15th Street and Pennsylvania Ave., NW, Washington, D.C. 20220  
Phone: (202) 566-8286

REFERENCES

Will be furnished upon request.



THE SECRETARY OF THE TREASURY  
WASHINGTON

044178CA  
ITO44

January 14, 1982

MEMORANDUM FOR: James A. Baker, III  
Edwin Meese, III  
Michael K. Deaver

FROM : Donald T. Regan - *DTR*

SUBJECT : U.S. Alternate Executive Director  
at the International Monetary Fund

I have recommended the nomination of Charles Dallara to the position of Alternate Executive Director to the International Monetary Fund (IMF) (Tab A). I based this recommendation on my personal view that he is exceptionally well qualified for this particular job, but the Office of Personnel at the White House has selected someone else, a person whom I have never met, and has had this person's appointment approved by the President without my knowledge or approval.

The Alternate Executive Director position requires a technician -- someone who is familiar both with the complex workings of the International Monetary Fund and with the Treasury staff with whom he must work. The IMF is a unique institution with responsibility for the operations of the world's monetary system. Ordinary banking experience is not necessarily relevant to IMF activities. For these reasons, the Alternate Executive Director position has been occupied by a career employee of Treasury since the establishment of the IMF in 1946.

Mr. Dallara is a career Treasury employee. He was hired in 1976 when Bill Simon and Gerry Parsky were running the international affairs of the Treasury. During his service at Treasury, he has gained considerable expertise in international monetary affairs in general and IMF matters in particular. He is the author of a lengthy and detailed study of IMF operations in recent years.

As I am sure you know, I and all senior Treasury officials agree fully that we should be hiring people supportive of the President's policies, and all of our appointments fully reflect that feeling. Of some 72 political positions in Treasury, currently 93% have been filled by such appointees. This is the first serious challenge we have had. I believe it has resulted from a misunderstanding of the nature of the job and



some unwitting "gun jumping" by White House personnel.

The White House Personnel Office nominated and had approved Hoguet on December 4.

My nomination of Charles Dallara was submitted in accordance with the statutory requirement that the Alternate Executive Director be appointed from individuals recommended to the President by the Executive Director (Tab B). P. L. 79-171 (The Bretton Woods Agreements Act) states that "The alternate for each executive director shall be appointed from among individuals recommended to the President by the executive director." The Executive Director of the IMF for the United States is Richard Erb, a distinguished economist from the AEI, and a member of the Reagan transition team. Mr. Erb never submitted a recommendation of Mr. Hoguet to anyone. It is established custom for the Secretary of the Treasury to forward his recommendation to the White House on the basis of the Executive Director's recommendations, and that is the procedure I followed.

The recommendation for Mr. Hoguet's nomination should never have gone forward. I have never met Mr. Hoguet, and it was never intended that he be my candidate for the IMF position. As the U.S. Governor of the IMF, I am charged with carrying out the Administration's policies there, and no one should be recommended to a position at the IMF without my personal approval.

Our practice at the Treasury has consistently been as follows: after all other interviews were conducted, Tim McNamar, my Deputy, would conduct a final interview pending my review. In no instance has Tim had the authority to have a final sign-off for the Treasury Department -- whether on a recommendation to the President for a PAS or an internal Treasury appointment. In each case he has reviewed with me his recommendation and I have indicated that I was prepared to accept it without an interview or that I wished to interview the individual personally. Only following my sign-off has he ever indicated our endorsement to the White House Personnel Office for PAS positions. In this instance, Tim did not even meet Mr. Hoguet until ten days after the date Pen James' memorandum reports the President approved the nomination.

While Beryl Sprinkel and Marc Leland interviewed Mr. Hoguet, neither seriously considered him for the IMF position, nor did either indicate at any time to the White House their support for his nomination to the IMF position, as they were supporting Mr. Dallara for it. They did, however, consider Mr. Hoguet for the Alternate Executive Director position at the World Bank. Both Marc and Beryl share my confidence that Charles Dallara



fully supports and will effectively carry out the new directions that we want at the IMF. Putting in a new person, even with good party credentials, would provide no similar degree of assurance.

Finally, I would also like to note the apparent inconsistency between the manner in which my PAS recommendation of Mr. Dallara to a traditionally career position has been handled, and the treatment of nominations in other agencies of career candidates to traditionally non-career positions.

Regarding Dick Erb, he -- or anyone in the position of Executive Director of the Fund -- needs the maximum amount of support we can give him, because of the enormous workload being carried by his office and because of the major influence we want to have at the IMF. To acknowledge this fact in no way denigrates his performance. Due to the debt problems of the developing world, and the challenges of global negotiations as stated at Ottawa and Cancun, the IMF is confronting numerous financing programs. Dick will need the assistance of someone with extensive experience in the technical aspects of IMF operations to evaluate those programs and to ensure they are consistent with our policies. We are completely confident that Mr. Dallara not only has the necessary technical skills but the required policy views to implement our policies at the IMF.

In light of the heavy technical workload facing the Alternate Executive Director at the Fund and the fact that I have found a career candidate who I know will carry out Reagan Administration policies, I continue to support strongly Charles Dallara for the Alternate's position, and ask that you move quickly on this nomination.

If I interview Mr. Hoguet and find him suitable for the Alternate Executive Director position at the World Bank, then I would recommend him for that position while Mr. Dallara be nominated for the Alternate Executive Director position at the IMF.

