WHORM Subject File Code: IT044 (International Monetary Fund)
Case file Number(s): 175000 - 177999

ID # 175955

IT044

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING

☐ H - INTERNAL

☐ I - INCOMING

Date Correspondence Received (YY/MM/DD) 83 ,11 ,17

Name of Correspondent: Jack Kemp

☐ **MI Mail Report** **User Codes:** (A) PRES. (B) ______ (C) ______

Subject: "We cannot support the IMF quota increase, especially in light of Paul Volcker's latest statements of intent to continue a domestic & international monetary policy of austerity & high interest rates...Until the double threat to economic recovery--high-interest-rate Federal reserve policy & the lack of a noninflationary system of stable interest rates--is removed, we must oppose the IMF quota increase"

ROUTE TO: **DISPOSITION**

Office/Agency (Staff Name)	Action Code	Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
LA DUBE	ORIGINATOR	83,11,18	MO	A	84,01,12
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				

ACTION CODES:

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

DISPOSITION CODES:

A - Answered
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: Acknowledgement sent to all signees

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.

5/81

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: ______ Media: L Individual Codes: 1240 __.___ __.___

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

January 12, 1984

Dear Jack:

The President asked me to reply to your letter of November 15, in which you reiterated your opposition to the IMF quota increase and expressed concern over recent reports of statements by Federal Reserve Chairman Volcker. I apologize for this delay in responding.

As a general matter, the Administration supports the Fed's stated goal of providing growth of the monetary aggregates which is sufficient to accommodate a moderate economic recovery, while avoiding excessive monetary growth which would rekindle inflation. However, I share your basic concern over the Fed's recent performance. If continued for several more months, slow growth of the money supply could threaten the economic recovery. The M1 measure of money growth -- which is closely correlated with the course of real economic activity in the short run -- has been nearly flat since July. Should this become a prolonged period of monetary restraint, a similar slowdown in economic activity is likely.

The notion that fiscal and monetary discipline can be substitutes for one another is misleading and dangerous: both are necessary for a sustained economic expansion. The Administration will persist in its efforts to curb excessive Federal government expenditures and to reduce the burdens which government places on the private sector. But we must also be on guard against overexpansion of the money supply which would jeopardize our hard-won gains in the struggle against inflation.

President Reagan was pleased to obtain Congressional approval of the IMF quota increase, which he regards as an important step to safeguard U.S. interests. The enactment of the quota increase has made a major contribution to the management of the international debt problem, thereby addressing a significant threat to the U.S. economic recovery and to the future of the global trade and financial system. The quota legislation also contained a number of provisions specifically oriented toward economic growth and stability in the international monetary system, including instructions on U.S. policies in the IMF and requirements for reports from the Secretary of the Treasury to the Congress.

With best wishes,

Sincerely,

M. B. Oglesby, Jr.
Assistant to the President

The Honorable Jack Kemp
House of Representatives
Washington, D.C. 20515

MBO:TRES:CMP:jfc--1MBOG

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

January 6, 1984

MEMO TO: B.

FROM: CHARLIE CMP

On November 15, Jack Kemp and 49 other Members wrote to the President to express their concerns in regard to the IMF quota increase and recent policy statements by Paul Volcker.

Per my memo of Nov. 28, Treasury has just now submitted the attached draft for response. I thought you should review this first before we prepare 50 letters of reply.

Thanks--

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

ASSISTANT SECRETARY

December 30, 1983

MEMORANDUM FOR: CHARLIE PONTICELLI
DIRECTOR, CONGRESSIONAL CORRESPONDENCE
THE WHITE HOUSE

Subject: Response to Letter from Congressman Jack Kemp and 49 Others on IMF Quota Increase

Attached is a draft response to a letter from Jack Kemp and 49 other Members expressing concern over recent policy statements by Chairman Volcker and opposition to the IMF quota increase.

The response expresses concern over recent monetary developments, basic agreement between the Administration and Federal Reserve on the goals of monetary policy, and satisfaction that the Congress has voted to permit U.S. participation in the IMF quota increase.

Mimi F.

Mimi Feller
Acting Assistant Secretary
Legislative Affairs

Attachment

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

[redacted]

November 28, 1983

MEMO FOR: DENNIS THOMAS
Assistant Secretary for Legislative Affairs
Department of the Treasury

FROM: CHARLIE PONTICELLI cmp
Director, Congressional Correspondence

SUBJECT: Letter from Congressman Jack Kemp and 49 Others re IMF Quota Increase

In the attached letter, Congressman Jack Kemp and 49 other Members express their concerns in regard to the IMF quota increase and recent policy statements by Paul Volcker.

I would greatly appreciate your help in expediting a DRAFT for response.

Many thanks--

175955

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

November 15, 1983

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

We cannot support the IMF quota increase, especially in light of Federal Reserve Board Chairman Paul Volcker's latest statements of intent to continue a domestic and international monetary policy of austerity and high interest rates.

