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

**Case file Number(s):** 147527-154999

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# U.S. National Archives & Records Administration

## Current Status Details for CTRH RECID: 149999 MAIN SUBCODE: IT044

Current Status	None
User Name	dbarrie
Status Date	2014-04-11
Case Number	
Notes	Transferred to IT002

[Change Status](#)

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## Review Status History

No.	Status	Date	User	Case Number	Notes
1	None	2014-04-11	dbarrie		Transferred to IT002

Suggested by Tres. - not used

150 600CA  
ITD44

6/27/83

Talking Points for Meeting with Former Treasury Secretaries

- Indeed a privilege to welcome this distinguished group of former Treasury Secretaries to the White House. This group embodies almost 40 years of economic history -- both domestic and foreign.
- In their joint statement the gentlemen gathered here today, together with several other former Secretaries who, I regret, were unable to attend today, make several points with which I firmly agree.
  - World economy has been in difficult straits for a number of years, although improvements are finally becoming visible in a number of countries including our own.
  - International debt problem remains very serious and requires our continuing attention.
  - Success of cooperative efforts to resolve difficulties depends greatly on a strong and effective International Monetary Fund (IMF).
  - IMF can promote policies which ease transition to economic health and prosperity.
  - U.S. has great stake in solving current problems. Failure to approve legislation would delay our own economic recovery, erode our international leadership role and could thwart our political and strategic objectives.
- IMF has traditionally enjoyed solid bipartisan support, as this joint statement clearly attests. Hope Congress will heed this plea and recognize both the vital importance of this legislation and the broad support for United States interests.

Need answer today

THE WHITE HOUSE  
WASHINGTON



Date: 6/23/83

TO: Wilk McManis

RECEIVED

FROM: FREDERICK J. RYAN, JR.  
Director  
Presidential Appointments and  
Scheduling

JUN 24 1983

SCHEDULING  
OFFICE

10:00  
on Tues

- Information
- Action
- Let's Discuss

Craig would like to  
do this one on Tuesday.

EF



THE WHITE HOUSE  
WASHINGTON

*File* 150600CA  
*Scheduled* ITD44  
PRO07.01

*OK*  
*mm*

SCHEDULE PROPOSAL

June 22, 1983

TO: FRED RYAN

FROM: CRAIG FULLER *CF*

REQUEST: Meeting with former Treasury Secretaries

PURPOSE: To bring the former Treasury Secretaries together with the President to sign an endorsement of the proposed increase in IMF resources.

BACKGROUND: Most of the former Secretaries of the Treasury have agreed to sign an endorsement of the proposed increase in IMF resources. Given the widespread reluctance of Members of Congress to support this request and the growing demand for a public demonstration of its importance by the President, Secretary Regan believes it would be useful to bring the former Treasury Secretaries together to publicly endorse the IMF increase. Such an endorsement would be particularly valuable in picking up on the President's leadership role on international economic issues coming out of Williamsburg.

DATE: As soon as possible.

DURATION: 15 Minutes

LOCATION: Oval Office

PARTICIPANTS: Secretary Regan and six former Treasury Secretaries.

REMARKS: Brief remarks will be required.

MEDIA COVERAGE: White House Press Pool

PROJECT OFFICER: Craig Fuller

**APPROVED FOR**  
 Date. 6/28/83  
 Time. 10:00  
 Length. 15 min  
 Date 6/24/83 FJR





THE SECRETARY OF THE TREASURY  
WASHINGTON 20220

June 14, 1983

150600CA  
Sched  
meeting  
tell Paul  
& do sched  
prep.

MEMORANDUM TO THE HONORABLE  
CRAIG FULLER  
Assistant to the President  
For Cabinet Affairs  
The White House

Subject: Meeting with the President on IMF

We have secured agreement of most of the former Secretaries of the Treasury to sign an endorsement of the proposed increase in IMF resources. Given the widespread reluctance of Members of Congress to support this request, and the growing demand for a public demonstration of its importance by the President, I believe it would be useful to bring the former Treasury Secretaries together with the President to endorse the IMF increase. This event could be enhanced by adding former Secretaries of State as well.

Such an endorsement would be particularly valuable in picking up on the President's leadership role on international economic issues coming out of Williamsburg.

We have suggested this idea to Ken Duberstein, who thinks it worth pursuing. As we are trying to schedule House consideration of the IMF between June 20-30, the event should be scheduled as early as possible.

Donald T. Regan

cc: Ken Duberstein  
Faith Whittlesey

150600CA  
1130  
JTOH



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

June 27, 1983

file

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

Subject: Presidential Meeting on the IMF with Former Secretaries of the Treasury

Attached is some background material for the Presidential meeting being planned for Tuesday, June 28.

*DC*  
David L. Chew  
Executive Assistant  
to the Secretary

Background for Presidential Meeting on IMF  
with Former Secretaries of the Treasury

Of the former Treasury Secretaries who have been invited to the meeting, Messrs. Anderson, Fowler, Kennedy, Blumenthal and Miller gave forceful Congressional testimony in support of past IMF quota increases (1959, 1966, 1970, 1978 and 1980 respectively). While Mr. Dillon did not publicly address this specific issue (quotas were not increased during his term of service), he repeatedly gave Congressional testimony firmly supporting the IMF and its objectives. Mr. Barr did not offer public comment during his brief tenure (12/21/68 to 1/20/69). Finally, Mr. Connally did not have much occasion during his tenure to comment on the question of IMF quota levels.

The terms of service of the former Secretaries who have been invited to the meeting, and the Presidents under whom they served, are listed below.

	<u>Term of Service</u>	<u>Administration</u>
Robert B. Anderson	7/29/57 - 1/20/61	Truman
* Douglas Dillon	1/21/61 - 4/1/65	Eisenhower
* Henry H. Fowler	4/1/65 - 12/20/68	Kennedy Johnson
* Joseph W. Barr	12/21/68 - 1/20/69	Johnson
* David M. Kennedy	1/22/69 - 2/10/71	Nixon
John B. Connally	2/11/71 - 6/12/72	Nixon
George P. Shultz	6/12/72 - 5/8/74	Nixon
W. Michael Blumenthal	1/23/77 - 8/4/79	Carter
* G. William Miller	8/6/79 - 1/20/81	Carter
* John M. Snyder	6/25/46 - 1/20/53	Truman

\* Notes Attendance



file copy  
6/23 - Fred checking

THE WHITE HOUSE  
WASHINGTON

scheduled for 1506000  
Tues 6/28  
10:00 am (15)  
June 22, 1983  
IT044  
00  
6/24 - 10:15 - Chew's  
told o/c.

SCHEDULE PROPOSAL

TO: FRED RYAN

FROM: CRAIG FULLER *CF*

REQUEST: Meeting with former Treasury Secretaries

PURPOSE: To bring the former Treasury Secretaries together with the President to sign an endorsement of the proposed increase in IMF resources.

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PARTICIPANTS: Secretary Regan and six former Treasury Secretaries.

REMARKS: Brief remarks will be required.

MEDIA COVERAGE: White House Press Pool

PROJECT OFFICER: Craig Fuller

scheduled to meet

Note: KH called Fred to ask for time prior to submitting sched. prop.