Attachments

**CABINET AFFAIRS STAFFING MEMORANDUM**

DATE: December <sup>30</sup> 28, 1981 NUMBER: 044178CA DUE BY: --  
 SUBJECT: Nomination of Mr. Charles H. Dallara to the Position of U.S. Alternate Executive Director to the International Monetary Fund

	ACTION	FYI		ACTION	FYI
ALL CABINET MEMBERS	<input type="checkbox"/>	<input type="checkbox"/>	Baker	<input type="checkbox"/>	<input type="checkbox"/>
Vice President	<input type="checkbox"/>	<input type="checkbox"/>	Deaver	<input type="checkbox"/>	<input type="checkbox"/>
State	<input type="checkbox"/>	<input type="checkbox"/>	Allen	<input type="checkbox"/>	<input type="checkbox"/>
Treasury	<input type="checkbox"/>	<input type="checkbox"/>	Anderson	<input type="checkbox"/>	<input type="checkbox"/>
Defense	<input type="checkbox"/>	<input type="checkbox"/>	Darman (For WH Staffing)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Attorney General	<input type="checkbox"/>	<input type="checkbox"/>	Jenkins	<input type="checkbox"/>	<input type="checkbox"/>
Interior	<input type="checkbox"/>	<input type="checkbox"/>	Gray	<input type="checkbox"/>	<input type="checkbox"/>
Agriculture	<input type="checkbox"/>	<input type="checkbox"/>	Beal	<input type="checkbox"/>	<input type="checkbox"/>
Commerce	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Labor	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HHS	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HUD	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Education	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Counsellor	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input type="checkbox"/>	<input type="checkbox"/>			
CIA	<input type="checkbox"/>	<input type="checkbox"/>			
UN	<input type="checkbox"/>	<input type="checkbox"/>			
USTR	<input type="checkbox"/>	<input type="checkbox"/>			
CEA	<input type="checkbox"/>	<input type="checkbox"/>			
CEQ	<input type="checkbox"/>	<input type="checkbox"/>			
OSTP	<input type="checkbox"/>	<input type="checkbox"/>			
	<input type="checkbox"/>	<input type="checkbox"/>			
	<input type="checkbox"/>	<input type="checkbox"/>			

- send to Records Management  
 - attach memo saying Dallara was appointed  
 - close out file

REMARKS: The attached should be forwarded ff.

RETURN TO: Craig L. Fuller  
 Assistant to the President  
 for Cabinet Affairs  
 456-2823

(COPY)





THE SECRETARY OF THE TREASURY  
WASHINGTON

December 21, 1981

MEMORANDUM FOR THE PRESIDENT

Subject: Nomination of Mr. Charles H. Dallara to  
the Position of U.S. Alternate Executive  
Director to the International Monetary Fund

The position of U.S. Alternate Executive Director to the International Monetary Fund (IMF) has been vacant since early October. Due to the pressing demands on the U.S. Executive Director and the need to ensure that our interests in this important institution are fully represented, the filling of this position is an urgent matter.


The Alternate's position requires a high degree of technical competence in IMF operations and considerable expertise in dealing with issues concerning the international monetary system. Selection of an individual with the necessary qualifications, experience and technical skills will be particularly important to us as we work to strengthen the IMF's ability to promote economic adjustment in its member countries. We have made good progress in our initial efforts to strengthen the IMF, and it is extremely important that we have the right people to help maintain the momentum. I recommend, therefore, that you nominate Mr. Charles H. Dallara of Virginia to the position of U.S. Alternate Executive Director to the International Monetary Fund.

Mr. Dallara is particularly well suited to fill this position. He has impressive professional expertise and knowledge of all aspects of IMF operations, as well as substantial experience in the formulation and execution of U.S. international monetary policy in the Treasury. The knowledge gained through work on IMF issues in the Treasury has been enhanced by his conduct of a detailed study of IMF lending programs. His work in this area should add significantly to our ability to ensure that these programs promote financial stability, balance-of-payments adjustment, and private sector growth. In addition, Mr. Dallara's experience in dealing with policy matters in the Treasury, combined with his excellent presentational skills, should ensure first-rate representation for the United States in the IMF.



Richard D. Erb, the U.S. Executive Director at the IMF, shares my view that the combination of skills Mr. Dallara possesses makes him the most highly qualified person to assist Mr. Erb in representing our interests in the IMF, and strongly recommends him to the position of U.S. Alternate Executive Director. I hope you will concur and that we can proceed with Mr. Dallara's nomination quickly.

Attachment

  
Donald T. Regan

PROFESSIONAL EXPERIENCEU.S. Treasury Department

- March 1981 - Present. Special Assistant to the Assistant Secretary for International Affairs. Advise and consult with the Assistant Secretary on a wide range of international economic issues. Serve as the principal aide to the Assistant Secretary, working directly with him in the formulation and execution of Treasury's international economic policies, including trade, monetary, investment and development policies. Assume major responsibilities for the management of professional staff and coordination of policies within Treasury and U.S. government.
- 1979 - 1980 Special Assistant to the Under Secretary for Monetary Affairs. Advised and consulted with the Under Secretary on wide range of international and domestic economic issues. Assisted the Under Secretary in the planning, coordination and implementation of Treasury policy on international monetary, trade and energy issues with special emphasis on monetary and financial policies, including U.S. exchange rate policy and operations and U.S. policy in the International Monetary Fund.
- 1976 - 1979 International Economist, Office of International Monetary Affairs. Provided staff support on broad issues relating to the structure and operation of the international monetary system, including: international liquidity; exchange rate policies and the adjustment process; 1976 monetary reform agreements; substitution account proposals. Also served as the IMF desk officer, providing support for U.S. participation in the Fund, covering major policy issues (i.e., IMF quotas, surveillance, conditionality, etc.).

EDUCATION:

- Ph.D. candidate, Fletcher School of Law and Diplomacy (ABD).  
(During 1980, awarded sabbatical by the Treasury Department as Guest Scholar at The Brookings Institution to research and write Ph.D. dissertation, entitled "The Role of the IMF in Balance of Payments Adjustment, 1974-1979.")
- M.A.L.D. (Master of Arts in Law and Diplomacy), Fletcher School, 1976.
- M.A. in International Economics, Fletcher School, 1975.
- B.S. in Economics, University of South Carolina, 1970.

MILITARY EXPERIENCE

Commissioned Ensign, USN, 1970. Resigned as Lieutenant, 1974.

1973 - 1974 Admiral's Aide/Flag Lieutenant to a Rear Admiral.  
Served as executive assistant, with duties including speech writing, protocol matters, press relations, and Flotilla watch officer at sea.

1970 - 1973 Division Officer, Department Head aboard guided missile destroyer USS SAMPSON (DDG-10). Served as Navigator, Personnel Officer, Legal Officer (1 year); Deck Officer (10 months); Gunnery Officer (10 months).

OTHER PROFESSIONAL EMPLOYMENT

Summer 1975 Economist, Raytheon Services Company. Performed economic research, analysis and report writing for Department of Transportation, with focus on the international economic impact of potential changes in the regulation of the automotive industry.

Part-time 1975. Latin American Teaching Fellows Program. Coordinator of Seminar Program for mid-career Latin businessmen and diplomats attending Fletcher under Fulbright-Fletcher Fellows Program.

