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THE WHITE HOUSE
WASHINGTON

112180 PD
~~118001~~
IT044

March 1, 1983

FD

MEMORANDUM FOR RICHARD G. DARMAN

FROM: ROGER B. PORTER *RB*
SUBJECT: Fact Sheet: International Monetary Fund
Legislation

The Office of Policy Development recommends approval of the proposed fact sheet.

OFFICE OF POLICY DEVELOPMENT

STAFFING MEMORANDUM

DATE: 2/28/83 ACTION/CONCURRENCE/COMMENT DUE BY: NOON 3/1/83
 SUBJECT: FACT SHEET RE INTERNATIONAL MONETARY FUND LEGISLATION

	ACTION	FYI		ACTION	FYI
HARPER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	DRUG POLICY	<input type="checkbox"/>	<input type="checkbox"/>
PORTER	<input type="checkbox"/>	<input type="checkbox"/>	TURNER	<input type="checkbox"/>	<input type="checkbox"/>
BARR	<input type="checkbox"/>	<input type="checkbox"/>	D. LEONARD	<input type="checkbox"/>	<input type="checkbox"/>
BLEDSON	<input type="checkbox"/>	<input type="checkbox"/>	OFFICE OF POLICY INFORMATION		
BOGGS	<input type="checkbox"/>	<input type="checkbox"/>	HOPKINS	<input type="checkbox"/>	<input type="checkbox"/>
BRADLEY	<input type="checkbox"/>	<input type="checkbox"/>	PROPERTY REVIEW BOARD	<input type="checkbox"/>	<input type="checkbox"/>
CARLESON	<input type="checkbox"/>	<input type="checkbox"/>	OTHER		
DENEND	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
FAIRBANKS	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
FERRARA	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
GALEBACH	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
GARFINKEL	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
GUNN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
B. LEONARD	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
LI	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
MONTOYA	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
ROCK	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
ROPER	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
SMITH	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
UHLMANN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
ADMINISTRATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:
 LES DENEND FOR ACTION
 May I please have your comments/ approval by COB 3/1

Judy Johnston

Edwin L. Harper
 Assistant to the President
 for Policy Development
 (x6515)


Please return this tracking sheet with your response

Staff memo sent with ID 118001 PD

WHITE HOUSE STAFFING MEMORANDUM

DATE: February 28 ACTION/CONCURRENCE/COMMENT DUE BY: Noon, Tuesday, 3/1

SUBJECT: FACT SHEET RE INTERNATIONAL MONETARY FUND LEGISLATION

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	GERGEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MEESE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HARPER 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BAKER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	JENKINS	<input type="checkbox"/>	<input type="checkbox"/>
DEAVER	<input type="checkbox"/>	<input type="checkbox"/>	MURPHY	<input type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input type="checkbox"/>	<input type="checkbox"/>
CLARK	<input type="checkbox"/>	<input type="checkbox"/>	WHITTLESEY	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input type="checkbox"/> P	<input checked="" type="checkbox"/> SS	WILLIAMSON	<input type="checkbox"/>	<input type="checkbox"/>
DUBERSTEIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	VON DAMM	<input type="checkbox"/>	<input type="checkbox"/>
FELDSTEIN	<input type="checkbox"/>	<input type="checkbox"/>	BRADY/SPEAKES	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input type="checkbox"/>
FULLER	<input type="checkbox"/>	<input type="checkbox"/>	<u>BAKSHIAN</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Remarks:

Please provide any comments/edits by noon tomorrow, March 1.

Thank you.

Richard G. Darman
Assistant to the President
(x2702)

Response:



OFFICE OF THE SECRETARY OF THE TREASURY
WASHINGTON, D.C. 20220

February 26, 1983

MEMORANDUM FOR THE HONORABLE CRAIG L. FULLER
ASSISTANT TO THE PRESIDENT
FOR CABINET AFFAIRS

SUBJECT: Revised IMF Fact Sheet

Attached is a revised draft press fact sheet on the International Monetary Fund subscription increase to be issued in conjunction with the submission of the IMF legislative package to Congress.

Attachment

R
David L. Chew
Executive Assistant
to the Secretary

2/26
To: RGD
CF

2/25/83

7:15 pm

FACT SHEET
International Monetary Fund

1. Role: The International Monetary Fund (IMF) is the central monetary institution for the world economy. The IMF serves two key functions:

-- General guidance of the monetary system, including surveillance over exchange arrangements and the balance of payments adjustment process, and evolution of the international reserve system.

-- Provision of temporary financing in support of members' efforts to deal with their balance of payments difficulties.

2. Operations: The IMF is essentially a revolving fund of currencies, provided by every member and available to every member for temporary balance of payments financing under prescribed criteria. Financing thus flows back and forth through the IMF depending on balance of payments patterns and financing requirements at any given time. There is no fixed class of lenders or borrowers, no concept of "donor" or "recipient." In fact, while the U.S. quota subscription has been drawn upon many times over the years, the U.S. drawings on the IMF, totaling some \$6.5 billion, are the second largest of the entire membership. The most recent U.S. drawing was for the equivalent of \$3 billion in Japanese yen and German marks, in November 1978.

3. Quotas: Quotas are central in the IMF. Members' quota subscriptions constitute the IMF's permanent financial resources. Quotas determine both the amount of IMF resources a member can draw when in balance of payments need, and its obligation to provide resources when its balance of payments is strong. Quotas determine the distribution of SDR allocations and, of key importance, quotas also determine voting power. Given these benefits, countries compete to gain the largest possible share of total quotas in the IMF because of the financing and votes that a larger share provides.

4. Quota Increase: Quotas are reviewed periodically to ensure a realistic relationship to the world economy and potential demands for IMF financing. The recent agreement increases IMF quotas by about 47 percent from SDR 61 billion to SDR 90 billion. In dollar terms, this is roughly equivalent to an increase from \$67 billion to \$99 billion.

Such an increase is needed because:

-- First, the IMF's uncommitted usable resources, including currencies of countries in strong balance of payments positions

plus credit lines under established borrowing arrangements, have declined sharply over the past two years as the re-emergence of large balance of payments financing needs and growing debt problems have led to a resurgence in requests for IMF financing. Given the scope of today's financing problems, requests for IMF programs by many more countries must be anticipated over the next year, and it is quite possible that the IMF's ability to commit resources to adjustment programs could be exhausted during the course of 1983. The IMF's ability to continue to commit financing, and permit its current resources to be drawn down to lower levels, depends importantly on assurances that further resources will be forthcoming soon.