**OFFICE OF CABINET AFFAIRS  
ACTION TRACKING WORKSHEET**

Action resulting from:  
 document (attached)  
 telephone call  
 meeting (attach conference report if available)

Document Date: 83/06/14

From: Donald T. Regan

Date Received: 83/06/15

Subject: Suggests Pres. meet with former Sec's of Treasury on IMF

**ACTION CODES:**  
 A — Appropriate Action      D — Draft Response      R — Direct Reply w/Copy  
 B — Briefing Paper            F — Furnish Fact Sheet      S — For Signature  
 C — Comment/Recommendation    I — Info Copy Only/No Action Necessary    X — Interim Reply

**ROUTE TO:**

Date Sent	Name	Action Codes	Date Due	Action Taken
<sup>PY</sup> 83/06/20	<u>L. Dunlop</u>	<u>A</u>	<u>83/06/21</u>	
83/06/21	<u>Faoro</u>	<u>A</u>	<u>83/06/21</u>	
83/06/22	<u>BTD</u>		<u>1/1</u>	
83/06/22	<u>Fuller</u>		<u>1/1</u>	
<u>1/1</u>			<u>1/1</u>	
<u>1/1</u>			<u>1/1</u>	

COMMENTS: 1. Prepare schedule proposal - ~~the~~ Fred Ryan has been alerted.

Originator:     Dunlop     Faoro     Fuller     Gonzalez     Hart     Hodapp

**KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING MATERIAL AND WHEN THE ASSIGNED ACTION IS COMPLETE, RETURN TO:**

Office of Cabinet Affairs  
 Attention: Karen Hart (x-2823)  
 -West Wing/Ground Floor





THE SECRETARY OF THE TREASURY  
WASHINGTON 20220

June 14, 1983

150600CA  
Sched  
meeting  
                    

MEMORANDUM TO THE HONORABLE  
CRAIG FULLER  
Assistant to the President  
For Cabinet Affairs  
The White House

Subject: Meeting with the President on IMF

We have secured agreement of most of the former Secretaries of the Treasury to sign an endorsement of the proposed increase in IMF resources. Given the widespread reluctance of Members of Congress to support this request, and the growing demand for a public demonstration of its importance by the President, I believe it would be useful to bring the former Treasury Secretaries together with the President to endorse the IMF increase. This event could be enhanced by adding former Secretaries of State as well.

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Donald T. Regan

cc: Ken Duberstein  
Faith Whittlesey



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

June 23, 1983


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

Subject: Presidential Meeting on the IMF with former  
Secretaries of the Treasury

In connection with the brief Presidential meeting being planned for next week, attached are: 1) the text of the statement by former Secretaries of the Treasury on the need for an increase in IMF resources; and 2) an address list of the former Secretaries. The statement has been approved, through the intermediation of former Secretary Henry H. Fowler, by all of the living former Secretaries who have served since World War II, with the exception of Mr. William E. Simon and Mr. John W. Snyder, neither of whom has agreed to sign. Thus changes in the statement are not possible at this time.

Invitations should be issued to the former Secretaries on the attached list. We would expect that just Secretary Regan would attend from Treasury.

In addition to the photo opportunity, it would be our expectation that the President would make some public remarks (either in the press room or during the photo opportunity) supporting the IMF legislative effort. We are also working to determine the best approach for the former Secretaries to be available to the press as well.

  
David L. Chew  
Executive Assistant  
to the Secretary

Attachments



STATEMENT BY FORMER SECRETARIES OF THE TREASURY:  
THE NEED FOR AN INCREASE IN IMF RESOURCES

As former Secretaries of the Treasury, we want to affirm our belief that legislation providing for increased U.S. participation in the International Monetary Fund (IMF) is vital to American interests and voice our strong support for this legislation.

The IMF has been a cornerstone of U.S. foreign economic policy under Republican and Democratic Administrations for nearly forty years. It was established under U.S. leadership to avoid the economic restrictions and financial disruption of the interwar years and to promote the sound world economic and financial system essential to prosperity of all countries. The IMF has been remarkably successful in fulfilling its responsibilities and as such has served well the broadest of U.S. economic, foreign policy, and security interests.

The world economy is currently experiencing economic and financial strains without precedent in the postwar period. Many developing countries are no longer able to earn the foreign exchange to pay for needed imports and to service their debts, and could be forced to implement excessive economic contraction and disruptive trade and financial measures reminiscent of the Depression. The success of cooperative efforts to achieve an orderly resolution of these difficulties depends to a great extent on the IMF. However, the resources of the IMF are being depleted rapidly, and its ability to provide financing in support of members' balance of payments adjustment efforts will soon be exhausted.

After intensive negotiations, international agreement has been reached on measures to assure that the IMF has adequate resources to fulfill its important responsibilities. The Congress is now being asked to approve legislation providing for the U.S. share of the increase in IMF resources -- a share that is less than 20 percent of the total increase. Failure of the United States to participate in this increase in resources, for the institution that is at the center of international efforts to deal with current global financial problems, would have serious consequences for our own economic recovery and the preservation of millions of American jobs. Moreover, it would have a devastating impact on international confidence in U.S. leadership and result in severe economic and political instability in countries of vital interest to the United States.

The IMF was created in response to the lessons of the Great Depression. Unless we learn from the lessons of the past, we will inevitably repeat earlier mistakes. The costs to the United States would far exceed the investment the Congress is

now being asked to approve. For these reasons, we urge prompt approval of this legislation.

Robert B. Anderson  
Joseph W. Barr  
W. Michael Blumenthal  
John B. Connally  
C. Douglas Dillon  
Henry H. Fowler  
David M. Kennedy  
G. William Miller  
George P. Shultz

FORMER SECRETARIES OF THE TREASURY

Robert B. Anderson  
Chairman, Robert B. Anderson & Co., Ltd.  
Suite 950, 630 Fifth Avenue  
New York, NY 10020 Tel. 212/355-7313

Joseph W. Barr  
Suite 707, 734 - 15th Street, N.W.  
Washington, D.C. 20005 Tel. 202/920-6860

W. Michael Blumenthal  
Vice Chairman  
The Burroughs Corporation  
1 Burroughs Place  
Detroit, Michigan 48232 Tel. 313/972-7334

John B. Connally  
Vinson and Elkins  
2100 First City National Bank Bldg.  
Houston, Texas 77002 Tel. 713/651-2222

C. Douglas Dillon  
Dillon, Read and Company  
Room 4302, 767 Fifth Avenue  
New York, NY 10022 Tel. 212/754-9350

Henry H. Fowler  
Goldman, Sachs and Company  
55 Broad Street  
New York, NY 10004 Tel. 212/676-8322

David M. Kennedy  
47 East South Temple Street  
Salt Lake City, Utah 84150 Tel. 801/531-2149

G. William Miller  
G. William Miller & Co.  
Suite 750, 919 18th Street, N.W.  
Washington, D.C. 20006 Tel. 202/429-1780

George P. Shultz  
Secretary of State  
2201 C Street, N.W.  
Washington, D.C. 20520 Tel. 202/632-4910



*File  
Submitted  
6/14/83*

THE WHITE HOUSE  
WASHINGTON

APPROVED FOR

Date. 6/14/83  
Time. 10:00  
Length. 30 min

151990  
1110  
ITD44

Date 6/13/83  
June 10, 1983

FJR LE  
RECEIVED  
PR0076

JUN 10 1983

SCHEDULING OFFICE

SCHEDULE PROPOSAL

TO: FRED RYAN, DIRECTOR  
PRESIDENTIAL APPOINTMENTS AND SCHEDULING

FROM: KENNETH M. DUBERSTEIN *K.O.*

REQUEST: Meeting with Congressman Fernand J. St. Germain (D-Rhode Island) and Congressman Chalmers Wylie (R-Ohio)

PURPOSE: To firm up the strategy in the House of Representatives for passing the IMF bill.