HONORS, AWARDS

Treasury Department - Special Achievement Award (1981), Performance Award (1979).

Graduate School - Public Service Fellow (Full Fellowship).

Military - Vietnam Service Medal, Vietnam Civic Action Medal, Naval Achievement Medal, Meritorius Unit Commendation Medal.

Undergraduate School - Who's Who in American Colleges and Universities, Thomas Moore Craig Leadership Award, Outstanding Midshipman Award, Outstanding Senior Award, Dean's List.

LANGUAGE PROFICIENCY

Spanish: Working proficiency in reading and writing; limited speaking ability.

PERSONAL

Age 33, married, one child.

Home address: 4915 Heritage Court, Annandale, Virginia 22003  
Phone: (703) 941-4324

Business address: Room 3425, Treasury Department, 15th Street and Pennsylvania Ave., NW, Washington, D.C. 20220  
Phone: (202) 566-8286

REFERENCES

Will be furnished upon request.



044178CA  
IT044

THE WHITE HOUSE  
WASHINGTON

CABINET AFFAIRS STAFFING MEMORANDUM

DATE: December 28, 1981 NUMBER: 044178CA DUE BY: --

Nomination of Mr. Charles H. Dallara to the Position of U.S.  
SUBJECT: Alternate Executive Director to the International Monetary Fund

	ACTION	FYI		ACTION	FYI
ALL CABINET MEMBERS	<input type="checkbox"/>	<input type="checkbox"/>	Baker	<input type="checkbox"/>	<input type="checkbox"/>
Vice President	<input type="checkbox"/>	<input type="checkbox"/>	Deaver	<input type="checkbox"/>	<input type="checkbox"/>
State	<input type="checkbox"/>	<input type="checkbox"/>	Allen	<input type="checkbox"/>	<input type="checkbox"/>
Treasury	<input type="checkbox"/>	<input type="checkbox"/>	Anderson	<input type="checkbox"/>	<input type="checkbox"/>
Defense	<input type="checkbox"/>	<input type="checkbox"/>	Darman (For WH Staffing)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Attorney General	<input type="checkbox"/>	<input type="checkbox"/>	Jenkins	<input type="checkbox"/>	<input type="checkbox"/>
Interior	<input type="checkbox"/>	<input type="checkbox"/>	Gray	<input type="checkbox"/>	<input type="checkbox"/>
Agriculture	<input type="checkbox"/>	<input type="checkbox"/>	Beal	<input type="checkbox"/>	<input type="checkbox"/>
Commerce	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Labor	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HHS	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HUD	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Education	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Counsellor	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
CIA	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
UN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
USTR	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
CEA	<input type="checkbox"/>	<input type="checkbox"/>	CCNRE/Boggs	<input type="checkbox"/>	<input type="checkbox"/>
CEQ	<input type="checkbox"/>	<input type="checkbox"/>	CCHR/Carleson	<input type="checkbox"/>	<input type="checkbox"/>
OSTP	<input type="checkbox"/>	<input type="checkbox"/>	CCCT/Kass	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	CCFA/McClaghry	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	CCEA/Porter	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: The attached should be forwarded to appropriate White House staff.

RETURN TO: Craig L. Fuller  
Assistant to the President  
for Cabinet Affairs  
456-2823

BFB

THE WHITE HOUSE  
WASHINGTON

April 2, 1982

WS

C.F.

04440723  
1120  
1110  
IT044

NOTE FOR SECRETARY REGAN

FROM: CRAIG L. FULLER

The President has approved the CCEA's recommendation on Hungarian Application for Membership in the IMB and the attached is forwarded for your information.

Hungarian Application for Membership in the International Monetary Fund

President approved CCEA recommendation  
4/2/82

WHITE HOUSE  
WASHINGTON

Date: 4/2/82

NOTE FOR: SECRETARY DONALD T. REGAN  
Via Craig L. Fuller

The President has

seen   
acted upon   
commented upon

the attached; and it is forwarded to you for your:

information  and/or  
action

Richard G. Darman  
Assistant to the President  
(x-2702)

cc: Clark  
Files



THE WHITE HOUSE  
WASHINGTON

*2706*

*FOR STAFF*

WHITE HOUSE  
WASHINGTON

Date: \_\_\_\_\_

02 APR 2

Date: 23 4/2/82

NOTE FOR: SECRETARY I  
Via Craig I

NOTE FOR: SECRETARY DONALD T. REGAN  
Via Craig L. Fuller

The President has

- seen
- acted upon
- commented upon

The President has

- seen
- acted upon
- commented upon

the attached; and it is forwarded

- information
- action


the attached; and it is forwarded to you for your:

- information  and/or
- action

Richard G. Darman  
Assistant to the President  
(x-2702)

Richard G. Darman  
Assistant to the President  
(x-2702)

cc: Clark  
Files 

cc: Clark  
Files 

THE WHITE HOUSE  
WASHINGTON

April 1, 1982

MR. PRESIDENT:

The attached is recommended for your approval by the Cabinet Council on Economic Affairs, Paul Volcker, the Office of Cabinet Administration, and the Office of the National Security Adviser.

Your action is required by tomorrow morning -- since the Executive Board of the IMF is meeting on this matter tomorrow.

*Dick*

Richard G. Darman

MEMORANDUM

2241

THE WHITE HOUSE  
WASHINGTON

0444-9725  
24

April 1, 1982

MEMORANDUM FOR RICHARD G. DARMAN

FROM: WILLIAM P. CLARK *WPC*

SUBJECT: Hungarian Application for Membership in the IMF

With reference to the attached decision memorandum (Tab A), I see no reason for further discussion and recommend that you forward the memorandum to the President.

Attachment  
Tab A Decision Memorandum



THE WHITE HOUSE  
WASHINGTON

The President has seen \_\_\_\_\_

March 30, 1982

MEMORANDUM FOR THE PRESIDENT

FROM: THE CABINET COUNCIL ON ECONOMIC AFFAIRS  
SUBJECT: Hungarian Application for Membership in the IMF

The International Monetary Fund's Membership Committee has completed its technical consideration of Hungary's application and has forwarded a draft decision recommending acceptance of Hungarian membership and an initial quota of SDR 375 million for consideration by the Executive Board and Board of Governors. The Executive Board is scheduled to consider this proposal on April 2 and, assuming approval, to immediately forward a membership resolution for a mail vote by the Governors for action within thirty days.