-- Second, a strong effective IMF is a key element in the strategy for dealing with the current serious international financial strains and potential debt crisis. Several large countries are experiencing major financing difficulties which could lead to beggar-thy-neighbor policies -- excessive deflation, competitive exchange rate depreciation, trade and capital controls -- that would be harmful to other countries and the system as a whole. A strong IMF, with adequate resources, plays a critical role in maintaining the sound world economy and stable international financial system essential for U.S. economic recovery and a sound domestic financial system.

5. U.S. Quota: For the United States, these agreements involve an increase in the U.S. quota in the IMF by about SDR 5.3 billion, from SDR 12.6 billion to SDR 17.9 billion. At current exchange rates, this is equivalent to an increase of \$5.8 billion. Our portion of total new IMF quotas will be about 19.9 percent, compared to 20.7 percent at present. Our voting share will go from 19.52 percent to 19.15 percent.

6. General Arrangements to Borrow (GAB): The IMF is authorized under its Articles to supplement its resources by borrowing. In September, 1982, the United States proposed establishment of a special borrowing arrangement to be available for use by the IMF on a contingency basis in situations posing a serious threat to the international monetary system. Subsequent discussions with other countries indicated strong interest in this concept and specifically in adapting and expanding the IMF's existing General Arrangements to Borrow for this purpose. In mid-January, major industrial IMF member countries agreed in principle to expand the GAB from about SDR 6.5 billion to SDR 17 billion. These resources could be made available not only to GAB participants in balance of payments difficulty, but also to other IMF members in situations involving a serious threat to the stability of the system and for which other IMF resources are inadequate. The U.S. share of the expanded GAB will be SDR 4,250 million, 25 percent of the new total of SDR 17 billion. The U.S. commitment will, therefore, increase by the equivalent of about \$2.7 billion, at current exchange rates.

7. Proposed Legislation: Under the Bretton Woods Agreement

Act, prior Congressional approval is required for any increase in the U.S. quota in the IMF and any U.S. loans to the IMF. The legislation proposed for this purpose would: a) authorize the U.S. Governor of the IMF (the Secretary of the Treasury) to consent to an increase of SDR 5,310.8 million in the U.S. quota in the IMF and authorize appropriations for the increase; b) authorize appropriations for an increase (equivalent to about \$2.7 billion) in the U.S. commitment under the GAB, to a new level of SDR 4,250 million; and c) provide appropriations for these purposes.

Under budget and accounting procedures established at the time of the 1980 increase in the U.S. IMF quota, in consultation with Congress, an increase in the U.S. quota or loan to the IMF requires budget authorization and appropriation for the full amount of the quota increase or U.S. loan. However, transfers of funds from the U.S. to the IMF do not affect net budget outlays or the budget deficit since the U.S. simultaneously receives an offsetting increase in the U.S. reserve position in the IMF (a liquid, interest-earning international monetary reserve asset). Transfers of funds from the U.S. to the IMF do, however, affect Treasury borrowing requirements.

8. National Interest: A strong and effective IMF, with adequate resources, is essential to achieving vital U.S. economic and political objectives.

-- Foster international monetary cooperation and stability, and the open trade and financial system essential for U.S. economic prosperity.

-- Encourage effective and internationally responsible economic adjustment by countries with balance of payments difficulties.

-- Provide foreign currencies when U.S. has a balance of payments need to draw from the IMF.

ID # 112180
IT044 ¹⁵³ CU

WHITE HOUSE
 CORRESPONDENCE TRACKING WORKSHEET

Don Handle from Regt - no response



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

Name of Correspondent: Richard G. Darman

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

Subject: Fact Sheet re: International Monetary Fund Legislation

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>WHolland</u>	<u>ORIGINATOR</u>	<u>8310228</u>	<u> </u>	<u>C</u>	<u>83103101 JV</u>
<u>CUAT03</u>	<u>D</u>	<u>8310228</u>		<u>C</u>	<u>83103101 JV</u>
<u>CVFIEL</u>	<u>S</u>	<u>83103101</u>	<u>FAH</u>	<u>A</u>	<u>83103101 JV</u>
		<u>1 1</u>			<u>1 1</u>
		<u>1 1</u>			<u>1 1</u>

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: _____

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

Prime Subject Code: _____ Secondary Subject Codes: _____

PRESIDENTIAL REPLY

Code	Date	Comment	Form
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

11/21/84

THE WHITE HOUSE

WASHINGTON

March 1, 1983

MEMORANDUM FOR RICHARD G. DARMAN
ASSISTANT TO THE PRESIDENT

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

SUBJECT: Fact Sheet Re: International
Monetary Fund Legislation

Counsel's Office finds no objection from a legal perspective to the above-referenced fact sheet. I would, however, suggest that you delete the word "importantly" from the last sentence of the first paragraph on page 2 and change the word "Agreement" to the word "Agreements" in the first sentence of paragraph 7.

FFF:HPG:aw 3/1/83

cc: FFFielding
HPGoldfield
Subj.
Chron

FEB 28 1983

Document No. _____

WHITE HOUSE STAFFING MEMORANDUM

DATE: February 28 ACTION/CONCURRENCE/COMMENT DUE BY: Noon, Tuesday, 3/1

SUBJECT: FACT SHEET RE INTERNATIONAL MONETARY FUND LEGISLATION



	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	GERGEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MEESE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HARPER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BAKER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	JENKINS	<input type="checkbox"/>	<input type="checkbox"/>
DEAVER	<input type="checkbox"/>	<input type="checkbox"/>	MURPHY	<input type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input type="checkbox"/>	<input type="checkbox"/>
CLARK	<input type="checkbox"/>	<input type="checkbox"/>	WHITTLESEY	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WILLIAMSON	<input type="checkbox"/>	<input type="checkbox"/>
DUBERSTEIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	VON DAMM	<input type="checkbox"/>	<input type="checkbox"/>
FELDSTEIN	<input type="checkbox"/>	<input type="checkbox"/>	BRADY/SPEAKES	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input type="checkbox"/>
FULLER	<input type="checkbox"/>	<input type="checkbox"/>	<u>BAKSHIAN</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Remarks:

Please provide any comments/edits by noon tomorrow, March 1.

