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Sg



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

x4742
1/9 will send incoming

FILE

JAN 3 1984

1/11 - 1:20 p.m.
OMB Corr. will call w/ date of DS response

218788

1110

FA003

FE004

FC006-11

DD

TO: Katherine Camalier
Staff Assistant

FROM: Joseph R. Wright, Jr.
Deputy Director

SUBJECT: Response to October 21 Letter from Senator Specter

Re. the Project for Chaney State College and Lincoln University

Attached is a draft response to Senator Specter's letter which you requested.

1/10

Jim

What do you think? (note time)

KC

KC

When was Stockman's letter sent?

(Draft says "recent".) If it was recent, I'd send (since it's good news)

(FYI, JAB and Specter spoke about this ^{by phone} at around same time in Oct.)

1/11 Jim

See attached -- not "recent"

What now?

Thanks

KC: TU assume he construed Stockman's letter as also answering his



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

DATE: 1/11/84

TO: Kathy Comalier

FROM: Beth Strauss
Ext 3160

Per your request.

OMB FORM 38
REV AUG 73



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

DATE: 1/10

TO: Kathy Camalier

FROM: Amanda Stephens

Per our conversation,
this letter is almost
identical to that
which was sent to
Mr. Baker.

OMB FORM 38
Rev. Aug 73

Honorable Arlen Specter
United States Senate
Washington, D. C. 20510

1/13/84
Not sent, per
Tim Cicconi

DRAFT

Dear Arlen:

Thank you for your note of October 21 concerning the project in Philadelphia for Cheyney State College and Lincoln University. The Administration is gratified to have been able to assist in bringing the project to fruition.

As you know from a recent letter from Dave Stockman, we have been able to arrange the needed financing using currently available resources. Part of the necessary funds will be made available by Secretary Bell from his discretionary funds; the remainder will be provided through the Economic Development Administration in the Commerce Department.

Thank you for sharing your concerns about this matter with us.

Sincerely,

James A. Baker, III

NOV 1 5 1983

Honorable Arlen Specter
United States Senate
Washington, D. C. 20510

Dear Arlen:

Please forgive me for not responding earlier to your letter of October 24 concerning the Philadelphia project involving Provident Mutual and the two historically black colleges. As I'm sure you know by now, an approach has been worked out using currently available Education and HUD funds that will allow the project to go forward. No supplemental appropriation of additional 1984 funds will now be necessary.

I'm sure you're as pleased as I that we've been able to work this out to everyone's satisfaction without needing additional funds. Thank you for your assistance and concern.

Sincerely,

DAVID A. STOCKMAN

David A. Stockman
Director

cc:

Official file - ED Branch

Chron

DO Records - OMB #16888 ✓

DO Chron

Mr. Martin

Mr. Cogan

Mr. Moran

Mr. Wright

Mr. Gerson

Mr. Hudson

LVE/E/FFischer/iwh/November 10, 1983 10:28 AM

United States Senate

WASHINGTON, D.C. 20510

Honorable David A. Stockman
Director
Office of Management and Budget
Washington, D.C. 20503

October 24, 1983

*Identical letter
sent to JAB*

Dear Dave:

When the Supplemental Appropriations bill is considered by the full Senate tomorrow, I intend to offer an amendment to add \$5 million for "Grants for construction of academic facilities" under part B of title VII of the Higher Education Act of 1965. Once the Congress has allocated this \$5 million, Secretary of Education Bell has advised that he will use this funding to complete a transaction under which the Provident Mutual Insurance Company will make a gift of properties worth approximately \$40 million to Lincoln University and Cheyney University which are two black universities located in southeastern Pennsylvania.

It is indispensable that the \$5 million appropriation be made immediately as a precondition of the \$40 million gift from Provident Mutual to Cheyney or Lincoln. If the transaction is not completed immediately, then Provident Mutual must make an alternative gift for the end of the calendar year.