The United States therefore must decide now its position on this issue. The Cabinet Council on Economic Affairs considered this issue at its March 29 meeting and recommends supporting the Hungarian application based on the following considerations.

1. The Hungarians have fulfilled the obligations of IMF membership — the longstanding essential U.S. criterion for acceptance into membership — including providing detailed economic information to the IMF.
2. Hungarian IMF membership would provide the U.S. with a continuing flow of detailed data on the Hungarian economic and financial situation and the opportunity, through the regular IMF consultation process and in the event of an Hungarian IMF program, to influence the evolution of Hungarian economic policy.
3. Hungary has developed an economic system that is more like the West than are other Eastern European economies. Decision making is decentralized and market-oriented, and economic units respond to price incentives.
4. The Hungarian economic situation is substantially different from that in Poland. Though Hungary currently faces liquidity difficulties, the economy is basically sound, and Hungary's economic management is respected by the Western financial community.
5. The IMF members generally strongly favor Hungarian membership. Membership requires only a simple majority vote.

The U.S. has about 20 percent of the voting power. If we attempted to block the membership application we would likely fail. Such an effort would inevitably damage our negotiations with the Europeans on other East-West and IMF-related issues, such as preventing PLO observer status at the Annual Meetings.

6. Hungarian membership, with a quota of SDR 375 million, would have only a miniscule impact on U.S. and other countries' voting power (the U.S. vote would decline from 19.68 to 19.56 percent of the total voting power).

IMF membership does not mean IMF financing. Hungary will not have any automatic rights to draw on the IMF beyond its hard currency payments to the IMF. Support for IMF membership thus does not entail support for IMF financing for Hungary.

The main concerns with IMF financing, if Hungary makes a request, involve: (1) the adequacy of their proposed adjustment program, and (2) the possibility of "leakage" — financing drained off to support the Soviets or other East European countries. There is, of course, no guarantee that we could prevent leakage. And we have expressed our concerns about this potential problem to Hungarian financial authorities. Their tight liquidity situation and their irritation over Soviet withdrawals of hard currency deposits in Hungary suggest that they will do everything possible to prevent leakage. If Hungary does request IMF financing and the leakage problem arises, we would have legitimate grounds for opposing the financing and we could likely obtain sufficient support from our allies to prevail.

Recommendation: The Cabinet Council on Economic Affairs unanimously recommends that the United States vote in favor of the Hungarian membership application at the IMF Executive Board meeting on April 2 and in the subsequent vote by the IMF Governors.

Federal Reserve Chairman Volcker, the U.S. Alternate Governor in the IMF, strongly concurs with this recommendation.

Approve

✓ RR

Disapprove \_\_\_\_\_

*Donald T. Regan*

Donald T. Regan  
Chairman Pro Tempore





THE SECRETARY OF COMMERCE  
Washington, D.C. 20230

APR 2 1982

0444 0709

MEMORANDUM FOR Craig Fuller  
Assistant to the President  
for Cabinet Affairs

FROM: Secretary of Commerce *Mac*

SUBJECT: Cabinet Affairs Staffing Memorandum  
Number 044407CA re Hungarian  
Application for Membership in the IMF

We concur with the recommendation to the President  
favoring approval of Hungary's application to  
membership in the IMF.





DEPARTMENT OF HEALTH & HUMAN SERVICES

044407:CA  
Office of the Secretary

Washington, D.C. 20201

April 2, 1982

NOTE TO CRAIG L. FULLER  
ASSISTANT TO THE PRESIDENT  
FOR CABINET AFFAIRS

FROM: MARY FRANCES LOWE *ME*  
EXECUTIVE SECRETARY  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

We have no comment on the Hungarian Application for  
Membership in International Monetary Fund.

BFB

WS

C.F.

044407CS

ITD44

THE WHITE HOUSE  
WASHINGTON  
April 1, 1982

NOTE FOR RICHARD G. DARMAN

FROM: CRAIG L. FULLER *CF*

Re: Hungarian Application  
for Membership in IMF --  
044407CA

We have received no objection to Hungarian membership in the IMF from any of the Departments.

I recommend that the attached go to the President for signature tonight as long as NSC approves. If it is signed tonight, we can notify the appropriate parties at home and overseas tomorrow.

**WHITE HOUSE STAFFING MEMORANDUM**DATE: 4/1/82 ACTION/CONCURRENCE/COMMENT DUE BY: 10:00 a.m. 4/2/82SUBJECT: HUNGARIAN APPLICATION FOR MEMBERSHIP IN THE IMF

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	GERGEN	<input type="checkbox"/>	<input type="checkbox"/>
MEESE	<input type="checkbox"/>	<input type="checkbox"/>	HARPER	<input type="checkbox"/>	<input type="checkbox"/>
BAKER	<input type="checkbox"/>	<input type="checkbox"/>	JAMES	<input type="checkbox"/>	<input type="checkbox"/>
DEAVER	<input type="checkbox"/>	<input type="checkbox"/>	JENKINS	<input type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input type="checkbox"/>	<input type="checkbox"/>	MURPHY	<input type="checkbox"/>	<input type="checkbox"/>
CLARK <i>ok. 4/1</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input type="checkbox"/> P	<input type="checkbox"/> SS	WILLIAMSON	<input type="checkbox"/>	<input type="checkbox"/>
DOLE	<input type="checkbox"/>	<input type="checkbox"/>	WEIDENBAUM	<input type="checkbox"/>	<input type="checkbox"/>
DUBERSTEIN	<input type="checkbox"/>	<input type="checkbox"/>	BRADY/SPEAKES	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input type="checkbox"/>
FULLER <i>o.k. 4/1</i>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

Remarks:

The Cabinet Council on Economic Affairs has reviewed the question of Hungary's application to the International Monetary Fund. The attached decision memo recommending a U.S. vote in favor of Hungarian membership should go forward to the President tomorrow, April 2, 1982, unless there is a reason for further discussion.