BACKGROUND: Congressman Fernand (Fred) St. Germain (D-Rhode Island) is a twelfth-term Democrat from Rhode Island's First District (eastern part of state, including Woonsocket). He is Chairman of the House Committee on Banking, Finance and Urban Affairs. Congressman Chalmers Wylie (R-Ohio) is a ninth-term Republican from Ohio's Fifteenth District (central part of state, including Columbus). He is the House Banking Committee's Ranking Republican Member.

Treasury Secretary Regan and Congressman Wylie view St. Germain as the key to our success in the House on the IMF bill. Accordingly, this meeting is intended to firm up St. Germain's desire to be an active advocate as well as to clarify the overall strategy.

PREVIOUS PARTICIPATION: Congressman St. Germain and Congressman Wylie have attended Presidential functions on numerous occasions.

DATE: Week of June 13 DURATION: 30 minutes

LOCATION: The Oval Office

PARTICIPANTS: The President  
The Vice President  
Secretary of Treasury Donald Regan  
Congressman Fernand St. Germain (D-Rhode Island)  
Congressman Chalmers Wylie (R-Ohio)  
Kenneth M. Duberstein

OUTLINE OF EVENT: Brief remarks by the President followed by discussion

REMARKS REQUIRED: Talking points to be provided



MEDIA White House Photographer only. (It is anticipated  
COVERAGE: that St. Germain and Wylie will respond to press  
questions on the Northwest Lawn following the meeting).

RECOMMENDED BY: Secretary of Treasury Donald Regan  
Congressman Chalmers Wylie  
Kenneth M. Duberstein

OPPOSED BY: None

PROJECT OFFICERS: M. B. Oglesby, Jr.  
David L. Wright

Suggested Points for  
President Reagan's Meeting  
with Congressional Leaders  
on the IMF Legislation

152153  
IT044  
LE  
FG031  
PROOT

1. I want to emphasize the importance I attach to prompt passage of legislation providing for the U.S. share -- \$8.5 billion -- of an internationally agreed increase in the resources of the International Monetary Fund (IMF). The IMF is the centerpiece of U.S. strategy for dealing with the international debt problem.
2. The increase in IMF resources should be implemented by the end of the year, as the IMF's resources are rapidly being depleted and its ability to enter into new commitments will be exhausted in the near future.
3. The maintenance of a sound world economy and stable financial system are essential to U.S. economic recovery, and vital U.S. foreign policy and security interests.
  - 20 percent of all goods produced in the U.S. are exported.
  - the output of nearly one-third of all U.S. farm acreage is sold abroad.
  - 5 million jobs are in export related industries.
  - major loan defaults by foreign borrowers will reduce our banks' ability to provide financing to domestic borrowers and could raise U.S. interest rates.
  - Absent IMF financing, many developing countries would have to undertake severe and abrupt economic adjustment which could lead to serious political and social instability.
  - Confidence in U.S. leadership would be weakened were we to walk away from an institution that the U.S. created and has led for forty years under both Republican and Democratic Administrations.
4. I appreciate the concerns that have been expressed in Congress regarding additional U.S. funding for the IMF at this time. It is important to remember that:
  - The IMF is a monetary institution, and a revolving fund. The U.S. is the second largest user of IMF resources. (U.K. is first)
  - The increase in U.S. funds for the IMF will not directly affect the budget deficit and will have only a very modest impact on Treasury borrowing requirements.
  - The bank regulators, in consultation with Congress, are moving to strengthen their supervisory practices and procedures over international lending by banks.

— § 8.4B = Supp App Bill (Sen version) (not in House)

— Conf. after recess

— House doesn't want to accept unless  
Inf author is passed by House

— we're pushing to have the

Inf authorization taken up by House  
week July 11 (as soon as they come back  
from recess)

— need broad bipartisan support

— help us build coalition



IT044

# WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
  - H - INTERNAL
  - I - INCOMING
- Date Correspondence received (YY/MM/DD) 83108102

NAME OF CORRESPONDENT: James Stollan

PL Mail Report      User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

SUBJECT: IMF Staff Papers

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>PL MORE</u>	ORIGINATOR	<u>83108102</u>		<u>C</u>	<u>83 08 10 20</u>
<u>PL JACO</u>	Referral Note: <u>A</u>	<u>83108102</u>		<u>C</u>	<u>83108115</u>
<u>PL VICO</u>	Referral Note: <u>A</u>	<u>83108115</u>		<u>C</u>	<u>83108115</u>
	Referral Note:	<u>  /  /  </u>			<u>  /  /  </u>

<b>ACTION CODES:</b> A - Appropriate Action C - Comment/Recommendation D - Draft Response F - Furnish Fact Sheet to be	I - Info Copy Only/No Action Necessary R - Direct Reply w/Copy S - For Signature X - Interim Reply	<b>DISPOSITION CODES:</b> A - Answered B - Non-Special Referral C - Completed S - Suspended	<b>FOR OUTGOING CORRESPONDENCE:</b> Type of Response = Initials of Signer Code = "A" Completion Date = Date of Outgoing
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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





EMBASSY OF THE  
UNITED STATES OF AMERICA  
Bern, Switzerland  
July 18, 1983

Ambassador Faith R. Whittlesey  
Assistant to the President  
for Public Liaison  
The White House  
Washington, DC

Dear Ambassador Whittlesey:

When Janet Norwood visited Bern you asked about the size and extent of the "underground economy" in the U.S. I came across the enclosed summary of an article appearing in IMF Staff Papers (June 1983) which discusses this subject.

The author suggests that the growth of the U.S. underground economy in recent years was "probably influenced by the substantial increase in marginal tax rates over the period of 1975-80 as a result of inflation and the absence of significant tax cuts." He estimates the size of the underground economy in the United States at 4.5-6.1% of U.S. Gross National Product in 1980. If his analysis is correct, tax reductions as well as reduced inflation could, conversely, return some of this economic activity to the main stream, improving standard of living statistics as well as USG tax receipts. In the article, however, the author is unwilling to declare whether or estimate how much such improvements might occur in the U.S.

I hope you're surviving the famous heat and humidity in Washington this summer. I myself will be heading to the Aare River this afternoon.