On the domestic side, according to yesterday's Washington Post, Chairman Volcker obstinately plans to continue the policy of unreasonably high interest rates, in the face of falling prices and an ever-rising dollar. Meanwhile, press reports indicate that Chairman Volcker has also undertaken to try to influence fiscal policy in closed meetings with Members of Congress. According to the reports, Mr. Volcker would offer a quid pro quo of monetary ease and lower interest rates in return for a fiscal policy of higher taxes which is more to his liking.

We find this intervention in Congressional fiscal policy-making intolerable -- both because it harms the U.S. economy and undercuts your fiscal programs, and because it confirms that monetary policy is deliberately being kept unnecessarily tight and the economic expansion held hostage to a tax increase.

The relentless upward ratchets in interest rates since May -- short-term rates are over a percentage point higher -- threaten to reverse the progress we have made on economic growth and employment -- without increased inflation -- over the past year. The Federal Reserve's deliberate efforts to slow the pace of the recovery threaten to send the economy into another recession. Under similar circumstances in 1982, the Federal Reserve finally admitted that its policy had been too tight -- but the economic (and political) damage had been done.

On the international front, by keeping interest rates too high -- forcing down prices and forcing up the dollar -- the Federal Reserve is also threatening the international recovery. High interest rates and the rising dollar are killing U.S. basic industries, especially in export and import-competing areas. This directly contributes to the sentiment for counterproductive protectionism. The policy also worsens the plight of the borrowing countries, by increasing the real burden of their dollar debts while cutting the dollar prices of their exports. Under these circumstances, further increasing their debt through the IMF could make the problem worse, not better.

Our opposition to the IMF quota increase has nothing to do with narrow parochialism or "isolationism." As you know, we have serious problems with IMF austerity policies, the lack of realism on the part of lending banks, and the lack of a functioning international monetary system, which have not been addressed. And until the double threat to economic recovery -- high-interest-rate Federal Reserve policy and the lack of a noninflationary system of stable exchange rates -- is removed, we must oppose the IMF quota increase.

Sincerely yours,

Trent Lott (H)

Jack Kemp (H)

Hank Brown

Duncan Hunter

Bethune

Connie Mack

Larry E. Craig

Floyd Spence

John Hiler

Dan Coats

Judd Gregg

Denny Smith

Newt Gingrich

Bob Walker

Barbara Vucanovich

Tommy Hartnett

Bobbi Fiedler

Dan Burton

Howard C. Nielson

Ron Packard	Hal Daub
Dan Schaefer	Webb Franklin
Carlos Moorhead	Eldon Rudd
Tom Lewis	Don Sundquist
John J. Duncan	Mike Bilirakis
George Hansen	William Carney

Daniel B. Crane

Jim Broyhill

Tom Coleman

[illegible] Chandler

Ray McGrath

Hal Rogers

Jerry Solomon

Tom Loeffler

Thomas Bliley

David Dreier

Vin Weber

Lynn Martin

Mark D. Siljander

Daniel E. Lungren

[illegible]

Bill [illegible]

Gene Taylor

Philip M. Crane

/2

ID: 176937 CORRESPONDENCE TRACKING WORKSHEET PAGE D01

INCOMING CORRESPONDENCE DATE 831108 RECEIVED DATE 831109

(PREFIX)	(FIRST)	(LAST)	(SUFFIX)
THE HONORABLE	JIM	OLIN	

TITLE:

176937

ORGANIZATION: U. S. HOUSE OF REPRESENTATIVES

IT 044

STREET:

CITY: WASHINGTON STATE: DC ZIP: 20515

COUNTRY:

SUBJECT: INFORMS HE WILL VOTE AGAINST ADDITIONAL CONTRIBUTIONS TO THE IMF

TR

AGY/OFF	ACTION CODE	TRACKING DATE	
LADUBE	ORG	831109	C 83/11/15

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

COMMENTS:

CODES: REPORT INDIV: 1230 USER:

JIM OLIN
6TH DISTRICT, VIRGINIA

WASHINGTON OFFICE:
1207 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-5431

COMMITTEES:
AGRICULTURE
SMALL BUSINESS

37
KD

#176937

DISTRICT OFFICES:
406 FIRST STREET, ROOM 706
ROANOKE, VIRGINIA 24011
(703) 982-4672

925 MAIN STREET, 3RD FLOOR
LYNCHBURG, VIRGINIA 24504
(804) 845-8546

13 W. BEVERLY STREET, 2ND FLOOR
STAUNTON, VIRGINIA 24401
(703) 885-8178

VIRGINIA NATIONAL BANK BLDG., ROOM 415
HARRISONBURG, VIRGINIA 22801
(703) 433-9433

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

November 8, 1983

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

I appreciate your letter of October 24, 1983 repudiating the Republican National Congressional Committee's attack on me for supporting one aspect of your position on the IMF.

I am by now accustomed to blatantly misleading attacks from the RNCC. Though I resent the RNCC tactics, they will never influence my vote on any legislative matter.

You can be assured that I have considered the IMF legislation on its merits. However, my analysis of the legislation leads me to the inescapable conclusion that increasing the U.S. contribution to the IMF is not in our nation's best interests. The massive debt problems faced by foreign governments have begun to be rescheduled by private lending institutions. I prefer this private rescheduling to a bail out financed by the American taxpayer. For that reason, I will vote against additional contributions to the IMF.