Richard G. Darman  
Assistant to the President  
(x2702)

Response:



everyone  
concerned

→ NSC

Hold ~~pl~~  
til Bechy talks to  
CLF.  
(also RGD wants to  
stuff to use +  
others)

THE WHITE HOUSE  
WASHINGTON

CABINET AFFAIRS STAFFING MEMORANDUM

DATE: March 31, 1982 NUMBER: 044407CA CS DUE BY: 10 a.m. April 1  
Hungarian Application for Membership in the IMF Thursday

SUBJECT: \_\_\_\_\_

	ACTION	FYI		ACTION	FYI
ALL CABINET MEMBERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Baker	<input type="checkbox"/>	<input type="checkbox"/>
Vice President	<input type="checkbox"/>	<input type="checkbox"/>	Deaver	<input type="checkbox"/>	<input type="checkbox"/>
State	<input type="checkbox"/>	<input type="checkbox"/>	Anderson	<input type="checkbox"/>	<input type="checkbox"/>
Treasury	<input type="checkbox"/>	<input type="checkbox"/>	Clark	<input type="checkbox"/>	<input type="checkbox"/>
Defense	<input type="checkbox"/>	<input type="checkbox"/>	Darman (For WH Staffing)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Attorney General	<input type="checkbox"/>	<input type="checkbox"/>	Jenkins	<input type="checkbox"/>	<input type="checkbox"/>
Interior	<input type="checkbox"/>	<input type="checkbox"/>	Gray	<input type="checkbox"/>	<input type="checkbox"/>
Agriculture	<input type="checkbox"/>	<input type="checkbox"/>	Beal	<input type="checkbox"/>	<input type="checkbox"/>
Commerce	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Labor	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HHS	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HUD	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Education	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Counsellor	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
CIA	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
UN	<input type="checkbox"/>	<input type="checkbox"/>	CCNRE/Boggs	<input type="checkbox"/>	<input type="checkbox"/>
USTR	<input type="checkbox"/>	<input type="checkbox"/>	CCHR/Carleson	<input type="checkbox"/>	<input type="checkbox"/>
CEA	<input type="checkbox"/>	<input type="checkbox"/>	CCCT/Kass	<input type="checkbox"/>	<input type="checkbox"/>
CEQ	<input type="checkbox"/>	<input type="checkbox"/>	CCFA/McCloughry	<input type="checkbox"/>	<input type="checkbox"/>
OSTP	<input type="checkbox"/>	<input type="checkbox"/>	CCEA/Porter	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>			
_____	<input type="checkbox"/>	<input type="checkbox"/>			

REMARKS:

The Cabinet Council on Economic Affairs has reviewed the question of Hungary's application to the International Monetary Fund. The attached decision memo recommending a U.S. vote in favor of Hungarian membership should go forward to the President tomorrow, April 1, 1982, unless there is a reason for further discussion.

RETURN TO: Craig L. Fuller  
Assistant to the President  
for Cabinet Affairs  
456-2823

THE WHITE HOUSE  
WASHINGTON

CABINET AFFAIRS STAFFING MEMORANDUM

DATE: March 31, 1982 NUMBER: 044407CA DUE BY: 10 a.m. April 1  
Hungarian Application for Membership in the IMF Thursday

SUBJECT: \_\_\_\_\_

	ACTION	FYI		ACTION	FYI
ALL CABINET MEMBERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Baker	<input type="checkbox"/>	<input type="checkbox"/>
Vice President <i>no reply</i>	<input type="checkbox"/>	<input type="checkbox"/>	Deaver	<input type="checkbox"/>	<input type="checkbox"/>
✓ State <i>concur</i>	<input type="checkbox"/>	<input type="checkbox"/>	Anderson	<input type="checkbox"/>	<input type="checkbox"/>
✓ Treasury <i>concur</i>	<input type="checkbox"/>	<input type="checkbox"/>	Clark	<input type="checkbox"/>	<input type="checkbox"/>
Defense <i>objects</i>	<input type="checkbox"/>	<input type="checkbox"/>	Darman ( <i>For WH Staffing</i> )	<input checked="" type="checkbox"/>	<input type="checkbox"/>
✓ Attorney General <i>no con.</i>	<input type="checkbox"/>	<input type="checkbox"/>	Jenkins	<input type="checkbox"/>	<input type="checkbox"/>
✓ Interior <i>concur</i>	<input type="checkbox"/>	<input type="checkbox"/>	Gray	<input type="checkbox"/>	<input type="checkbox"/>
- Agriculture <i>no reply</i>	<input type="checkbox"/>	<input type="checkbox"/>	Beal	<input type="checkbox"/>	<input type="checkbox"/>
✓ Commerce <i>concur</i>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
<i>no con.</i> - Labor <i>no reply</i>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
✓ HHS <i>no comment</i>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
✓ HUD <i>concur</i> <i>Incess:50</i>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
✓ Transportation <i>concur</i>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
✓ Energy <i>concur</i> <i>unstable</i>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
- Education <i>650</i>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
✓ Counsellor <i>concur</i>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
✓ OMB <i>no comment</i>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
✓ CIA <i>concur</i>	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
UN <i>no reply</i>	<input type="checkbox"/>	<input type="checkbox"/>	CCNRE/Boggs	<input type="checkbox"/>	<input type="checkbox"/>
✓ USTR <i>no objection</i>	<input type="checkbox"/>	<input type="checkbox"/>	CCHR/Carleson	<input type="checkbox"/>	<input type="checkbox"/>
CEA	<input type="checkbox"/>	<input type="checkbox"/>	CCCT/Kass	<input type="checkbox"/>	<input type="checkbox"/>
CEQ	<input type="checkbox"/>	<input type="checkbox"/>	CCFA/McCloughry	<input type="checkbox"/>	<input type="checkbox"/>
OSTP	<input type="checkbox"/>	<input type="checkbox"/>	CCEA/Porter	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>			
_____	<input type="checkbox"/>	<input type="checkbox"/>			

REMARKS:

The Cabinet Council on Economic Affairs has reviewed the question of Hungary's application to the International Monetary Fund. The attached decision memo recommending a U.S. vote in favor of Hungarian membership should go forward to the President tomorrow, April 1, 1982, unless there is a reason for further discussion.