Regards,

  
James G. Wallar  
Financial Attaché

*Eric Gauss  
for Susan*

# FUND ACTIVITIES

## Effects of Fiscal Policy on Economic Variables Analyzed in the Latest Issue of *Staff Papers*

An evaluation of the impact of U.S. tax policy on the behavior of economic agents and on the efficient allocation of resources is analyzed in two articles included in the June issue of *Staff Papers*, the quarterly journal of the Fund (Volume 30, Number 2). The articles show that tax increases tend to result in a loss of economic efficiency and have probably been responsible for the substantial expansion of the U.S. underground economy during the past decade. A third article dealing with fiscal policy shows that the method of calculating budget deficits or surpluses can have important implications for the design and evaluation of fiscal stabilization policies. The issue also contains studies dealing with the short-term and medium-term economic costs and benefits of reducing restrictions on trade and capital flows, the impact of monetary policy on real economic variables in both the short run and long run, and the behavior of financial markets during periods of extensive structural reform.

In "The Underground Economy in the

United States: Annual Estimates, 1930-80," Vito Tanzi estimates the size of the underground economy through the use of a demand-for-currency equation. The method of calculation assumes that underground economic activities are the direct consequences of high taxes and that these transactions are carried out mainly through the use of currency. Mr. Tanzi concludes that the underground economy has been growing since the mid-1960s and that this growth seems to have accelerated in recent years, especially since the mid-1970s. He notes that this trend was probably influenced by the substantial increase in marginal tax rates over the period 1975-80 as a result of inflation and the absence of significant tax cuts. The study shows that the underground economy amounted to the equivalent of 4.5 per cent to 6.1 per cent of the gross national product of the United States in 1980.

A review of the computational general-equilibrium model for tax policy evaluation in the United States is presented in "Applied General-Equilibrium Tax Model-

ing," by John B. Shoven. The model is used to estimate the efficiency gains that would result from integrating the corporation and personal income taxes and from adopting a personal consumption tax to replace the current income tax system. Primary results indicate that the efficiency gain from integrating the two types of taxes is about 0.7-0.9 per cent of the present value of national income plus leisure; the gain from replacing the income tax with a consumption tax is about 1.25 per cent. However, the model suggests that it takes 30-40 years to adjust fully to a tax program, so that new tax policies may take a long time to produce the desired effect. The author then estimates efficiency losses created by the present tax structure and those that would result from increases in the level of taxes. The paper concludes that considerations of tax efficiency have important implications for the economic allocation of resources.

"Measurement of the Public Sector Deficit and Its Implications for Policy Evaluation and Design," by Willem H. Buiter, examines budgetary, financial, and monetary policy evaluation and design, using a comprehensive wealth or permanent income accounting framework. The author explains that the use of conventional accounts for measuring budget surpluses or deficits can be misleading, even when these are evaluated at constant

### PRESS RELEASES

#### Belize: Compensatory Financing Facility

The Fund has agreed to a purchase equivalent to SDR 3.6 million by the Government of Belize under the compensatory financing facility in respect of an export shortfall for the 12 months ended March 1983.

During this period, Belize's export earnings declined, reflecting lower earnings from almost all major export commodities, particularly sugar and garments. Lower prices reduced earnings from sugar, and the slowdown in economic activity in export markets led to the sharp drop in export earnings from garments.

Belize's quota in the Fund is SDR 7.2 million, and at present it has no outstanding purchases from the Fund.

Press Release No. 83/36, June 17

#### Belize: Article VIII Status

The Government of Belize has formally notified the Fund that it has accepted the obligations of Article VIII, Sections 2, 3, and 4, of the Fund's Articles of Agreement.

Members accepting the obligations of Article VIII undertake to avoid imposing restrictions on payments and transfers for current international transactions or engaging

in multiple exchange practices or discriminatory currency arrangements, and to ensure the convertibility of foreign-held balances.

Belize, which joined the Fund on March 16, 1982, is the fifty-seventh member of the Fund to assume Article VIII status.

Press Release No. 83/37, June 23

#### Swaziland: Compensatory Financing Facility

The Fund has agreed to a purchase equivalent to SDR 9.0 million by the Government of Swaziland under the compensatory financing facility in respect of a shortfall in merchandise export earnings for 1982.

The overall shortfall was almost entirely attributable to sugar export earnings, which fell by 32 per cent in 1982 due predominantly to the decline in export unit value resulting from a shift in exports from the higher priced U.S. market to lower priced markets following the imposition of import quotas by the United States in May 1982. Smaller shortfalls were estimated for wood-pulp, asbestos, and coal.

Swaziland's quota in the Fund is SDR 18.0 million, and its outstanding financial obligations to the Fund, excluding Trust Fund loans, currently total the equivalent of SDR 1.0 million.

Press Release No. 83/38, June 23

#### Solomon Islands: Stand-By Arrangement

The Fund has approved a stand-by arrangement for the Government of Solomon Islands, authorizing purchases up to the equivalent of SDR 2.4 million over the next 12 months, in support of the Government's economic and financial program.

During 1980-81, the external terms of trade declined by 38 per cent, a development that had a pronounced adverse impact on economic activity, particularly in the export sector which had provided the major stimulus to growth during the past decade. During the two years, real gross domestic product (GDP) declined at an average annual rate of 2.5 per cent, the rate of inflation increased to 15 per cent, and the external current account balance deteriorated from a surplus equivalent to 6 per cent of GDP in 1979 to a deficit equivalent to 22 per cent of GDP in 1980 and to 27 per cent in 1981. These adverse trends occurred even though the budgetary position improved slightly, with the overall budget deficit (excluding grants) declining from 14 per cent of GDP in 1979 to less than 13 per cent in 1981, while current operations were nearly in balance.

In 1982 the terms of trade deteriorated



prices or as a proportion of the gross national product. He notes that the major differences between the comprehensive and the conventional accounts reflect (a) corrections for inflation and exchange rate depreciation; (b) revaluations of implicit assets and liabilities; (c) permanent transitory distinctions; and (d) current versus capital account distinctions. The use of comprehensive accounts permits a new look at the issues of "crowding out" and the "eventual monetization of fiscal deficits."

The long-run costs and benefits of reductions in barriers to trade and capital flows have been discussed extensively in the literature, but there has been little systematic study of the short-run effects of such liberalization. In "The Macroeconomic Effects of Changes in Barriers to Trade and Capital Flows: A Simulation Analysis," Mohsin S. Khan and Roberto Zahler examine these short-run effects by using a dynamic general-equilibrium model. Using a representative set of parameter values, the model simulates various types of opening-up strategy, including (a) gradual and sudden reductions in tariffs, (b) gradual and sudden removal of restrictions on capital flows, (c) simultaneous gradual removal of both types of barriers, and (d) gradual removal of restrictions in different sequences. The results of the simulation study indicate that some

transitory costs are incurred on all bases, but the effects differ according to whether trade or capital flows are being liberalized. Furthermore, the model shows that the effects of simultaneous liberalization differ from the effects of separate implementation of each policy. Finally, and perhaps most interesting, the study concludes that the choice of the type of policy to be implemented first is important because there are trade-offs, and policymakers can choose particular strategies consistent with their overall perspectives.