Thank you again for taking exception to the RNCC attacks. I am impressed by your decisive actions in this matter.

Sincerely,

Jim Olin

Jim Olin
Member of Congress

JRO/ma

BAB

ok SE - 1/23/84

177400SS

IT044

THE WHITE HOUSE

WASHINGTON

January 23, 1984

WS

MEMORANDUM FOR RONALD GEISLER

FROM: JOHN S. HERRINGTON JH

SUBJECT: PAS Nominations

The President has approved the nomination of the following individuals who were recess appointed:

William Lee Hanley, JR. of Connecticut, to be a Member of the Board of Directors of the Corporation for Public Broadcasting for a term expiring 3/1/84, vice Gillian Martin Sorensen, term expired.

Maurice Lee Barksdale, of Texas, to be an Assistant Secretary of Housing and Urban Development, vice Philip Abrams.

Simeon Miller Bright, of West Virginia, to be a Commissioner of the Postal Rate Commission for the term expiring 11/22/88, reappointment.

Elliot Ross Buckley, of Virginia, to be a Member of the Occupational Safety and Health Review Commission for the term expiring 4/27/89, vice Bertram R. Cottine, term expired.

Mary Kate Bush, of New York, to be United States Alternate Executive Director of the International Monetary Fund for a term of two years, vice Charles H. Dallara, resigned.

Louis Roman DiSabato, of Texas, to be a Member of the National Museum Services Board for a term expiring 12/6/87, vice Lloyd Hezekiah, term expired.

Vernon L. Grose, of California, to be a Member of the National Transportation Safety Board for the term expiring 12/31/87, vice Francis H. McAdams, term expired.

Stephanie Lee-Miller, of the District of Columbia, to be an Assistant Secretary of Health and Human Services, vice Pamela Needham Bailey.

13 NOMINATIONS COVERING RECESS APPTS.

NO FURTHER ANNOUNCEMENTS TO SENATE 1/24/84

NOTED

Leslie Lenkowsky, of New York,
to be Deputy Director of the United States
Information Agency, vice Gilbert A. Robinson, resigned.

Dennis R. Patrick, of the District of Columbia,
to be a Member of the Federal Communications
Commission for the unexpired term of seven years
from 7/1/78, vice Anne P. Jones, resigned.

Ruth O. Peters, of Virginia,
to be a Governor of the United States Postal
Service for the remainder of the term expiring
12/8/87, vice Paula D. Hughes, resigned.

Harold K. Phillips, of California,
to be a Member of the Board of Directors of the
Inter-American Foundation for a term expiring
9/20/88, vice Alberto Ibarguen, term expired.

Donna F. Tuttle, of California,
to be Under Secretary of Commerce for Travel
and Tourism, vice Peter McCoy, resigned.

All necessary clearances have been completed.
Please prepare the nomination papers.

BJB

OK - SE - 12/13/83

177400SS

IT044

WS

THE WHITE HOUSE

WASHINGTON

December 13, 1983

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN S. HERRINGTON JSH

SUBJECT: Recess Appointment

Attached for your signature is a commission recess appointing Mary Kate Bush, of New York, to be United States Alternate Executive Director of the International Monetary Fund for a term of two years, vice Charles H. Dallara, resigned.

You approved this appointment on August 4, 1983. All necessary clearances have been completed.

Announced: 12/13/83

Commission signed/dated: 12/13/83

To STATE, 26A07, via messenger: 12/13/83

NOTED dwr

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

December 13, 1983

MEMORANDUM FOR FLO TAUSSIG

FROM: Claire O'Donnell

SUBJECT: Recess Appointment Announcements

Please announce the President today recess appointed the following individuals - seperate releases:

~~RICHARD D. ERB - to be United States Executive Director of the International Monetary Fund for a term of two years.~~

MARY KATE BUSH - to be United States Alternate Executive Director of the International Monetary Fund for a term of two years.

*** Please do not announce until you hear from the Clerk's office.

cc: Geisler

ERB WILL NOT BE ANNOUNCED OR APPOINTED.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release December 13, 1983

The President today recess appointed Mary Kate Bush to be United States Alternate Executive Director of the International Monetary Fund for a term of two years.

# # #

Received S S
1983 NOV -4 AM 11: 09

OK-RGD-11/14/83
177400SS
IT044
PE002-01
FG012

THE WHITE HOUSE

WASHINGTON

November 4, 1983

WS

MEMORANDUM FOR RONALD GEISLER

FROM: BECKY NORTON DUNLOP

SUBJECT: PAS Nomination

The President has approved the nomination of:

Mary Kate Bush, of New York,
to be United States Alternate
Executive Director of the International
Monetary Fund, for a term of two years,
vice Charles H. Dallara.

All necessary clearances have been completed.
Please prepare the nomination papers.