RETURN TO: Craig L. Fuller  
Assistant to the President  
for Cabinet Affairs  
456-2823



*File*

DEPUTY UNITED STATES TRADE REPRESENTATIVE  
EXECUTIVE OFFICE OF THE PRESIDENT  
WASHINGTON, D.C. 20506  
202-395-5114

April 1, 1982

MEMORANDUM

TO: Craig L. Fuller,  
Assistant to the President  
for Cabinet Affairs

FROM: Ambassador David R. Macdonald, *DM*  
Deputy United States  
Trade Representative

SUBJECT: Cabinet Affairs Staffing Memorandum #044407CA  
-- Hungarian Application for Membership in the  
IMF.

USTR has no objections with regard to the above-referenced memorandum.

Attachment

cc: Ms. Barbara Mack

THE WHITE HOUSE  
WASHINGTON

April 1, 1982

MEMORANDUM FOR RICHARD G. DARMAN

FROM: WILLIAM P. CLARK *WPC*

SUBJECT: Hungarian Application for Membership in the IMF

With reference to the attached decision memorandum (Tab A), I see no reason for further discussion and recommend that you forward the memorandum to the President.

Attachment  
Tab A Decision Memorandum

A



2241

044407CS

Document No. \_\_\_\_\_

**WHITE HOUSE STAFFING MEMORANDUM URGENT**

APR 1 11:36

DATE: 4/1/82 ACTION/CONCURRENCE/COMMENT DUE BY: 10:00 a.m. 4/2/82

SUBJECT: HUNGARIAN APPLICATION FOR MEMBERSHIP IN THE IMF

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	GERGEN	<input type="checkbox"/>	<input type="checkbox"/>
MEESE	<input type="checkbox"/>	<input type="checkbox"/>	HARPER	<input type="checkbox"/>	<input type="checkbox"/>
BAKER	<input type="checkbox"/>	<input type="checkbox"/>	JAMES	<input type="checkbox"/>	<input type="checkbox"/>
DEAVER	<input type="checkbox"/>	<input type="checkbox"/>	JENKINS	<input type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input type="checkbox"/>	<input type="checkbox"/>	MURPHY	<input type="checkbox"/>	<input type="checkbox"/>
CLARK	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input type="checkbox"/> P	<input type="checkbox"/> SS	WILLIAMSON	<input type="checkbox"/>	<input type="checkbox"/>
DOLE	<input type="checkbox"/>	<input type="checkbox"/>	WEIDENBAUM	<input type="checkbox"/>	<input type="checkbox"/>
DUBERSTEIN	<input type="checkbox"/>	<input type="checkbox"/>	BRADY/SPEAKES	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input type="checkbox"/>
FULLER	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

Remarks:

The Cabinet Council on Economic Affairs has reviewed the question of Hungary's application to the International Monetary Fund. The attached decision memo recommending a U.S. vote in favor of Hungarian membership should go forward to the President tomorrow, April 2, 1982, unless there is a reason for further discussion.

Richard G. Darman  
Assistant to the President  
(x2702)

Response:



OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON DC 20301


File

April 1, 1982

MEMORANDUM FOR Mr. Craig L. Fuller  
Assistant to the President  
for Cabinet Affairs

SUBJECT: Hungarian Application for Membership in the IMF  
(Your 044407CA)

The Department of Defense has no comments on the subject memo and concurs in forwarding to the President.

  
John H. Stanford  
Executive Secretary

REQUEST/RECIPT FOR TRANSMISSION

APR 16 1967  
 NMCC-LWU

SITE  
**D**

SITUATION ROOM  
 82 APR 1 P

DATE AND TIME TRANSMITTED

227  
 SSN NBR

DATE AND TIME RECEIVED

TO BE COMPLETED BY REQUESTER

FROM Wheeler OFFICE/DESK OSD/ES PHONE NBR 56064

SUBJECT Hungarian Application for Membership

CLASSIFICATION int. info M.F. (yr 0440704) PAGES 1

DELIVERY INSTRUCTIONS  HOLD FOR NORMAL DUTY HOURS  
 IMMEDIATELY

NOTE: FURNISH AFTER DUTY HOUR CONTACT TELEPHONE NUMBER FOR EACH ADDEE REQUIRING AFTER HOUR DELIVERY.

TRANSMIT TO

AGENCY	INDIVIDUALS NAME	OFFICE	ROOM NBR	PHONE NBR
WH	Graig A. Fisher	ACA	W.D. Basement	2823

REMARKS:



044407CS

OFFICE OF  
THE ATTORNEY GENERAL



---

4/1/82

To: Adele  
Office of Assistant to  
the President for  
Cabinet Affairs

From: Ida Cerra  
Office of the Attorney General

Re: Hungarian Application for  
Membership in the IMF

This will confirm the advice I gave you on the telephone on April 1, 1982, that the Office of the Attorney General had no comment to make in regard to the above-indicated paper. Per Ken Starr, Counselor to the Attorney General.



**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation

400 Seventh St., S.W.  
Washington, D.C. 20590

APR 1 1982

MEMORANDUM TO: CRAIG FULLER  
ASSISTANT TO THE PRESIDENT  
FOR CABINET AFFAIRS

FROM: RALPH STANLEY *Ralph Stanley*  
SPECIAL ASSISTANT  
TO THE SECRETARY

We have reviewed Hungary's application to the International  
Monetary Fund and have no objections.



Department of Energy  
Washington, D.C. 20585

April 1, 1982

MEMORANDUM FOR CRAIG L. FULLER  
Assistant to the President  
for Cabinet Affairs

SUBJECT: Hungarian Application for Membership in the IMF

Confirming the March 31 telephone conversation with Adela Gonzalez,  
the Department of Energy concurs in the submission of the Hungarian  
IMF paper to the President as circulated.

*CC Key*  
for Ben C. Rusche





THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D.C. 20410

044407 CA

April 1, 1982

Memorandum to: The Honorable  
Craig L. Fuller  
Assistant to the President  
for Cabinet Affairs

From: Samuel R. Pierce, Jr. *SRP*

Re: Cabinet Affairs Staffing Memorandum  
Number 044407CA - Hungarian Applica-  
tion for Membership in the IMF

Confirming a telephone conversation with your office, I concur with the recommendation of the Cabinet Council on Economic Affairs regarding the above referenced matter.

RPS  
4/1/82

—  
THE WHITE HOUSE  
WASHINGTON  
April 1, 1982

NOTE FOR RICHARD G. DARMAN

FROM: CRAIG L. FULLER *CF*

Re: Hungarian Application  
for Membership in IMF --  
044407CA

We have received no objection  
to Hungarian membership in the  
IMF from any of the Departments.