Thank you.

Richard G. Darman
Assistant to the President
(x2702)

Response:



OFFICE OF THE SECRETARY OF THE TREASURY
WASHINGTON, D.C. 20220

February 26, 1983

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ASSISTANT TO THE PRESIDENT
FOR CABINET AFFAIRS

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David L. Chew
Executive Assistant
to the Secretary

2/26
To: RGD
CF

2/25/83
7:15 pm

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**WHITE HOUSE
COUNSELLOR'S OFFICE TRACKING WORKSHEET**

- O - OUTGOING
 - H - INTERNAL
 - I - INCOMING
- Date Correspondence Received (YY/MM/DD) 83102107

Name of Correspondent: Paul Craig Roberts

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

Subject: Writer sends a copy of his editorial on the "High Cost of Funding a Growing IMF."

ROUTE TO: Office/Agency (Staff Name)	ACTION		DISPOSITION		
	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>CNHAMM</u>	<u>O</u>	<u>83102107</u>		<u>C</u>	<u>83102114</u>
	Referral Note: <u>W</u>				
<u>CNCRIB</u>	<u>A</u>	<u>83102107</u>	<u>NAN</u>	<u>C</u>	<u>83102114</u>
	Referral Note: _____				
<u>CNMEES</u>	<u>I</u>	<u>83102107</u>		<u>C</u>	<u>83102107</u>
	Referral Note: _____				
		<u>1 1</u>			<u>1 1</u>
	Referral Note: _____				
		<u>1 1</u>			<u>1 1</u>
	Referral Note: _____				

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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: _____

Keep this worksheet attached to the original incoming letter.
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Prime Subject Code: IT 044 Secondary Subject Codes: ED _____
PU _____

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

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- n - 4 - Dutch
- n - 5 - Ron Reagan
- n - 6 - Ronald
- n - 7 - Ronnie

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- n - 2 - Nancy
- n - 3 - Mrs. Ronald Reagan

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



The Center for Strategic and International Studies

Georgetown University / 1800 K Street / Washington DC 20006 / Telephone 202/887-0200

Cable Address: CENSTRAT

TWX: 7108229583

Henry A. Kissinger, Counselor
Robert J. Henle, S.J., Counselor

James R. Schlesinger, Senior Adviser
Zbigniew Brzezinski, Senior Adviser

Thomas H. Moorer, Senior Associate
Ray S. Cline, Senior Associate
Jack H. Bridges, Senior Associate
Robert G. Neumann, Senior Associate

- David M. Abshire
Chairman
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Vice Chairman
- Christa D. K. Dantzer
Chief Financial Officer
- EXECUTIVE DIRECTORS**
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- Robert Kupperman
- SENIOR RESEARCH AND ADMINISTRATIVE STAFF**
- Yonah Alexander
- Miriam Blumberg
- Richard F. Byrnes
- Benjamin Carlson
- George A. Carver, Jr.
- Ann C. Coffey, C.S.J.
- Robert Downen
- Charles K. Ebinger
- Georges Faurio
- Mazher Hameed
- Penelope Hart and Thunberg
- Robert E. Hunter
- Rodney W. Jones
- Helene Kitchen
- Robert Leiken
- Edward N. Luttwak
- Francis X. Murray
- Kenneth A. Myers
- William Perry
- Paul Craig Roberts
- Barry Rubin
- Thibault de Saint Phalle
- Nicholas J. Spillotes
- John A. Shaw
- William J. Taylor
- W. S. J. Thomas, Jr.
- Alexander Weinstein

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February 3, 1983

123213

Hon. Ed Meese
The White House
Washington, D.C.

Dear Ed:

The Administration is travelling on too many of the wrong roads.

Best,

Paul Craig Roberts
Wm. E. Simon Chair
in Political Economy

enclosure

- Wayne Berman
- Patricia Denny
- Pamela Schol Mahaffee
- Michael Moodie
- Jean C. Newsom
- Ffla S. Pollock
- Lea Rogers
- Sterling G. Slappey
- M. Jon Vondracek
- David A. Wendt
- John Y. Harrison
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- Oscar Dystel
- Rep. Dante B. Fascell
- Rep. Millicent Fenwick
- Sen. Jake Garn
- Sen. John Glenn
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- Dona C. Kerr
- William F. Kieschnick
- Lane Kirkland
- Joseph Kratt
- Paul Laxalt
- James E. Lee
- Walter J. Levy
- John C. Marous
- Sen. James A. McCure
- Warren Meeker
- Thomas H. Moorer
- Robert Mosbacher
- Martha T. Muse
- Robert G. Neumann
- Eddy Nicholson
- Most Rev. John J. O'Connor, D.D.
- Suliman Olayan
- Sen. Claiborne Pell
- Rep. John J. Rhodes
- J. Hugh Roff, Jr.
- Arthur Ross
- Sen. William V. Roth, Jr.
- Michael A. Samuels
- Rep. James D. Santini
- George T. Scharffenberger
- Stephan Schmidheiny
- Sen. Harrison Schmitt
- Brent Scowcroft
- Harvey L. Sibert
- Joseph Sisco
- Howard K. Smith
- William French Smith
- Frank Stanton
- Rep. Samuel Stratton
- Robert S. Strauss
- Yasuo Takeyama
- William Timmons
- Sen. John Tower
- Shoichiro Toyoda
- Jean-Louis van den Branden
- George Wil
- Vincent A. Wolfington
- R. James Woolsey
- Rep. Clement J. Zablocki
- Gurdon B. Zacks
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The High Cost of Funding a Growing IMF

By PAUL CRAIG ROBERTS

The inability of debtor countries such as Mexico, Brazil, Argentina, Poland and Romania to repay principal and interest to Western banks may threaten the world with economic contraction, but it is causing the International Monetary Fund to grow by leaps and bounds. The prospect of default has generated new pressures to increase the IMF's funding and to enlarge its scope by giving it attributes of a world central bank charged with maintaining the stability of the international financial system.

The new growth in the IMF's size and role comes on top of the rapid growth of recent years.

Normally, an IMF loan is supposed to be a bridge loan to provide balance-of-payments financing for countries whose imports temporarily exceed their exports. More recently, however, the IMF has taken an expanded view of balance-of-payments problems and has made investment loans to countries for "structural adjustment." These loans are supposed to allow countries to increase their exports by investing in ports and industrial projects and to reduce imports by investing in domestic energy projects. Money, of course, is fungible, and a \$5.5 billion "structural adjustment" loan to India in 1981 was followed by large Indian arms purchases from France.