"On the Monetary Analysis of an Open Economy," by Charles Collins, develops a model in which monetary aggregates, interest rates, and the exchange rate are determined jointly. The model extends the standard asset-market model of monetary equilibrium through an explicit treatment of the money supply process, including the behavior of the banking system and the demand for credit. The monetary authorities are thus able to achieve only one independent monetary target. The model shows that monetary policy does not affect real variables in the long run unless the authorities manipulate the behavioral characteristics of the banking system. By contrast, the choice of monetary policy does have real effects in the short run, owing to the stickiness of prices. The study concludes that the

## To Obtain Staff Papers

*Staff Papers* is published quarterly by the Fund in March, June, September, and December. Subscription rates are \$12.00 a volume (\$4.00 for a single issue). Special rates (\$6.00 a volume and \$2.00 a single issue) are available to university libraries, faculty members, and students. Inquiries and requests for subscriptions should be addressed to Publications Unit, Box S-120, International Monetary Fund, Washington, D.C. 20431, U.S.A.

implications of policy choices and exogenous shocks depend on the relative force and direction of their impact on the demand for both bank borrowing and monetary assets.

The problems involved in estimating portfolio balance models of the behavior of financial markets during a period of extensive structural reforms are analyzed by Donald J. Mathieson in his paper, "Estimating Models of Financial Market Behavior During Periods of Extensive Structural Reform: The Experience of Chile." Using monthly data for Chile from July 1965 to June 1980, the model uses specifications of the portfolio behavior of firms and households regarding holdings of currency, demand and time deposits, and bank loans to analyze the determinants of bank loan and time deposit rates and the linkages between inflation, the balance of payments, interest rates, and financial aggregates.

further by 3 per cent, which, combined with a decline in the output of some export commodities, severely eroded the profitability of many enterprises and led to the curtailment and postponement of new investment.

In the face of the unfavorable external developments, the Government adjusted its policies with the objective of expanding exports, restraining less essential imports, and increasing domestic resource mobilization. The policy measures included a 10 per cent depreciation of the Solomon Islands dollar in August 1982, substantial increases in import duties, and improvements in tax collection.

The economic and financial program for 1983-84, which is being supported by the stand-by arrangement, seeks to promote a recovery in economic activity, particularly through investment in export industries in order to strengthen the balance of payments over the medium term. This will be achieved by limiting the overall budget deficit to 10 per cent of GDP in 1983, with an improvement in current operations and a shift in expenditures toward investment; by maintaining a flexible exchange rate policy; and by significantly increasing interest rates on bank deposits.

Solomon Islands' quota in the Fund is SDR 3.2 million, and its outstanding finan-

cial obligations to the Fund resulting from past operations and transactions currently total the equivalent of SDR 2.4 million.

Press Release No. 83/39, June 23

### Turkey: Stand-By Arrangement

The Fund has approved a stand-by arrangement for the Government of Turkey authorizing purchases up to the equivalent of SDR 225 million over the next 12 months in support of the Government's economic and financial program. Purchases under this arrangement, which is equivalent to 75 per cent of Turkey's quota in the Fund, will be financed in part from the Fund's ordinary resources (SDR 185.6 million), and in part from resources borrowed by the Fund (SDR 39.4 million).

Since the beginning of 1980, the Turkish authorities have pursued policies aimed at the restoration of medium-term viability of the balance of payments, control of inflation, resumption of domestic growth, and greater reliance on market forces. These policies were supported by a three-year stand-by arrangement with the Fund, equivalent to SDR 1,250 million, all of which was drawn.

Substantial progress has been achieved in meeting the policy aims. After declining in each of the two previous years, gross na-

tional product (GNP) grew by 4.2 per cent in 1981 and by 4.4 per cent in 1982, while the rate of inflation fell from over 100 per cent in 1980 to 27 per cent in 1982. External current receipts rose from 9 per cent of GNP in 1980 to 17 per cent in 1982, and the current account balance of payments deficit fell from 6.25 per cent of GNP in 1980 to slightly more than 2 per cent in 1982.

The Government's program, which the present stand-by arrangement supports, is designed to continue and reinforce the demand management policies and structural reforms that were instituted during 1980-82. Under the program, the balance of payments is forecast to improve further, the growth of output to accelerate, and the rate of inflation to continue to decline. The program includes medium-term structural reforms to increase the efficiency of the banking sector, to strengthen the budget, to improve the financial and operational performance of the State Economic Enterprises, and to continue the liberalization of the trade and payments system.

Turkey's quota in the Fund is SDR 300 million, and its outstanding financial obligations to the Fund resulting from past operations and transactions currently total the equivalent of SDR 1,538.4 million.

Press Release No. 83/40, June 24

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RO

IT044

WASHINGTON

July 19, 1983

Mr. Lee Morgan  
Chairman and Chief Executive  
Officer  
Caterpillar Tractor  
Peoria, Illinois 61629

Dear Lee:

Thanks for your recent letter on the subject of IMF and the Department of Trade. I do sincerely appreciate your keeping me posted on your own views and those of the Business Roundtable.

We continue to be concerned about, and wrestle with, some of your favorite problems dealing with the yen/dollar exchange rate. Keep up your good work.

Sincerely,



Edwin L. Harper  
Assistant to the President  
for Policy Development



4200

OFFICE OF POLICY DEVELOPMENT IT044

*Red stamp*

**STAFFING MEMORANDUM**

DATE: 7/15/83 ACTION/CONCURRENCE/COMMENT DUE BY: FYI

SUBJECT: Letter from Lee Morgan re: U.S. contribution to the IMF

*Caterpillar Tractor Co.  
Business Roundtable Task Force on  
International Trade and Investment*

	ACTION	FYI		ACTION	FYI
HARPER	<input type="checkbox"/>	<input type="checkbox"/>	DRUG POLICY	<input type="checkbox"/>	<input type="checkbox"/>
PORTER ✓	<input type="checkbox"/>	<input checked="" type="checkbox"/>	TURNER	<input type="checkbox"/>	<input type="checkbox"/>
BARR	<input type="checkbox"/>	<input checked="" 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"/>
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"/>
McALLISTER	<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"/>
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"/>
SWEET	<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 type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please return this tracking sheet with your response

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

Page #42



CATERPILLAR TRACTOR CO.

Chairman and Chief Executive Officer

Peoria, Illinois 61629

July 11, 1983

Mr. Ed Harper  
Assistant to the President  
The White House  
Washington, D.C. 20500

Dear Ed:

I know you have been attaching great importance to legislation pending to authorize the U.S. contribution to the IMF.

The Business Roundtable Task Force on International Trade and Investment agrees with you that this authorization is vital. Today I have communicated to members of the House of Representatives the Roundtable's support for legislation that increases the U.S.' quota in the IMF, without imposing unnecessary restrictions on banks.

I hope you will find this helpful.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Lee'.

Lee L. Morgan  
sm

T E L E X

DATE: July 11, 1983

TO: (see attached list)  
(All members of the House of Representatives)

Dear Congressman:

The House of Representatives will shortly consider legislation to authorize an \$8.4 billion U.S. supplemental contribution to the International Monetary Fund (IMF). I would like to present the views of the Business Roundtable on this very important topic.