~~I recommend that the attached  
go to the President for signature  
tonight as long as NSC approves.~~  
If it is signed tonight, we can  
notify the appropriate parties  
at home and overseas tomorrow.

85



MEMORANDUM OF CALL

TO:

YOU WERE CALLED BY—  YOU WERE VISITED BY—

OF (Organization)

PLEASE CALL → PHONE NO. CODE/EXT.  FTS

WILL CALL AGAIN  IS WAITING TO SEE YOU

RETURNED YOUR CALL  WISHES AN APPOINTMENT

MESSAGE

*Hungary*  
*NO comment*

RECEIVED BY \_\_\_\_\_ DATE \_\_\_\_\_ TIME *5:07*

63-109 U.S. G.P.O. 1982-361-529/129  
STANDARD FORM 63 (Rev. 8-76)  
Prescribed by GSA  
FPMR (41 CFR) 101-11.6

MEMORANDUM OF CALL

TO:

YOU WERE CALLED BY—  YOU WERE VISITED BY—

OF (Organization)

PLEASE CALL → PHONE NO. CODE/EXT.  FTS

WILL CALL AGAIN  IS WAITING TO SEE YOU

RETURNED YOUR CALL  WISHES AN APPOINTMENT

MESSAGE

*No objection*

RECEIVED BY *A* DATE \_\_\_\_\_ TIME \_\_\_\_\_

63-109 U.S. G.P.O. 1982-361-529/129  
STANDARD FORM 63 (Rev. 8-76)  
Prescribed by GSA  
FPMR (41 CFR) 101-11.6

MEMORANDUM OF CALL

TO:

YOU WERE CALLED BY—  YOU WERE VISITED BY—

OF (Organization)

PLEASE CALL → PHONE NO. CODE/EXT.  FTS

WILL CALL AGAIN  IS WAITING TO SEE YOU

RETURNED YOUR CALL  WISHES AN APPOINTMENT

MESSAGE

*Hungary*  
*concerns*  
*basically Treasury doc*

RECEIVED BY \_\_\_\_\_ DATE \_\_\_\_\_ TIME *10:50*

63-109 U.S. G.P.O. 1982-361-529/129  
STANDARD FORM 63 (Rev. 8-76)  
Prescribed by GSA  
FPMR (41 CFR) 101-11.6

MEMORANDUM OF CALL

TO:

YOU WERE CALLED BY—  YOU WERE VISITED BY—

OF (Organization)

PLEASE CALL → PHONE NO. CODE/EXT.  FTS

WILL CALL AGAIN  IS WAITING TO SEE YOU

RETURNED YOUR CALL  WISHES AN APPOINTMENT

MESSAGE

*Hungary*  
*concerns*

RECEIVED BY *A* DATE *4/1* TIME *8:50*

63-109 U.S. G.P.O. 1982-361-529/129  
STANDARD FORM 63 (Rev. 8-76)  
Prescribed by GSA  
FPMR (41 CFR) 101-11.6



MEMORANDUM OF CALL

TO: A

YOU WERE CALLED BY—  YOU WERE VISITED BY—

OF (Organization) Kathy Watt's Office

PLEASE CALL → PHONE NO. CODE/EXT.  FTS

WILL CALL AGAIN  IS WAITING TO SEE YOU

RETURNED YOUR CALL  WISHES AN APPOINTMENT

MESSAGE

Concur on 044407 CA

RECEIVED BY J DATE 8/31 TIME 4:07  
63-109  
★ U.S. G.P.O. 1982-361-529/129  
STANDARD FORM 63 (Rev. 8-76)  
Prescribed by GSA  
FPMR (41 CFR) 101-11.6

MEMORANDUM OF CALL

TO:

YOU WERE CALLED BY—  YOU WERE VISITED BY—

OF (Organization) Ida

PLEASE CALL → PHONE NO. CODE/EXT.  FTS

WILL CALL AGAIN  IS WAITING TO SEE YOU

RETURNED YOUR CALL  WISHES AN APPOINTMENT

MESSAGE

No comment  
Wuepy

RECEIVED BY J DATE 8/1 TIME  
63-109  
★ U.S. G.P.O. 1982-361-529/129  
STANDARD FORM 63 (Rev. 8-76)  
Prescribed by GSA  
FPMR (41 CFR) 101-11.6

MEMORANDUM OF CALL

TO:

YOU WERE CALLED BY—  YOU WERE VISITED BY—

OF (Organization) newstet  
DOE

PLEASE CALL → PHONE NO. CODE/EXT.  FTS

WILL CALL AGAIN  IS WAITING TO SEE YOU

RETURNED YOUR CALL  WISHES AN APPOINTMENT

MESSAGE

concur

RECEIVED BY A. DATE 3/31 TIME 6:50  
63-109  
★ U.S. G.P.O. 1982-361-529/129  
STANDARD FORM 63 (Rev. 8-76)  
Prescribed by GSA  
FPMR (41 CFR) 101-11.6

THE WHITE HOUSE  
WASHINGTON

April 1, 1982

CLF:

Re: Hungarian Application  
for Membership in IMF --  
044407CA

Concur: State, Treasury, DOD,  
Interior, Commerce, HUD,  
DOT, Energy, Counsellor,  
CIA

No objection: USDA, USTR

No comment: AG, HHS, OMB

No reply: VP, USDA, Labor, UN

A.



DEPARTMENT OF STATE

**WASHFAX RECEIPT**  
DEPARTMENT OF STATE

82 MAR 31 P 5: 24

1002 MAR 31 PM 5 11

**B**

S/S #

SITUATION ROOM

*AMA*

*cas 1/28/97*

MESSAGE NO. 00387 CLASSIFICATION ~~Confidential~~ No. Pages 4

FROM: A. Adams S/S 28448 7224  
(Officer name) (Office symbol) (Extension) (Room number)

MESSAGE DESCRIPTION Memo for Craig Fuller re Hungarian Application  
for Membership in the IMF

<u>TO: (Agency)</u>	<u>DELIVER TO:</u>	<u>Extension</u>	<u>Room No.</u>
<u>White House</u>	<u>Craig Fuller</u>	<u>456-2823</u>	

FOR: CLEARANCE  INFORMATION  PER REQUEST  COMMENT

REMARKS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

S/S Officer: *[Signature]*



**RONALD W. REAGAN LIBRARY**

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 2-3 LISTED ON THE  
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

*we had to answer  
yesterday*

The U.S. has about 20 percent of the voting power. If we attempted to block the membership application we would likely fail. Such an effort would inevitably damage our negotiations with the Europeans on other East-West and IMF-related issues, such as preventing PLO observer status at the Annual Meetings.