The late availability of this potential gift prevented the U.S. Department of Education from processing this appropriation request in normal course. Secretary Bell placed the call to me on September 27 while the Appropriations Committee was marking up the Labor, Health, Human Services and Education appropriations bill. These buildings are located at 46th and Market Streets in Philadelphia which is approximately 10 blocks from the University of Pennsylvania, Drexel University and the University Science Center. I am personally familiar with the buildings and can attest to their tremendous value for these two distinguished colleges.

These buildings would be available for a full range of technology courses for all eligible students and would be heavily utilized by minorities. Considering the high rate of unemployment among minorities, especially in the 16 to 19 year old category and especially in large metropolitan areas like Philadelphia, it is obvious that these facilities could make a tremendous contribution to the nation as well as the immediate area which they serve.

Dave, when Ted Bell contacted me about the Administration's interest in the Lincoln-Cheyney project, he informed me that he had just "now received the okay from OMB to request the funds." I would like your verification in writing immediately that OMB does indeed approve the \$5 million funding for this project and will not object to this expenditure.

Sincerely,


Arlen Specter

AS:em:sd
HAND DELIVER

16-888

FA003

Dg

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

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

Date Correspondence Received (YY/MM/DD) 84103127

Name of Correspondent: Clairborne Pell

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

Subject: Express concern that the existence of the American University of Beirut is seriously threatened by terrorist activities against the faculty, as well as major financial losses. Recommend the establishment of a trust fund within the Treasury, with the annual earnings dedicated to supporting the University & showing our determination to work for peace in the region

Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
LAOGLE		ORIGINATOR	84103127	MD	A	840320
✓ G9 tres		Referral Note:	8410412			84106
LAOGLE		Referral Note:	after Bruce Thompson			84106114
		Referral Note:	R/T			
		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: Response from Treasury 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.

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: 1005 Media: L Individual Codes: 1210 1220

Prime Subject Code: FA 003 Secondary Subject Codes: ED FO 003-02
ND 016
CO 026

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



DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

ASSISTANT SECRETARY

JUN 01 1984

Dear Senator Chafee:

This is in response to your letter to the President of March 21, 1984, in which you expressed your concern that the American commitment to Lebanon and the entire Middle East be reaffirmed by assuring the long term future of the American University in Beirut ("AUB"). You suggested that one way to do so would be to increase aid to AUB by establishing a trust fund within the Treasury to assist AUB, and you requested that the Administration consider such a proposal. The White House has asked Treasury to respond to you directly.

The vehicle for providing increased assistance to AUB proposed in your letter and in the International Security and Development Cooperation Act of 1984 (S. 2582) is a trust fund. Section 214 of S. 2582 would create an "American University of Beirut Trust Fund" in the Treasury, and divert \$50 million from Economic Support Fund assistance for Lebanon to this trust fund. The bill would also determine how Treasury is to invest the funds and when Treasury should disburse interest and other earnings from the fund to AUB.

While Treasury has no first-hand knowledge concerning AUB's financial requirements, it is our understanding that the State Department is trying to determine AUB's financial needs, its ability to absorb aid, and the means for providing U.S. assistance to this institution. We have contacted the State Department concerning this matter and have been advised that State believes that any trust fund for AUB should not draw on any Lebanon reconstruction program appropriations, since State wants to ensure that these appropriations remain available for relief, repair, and reconstruction purposes in Lebanon. Diversion of funds, in State's view, will not be understood by the Government of Lebanon, and may encourage other educational institutions abroad to seek similar, preferential treatment.