Announced: 10/28/83

To Senate: 11/4/83

NOTED

To RGD: 11/4/83
11:15 am

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

October 27, 1983

MEMORANDUM FOR FLO TAUSSIG, PRESS OFFICE

FROM: Claire O'Donnell

SUBJECT: Personnel Announcements

Please announce the President's intent to appoint the following individuals below. Biographical material is attached.

FRIDAY, OCTOBER 28, 1983

RICHARD D. ERB	To be United States Executive Director of the International Monetary Fund, for a term of two years, reappointment. (PAS
(R) MARY KATE BUSH, of N.Y. Kate is given name — not short for anything.	To be United States Alternate Executive Director of the International Monetary Fund, for a term of two years, vice Charles H. Dallara, resigned. (PAS)
DAVID H. WELCH	To be a Member of the Architectural and Transportation Barriers Compliance Board, for a term expiring 12/3/84, vice Mason Harry Rose V, term expired. (PA)
DIEGO C. ASENCIO	To be Ambassador to Brazil, vice Langhorne A. Motley, resigned. (PAS)

cc: Herrington/Tharp
Dunlop
Tuttle
Kennedy
Holland
Geisler
Davis
Bullock

Announced: 10/28/83

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release — October 28, 1983

The President today announced his intention to nominate Mary Kate Bush to be United States Alternate Executive Director of the International Monetary Fund for a term of two years. She would succeed Charles H. Dallara.

Since 1982, Miss Bush has been serving as Special Assistant to the Deputy Secretary of the Department of the Treasury. Previously, she was at Bankers Trust Company in New York as Vice President and Team Leader of the World Corporate Department in 1979-1982; Assistant Vice President in 1977-1979; and Assistant Treasurer in 1976-1977. She was an account officer at Citibank in 1973-1976 and credit analyst at Chase Manhattan Bank in 1971-1973.

She graduated from Fisk University (B.A., 1969) and the University of Chicago (M.B.A., 1971). She was born April 9, 1948 in Birmingham, Alabama and now resides in Washington, D.C.

# # #

ok SE 1/24/84

BB

THE WHITE HOUSE

WASHINGTON

January 23, 1984

WS

177518 55

IT044

MEMORANDUM FOR RONALD GEISLER

FROM: JOHN S. HERRINGTON JH

SUBJECT: PAS Nominations

The President has approved the renomination of the following individuals:

A. C. Arterbery, of California, to be a Member of the Board of Directors of the African Development Foundation for a term of six years, new position.

John A. Bohn, Jr., of California, to be First Vice President of the Export-Import Bank of the United States, vice Charles Edwin Lord, resigned. FOR A TERM EXPIRING 1/20/85, dw

Terry Edward Branstad, of Iowa, to be a Member of the Board of Trustees of the Harry S Truman Scholarship Foundation for a term expiring 12/10/87, vice Christopher S. Bond, resigned.

H. Latham Breunig, of New York, to be a Member of the National Council on the Handicapped for a term expiring 9/17/86, reappointment.

Priscilla L. Buckley, of Connecticut, to be a Member of the United States Advisory Commission on Public Diplomacy for a term expiring 7/1/86, vice Leonard Silverstein, term expired.

Richard D. Erb, of Virginia, to be United States Executive Director of the International Monetary Fund for a term of two years, reappointment.

William Evans, of California, to be a Member of the Marine Mammal Commission for the term expiring 5/13/85, vice James C. Nofziger, term expired.

Richard H. Francis, of Virginia, to be President of the Solar Energy and Energy Conservation Bank, vice Jospeh S. Bracewell.

19 PERSONS - PREVIOUSLY ANNOUNCED DURING LAST SESSION OF THE SENATE (98-1)

RENOMINATED TO SENATE ON 1/24/84

NOTED dw

Mary A. Grigsby, of Texas,
to be a Member of the Federal Home Loan Bank Board for the remainder of the term expiring 6/30/86, vice James Jay Jackson, resigned.

Robert Michael Isaac, of Colorado,
to be a Member of the Harry S Truman Scholarship Foundation, Board of Trustees for a term expiring 12/10/87, vice Richard A. King, term expired.

John G. Keane, of Illinois,
to be Director of the Census, vice Bruce Chapman.

Francis X. Lilly, of Maryland,
to be Solicitor for the Department of Labor, vice T. Timothy Ryan, Jr., resigned.

Michael Marge, of New York,
to be a Member of the National Council on the Handicapped for a term expiring 9/17/86, reappointment.

Richard Thomas Montoya, of Texas,
to be an Assistant Secretary of Interior, vice Pedro A. Sanjuan, resigned.

Sandra Swift Parrino, of New York,
to be a Member of the National Council on the Handicapped for a term expiring 9/17/86, reappointment.

Richard M. Scaife, of Pennsylvania,
to be a Member of the United States Advisory Commission on Public Diplomacy for a term expiring 7/1/85, vice Mae Sue Talley, term expired.

Albert Lee Smith, Jr., of Alabama,
to be a Member of the Federal Council on the Aging for a term expiring 12/19/85, vice Jacob Clayman, term expired.

James G. Stearns, of Nevada,
to be Director of the Securities Investor Protection Corporation for a term expiring 12/31/85, reappointment.