The IMF's ability to add "structural ad-

justment" loans to its product line reflects the rapid growth of its funding and statutory lending obligations. In 1978 IMF quotas increased 50% from 40 billion to 60 billion special drawing rights (SDRs; the current exchange rate is \$1.10 to one SDR). The same year the maximum credit lines of member countries almost doubled, increasing from 2.5 to 4.5 times their quotas.

The result was a jump in IMF statutory lending obligations from 100 billion to 270 billion SDRs. This in turn led to a demand for additional IMF funding to meet the needs implied by the larger lending obligations. If a 50% quota increase takes place in 1984 as planned, the statutory lending obligations of the IMF will expand to 405 billion SDRs or about \$450 billion.

Prior to the sudden emergence of the default crisis, the U.S. Treasury was resisting the Third World's pressures for a large increase in IMF quotas, which implies that, the crisis aside, there are good reasons to resist further rapid growth of the IMF. Currently the U.S. quota is about \$13.5 billion, and negotiations are proceeding for an additional \$6.8 billion plus a \$3 billion contribution to an enlarged emergency fund (General Agreement to Borrow), constituting a \$10 billion transfer from the U.S. government to the IMF. In exchange the U.S. receives dormant reserve assets denominated in SDRs which it

cannot withdraw in large amounts to pay its own bills.

The resource transfer is equivalent to a larger federal deficit, because the U.S. has to finance it by borrowing in the credit market. The total impact on the credit market is greater than \$10 billion, because the IMF bailout packages require additional lending by U.S. banks, thus reducing their ability to purchase U.S. debt.

In testimony before the Joint Economic Committee on Jan. 27, Fed Chairman Paul Volcker warned that there is not enough credit to go around and unless federal deficits are cut, higher U.S. interest rates will work against economic recovery. Clearly, in Mr. Volcker's mind the cost to the U.S. of a larger IMF quota is either higher interest rates and a weaker recovery or higher taxes or reduced defense and social spending.

These costs are being discounted by the same U.S. policy makers who are responding to the federal deficit by forcing President Reagan to abandon his supply-side tax policy and to cut his defense program. Mr. Volcker himself forgot all about the costs yesterday when he testified in support of an expanded IMF before the House Banking Committee, stressing instead that when IMF loans are repaid it "helps to ease pressures in U.S. credit markets."

There are additional costs of permanently transferring multibillions of dollars in resources from the U.S. (and our allies)

to a supranational organization from which they can be disbursed independently of our national security and foreign policy interests. The ultimate result is to divorce foreign aid from the policy interest of the NATO alliance.

The seriousness of the international liquidity crisis does not mean that an IMF quota increase is the only or the best approach to managing the problem. A self-liquidating revolving fund could be set up under IMF auspices or independently by the Western alliance to tide over the debtor countries. Since most of the IMF's resources are provided by the U.S. and its allies, there are no financial reasons to prevent the Western alliance from extracting political and strategic benefits from the aid it provides. When the crisis is over, the participating countries could withdraw their funds for their own use. It is not obvious why the U.S. should use its scarce resources to increase the power of the IMF.

To the extent that a departure from sound banking principles has played a role, throwing good money after bad will not resolve the crisis. Part of the response must be to strengthen our banks against default. George Champion, former chairman of Chase Manhattan bank, recently recommended on this page that U.S. banks cease carrying their nonperforming loans at face value and increase their reserves for bad debts.

This solution would be painful for banks' earnings reports, but it would protect them from being brought down by default, while leaving it open for the U.S. (and its allies) to help foreign governments out of their financial plight on a quid pro quo basis.

Mr. Roberts, former assistant Treasury secretary for economic policy, holds the William E. Simon chair in political economy at the Center for Strategic and International Studies, Georgetown University.

THE WHITE HOUSE
WASHINGTON

February 8, 1983

IT044

F0012

PR007

F000-12

PR010

MEMORANDUM FOR WILLIAM SADLEIR

FROM: CHARLES P. TYSON *CPT*

SUBJECT: Meeting with Sir Geoffrey Howe
and Jacques DeLaroisere *+ schedule proposal*
X

The attached schedule request is being submitted with substantially less than the required lead time. The meeting of Sir Geoffrey Howe and Jacques DeLaroisere was brought to our attention this past weekend by Secretary Regan who did not think it appropriate to require the President's time.

Secretary Regan's and our views have since changed due to the importance of the President's IMF legislative package and the critical nature of the current international debt situation--we feel it would be most beneficial to schedule a brief meeting with the President.

It is my understanding that Jim Baker concurs with this request.

APPROVED FOR *no*
Date. *2/11/83*
Time. *2:30*
Length. *20*
Date *2/1/83* WKS

See ID 073137

NSC # 8300900

THE WHITE HOUSE
WASHINGTON
February 8, 1983

Mike,

The attached was brought at 3:08pm today from Sadleir. Because he needed it approved by 4:00pm today in order to have the schedule to Darman by 4:25pm, I just made a copy and the original went to Deaver directly.

MOC

Approved

2:30
on Friday

20 min.

(Clark)

THE WHITE HOUSE

WASHINGTON

SCHEDULE PROPOSAL

TO: WILLIAM K. SADLEIR, DIRECTOR
PRESIDENTIAL APPOINTMENTS AND
SCHEDULING

FROM: WILLIAM P. CLARK *WPC*

REQUEST: Meeting with Sir Geoffrey Howe,
Chairman of the Interim Committee and
Chancellor of the UK Exchequer, and
Jacques DeLaroisere, Managing
Director of the International
Monetary Fund

PURPOSE: To the discuss the international
debt situation from the perspective
of the IMF and its principal members.

BACKGROUND: Howe and DeLaroisere are in town for
meetings of the IMF's Interim
Committee February 10-11.

PREVIOUS
PARTICIPATIONS: None

DATE AND TIME: Wednesday, February 9, DURATION:
3-5 p.m., or Friday, 20 minutes
February 11, before
10 a.m. or after 2 p.m.

LOCATION: Oval Office

PARTICIPANTS: List attached

OUTLINE OF EVENTS: Secretary Regan will make
introductions. Then there will be
an exchange of views on the
international debt situation.