The Treasury Department is also opposed to the trust fund mechanism for providing aid to AUB. Treasury's position is based upon its longstanding opposition, as a general principle, to the use of trust funds as a means of providing financial assistance, and we see no compelling justification for establishing such a fund in the AUB situation. Trust fund financing completely circumvents the normal appropriations and

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Finally, your letter states that other organizations have utilized trust funds similar to that proposed for AUB. We believe, however, that the proposed AUB fund differs markedly from the funding mechanisms of the three organizations mentioned in your letter. While the Japan-U.S. Friendship Commission utilizes a trust fund in Treasury, the Commission's fund was established with cash which Japan owed to the U.S., rather than an initial appropriation. The East-West Center in Hawaii is a private, nonprofit corporation receiving annual congressional appropriations, but has no trust fund to receive these appropriations. The Israeli-American foundations do not operate with a governmental trust fund, but instead are funded by money Israel owes to the U.S. and which is paid into and held by Israeli financial institutions.

Although Treasury is opposed to the trust fund mechanism as described in your letter and the Senate bill, we would be pleased to work with your committee and provide whatever assistance we can. We believe the best mechanism for providing the assistance you propose is through the normal budget and appropriations process.

Sincerely,

(signed)

Bruce Thompson, Jr.

Bruce E. Thompson, Jr.

Assistant Secretary

(Legislative Affairs)

The Honorable
John H. Chafee
United States Senate
Washington, D. C. 20510



DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

ASSISTANT SECRETARY

JUN 01 1984

Dear Senator Dole:

This is in response to your letter to the President of March 21, 1984, in which you expressed your concern that the American commitment to Lebanon and the entire Middle East be reaffirmed by assuring the long term future of the American University in Beirut ("AUB"). You suggested that one way to do so would be to increase aid to AUB by establishing a trust fund within the Treasury to assist AUB, and you requested that the Administration consider such a proposal. The White House has asked Treasury to respond to you directly.

The vehicle for providing increased assistance to AUB proposed in your letter and in the International Security and Development Cooperation Act of 1984 (S. 2582) is a trust fund. Section 214 of S. 2582 would create an "American University of Beirut Trust Fund" in the Treasury, and divert \$50 million from Economic Support Fund assistance for Lebanon to this trust fund. The bill would also determine how Treasury is to invest the funds and when Treasury should disburse interest and other earnings from the fund to AUB.

While Treasury has no first-hand knowledge concerning AUB's financial requirements, it is our understanding that the State Department is trying to determine AUB's financial needs, its ability to absorb aid, and the means for providing U.S. assistance to this institution. We have contacted the State Department concerning this matter and have been advised that State believes that any trust fund for AUB should not draw on any Lebanon reconstruction program appropriations, since State wants to ensure that these appropriations remain available for relief, repair, and reconstruction purposes in Lebanon. Diversion of funds, in State's view, will not be understood by the Government of Lebanon, and may encourage other educational institutions abroad to seek similar, preferential treatment.

The Treasury Department is also opposed to the trust fund mechanism for providing aid to AUB. Treasury's position is based upon its longstanding opposition, as a general principle, to the use of trust funds as a means of providing financial assistance, and we see no compelling justification for establishing such a fund in the AUB situation. Trust fund financing completely circumvents the normal appropriations and

budget process, by permitting the interest rate on the trust fund's securities to be determinative of the amount of assistance provided. Thus, Congress and the Executive Branch are deprived of control over future U.S. funding to a beneficiary of a trust, such as AUB in this case. A program financed in such a manner also assumes a special budgetary status since it is not required, as are most other government aid programs, to justify its need for aid annually as part of the normal U.S. budgetary process. Such "backdoor financing" has been opposed consistently by Treasury since it severs the relationship between the amount of aid given and the program's needs and ability to absorb funds. Moreover, because the interest earned on the trust's assets (Treasury securities) would be included as a part of the general interest paid on the public debt, the trust fund mechanism masks the true cost of assistance.

Finally, your letter states that other organizations have utilized trust funds similar to that proposed for AUB. We believe, however, that the proposed AUB fund differs markedly from the funding mechanisms of the three organizations mentioned in your letter. While the Japan-U.S. Friendship Commission utilizes a trust fund in Treasury, the Commission's fund was established with cash which Japan owed to the U.S., rather than an initial appropriation. The East-West Center in Hawaii is a private, nonprofit corporation receiving annual congressional appropriations, but has no trust fund to receive these appropriations. The Israeli-American foundations do not operate with a governmental trust fund, but instead are funded by money Israel owes to the U.S. and which is paid into and held by Israeli financial institutions.