The Business Roundtable believes an increase in IMF resources from the United States and other IMF member countries is critical to the continuation of a viable and ultimately much healthier international financial system.

IMF financing permits borrowing countries to sustain imports while they make the necessary adjustments to their economies which will strengthen them for the future. This is critical to American companies who increasingly depend on developing country markets as an outlet for their goods and services. Considering that one in six American manufacturing jobs depends on sales to developing countries and recognizing that over 40 percent of U.S. exports now go to the developing world, the importance of keeping these countries solvent can hardly be exaggerated. While certainly no panacea to their problems, the IMF financing is critical to the short-term economic welfare of the borrowing countries, without which there could be no longer term stability.



The IMF has proved itself, over the years, to be a practical and economic vehicle, designed to meet short-term balance of payments problems. It is by no stretch of the imagination an "aid institution." The IMF helps stabilize markets and it contributes to overall international political stability.

The United States government, at a relatively low cost, exercises strong leverage within the IMF, thus can insist on necessary corrective actions by debtor nations. In fact, the United States as a major shareholder, holds 19.5 percent of the votes and only slightly less than the 20.65 percent of the IMF capital which it contributes. The quota increase will guarantee the U.S.' traditional large stake and responsibility in the international financial world.

Finally, the Business Roundtable views with some concern, proposals for imposing unrealistic and impractical limitations on commercial bank loans to foreign countries. Alongside the IMF, commercial banks play a critical role in providing substantial resources to developing countries. In addition, restrictions such as requiring special loan loss reserves would serve to diminish the amount of credit available to U.S. exporters while at the same time increasing the cost of such funds.

In summary, the Business Roundtable urges your support for legislation to increase the United States quota in the IMF without imposing unnecessary restrictions on banks.

Sincerely,

Lee L. Morgan  
Chairman  
Task Force on International Trade  
and Investment  
The Business Roundtable

ID: 154224

CORRESPONDENCE TRACKING WORKSHEET

PAGE D01

INCOMING CORRESPONDENCE DATE 830713

RECEIVED DATE 830714

(PREFIX)

(FIRST)

(LAST)

(SUFFIX)

THE HONORABLE

BUD

HILLIS

TITLE:

154224

ITD44

ORGANIZATION: U. S. HOUSE OF REPRESENTATIVES

STREET:

CITY: WASHINGTON

STATE: DC ZIP: 20515

COUNTRY:

SUBJECT: ENCLOSURES LETTER FROM MRS. MARY MUNTER,  
WRITES REGARDING THE INTERNATIONAL MONETARY  
FUND

AGY/OFF  
LADUBE

ACTION CODE  
ORG

TRACKING DATE  
830714

KD A

830727

STAFF NAME: PRESIDENT REAGAN  
COMMENTS:

MEDIA: L OPID: LW TYPE: IBA

CODES: REPORT

INDIV: 1240

USER:

Coldeiza

A 830729

AH

A 830809 DD

Munter

Reagan's Acknowledgment sent to Mary Munter c/o Hillis

DD



THE WHITE HOUSE

WASHINGTON

August 9, 1983

Dear Mrs. Munter:

Thank you for your recent message to President Reagan and for taking the time to discuss your views on issues of vital concern to you. Your letter was forwarded to the White House by Congressman Elwood Hillis.

Our system of government depends upon the active participation of concerned individuals, and you can be sure that the President will continue to do everything in his power to encourage greater involvement by our people in the operations of government at all levels. The President regards correspondence as an important way to foster such participation. Your comments have been fully noted.

With the President's best wishes,

Sincerely,

Anne Higgins  
Special Assistant to the President  
and Director of Correspondence

Mrs. Mary Munter  
Route 5, Box 84  
Rensselaer, IN 47978



July 27, 1983

Dear Bud:

Thank you for your July 13 letter enclosing correspondence from your constituent, Mrs. Mary Munter of Rensselaer, Indiana.

In an effort to be of assistance, please know that I have forwarded the letter to the appropriate White House officials to see if a response may be sent to Mrs. Munter in the President's behalf. We appreciate your interest in transmitting the letter to us.

With best wishes,

Sincerely,

Kenneth M. Duberstein  
Assistant to the President

The Honorable Elwood H. Hillis  
House of Representatives  
Washington, D.C. 20515

KMD:CMP:dps

cc: w/copy of inc, Anne Higgins -- for appropriate action

WH RECORDS MANAGEMENT WILL RETAIN ORIGINAL INCOMING



July 27, 1983

Dear Bud:

Thank you for your July 13 letter enclosing correspondence from your constituent, Mrs. Mary Munter of Rensselaer, Indiana.

In an effort to be of assistance, please know that I have forwarded the letter to the appropriate White House officials to see if a response may be sent to Mrs. Munter in the President's behalf. We appreciate your interest in transmitting the letter to us.

With best wishes,

Sincerely,

Kenneth M. Duberstein  
Assistant to the President

The Honorable Elwood H. Hillis  
House of Representatives  
Washington, D.C. 20515

KMD:CMP:dps

cc: w/copy of inc, Anne Higgins -- for appropriate action

WH RECORDS MANAGEMENT WILL RETAIN ORIGINAL INCOMING



ELWOOD H. "BUD" HILLIS  
5TH DISTRICT, INDIANA

#154224

WASHINGTON OFFICE:  
2338 RAYBURN BUILDING  
WASHINGTON D.C. 20515  
TELEPHONE: 202-225-6037

INDIANA OFFICES:  
KOKOMO  
2016 SOUTH ELIZABETH STREET  
KOKOMO, INDIANA 48902  
(P.O. Box 5048)  
TELEPHONE: 487-4411

MARION  
323 SOUTH ADAMS STREET  
MARION, INDIANA 48952  
TELEPHONE: 682-7227  
VALPARAISO  
2 INDIANA AVENUE  
VALPARAISO, INDIANA 48383  
TELEPHONE 219-482-8488

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

37  
KD  
COMMITTEES:  
HOUSE COMMITTEE ON  
VETERANS' AFFAIRS  
HOUSE ARMED SERVICES  
COMMITTEE  
CO-CHAIRMAN CONGRESSIONAL  
AUTO CAUCUS  
EXECUTIVE BOARD MEMBER,  
CONGRESSIONAL STEEL CAUCUS  
MEMBER,  
THE RURAL CAUCUS  
THE TEXTILE CAUCUS  
NORTHEAST-MIDWEST COALITION

July 13, 1983


The President  
The White House  
1600 Pennsylvania Avenue  
Washington, D.C. 20500

Dear Mr. President:

Recently I was contacted by one of my constituents, Mrs. Mary Munter of Rensselaer, Indiana. Mrs. Munter requested that I forward her letter addressing the International Monetary Fund to you for your review. Per her request, you will find the letter enclosed for your consideration.

Thanking you in advance for your attention, I am

Sincerely,

  
Elwood H. Hillis  
Member of Congress

H:y

Enclosure

June 7, 1983.

Persident. Ronald. Reagan.  
White House.  
Washington. D. C.

Dear Mr. Persident,

Mr. Persident: In the Battle Between Big Banks and the Working People of America, you are on the wrong side.

I sincerely urge you to end your alliance with the Big Banks - For reasons. Representative is bring you in my letter to him.