Alvis Kent Waldrep, Jr., of Texas,
to be a Member of the National Council on the Handicapped for a term expiring 9/17/86, reappointment.

All necessary clearances have been completed.
Please prepare the nomination papers.

OK - RGD's OFFICE - 11/16/83

Received SS

1983 NOV 16 AM 11:01

BB

THE WHITE HOUSE

WASHINGTON

November 16, 1983

177518SS

IT044

PE002-01

WS

MEMORANDUM FOR RONALD GEISLER

FROM: BECKY NORTON DUNLOP BND

SUBJECT: PAS Nomination

The President has approved the nomination of:

Richard D. Erb, of Virginia,
to be United States Executive Director
of the International Monetary Fund,
for a term of two years, reappointment.

All necessary clearnaces have been completed.
Please prepare the nomination papers.

Announced: 10/28/83

To Senate: 11/16/83

NOTED

To RGD: 11/16/83
(11:10 am)

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

October 27, 1983

MEMORANDUM FOR FLO TAUSSIG, PRESS OFFICE

FROM: Claire O'Donnell

SUBJECT: Personnel Announcements

Please announce the President's intent to appoint the following individuals below. Biographical material is attached.

FRIDAY, OCTOBER 28, 1983

(R) RICHARD D. ERB, of VA.	To be United States Executive Director of the International Monetary Fund, for a term of two years, reappointment. (PAS
MARY KATE BUSH	To be United States Alternate Executive Director of the International Monetary Fund, for a term of two years, vice Charles H. Dallara, resigned. (PAS)
DAVID H. WELCH	To be a Member of the Architectural and Transportation Barriers Compliance Board, for a term expiring 12/3/84, vice Mason Harry Rose V, term expired. (PA)
DIEGO C. ASENCIO	To be Ambassador to Brazil, vice Langhorne A. Motley, resigned. (PAS)

cc: Herrington/Tharp
Dunlop
Tuttle
Kennedy
Holland
Geisler
Davis
Bullock

Announced: 10/28/83

THE WHITE HOUSE

Office of the Press Secretayr

For Immediate Release October 28, 1983

The President today announced his intention to nominate Richard D. Erb to be United States Executive Director of the International Monetary Fund for a term of two years. This is a reappointment.

Since 1981, he has been serving as United States Executive Director of the International Monetary Fund. Previously, he was Resident Fellow at the American Enterprise Institute for Public Policy Research in 1978-1981. He also served as a consultant to the Comptroller of the Currency.

In 1976-1977 he was Deputy Assistant Secretary for Developing Nations Finance, Department of the Treasury. Dr. Erb was International Affairs Fellow, Council on Foreign Relations and Resident Economist, American Enterprise Institute for Public Policy Research in 1974-1976. In 1971-1974 he served as Staff Assistant to the President and Director for International Monetary Affairs, Council on International Economic Policy. He was a consultant with Arthur D. Little, Inc., in 1969-1971.

He graduated from the State University of New York at Buffalo (B.A., 1963) and Stanford University (Ph.D., 1967). He is married and resides in Alexandria, Virginia. He was born April 15, 1941 in Wantagh, New York.

# # #

# # #

ID: 177852 CORRESPONDENCE TRACKING WORKSHEET PAGE D01

INCOMING CORRESPONDENCE DATE 831108 RECEIVED DATE 831129

(PREFIX)	(FIRST)	(LAST)	(SUFFIX)
THE HONORABLE	ORME	LEWIS	

TITLE:

177852

IT044

ORGANIZATION:

STREET: FIRST INTERSTATE BANK PLAZA
100 WEST WASHINGTON STREET

CITY: PHOENIX STATE: AZ ZIP: 85003

COUNTRY:

SUBJECT: WRITES CONCERNING THE PROPOSED INCREASE IN THE LENDING RESOURCES OF THE INTERNATIONAL MONETARY FUND (IMF)

AGY/OFF	ACTION CODE	TRACKING DATE
COHIGG	ORG	831129

C 840322 LD

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

COMMENTS: FORMER ASST. SECY, DEPT OF THE INTERIOR (1953-1955)

CODES: REPORT MI INDIV: USER:

CS ~~Baker~~ - ? Co ~~Dame~~ Clar 831208 A

AH A 840326 LD

✓ CS Tres D 831212 AVH signature

C 840119 LD

March 26, 1984

Dear Mr. Lewis:

On behalf of President Reagan, I want to thank you for your letter of November 8 concerning the IMF legislation. I regret that this reply has been delayed.

As I am sure you are aware, that legislation passed the Congress on November 18, 1983, with the full support of the President. The President supported the legislation because he believed it to be necessary to a sustained recovery in the United States and critical to the stability of the international financial system. Moreover, he was convinced that the quota increase in no way provides a bail-out for the banks. That conviction is based on past experience that bank lending typically increases in conjunction with IMF programs. Banks are not being allowed to pull out when the IMF appears on the scene; rather the reverse is true. New bank lending is generally a multiple of about 4 to 1 of IMF disbursements.