Although Treasury is opposed to the trust fund mechanism as described in your letter and the Senate bill, we would be pleased to work with your committee and provide whatever assistance we can. We believe the best mechanism for providing the assistance you propose is through the normal budget and appropriations process.

Sincerely,

(signed) 
Bruce Thompson, Jr.

Bruce E. Thompson, Jr.
Assistant Secretary
(Legislative Affairs)

The Honorable
Robert Dole
United States Senate
Washington, D. C. 20510



DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

ASSISTANT SECRETARY

JUN 01 1984

Dear Senator Glenn:

This is in response to your letter to the President of March 21, 1984, in which you expressed your concern that the American commitment to Lebanon and the entire Middle East be reaffirmed by assuring the long term future of the American University in Beirut ("AUB"). You suggested that one way to do so would be to increase aid to AUB by establishing a trust fund within the Treasury to assist AUB, and you requested that the Administration consider such a proposal. The White House has asked Treasury to respond to you directly.

The vehicle for providing increased assistance to AUB proposed in your letter and in the International Security and Development Cooperation Act of 1984 (S. 2582) is a trust fund. Section 214 of S. 2582 would create an "American University of Beirut Trust Fund" in the Treasury, and divert \$50 million from Economic Support Fund assistance for Lebanon to this trust fund. The bill would also determine how Treasury is to invest the funds and when Treasury should disburse interest and other earnings from the fund to AUB.

While Treasury has no first-hand knowledge concerning AUB's financial requirements, it is our understanding that the State Department is trying to determine AUB's financial needs, its ability to absorb aid, and the means for providing U.S. assistance to this institution. We have contacted the State Department concerning this matter and have been advised that State believes that any trust fund for AUB should not draw on any Lebanon reconstruction program appropriations, since State wants to ensure that these appropriations remain available for relief, repair, and reconstruction purposes in Lebanon. Diversion of funds, in State's view, will not be understood by the Government of Lebanon, and may encourage other educational institutions abroad to seek similar, preferential treatment.

The Treasury Department is also opposed to the trust fund mechanism for providing aid to AUB. Treasury's position is based upon its longstanding opposition, as a general principle, to the use of trust funds as a means of providing financial assistance, and we see no compelling justification for establishing such a fund in the AUB situation. Trust fund financing completely circumvents the normal appropriations and

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Finally, your letter states that other organizations have utilized trust funds similar to that proposed for AUB. We believe, however, that the proposed AUB fund differs markedly from the funding mechanisms of the three organizations mentioned in your letter. While the Japan-U.S. Friendship Commission utilizes a trust fund in Treasury, the Commission's fund was established with cash which Japan owed to the U.S., rather than an initial appropriation. The East-West Center in Hawaii is a private, nonprofit corporation receiving annual congressional appropriations, but has no trust fund to receive these appropriations. The Israeli-American foundations do not operate with a governmental trust fund, but instead are funded by money Israel owes to the U.S. and which is paid into and held by Israeli financial institutions.

Although Treasury is opposed to the trust fund mechanism as described in your letter and the Senate bill, we would be pleased to work with your committee and provide whatever assistance we can. We believe the best mechanism for providing the assistance you propose is through the normal budget and appropriations process.

Sincerely,
(signed)
Bruce Thompson, Jr.

Bruce E. Thompson, Jr.
Assistant Secretary
(Legislative Affairs)

The Honorable
John Glenn
United States Senate
Washington, D. C. 20510



DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

ASSISTANT SECRETARY

JUN 01 1984

Dear Senator Inouye:

This is in response to your letter to the President of March 21, 1984, in which you expressed your concern that the American commitment to Lebanon and the entire Middle East be reaffirmed by assuring the long term future of the American University in Beirut ("AUB"). You suggested that one way to do so would be to increase aid to AUB by establishing a trust fund within the Treasury to assist AUB, and you requested that the Administration consider such a proposal. The White House has asked Treasury to respond to you directly.