A Republican member.  
Ms. Mary Munter.  
Rt. 5. Box 84  
Rensselaer, Indiana 47978.



July 7, 1983

JUL 13 1983  
RECEIVED IN KOKOMO

JUL 11 1983

Representative Elwood H. Hillis,  
2016 South Elizabeth Street,  
Kokomo, Indiana 46902.

Dear Representative Hillis,

Thank you kindly for your two letters and the  
Farm Bank.

July 6 I wrote Senator Lugar. With information  
I did not like the Great Bank Robbery, America's  
Big Banks got themselves and us into a lot of trouble  
and now they want U.S. taxpayers to bail them out.  
How much trouble the now supporting - less developed  
countries have a debt load (foreign debt load) of more  
than \$500 billion. of that more than \$256 billion is owed  
to private banks, American banks are owed \$108 billion.  
How much of those dollars can be repaid is anyone's  
guess.

The nine largest American bank international banks  
have a capital of \$21 billion they together lent \$4 billion  
to Communist Eastern Europe, and sixty one billion  
more to "less developed countries." Which essential  
means they have lent almost two and a half times  
their capital to borrowers who have practically no  
way of paying it back.

Money in Port was loaned because the government  
egged them on. Mainly however because they wanted  
to make a large collection of money for themselves  
"a super fund" While some one else would have to  
supply funds to keep in the pink of health care.  
did strike things turned sour will have to foot the  
tax bills or pay in inflation or be hit by a massive  
credit discrepancy. Specifically a contraction.

Hoping to sleep this debauchery away, my mind  
turned to Dan Quayle, not that he's debased in any  
way. He's great person to turn to when problems  
hit a great friend in time of trouble. So I wrote  
him a letter today asking him to help Senator  
Lugar make a taxpayer dream plan, which  
consists of find a way out of this sorry taxpayer state



② to a - happier - frame of mind. saving - top payers money. a - run away from - the - Big Bank - top payers night - more.

I trust Senator Quayle was delighted with his latest - job. Dan - and - I enjoy - playing the tax game. Hope Senator - Lugar got a - good days work in yesterday - on our newest - dream - baby. How to save top payers more hard - earned money. <sup>Mr</sup> Senator Quayle jumped - right in to help.

I trust they have send you any information - you - missing - on - this - "Bank Robbery." Perhaps you already - read - it in the News - paper - Washington, D.C. Post - or - Times.

The situation - still - stands as it stood - when you - left - for the Holidays - over the 4<sup>th</sup> of July. With the "Big Banks" still wishing - top payers would bail them - out. Pronto - to - eventually - save - their - loot.

Not only are wanting the top payers to bail them out - after a - decade - of using capital from - Farmers, Small - Business - and local Communities - all across America - to make lucrative fees lending - to zaires, Sudan, Peru, and Argentina - wanting top payers to bail them out - during this critical time - the turn around stage in - America - depressed - money time for other foreign - countries. The big banks turned - right around - and - pressured - hundreds of smaller U.S. Banks - into playing this same - game - with them. Banks which should have - been - lending to build smaller businesses, farms and homes.

Handing America's turn around - process. Equally - deterrent to all people - who could have been working - Plus - <sup>to</sup> both major parties - Republican as well as Democratic - parties. To former President Carter's administration, as - well as President Regan's administration.

"For the Carter Administration" as you - no doubt - recall. The Big Banks - took over Carter's Foreign Policy - to protect their threaten assets in Iran - while 52 - host - spend a - year in Iran. Much - to - most - Peoples - conservation -

on - the - Back - of - "Members - Report" volume 7 - Number 2 - June 1983 - Published - by - The - Conservative - caucus, Inc. National - Headquarters. 450 Maple Avenue - East, Vienna, Virginia 22180 - News Letter - is - pictured - "A - BANK - From - The - Banks - door - way - is - turning - Donald - Regan - and - in - hand - beside - him - also - running - out - the - bank - is - run - ing - David - Rockefeller - ~~is~~ - a - step - behind - Donald - Regan - Secretary - of - Treasury. Rockefeller - is - most -



③ entente. If Secretary Regan can not <sup>49</sup>is Faithless. conspicuous Law-breaking tax-payer trying to save a few bucks. Mr. David Rockefeller machine gun under his arm will get the brazen-persumptuous Felon he does not need to try <sup>Sibbing</sup> the Big Banks out of their bundle which most certainly belongs to them - If <sup>only</sup> they can hood-wink the unaware tax-payer.

In another train of thought they financed the Marxist government in Nicaragua which threatens the freedom of all Central America. Were instrumental in the Panama Canal Treaty. Give away to get their hands on another bundle. Payments for huge private bank loans were extended.

Their thinking is most mature - they will not ask for a check directly from Uncle Sam. That's a bit too obvious. Their obscure methods are to get another \$8.4 billion dollars for operators, from the taxpayer, to the International Monetary Fund (IMF). Then they will lend that money, and the Big Banks will lend evened more of taxpayer money to prop up the debtor countries until the actual bail-out plan can be put into effect. That plan requires the tax-payer to hold the payout tax bag.

Actually hope-fully they want the Federal Government to buy their bad loans - and in effect print new money to pay for them. That means inflation however. The Big Banks will use those dollars - at the beginning of inflation, when they are worth the most - the beginning of inflation. Working people and retirees will get them later, when they are worth far less.

They want the IMF to start printing "Special Drawing Rights" called paper gold in the trade to distribute to the debtor nations.

They want the Federal Reserve system to change accounting rules so worthless loans don't look worthless - to buy time to think of more rescue schemes.

No matter how it is done. It will cost tax-payers a bundle. They will pay through the

④ - nose.

Representative Hillis - Kindly vote IMF bailout.  
BILL - H R. 2930 - and every other scheme for shifting  
the burden of bad loans from the Banks onto tax  
payers.

Urge the restoration of a monetary standard  
such as gold, which will inject real economic  
discipline into banking and reduce the temptation  
for insiders to make big profits by manipulating  
"funny money."

I strongly urge you help repeal the foreign collection  
loop hole in the 1980 Monetary Control Act, which  
allows the Federal Government Reserve system to  
in effect print new dollars to trade for worthless  
foreign bonds.

Equally well after you get through reading my  
so-so print up if it could be retyped to look more  
civilized, I'd appreciate it much. If there are  
charges, let me know. I think \$15.00 should cover it.

I will be coming in to him personally with  
the "Water Rights" request bill later.

Then hand it to the President. Sincerely,

Ms. Mary Munter.

Rt. 5 - Box 84

Rensselaer, Indiana -

47978



July 9, 1983

RECEIVED IN KOKOMO

JUL 11 1983

Representative - ELWOOD H. HILLIS - M.C.  
2016 - South - ELIZABETH - STREET -  
KOKOMO, INDIANA - 46902.

Dear Representative - HILLIS,

I forgot to say THANK YOU yesterday, for no doubt trying to get my July 8 letter typed. I do appreciate a great deal.

The original copy belongs to you to do with as you see fit (use it). Nothing could be more sickening than the description of that Great Bank Robbery, particularly my description of that back page picture of the bank.