The President recognized that there was widespread concern that excessive and imprudent bank lending may have contributed to current debt problems and that additional safeguards were needed to prevent similar situations from occurring in the future. The IMF legislation contains provisions to strengthen bank regulators' ability to encourage sound banking practices while permitting continued lending to countries pursuing effective economic adjustment policies. These provisions will strengthen the present system of examination and evaluation of country risk, provide additional reporting and disclosure by banks, require establishment of "special reserves" against problem loans, improve capital adequacy, and provide for strengthened cooperation with foreign bank supervisors and the IMF.

Thus, passage of the IMF quota legislation both increases our ability to achieve the orderly resolution of the international debt problem necessary to continuing recovery at home, and provides the basis for preventing the recurrence of problems in the future.

With best wishes,

Sincerely,

Anne Higgins
Special Assistant to the President
and Director of Correspondence

The Honorable Orme Lewis
First Interstate Bank Plaza
Phoenix, Arizona 85003

AVH:RDC:CAD:pmv-3AVH

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

January 16, 1984

MEMORANDUM FOR SALLY KELLEY, DIRECTOR
CORRESPONDENCE AGENCY LIAISON
THE WHITE HOUSE

SUBJECT: Letter from Orme Lewis Enclosing Congressional Reactions to His Letter Opposed to the IMF Quota Increase

The attached draft letter for Anne Higgins signature addresses Mr. Lewis' concerns that the IMF quota increase is a bank bailout.

for Lucille Dickinson
Christopher Hicks
Executive Secretary and
Special Assistant to the Secretary

Attachment

Dear Mr. Lewis:

I am replying on behalf of the President to your letter of November 8 concerning the IMF legislation.

As I am sure you are aware, that legislation passed the Congress on November 18, 1983, with the full support of the President. The President supported the legislation because he believed it to be necessary to a sustained recovery in the United States and critical to the stability of the international financial system. Moreover, he was convinced that the quota increase in no way provides a bail-out for the banks. That conviction is based on past experience that bank lending typically increases in conjunction with IMF programs. Banks are not being allowed to pull out when the IMF appears on the scene; rather the reverse. New bank lending is generally a multiple of about 4 to 1 of IMF disbursements.

The President recognized that there was widespread concern that excessive and imprudent bank lending may have contributed to current debt problems and that additional safeguards were needed to prevent similar situations from occurring in the future. The IMF legislation contains provisions to strengthen bank regulators' ability to encourage sound banking practices while permitting continued lending to countries pursuing effective economic adjustment policies. These provisions will: strengthen the present system of examination and evaluation of country risk; provide additional reporting and disclosure by banks; require establishment of "special reserves" against problem loans; improve capital adequacy; and provide for strengthened cooperation with foreign bank supervisors and the IMF.

Thus, passage of the IMF quota legislation both increases our ability to achieve the orderly resolution of the international debt problem necessary to continuing recovery at home, and provides the basis for preventing the recurrence of problems in the future. The President considers that to be a good deal.

While we do not share your views on this issue, we appreciate you sharing your thoughts, and highly value your long standing support for the President.

Sincerely,

Anne Higgins
Special Assistant
to the President

Mr. Orme Lewis
First Interstate Bank Plaza
Phoenix, Arizona 85003

[redacted]

83-18585

THE WHITE HOUSE OFFICE

REFERRAL

DECEMBER 12, 1983

TO: DEPARTMENT OF THE TREASURY

ACTION REQUESTED:
DRAFT REPLY FOR SIGNATURE OF ANNE HIGGINS

DESCRIPTION OF INCOMING:

ID: 177852

MEDIA: LETTER, DATED NOVEMBER 8, 1983

TO: PRESIDENT REAGAN

FROM: THE HONORABLE ORME LEWIS
FIRST INTERSTATE BANK PLAZA
100 WEST WASHINGTON STREET
PHOENIX AZ 85003

SUBJECT: WRITES CONCERNING THE PROPOSED INCREASE IN THE LENDING RESOURCES OF THE INTERNATIONAL MONETARY FUND (IMF)

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

#177852

37

AH

ORME LEWIS
FIRST INTERSTATE BANK PLAZA
PHOENIX, ARIZONA 85003-1899

November 8, 1983

Dear Mr. President:

Enclosed is a copy of a letter I sent to each of the members of the Arizona delegation in the House and Senate. Attached are the responses I have received.

Despite your protestations I still feel exactly as I stated in my letter. I hope you change your mind or are unsuccessful in your efforts with respect to this measure.

I can assure you that I am one of your long-time supporters, but here I differ greatly.

Respectfully,

Orme Lewis

OL:vmd
Encls.

The President
The White House
Washington, D.C. 20510

M[redacted]K. UDALL
[redacted] OF ARIZONA

235 CANNON HOUSE OFFICE BUILDING
202/225-4065

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

COMMITTEES:
INTERIOR AND INSULAR AFFAIRS
CHAIRMAN

POST OFFICE AND CIVIL SERVICE

OFFICE OF TECHNOLOGY
ASSESSMENT
CHAIRMAN

October 31, 1983

R. 11-4-83

Mr. Orme Lewis
First Interstate Bank Plaza
Phoenix, Arizona 85003

Dear Mr. Lewis:

Thank you for your recent communication concerning the funding increase that has been proposed for the International Monetary Fund.