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Sincerely,

(signed)

Bruce Thompson, Jr.

Bruce E. Thompson, Jr.
Assistant Secretary
(Legislative Affairs)

The Honorable
Daniel K. Inouye
United States Senate
Washington, D. C. 20510



ASSISTANT SECRETARY

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

84-4472
WHJD#219090

JUN 01 1984

Dear Senator Mathias:

This is in response to your letter to the President of March 21, 1984, in which you expressed your concern that the American commitment to Lebanon and the entire Middle East be reaffirmed by assuring the long term future of the American University in Beirut ("AUB"). You suggested that one way to do so would be to increase aid to AUB by establishing a trust fund within the Treasury to assist AUB, and you requested that the Administration consider such a proposal. The White House has asked Treasury to respond to you directly.

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Sincerely,

(signed)

Bruce Thompson, Jr.

Bruce E. Thompson, Jr.
Assistant Secretary
(Legislative Affairs)

The Honorable
Charles McC. Mathias, Jr.
United States Senate
Washington, D. C. 20510



DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

ASSISTANT SECRETARY

JUN 01 1984

Dear Senator Pell:

This is in response to your letter to the President of March 21, 1984, in which you expressed your concern that the American commitment to Lebanon and the entire Middle East be reaffirmed by assuring the long term future of the American University in Beirut ("AUB"). You suggested that one way to do so would be to increase aid to AUB by establishing a trust fund within the Treasury to assist AUB, and you requested that the Administration consider such a proposal. The White House has asked Treasury to respond to you directly.

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The Treasury Department is also opposed to the trust fund mechanism for providing aid to AUB. Treasury's position is based upon its longstanding opposition, as a general principle, to the use of trust funds as a means of providing financial assistance, and we see no compelling justification for establishing such a fund in the AUB situation. Trust fund financing completely circumvents the normal appropriations and

budget process, by permitting the interest rate on the trust fund's securities to be determinative of the amount of assistance provided. Thus, Congress and the Executive Branch are deprived of control over future U.S. funding to a beneficiary of a trust, such as AUB in this case. A program financed in such a manner also assumes a special budgetary status since it is not required, as are most other government aid programs, to justify its need for aid annually as part of the normal U.S. budgetary process. Such "backdoor financing" has been opposed consistently by Treasury since it severs the relationship between the amount of aid given and the program's needs and ability to absorb funds. Moreover, because the interest earned on the trust's assets (Treasury securities) would be included as a part of the general interest paid on the public debt, the trust fund mechanism masks the true cost of assistance.

Finally, your letter states that other organizations have utilized trust funds similar to that proposed for AUB. We believe, however, that the proposed AUB fund differs markedly from the funding mechanisms of the three organizations mentioned in your letter. While the Japan-U.S. Friendship Commission utilizes a trust fund in Treasury, the Commission's fund was established with cash which Japan owed to the U.S., rather than an initial appropriation. The East-West Center in Hawaii is a private, nonprofit corporation receiving annual congressional appropriations, but has no trust fund to receive these appropriations. The Israeli-American foundations do not operate with a governmental trust fund, but instead are funded by money Israel owes to the U.S. and which is paid into and held by Israeli financial institutions.

Although Treasury is opposed to the trust fund mechanism as described in your letter and the Senate bill, we would be pleased to work with your committee and provide whatever assistance we can. We believe the best mechanism for providing the assistance you propose is through the normal budget and appropriations process.

Sincerely,

(signed)

Bruce Thompson, Jr.