- 6. Hungarian membership, with a quota of SDR 375 million, would have only a miniscule impact on U.S. and other countries' voting power (the U.S. vote would decline from 19.68 to 19.56 percent of the total voting power).

IMF membership does not mean IMF financing. Hungary will not have any automatic rights to draw on the IMF beyond its hard currency payments to the IMF. Support for IMF membership thus does not entail support for IMF financing for Hungary.

The main concerns with IMF financing, if Hungary makes a request, involve: (1) the adequacy of their proposed adjustment program, and (2) the possibility of "leakage" — financing drained off to support the Soviets or other East European countries. There is, of course, no guarantee that we could prevent leakage. ~~And we have expressed our concerns about this potential problem to Hungarian financial authorities. Their tight liquidity situation and their irritation over Soviet withdrawals of hard currency deposits in Hungary suggest that they will do everything possible to prevent leakage. If Hungary does request IMF financing and the leakage problem arises, we would have legitimate grounds for opposing the financing and we could likely obtain sufficient support from our allies to prevail.~~

Recommendation: The Cabinet Council on Economic Affairs unanimously recommends that the United States vote in favor of the Hungarian membership application at the IMF Executive Board meeting on April 2 and in the subsequent vote by the IMF Governors.

Federal Reserve Chairman Volcker, the U.S. Alternate Governor in the IMF, strongly concurs with this recommendation.

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

Donald T. Regan  
Chairman Pro Tempore

*Sheer H. need for...  
avoid...  
before... such a request.*

*avoid...  
before... such a request.*

*Handwritten notes in left margin:*  
Hinner,  
Hungary's



RECEIVED 01 APR 82 14

TO CLARK

FROM DARMAN, R

DOCDATE 01 APR 82

**URGENT**

KEYWORDS: CCEA

IMF

HUNGARY

DARMAN REFERRAL

SUBJECT: CABINET COUN ON ECONOMIC AFFAIRS 2 APR MTG RE HUNGARIAN APPLICATION  
FOR MEMBERSHIP IN IMF

ACTION: PREPARE MEMO FOR CLARK DUE: 01 APR 82 STATUS S FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

BAILEY

NAU

PIPES

STEARMAN

DOBRIANSKY

COMMENTS

REF# 044407CS

LOG

NSCIFID

( H / )

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
Clark	X 4/01	for sig		
	C 4/01	McFarlane rfd memo		NS
	C 4/2	Noted by res		NS, RP, pd.

DISPATCH

*ed 1800 PSM*

W/ATTCH FILE

(C) *NS*



THE WHITE HOUSE  
WASHINGTON

The President has seen \_\_\_\_\_

March 30, 1982

MEMORANDUM FOR THE PRESIDENT

FROM: THE CABINET COUNCIL ON ECONOMIC AFFAIRS

SUBJECT: Hungarian Application for Membership in the IMF

The International Monetary Fund's Membership Committee has completed its technical consideration of Hungary's application and has forwarded a draft decision recommending acceptance of Hungarian membership and an initial quota of SDR 375 million for consideration by the Executive Board and Board of Governors. The Executive Board is scheduled to consider this proposal on April 2 and, assuming approval, to immediately forward a membership resolution for a mail vote by the Governors for action within thirty days.

The United States therefore must decide now its position on this issue. The Cabinet Council on Economic Affairs considered this issue at its March 29 meeting and recommends supporting the Hungarian application based on the following considerations.

1. The Hungarians have fulfilled the obligations of IMF membership — the longstanding essential U.S. criterion for acceptance into membership — including providing detailed economic information to the IMF.
2. Hungarian IMF membership would provide the U.S. with a continuing flow of detailed data on the Hungarian economic and financial situation and the opportunity, through the regular IMF consultation process and in the event of an Hungarian IMF program, to influence the evolution of Hungarian economic policy.
3. Hungary has developed an economic system that is more like the West than are other Eastern European economies. Decision making is decentralized and market-oriented, and economic units respond to price incentives.
4. The Hungarian economic situation is substantially different from that in Poland. Though Hungary currently faces liquidity difficulties, the economy is basically sound, and Hungary's economic management is respected by the Western financial community.
5. The IMF members generally strongly favor Hungarian membership. Membership requires only a simple majority vote.

The U.S. has about 20 percent of the voting power. If we attempted to block the membership application we would likely fail. Such an effort would inevitably damage our negotiations with the Europeans on other East-West and IMF-related issues, such as preventing PLO observer status at the Annual Meetings.

- 6. Hungarian membership, with a quota of SDR 375 million, would have only a miniscule impact on U.S. and other countries' voting power (the U.S. vote would decline from 19.68 to 19.56 percent of the total voting power).

IMF membership does not mean IMF financing. Hungary will not have any automatic rights to draw on the IMF beyond its hard currency payments to the IMF. Support for IMF membership thus does not entail support for IMF financing for Hungary.

The main concerns with IMF financing, if Hungary makes a request, involve: (1) the adequacy of their proposed adjustment program, and (2) the possibility of "leakage" — financing drained off to support the Soviets or other East European countries. There is, of course, no guarantee that we could prevent leakage. And we have expressed our concerns about this potential problem to Hungarian financial authorities. Their tight liquidity situation and their irritation over Soviet withdrawals of hard currency deposits in Hungary suggest that they will do everything possible to prevent leakage. If Hungary does request IMF financing and the leakage problem arises, we would have legitimate grounds for opposing the financing and we could likely obtain sufficient support from our allies to prevail.

Recommendation: The Cabinet Council on Economic Affairs unanimously recommends that the United States vote in favor of the Hungarian membership application at the IMF Executive Board meeting on April 2 and in the subsequent vote by the IMF Governors.

Federal Reserve Chairman Volcker, the U.S. Alternate Governor in the IMF, strongly concurs with this recommendation.

Approve ✓ RR Disapprove \_\_\_\_\_

*Donald T. Regan*  
Donald T. Regan  
Chairman Pro Tempore