The Reagan administration has proposed that the U.S. increase the amount of money that it contributes to the IMF by $8.4 billion. In addition, the IMF's other 145 members are also being asked to increase their contributions significantly.

This $8.4 billion package does not go onto the federal budget, nor does it affect the deficit. Only one fourth of this money is transferred to the IMF in cash, the rest is available on call. The direct U.S. cash contribution is offset by a corresponding increase in the U.S. reserve at the IMF--an interest-bearing liquid asset that is always available to the U.S. if needed.

Many people have labeled this bill as a "bankers bailout." I do not believe this to be the case. While it is true that many U.S. banks have over-extended themselves in the foreign loan market, the proposed IMF increase is meant to aid foreign governments that are facing financial ruin, not U.S. banks. The possibility of a major country defaulting on their outstanding debts--such as Mexico or Argentina--is a very real scenario. World financial stability is a necessity if the U.S. is to prosper and continue to recover from the recession.

Thank you for taking the time to share your views.

Sincerely,

Mo Udall

Morris K. Udall

DISTRICT OFFICES:
300 NORTH MAIN AVENUE
TUCSON, ARIZONA 85705
602/629-6404

1419 NORTH THIRD STREET
PHOENIX, ARIZONA 85004
602/261-3018

JAMES F. MCNULTY, JR.
5TH DISTRICT, ARIZONA

PUBLIC WORKS AND
TRANSPORTATION COMMITTEE

INTERIOR AND INSULAR
AFFAIRS COMMITTEE

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

DISTRICT OFFICE

1605 NORTH WILMOT ROAD
SUITE 108
TUCSON, ARIZONA 85712
602/629-6030

R. 10-21-83

October 17, 1983

Orme Lewis
First Interstate Bank Plaza
Phoenix, AZ 85003-1899

Dear Orme:

Your good letter of September 26 went to Tucson and then came here. In the meantime, I was back in Arizona causing the flood waters to recede. At least, that was the professed purpose of the trip.

I think I amended the IMF bill in a significant way. That was done over the clear opposition of the folks at the World Bank. If the amendment does not survive the Conference Report, I will vote against the bill. But if it does, I think the best course would be to approve it. Uncomfortable as you may be with Ralph Nader, consider my posture with my bedfellow, Ronald Reagan! Thanks for writing. Best wishes.

Sincerely yours,

Jim

James F. McNulty, Jr.
Member of Congress

JFM:lw

BOB STUMP
3D DISTRICT, ARIZONA

211 CANNON BUILDING
WASHINGTON, D.C. 20515
(202) 225-4576

DISTRICT OFFICE:
5001 FEDERAL BUILDING
PHOENIX, ARIZONA 85025
(602) 261-6923

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

ARMED SERVICES COMMITTEE

PERMANENT SELECT
COMMITTEE ON INTELLIGENCE

VETERANS' AFFAIRS
COMMITTEE

October 11, 1983

R. 10-24-83

Orme Lewis
First Interstate Bank Plaza
Phoenix, Arizona 85003-1899

Dear Orme:

I do agree, and in fact voted against the IMF "bail out".

The proper role of the IMF is to act as a monitoring agency, not a lender of last resort. Allocation of credit should be left to the marketplace. If banks were forced to recognize and internalize the risks inherent in international lending, more prudent lending would result.

At a time when our families, farmers and small businessmen are finding it tough to secure financial assistance from domestic banks, it is unconscionable for us to ask the American taxpayer to subsidize the mistakes of the IMF member banks.

Best wishes.

Sincerely,

BOB STUMP
Member of Congress

BS:ljr

DENNIS DECONCINI
ARIZONA

United States Senate
WASHINGTON, D.C. 20510

October 3, 1983

Mr. Orme Lewis
First Interstate Bank Plaza
Phoenix, Arizona 85003

Dear Orme:

Thank you for contacting me concerning the proposed increase in the lending resources of the International Monetary Fund (IMF).

I share your reservations with respect to the Administration's proposal. Additional lending to already debt-ridden, nearly bankrupt countries makes little sense unless it is coupled with a strategy for dealing with the causes that underlie the current strains in the global financial system. Absent such a comprehensive policy, further financial assistance by either the IMF or private banks can only exacerbate the problem.

Certainly any additional IMF assistance should not be used simply to bail out multinational banks whose portfolios of foreign loans have suddenly gone sour. Indeed, it is arguable that the banks in question should be required to shoulder a major part of the burden of managing the current crisis. They, after all, extended most of the loans and have reaped enormous profits from doing so. At the very least, they should be willing to make the requisite transitional financing available on reasonable--and in certain meritorious cases--highly concessional terms and conditions, if indeed, <u>transitional</u> assistance is all that is needed. At a minimum, the Congress should insist on this point before approving the requested expansion in IMF quotas.