REMARKS REQUIRED: Talking points will be provided.

MEDIA COVERAGE: None

RECOMMENDED BY: Secretary Donald T. Regan

OPPOSED BY: None

PROJECT OFFICER: William P. Clark

Attachment
List of Participants

Suggested List of Participants

Sir Geoffrey Howe, Chancellor of the United Kingdom Exchequer
and Chairman of the Interim Committee

Jacques DeLaroisere, Managing Director of the International
Monetary Fund

Secretary Donald T. Regan

William P. Clark

Beryl Sprinkel, Under Secretary of the Treasury for Monetary
Affairs

Marc Leland, Assistant Secretary of the Treasury for
International Affairs

Norman Bailey, NSC Staff

Roger Robinson, NSC Staff

EP

THE WHITE HOUSE
WASHINGTON

WS

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1240
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LE
FG 033.04

May 5, 1983

Dear Chalmers:

As the House Banking Committee considers the legislation I have requested authorizing increased U.S. participation in the International Monetary Fund, multilateral development banks, and re-authorizing the Export-Import Bank, I want to reiterate the importance which I attach to these measures. Taken together, these proposals will strengthen international financial stability, promote sustainable economic growth in the developing countries, and enhance our economic recovery here at home.

The request to provide an increase in the U.S. quota in the IMF and in U.S. participation in the IMF's General Arrangements to Borrow is part of an internationally-agreed strengthening of the IMF's resources, designed to enable the Fund to play its central role in promoting an orderly, cooperative resolution of current international debt and financial problems. With our growing interdependence with the world economy, this request represents an essential part of our own efforts to achieve sustainable economic recovery, preserve jobs in this country, and maintain a stable world economic foundation for pursuit of our international economic, foreign policy, and security interests abroad.

For this reason, the proposed increase in the IMF's resources is of major importance to every American citizen, no matter how distant international financial problems may seem. I am confident that this legislation should, as it has in the past, warrant the broadest bipartisan support in the Congress.

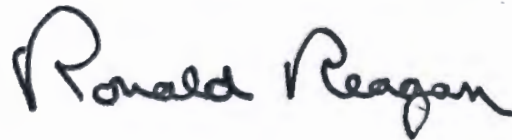
125168SS

See also C Track 141877

Similarly, the authorizations for the multi-lateral development banks and Export-Import Bank represent an investment in economic growth, at home and abroad, and merit strong support by Members from both sides of the aisle.

I want especially to commend you for your efforts to assure prompt consideration of this legislation by the Committee. You can be sure of my continued strong and active support for these measures which form a crucial part of my legislative program.

Sincerely,

A handwritten signature in cursive script that reads "Ronald Reagan". The signature is written in dark ink and is centered on the page below the word "Sincerely,".

The Honorable Chalmers P. Wylie
House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

May 5, 1983

Dear Mr. Chairman:

As the House Banking Committee considers the legislation I have requested authorizing increased U.S. participation in the International Monetary Fund, multilateral development banks, and re-authorizing the Export-Import Bank, I want to reiterate the importance which I attach to these measures. Taken together, these proposals will strengthen international financial stability, promote sustainable economic growth in the developing countries, and enhance our economic recovery here at home.

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I want especially to commend you for your efforts to assure prompt consideration of this legislation by the Committee. You can be sure of my continued strong and active support for these measures which form a crucial part of my legislative program.

Sincerely,

Ronald Reagan

The Honorable Fernand J. St Germain
Chairman
Committee on Banking, Finance
and Urban Affairs
House of Representatives
Washington, D.C. 20515

AUTOPENNED AND RETURNED TO
NOT REVIEWED BY ORM.

Darman ON 830507.

THE WHITE HOUSE
WASHINGTON

MEMO TO: DICK DARMAN
FROM: KEN DUBERSTEIN *Ken D.*
SUBJECT: Attached Presidential
letters re: IMF

The attached letters to Congressmen
St Germain and Wylie were requested
by Tim McNamar through Jim Baker.

We would appreciate having the
letters autopenned "Ronald Reagan"
and returned to me by 8:30 a.m.,
Monday, May 9.

Thank you.

*Note for files: letters returned
to Duberstein's office on
Saturday, 5/7/83.*

KR

5/11

File. This was delivered to
us by the military aide. According
to them this has been handled.

Sara Q.



THE DEPUTY SECRETARY OF THE TREASURY

WASHINGTON, D.C. 20220

May 4, 1983

s/s

KD
Your call. Plea.
so if you approve.
JAB III

MEMORANDUM FOR JAMES A. BAKER, III
CHIEF OF STAFF

FROM : R. T. McNamar

R.T.M.

SUBJECT : Letter from President Reagan on IMF

The House Banking Committee will mark up the IMF request on Monday, May 9. There is a persistent concern on the part of the Democrats that this issue is not receiving the visible evidence of Administration support necessary to forge a bipartisan majority to pass the legislation.

Chairman St Germain has written to the President expressing this concern clearly and succinctly (see attached). Our own discussions with the Hill indicate that our biggest problem is in fact lack of visible Republican support, and in fact, some vocal Republican opposition. Understandably, the Democratic leadership doesn't intend to push its membership on their swords on behalf of a Presidential request for assistance to an international institution that doesn't have substantial Republican support. The typical Democratic question is "Why should I support this international spending when the Republicans are trying to cut domestic spending?".

As we move toward Floor consideration in the Senate and full committee action in the House, as well as appropriations committee consideration, I believe it is essential that the President communicate to the Congress the importance of this issue and urge bipartisan support. We have already recommended Presidential meetings with the Senate and House leadership and key committee players early the week of May 16 to encourage positive action prior to the Williamsburg Summit. I reiterate that request.

Secondly, I recommend that the President respond to Chairman St Germain and the Ranking Minority Member, Chalmers Wylie, prior to the House Banking Committee mark up on Monday, May 9, emphasizing the importance of bipartisan support for this legislation. I have attached a proposed draft letter for the President.