Worse when I first started working in and the Senate and House. Quayle, Lugar, Fithian. A editor wrote a letter to us describing the identical situation - I described to you sincerely begging us to subscribe to his editorial. He was killed shot within a short period of time. He was too honest to be allowed to live.

Telecast on channel 7 news cast around the time shortly after he send the letter

No way, I am trying to hurt Quayle or Lugar with my petition "Guns - what a deal against Gun owners" - Kennedy, Against Senator Quayle Helms Hatch.

Trust Quayle keeps me informed of his plans. A brilliant Senator he is really. My tough luck is for THANK YOU AGAIN Mr. Hillis

some reason I feel I have sincerely, to work hard to get some Ms. Mary Munter thing. Never do I get the Rt. 5 - B0784 glory mention. No your Rexselaer, Ind. 47978. pill in congress now also. Right along with me - But sensible and truthfull I usually speak. "NO TO ME" (6/27) M. M.

Representative Edward H. Miller was  
also sent Elizabeth Street  
Kurtz & Phillips, 1012

U.S. Representative Miller

I thought I'd pay with you yesterday  
but trying to get my day's work done I  
spend a great deal  
of my day's work in your hands with  
you secretary's list of names

particulars, my description of first book  
picture of the book

When I first started writing in  
the school and then my day's work  
a certain letter to me describing the  
situation I described to you generally  
not in substance to the school. It was  
difficult to get a short period of time  
to get to be published. I don't  
think it is enough to get a book  
then a month's work and the letter

The way I am trying to get things  
done my way on the way a day again  
But I want to know about the  
thing I want

Trust that things are improved  
It is a great pleasure to hear  
that I might be back in the  
some way. I feel I am  
to work hard to get some  
thing. I want to get some  
thing.

Trust the underground does not destroy the both of us.  
We may all need body guards - } together, including Quaker  
What a taxpayer expense. } + Luger. M.M.



154333  
IT044

ID: 154333

CORRESPONDENCE TRACKING WORKSHEET

PAGE D01

INCOMING CORRESPONDENCE DATE 830714

RECEIVED DATE 830719

(PREFIX)

(FIRST)

(LAST)

(SUFFIX)

THE HONORABLE

STEWART B.

MCKINNEY

TITLE:

ORGANIZATION: U. S. HOUSE OF REPRESENTATIVES

STREET:

CITY: WASHINGTON

STATE: DC ZIP: 20515

COUNTRY:

SUBJECT: EXPRESSES VIEWS AND SUPPORT FOR THE IMF  
PROPOSAL

AGY/OFF

ACTION CODE

TRACKING DATE

LADUBE

ORG

830719

KD A 830727

STAFF NAME: PRESIDENT REAGAN

MEDIA: L OPID: LW TYPE: IBA

COMMENTS:

CODES: REPORT

INDIV: 1240

USER:



July 27, 1983

Dear Stew:

Thank you for your letter to the President regarding the IMF legislation.

We are very grateful for all your help on this important issue. I realize how hard you have been working on this, and I just want you to know how much the President appreciates your efforts.

With best wishes,

Sincerely,

Kenneth M. Duberstein  
Assistant to the President

The Honorable Stewart B. McKinney  
House of Representatives  
Washington, D.C. 20515

KMD:CMF:dps

THE WHITE HOUSE  
WASHINGTON

7/21

To: Ken

From: Charlie

Do you have any guidance  
for handling the attached?

Thanks -



THE WHITE HOUSE  
WASHINGTON

7/26

B -

The Stew McKinney letter  
on IMF is still pending.  
Lynn advises that Ken  
has asked you to provide  
guidance —

Thanks —

- Recognizing the problem
- That is why RR had 3  
mtgs with Cong. Reps.
- Apparent help re very  
important issue  
(I also called Stew)

STEWART B. MCKINNEY  
4TH DISTRICT, CONNECTICUT

106 CANNON HOUSE OFFICE BUILDING

37  
COMMITTEES:  
BANKING, FINANCE AND  
URBAN AFFAIRS  
DISTRICT OF COLUMBIA

TELEPHONE: (202) 225-5541

KD

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

July 14, 1983

# 154333  
DISTRICT OFFICES:  
FEDERAL BUILDING  
LAFAYETTE BOULEVARD  
BRIDGEPORT, CONNECTICUT 06604  
TELEPHONE: (203) 579-5870  
500 SUMMER STREET  
STAMFORD, CONNECTICUT 06901  
TELEPHONE: (203) 357-8277  
NORWALK, CONNECTICUT  
TELEPHONE: (203) 866-6469

The President  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20500

Mr. President:

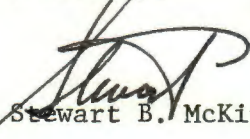
Thank you for your letter seeking my support for your IMF proposal. On this issue we are in total agreement.

I have been attempting to gather support for this legislation among my Republican colleagues and it is very difficult. In the frankest terms, Mr. President, we are in trouble. I do not think that the Treasury Department has accurately assessed the feelings of Republicans at this time.

Several of my colleagues have told me in the last few days that more time is needed to better educate the House about the broad involvement of small banks in international lending. I respectfully suggest that you seek a postponement of floor consideration until we have more and firmer commitments to support the legislation. I do not think we have the votes to pass the bill next week.

I shall continue to do all that I can to promote your IMF proposal. If you would like me to contact specific Members or to provide any other assistance, please let me know how I can help.

Sincerely,



Stewart B. McKinney, M.C.

SBM:dsk



ID: 154589 CORRESPONDENCE TRACKING WORKSHEET  
INCOMING CORRESPONDENCE DATE 830726 RECEIVED DATE 830726  
(PREFIX) (FIRST) (LAST)

PAGE D01

THE HONORABLE PAUL VOLCKER  
TITLE: CHAIRMAN

(SUFFIX)  
154589  
IT044

ORGANIZATION: FEDERAL RESERVE SYSTEM

STREET:

CITY: WASHINGTON STATE: DC ZIP: 20551  
COUNTRY:

SUBJECT: EXPRESSES SUPPORT FOR THE INTERNATIONAL  
MONETARY FUND QUOTA INCREASE LEGISLATION

AGY/OFF ACTION CODE TRACKING DATE  
CAFULL ORG 830726 C 830727 ER

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

CODES: REPORT MI INDIV: USER:

SS Damm A 830727 ER C 830728 ER  
For the President

PR Reag A 830728 ER C 830729 ER

HANDWRITING FILE

#154589

37

C. Fuller



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON, D. C. 20551

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

PAUL A. VOLCKER  
CHAIRMAN

July 26, 1983

*Mr. Volcker*

The President  
The White House  
Washington, D. C.

Dear Mr. President:

The Treasury gave me a copy of your hand-written draft of your Saturday morning talk covering your support for the International Monetary Fund quota increase legislation.

Your talk compactly and effectively summarized the case for the bill. I feel sure that all of the technical analysis that has poured from the Federal Reserve and the Treasury over the last several months could not have more clearly explained to the American people why this legislation is so urgently needed.

I can only admire your effort -- and provide what support for the legislation I can from here.

Respectfully,

*Paul*