I would say, too, that the $8.4 billion cost to the U.S. of the Administration's recommended increases in IMF and the General Arrangements to Borrow (GAB) raises serious questions of priority and equity. It is hard to justify such enormous sums to help other countries, however difficult their particular problems, and big banks which have reaped enormous profits from their foreign lending operations when there is so much misery and hardship here at home. This comes at a time, too, when the Administration is recommending further cuts in programs that provide assistance to some of the hardest hit segments of our population.

For these reasons, I will find it very difficult to vote for the Administrations's recommendations unless it is clearly demonstrated

(1) that the current world financial situation is as desperate as alleged and

(2) that the banking community is willing to assume a substantial part of the costs of making the necessary adjusments and will support measures required to see that a more responsible posture toward Third World credit is maintained in the future.

Sincerely,

Dennis De Concini
DENNIS DeCONCINI
United States Senator

DDC/mm

BARRY GOLDWATER
ARIZONA

United States Senate
WASHINGTON, D.C. 20510

COMMITTEES:
INTELLIGENCE, CHAIRMAN
ARMED SERVICES
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COMMERCE, SCIENCE, AND TRANSPORTATION
COMMUNICATIONS, CHAIRMAN
AVIATION
SCIENCE, TECHNOLOGY, AND SPACE
INDIAN AFFAIRS

October 3, 1983

Mr. Orme Lewis
First Interstate Bank Plaza
Phoenix, Arizona 85003-1899

Dear Orme:

Frankly, I do not favor the IMF fund. I was never much in favor of it to begin with.

I believe what the President is asking us to do is to help bail out some of our big banks that have made some rather foolish loans, at very low interest rates and with the long periods of pay-back by countries that cannot meet either one of them.

You probably can make a pretty good case out of the fact that the Third World Countries need economic help, but, this country is getting in economic trouble and if it continues down that path, we just might not make it back.

Thanks for writing.

With warm wishes,

Barry

Barry Goldwater

JOHN McCAIN
FIRST DISTRICT, ARIZONA

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS
SUBCOMMITTEE ON ENERGY AND ENVIRONMENT
SUBCOMMITTEE ON WATER AND POWER
SUBCOMMITTEE ON MINING, FOREST MANAGEMENT AND BONNEVILLE POWER ADMINISTRATION
SELECT COMMITTEE ON AGING
SUBCOMMITTEE ON HEALTH AND LONG-TERM CARE

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MESA, ARIZONA 85202
(602) 897-0892

SUITE 201
411 SOUTH MILL AVENUE
TEMPE, ARIZONA 85281
(602) 261-3181

September 30, 1983

Mr. Orme Lewis
First Interstate Bank Plaza
Phoenix, Arizona 85003-1899

Dear Orme:

Thank you very much for your letter concerning IMF contributions. You can be assured of my continued opposition to this very unwise move.

I also find it rather unusual to be aligned with Mr. Nader.

Again, thanks for your letter, and I am flattered to hear from someone who has contributed so much to our state and country.

Sincerely,

John

John McCain
Member of Congress

JM/dm

ELDON RUDD
4TH DISTRICT, ARIZONA

COMMITTEE ON APPROPRIATIONS

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

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2244 RAYBURN BUILDING
WASHINGTON, D.C. 20515
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DISTRICT OFFICE:
6900 E. CAMELBACK ROAD
SCOTTSDALE, ARIZONA 85251
(602) 241-2801

September 29
1 9 8 3

OL

Mr. Orme Lewis
First Interstate Bank Plaza
Phoenix, Arizona 85003

Dear Orme,

I received your letter regarding the International Monetary Fund (IMF) and want you to know that I share your concern about the proposed IMF quota increase.

I voted against that increase on August 3rd, and although it passed by a slim margin--217 to 211--its final passage is not yet guaranteed. The House legislation authorizing the increase differed from the Senate-passed bill, and therefore a conference and another vote in each chamber are required before the measure can be sent to the President for his signature. I intend to oppose the measure when it is returned to the House for that final vote.

Your counsel is appreciated, Orme.

With best regards,

Sincerely,

Eldon

Eldon Rudd
Member of Congress

ER:yy

Identical letter to:

Eldon Rudd

Bob Stump

John McCain

James McNulty

Dennis De Concini

Morris Udall

September 26, 1983

Dear Barry:

The subject of this note is the additional 8.4 billion contribution to the IMF fund. I won't touch on the IMF fund itself as that is a separate subject.

All of us have heard much on this subject and read more. This letter is occasioned by an article in the lefthand column of the first page of the September 26, 1983 issue of Wall Street Journal.

It is strange to see me as a bedfellow of Nader and his ilk. On the other hand it is probably strange to see him in bed with those with whom he ordinarily disagrees.

I think this fact is important and illustrates a cross roughing that is going on about such things. I am not pointing to the bailing out all by itself, I am pointing to the subject matter.

It seems to me that in a few years, continuing as we are, we will go down a cruel trail probably greatly emphasizing the thirties. I think it best that we meet our martyrdom now rather than postponing it for a more fatal day.

I do hope you agree. My regards.

Sincerely,

Orme Lewis

OL:vmd

The Honorable Barry Goldwater
337 Russell Senate Office Building
Washington, DC 20510