Attachments

cc: Kenneth Duberstein

FERRAND J. ST GERMAIN, R.I. CHAIRMAN
HENRY B. GONZALEZ, TEX.
JOSEPH G. MINISH, N.J.
FRAN V. ANNUNZIO, ILL.
PARREN J. MITCHELL, MD.
WALTER E. FAUNTROY, D.C.
STEPHEN L. NEAL, N.C.
JERRY M. PATTERSON, CALIF.
CARROLL HUBBARD, JR., KY.
JOHN J. LAFALCE, N.Y.
NORMAN E. D'AMOURS, N.H.
STAN LINDRHE, N.Y.
MARY ROSE GAKAR, OHIO
BRUCE P. VENTO, MINN.
DOUG BARNARD, JR., GA.
ROBERT GARCIA, N.Y.
MIKE LOWRY, WASH.
CHARLES E. SCHUMER, N.Y.
BARNEY FRANK, MASS.
BILL PATMAN, TEX.
WILLIAM J. COYNE, PA.
BUDDY ROEMER, LA.
RICHARD H. LEHMAN, CALIF.
BRUCE A. MORRISON, CONN.
JIM COOPER, TENN.
MARCY KAPTUR, OHIO
BEN EDRISICH, ALA.
SANDER M. LEVIN, MICH.
THOMAS R. CARPER, DEL.
ESTEBAN EDWARD TORRES, CALIF.

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

NINETY-EIGHTH CONGRESS
2129 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515

May 4, 1983

CHALMERS P. WYLIE, OHIO
STEWART B. MCKINNEY, CONN.
GEORGE HANSEN, IDAHO
JIM LEACH, IOWA
RON PAUL, TEX.
ED BETHUNE, ARK.
NORMAN D. SHUMWAY, CALIF.
STAN PARRIS, VA.
BILL MCCOLLUM, FLA.
GEORGE C. WORTLEY, N.Y.
MARGE ROUKEMA, N.J.
BILL LCWERY, CALIF.
DOUGLAS K. BERSLUTER, NEBR.
DAVID DNEER, CALIF.
JOHN MILER, MD.
THOMAS J. RIDGE, PA.
STEVE BARTLETT, TEX.
325-4247

The President
The White House
Washington, D. C.

My Dear Mr. President:

Your Administration has given general support to a number of bills involving international finance and the expenditure of billions of dollars of public monies. These include \$8.4 billion for the International Monetary Fund, \$7.5 billion for the multilateral development banks, and a reauthorization of the Export Import Bank.

It is important, Mr. President, that the Administration's support be translated into definitive commitments from Members of your party in the House of Representatives if this legislation is to be successful. As you are aware, some members of your party have used a variety of forums to attack the Administration's legislative requests to which this Committee is attempting to give serious consideration.

While we have not always agreed with your positions, those of us on the Democratic side of the aisle have admired your ability to impose the strictest discipline among the Republican Members of the House, and we trust that this same type of aggressive effort will be forthcoming to support the work you have requested from this Committee on these international bills.

It is no secret, Mr. President, that the White House and the Republican political machinery have used virtually every spending measure as a vehicle to attack the Democrats in the Congress. These attacks notwithstanding, many of us have felt it our responsibility to continue to support programs necessary to keep the basic economic and social fabric of the nation intact. Many on our side of the aisle will feel a similar responsibility to assist in stabilizing international financial situations, but I think it is important -- in fact, essential -- that the Republicans in the House of Representatives make an early and substantive indication of support for these international measures which their own President is seeking.

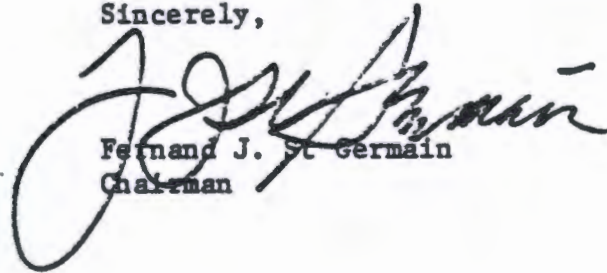
The President

Page Two

May 4, 1983

Mr. President, with all due respect, I do not think you should expect the Democratic leadership and Members to carry this burden alone.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "F. St. Germain".

Ferdinand J. St. Germain
Chairman

FJStG:mLr

Dear Mr. Chairman:

As the House Banking Committee considers the legislation I have requested, authorizing increased U.S. participation in the International Monetary Fund, multilateral development banks, and reauthorizing the Export-Import Bank, I want to reiterate the importance which I attach to these measures. Taken together, these proposals will strengthen international financial stability, promote sustainable economic growth in the developing countries, and enhance our economic recovery here at home.

The request to provide an increase in the U.S. quota in the IMF and in U.S. participation in the IMF's General Arrangements to Borrow is part of an internationally-agreed strengthening of the IMF's resources, designed to enable the Fund to play its central role in promoting an orderly, cooperative resolution of current international debt and financial problems. With our growing interdependence with the world economy, it represents an essential part of our own efforts to achieve sustainable economic recovery, preserve jobs in this country, and maintain a stable world economic foundation for pursuit of our international economic, foreign policy, and security interests abroad.

For this reason, the proposed increase in the IMF's resources is of major importance to every American citizen, no matter how distant international financial problems may seem. I am confident that this legislation should, as it has in the past, warrant the broadest bipartisan support in the Congress.

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I want especially to commend you for your efforts to assure prompt consideration of this legislation by the Committee. And, you can be sure of my continued strong and active support for these measures which form a crucial part of my legislative program.

The Honorable
Fernand St Germain

The Honorable
Chalmers P. Wylie

Dear Mr. Wylie:

B/B

THE WHITE HOUSE
WASHINGTON

June 6, 1983

WS

125395
1220
1210
IT044
F0004-02
F6035

Dear Howard:

The Senate will soon consider my request for increased United States participation in the International Monetary Fund (IMF). In my letter transmitting this request, I explained that the IMF plays the central part in a comprehensive strategy to resolve current world debt and financing problems. I want now to reiterate the major importance I attach to this request.

Current world economic difficulties, including the international debt situation, were principal topics of discussion at the Williamsburg Summit of Industrialized Nations. The Heads of State strongly endorsed the strategy that is being pursued to deal with the debt situation, and committed themselves to seek early ratification of the proposed increase in IMF resources.

In part as a result of decisions taken at the Summit, international action is underway to implement the agreed strategy and deal with the world debt situation in a manner strongly supportive of U.S. economic, foreign policy and security interests. Success in this effort is of critical importance to maintenance of the stable financial framework and sound world economy essential for sustained noninflationary growth and job creation in the United States and for the continued economic and political stability in other countries of vital interest to the United States.

The resources of the IMF, the institution at the core of the agreed strategy, are nearing exhaustion. It is essential that our Nation now follow through with prompt action to strengthen the IMF.

Letter to Sen Robert C. Byrd
attached

12539555

Passage of this legislation is of the utmost importance to the health of the world economy, to the strength of our own recovery and to the United States' position of leadership in world affairs. I believe this legislation should warrant, as it has in the past, the broadest bipartisan support in the Congress and I urge its prompt approval by the Senate.

Sincerely,

Ronald Reagan

The Honorable Howard H. Baker, Jr.
Majority Leader
United States Senate
Washington, D.C. 20510

AUTOPENNED AND RETURNED TO
NOT REVIEWED BY ORM.

Darmer

ON

830604

THE WHITE HOUSE

WASHINGTON

June 6, 1983

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Sincerely,

Ronald Reagan

The Honorable Robert C. Byrd
Democratic Leader
United States Senate
Washington, D.C. 20510

AUTOPENNED AND RETURNED TO
NOT REVIEWED BY ORM.

Darman

ON

830604

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Sincerely,

The Honorable Robert C. Byrd
Democratic Leader
United States Senate
Washington, D.C. 20510

RECEIVED
SS

1983 JUN -3 PM 6:33
THE WHITE HOUSE
WASHINGTON

DATE: June 3, 1983

TO: DICK DARMAN

THROUGH: KEN DUBERSTEIN *Kend*

FROM: CHARLIE PONTICELLI *CMP*

SUBJECT: Letters to Senators Baker and
Byrd urging prompt Senate
approval of increased U.S.
participation in the IMF

Please return the letters
to Duberstein's office.

Thanks.

ou (rw)

Draft Letter to Senators Baker and Byrd

June 3, 1983

*Charles
do this
pls.
str
NR*

Dear _____:

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In part as a result of decisions taken at the Summit, international action is under way to implement the agreed strategy and deal with the world debt situation in a manner strongly supportive of U.S. economic, foreign policy and security interests. Success in this effort is of critical importance to maintenance of the stable financial framework and sound world economy essential for sustained noninflationary growth and job creation in the United States and for the continued economic and political stability in other countries of vital interest to the United States.

The resources of the IMF, the institution at the core of the agreed strategy, are nearing exhaustion. It is essential that our nation now follow through with prompt action to strengthen the IMF.

Passage of this legislation is of the utmost importance to the health of the world economy, to the strength of our own recovery and to the United States' position of leadership in world affairs. I am confident that this legislation should warrant, as it has in the past, the broadest bipartisan support in the Congress. I urge its prompt approval by the Senate.

Sincerely,


Ronald Reagan

RWR:KMD:NJR:CMP

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

June 3, 1983

TO: NANCY RISQUE
FROM: NANCY KENNEDY 
SUBJECT: Presidential Letters on IMF

Pam and Dennis Thomas jointly recommend that the following members be copied on the Presidential's to Baker and Byrd: Percy as Chairman of the Foreign Relations Committee, and Pell as the ranking member; Garn as Chairman of Banking, Proxmire as ranking; Hatfield as Chairman of Appropriations, Stennis as ranking; Kasten as Chairman of the Appropriations' Foreign Operations Subcommittee, Inouye as ranking; Stevens as Republican Whip and Cranston as Minority Whip.

ID # 126050

ITD44

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

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

Date Correspondence Received (YY/MM/DD) 83102117

Name of Correspondent: June M. Collier

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

Subject: Opposes expansion of IMF

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Completion Date YY/MM/DD
✓ <u>Public Law 101-510</u>	<u>CS</u>	<u>83102117</u>		<u>C8303130</u>
✓ <u>Dept of Treasury</u>	<u>R</u>	<u>83102117</u>		<u>A830302</u>
_____	_____	<u>1 1</u>	_____	<u>1 1</u>
_____	_____	<u>1 1</u>	_____	<u>1 1</u>
_____	_____	<u>1 1</u>	_____	<u>1 1</u>

ACTION CODES:

- A - Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure
- I - Info Copy Only/No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

DISPOSITION CODES:

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

FOR OUTGOING CORRESPONDENCE:

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

Comments: _____

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

WH OASIA Sec

March 2, 1983

Industry
Ima

private

Dear Ms. Collier:

This is in response to your telegrams to President Reagan and Secretary Regan opposing the proposed increase in resources for the International Monetary Fund (IMF).

The world economy faces extremely difficult economic and financial problems essentially without precedent in the postwar period. The key issue is whether countries experiencing financial difficulties can and will undertake the required economic adjustments, in a manner consistent with preserving the stability of the world trading and financial system. Failure to resolve these difficulties in an orderly manner way would have serious adverse effects on the U.S. economy, including on our economic recovery and on our ability to create needed new jobs.

The IMF is the centerpiece of a comprehensive international strategy to deal with current problems. The IMF must have adequate resources to fulfill its important responsibilities which include making available temporary balance of payments financing in support of countries' efforts to achieve the economic adjustments required to restore their creditworthiness. International negotiations to increase IMF resources have been concluded, with agreement on an increase of about 47% in IMF quotas (from a level equivalent to \$67 billion to \$99 billion) and a revision and expansion of IMF's existing General Arrangements to Borrow to about \$19 billion. Legislation providing for congressional approval of the U.S. share of the increase in IMF resources, amounting to about \$8.5 billion, will be submitted shortly. As explained more fully in the enclosed statement by Secretary Regan, an increase in U.S. financing for the IMF is not a bank bail-out but rather represents an essential investment which complements our domestic efforts to achieve economic recovery.

OASIA:IMABNewman:ovb 3/2/83

CODE	INITIATOR NEWMAN	REVIEWER	REVIEWER	REVIEWER		
SURNAME						
INITIAL/DATE	/	/	/	/	/	/

- 2 -

Thank you for taking the time to let us know your views.

Sincerely,

Ralph V. Korp
Director
Office of International
Monetary Affairs

Ms. June M. Collier, President
National Industries, Inc.
P.O. Box 3528
Montgomery, Alabama 36109

Enclosure

'83-2945

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

REFERRAL

FEBRUARY 23, 1983

TO: DEPARTMENT OF THE TREASURY

ACTION REQUESTED:
DIRECT REPLY, FURNISH INFO COPY

DESCRIPTION OF INCOMING:

ID: 126050
MEDIA: MAILGRAM, DATED FEBRUARY 10, 1983
TO: PRESIDENT REAGAN
FROM: MS. JUNE M. COLLIER
PRESIDENT
NATIONAL INDUSTRIES, INC.
POST OFFICE BOX 3528
MONTGOMERY AL 36109

SUBJECT: OPPOSES EXPANSION AT INTERNATIONAL MONETARY
FUND

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

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

SALLY KELLEY
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE

6
NATIONAL INDUSTRIES, INC.
P O BOX 3528
MONTGOMERY, ALABAMA 36109

Western Union Mailgram



1-0110881041 02/10/83 THX NATIONAL INDY WSHA
01 MONTGOMERY, ALABAMA, FEBRUARY 9, 1983

126050

Wayne Valis

PRESIDENT RONALD REAGAN
THE WHITE HOUSE
WASHINGTON, DC 20004

for: Dept Commerce
Dept Treasury
Ed Harper
Donp Stockman
E. Rollins

DEAR SIR:

SOON YOU WILL BE ASKED TO CONSIDER THE EXPANSION OF FUNDING TO THE INTERNATIONAL MONETARY FUND (IMF). THIS EXPANSION WILL BE TO THE DETRIMENT OF THE AMERICAN TAXPAYER, EFFECTIVELY "THROWING GOOD MONEY AFTER BAD". IN THE INTEREST OF OUR NATION'S WELL BEING, I WANT TO ENCOURAGE YOU TO OPPOSE ANY EXPANSION OF THE INTERNATIONAL MONETARY FUND (IMF). YOU ARE GOING TO BE ASKED TO VOTE ON EXPANDING THIS FUND BY COMMITTING \$8,000,000,000 TO \$10,000,000,000 OF U.S. FUNDS TO KEEP BANKRUPT FOREIGN NATIONS AFLOAT..

THIS PROPOSED "BAIL-OUT" EXPANSION OF FUNDING TO THE IMF IS INTENDED TO DO ONLY ONE THING -- PROTECT THE INTERNATIONAL BANKERS OF THE WORLD FROM "SUFFERING FINANCIAL DAMAGE DUE TO DEFAULT BY DEBTOR COUNTRIES. THESE LOANS WERE MADE BY AND LARGE WITH INCREDIBLY BAD LENDING JUDGMENTS BY INSTITUTIONS WITH GREED AND FINANCIAL "POWER POLITICS" AS THEIR ONLY MOTIVATIONS.

THESE INTERNATIONAL BANKING INSTITUTIONS SHOULD PLAY BY THE SAME RULES ACCORDED U.S. CITIZENS. IF THEY CAN'T COLLECT ON THEIR DEBT, THEY SHOULD FORECLOSE ON THE ASSETS PLEDGED JUST LIKE THEY THROW UNEMPLOYED WORKERS, UNDERPAID FARMERS, AND UNPROFITABLE SMALL BUSINESSES INTO BANKRUPTCY.

YOU CAN'T BUY YOURSELF OUT OF DEBT!!!!!! THE COLLATERAL STATED FOR MOST OF THE INITIAL LOANS IS BY AND LARGE WORTHLESS AND EXTENDING CREDIT WILL SIMPLY PUT THE DEBTOR NATIONS EVEN FURTHER IN THE DRIVER'S SEAT -- MEANING THEY NEVER INTENDED TO REPAY THSES LOANS IN THE FIRST PLACE. AGAIN -- JUST AS IN BUSINESS -- LET'S CUT OUR LOSSES NOW, COLLECT WHAT COLLATERAL WE CAN AND GET BACK TO THE MOST IMPORTANT JOB IN THE HISTORY OF OUR LIVES -- MAKING OUR COUNTRY STRONG AGAIN.

LET'S MAKE OUR COUNTRY STRONG, NOT WEAKER! FURTHER FUNDING OF THE IMF WILL AMOUNT TO FEEDING A PARASITE THAT WILL CONTINUE TO WEAKEN THE AMERICAN ECONOMY.

FOREIGN COUNTRIES HAVE TAKEN MILLIONS OF AMERICAN JOBS; AVAILED THEMSELVES OF UNITED STATES DEVELOPED TECHNOLOGIES, AND IN MOST

5241 (11/78)

**Western
Union Mailgram**

INSTANCES THRIVE FROM THE USE OF THE UNRESTRICTED EXCESS TO THE U.S. MARKET PLACE. NOW THEY WANT MORE LONG TERM DEBT TO SUBSIDIZE THEIR ATTACK ON OUR ENTIRE ECONOMY. ALL WITH NEVER A THOUGHT OF PAYING BACK THIS DEBT.

THE MESSAGE IS PLAINLY CLEAR TO ALL OF US. WE HAVE TO EAT, BREATHE, AND LIVE AMERICAN! TO SUPPORT A MEASURE SUCH AS THIS THAT IS DIRECTLY DETRIMENTAL TO OUR NATION'S WELL BEING IS ABSOLUTE TREASON. ESPECIALLY IN LIGHT OF THE FACT THAT THE SUPPORT FOR THE IMF IS GENERATED FROM THE SELFLESS FEW WHO HAVE PLACED THEIR PERSONAL PROFIT OPPORTUNITY IN FRONT OF WORKING FOR THE GOOD OF THEIR COUNTRY AND ITS PEOPLE.

I BEG YOU NOT TO "WHISTLE PAST ANOTHER GRAVEYARD" AND LET SOMEONE ELSE TAKE THE RESPONSIBILITY FOR TOMORROW. THE BIG DECISIONS FACING OUR COUNTRY NEED TO BE MADE RIGHT NOW!!!

PLEASE VOTE A G A I N S T THE EXPANSION OF THE INTERNATIONAL MONETARY FUND.

JUNE M COLLIER, PRESIDENT
NATIONAL INDUSTRIES, INC.
P. O. BOX 3528
MONTGOMERY, ALABAMA 36109
(205)277-1551

15101 EST

MGMCOMP

NATIONAL INDUSTRIES, INC.
P O BOX 3528
MONTGOMERY, ALABAMA 36109

Western
Union Mailgram



1-0110881041003 02/10/83 TWX NATIONAL MGY WSHA
03 MONTGOMERY, ALABAMA, FEBRUARY 9, 1983

MR DONALD REGAN
THE WHITE HOUSE
WASHINGTON, DC 20004

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15:02 EST

MGMCOMP