Bruce E. Thompson, Jr.
Assistant Secretary
(Legislative Affairs)

The Honorable
Claiborne Pell
United States Senate
Washington, D. C. 20510

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

REFERRAL

APRIL 2, 1984

TO: DEPARTMENT OF THE TREASURY
ATTN: BRUCE THOMPSON

ACTION REQUESTED:
DIRECT REPLY, FURNISH INFO COPY

DESCRIPTION OF INCOMING:

ID: 219090

MEDIA: LETTER, DATED MARCH 21, 1984

TO: PRESIDENT REAGAN

FROM: THE HONORABLE CLAIBORNE PELL
UNITED STATES SENATE
WASHINGTON DC 20510

SUBJECT: EXPRESS CONCERN THAT THE EXISTENCE OF THE AMERICAN UNIVERSITY OF BEIRUT IS SERIOUSLY THREATENED BY TERRORIST ACTIVITIES AGAINST THE FACULTY, AS WELL AS MAJOR FINANCIAL LOSSES. RECOMMEND THE ESTABLISHMENT OF A TRUST FUND WITHIN THE TREASURY, WITH THE ANNUAL EARNINGS DEDICATED TO SUPPORTING THE UNIVERSITY & SHOWING OUR DETERMINATION TO WORK FOR PEACE IN THE REGION

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

March 30, 1984

Dear Senator Mathias:

On behalf of the President, I would like to thank you for your March 21 letter which you cosigned with five of your colleagues expressing your grave concern regarding the future of the American University of Beirut.

We appreciate the opportunity to review your recommendation that a trust fund be established within the Treasury dedicated to supporting the University. Let me assure you that your comments regarding the terrorist attacks against University personnel have been brought to the President's attention; and your ideas will be thoroughly studied in conjunction with the appropriate advisory staff members. You should be hearing further as soon as any information is available.

With best wishes,

Sincerely,

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

The Honorable Charles McC. Mathias, Jr.
United States Senate
Washington, D.C. 20510

MBO/KRJ/tjr

cc: w/copy of inc to Bruce Thompson, Legis
Affrs, Treasury - for DIRECT response
with copy to MBOglesby

Letter to all members

CHARLES H. PERCY, ILL., CHAIRMAN

HOWARD H. BAKER, JR., TENN.
JESSE HELMS, N.C.
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CHRISTOPHER J. DODD, CONN.

United States Senate

219090

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, D.C. 20510

SCOTT COHEN, STAFF DIRECTOR
GERYLD B. CHRISTIANSON, MINORITY STAFF DIRECTOR

March 21, 1984

Dear Mr. President:

When the American University of Beirut's president, Dr. Malcolm H. Kerr, was assassinated last January, you expressed a sentiment that we all shared -- this tragic death must strengthen our resolve not to allow terrorism "to take control of the lives or actions or future of ourselves and our friends." Nowhere is this resolve more important than in our commitment to the American University itself. Now in its 118th year of serving the Middle East, AUB has profoundly influenced the acceptance within Lebanon and throughout the region of the values of free inquiry and individual enterprise that the American people so cherish.

The future of peace in the Middle East rests ultimately upon the ability of the people in the region to understand and work with one another. American policy always aims to encourage and facilitate actions which broaden and strengthen regional dialogue. That means our success in assuring security and peace for all people of the Middle East is dependent upon our prior success in preserving within the region a commitment to reason and tolerance. To the people of the Middle East AUB is the very symbol of these high ideals. For them, its mission of teaching and healing is a concrete demonstration of the good intentions of the American people.

We are writing you now because of our concern that AUB's ability to continue serving as a seminal force for American ideas and values is threatened as never before in this institution's long history. AUB has seen not only the slaying of its president, but also the kidnapping of its acting president and one of its professors. It has suffered major financial losses from damaged facilities, lost tuition, and war-time costs at its hospital, which serves as a lifeline to the many casualties on all sides of the fighting. But most serious of all, the perception is growing both in Lebanon and elsewhere that these acts of violence and terrorism are weakening the U.S. commitment to continue working for moderation in the region.

We cannot allow the American University of Beirut to succumb to these forces. To do so would seriously dishearten those who still look to the United States for leadership, while at the same time encouraging those who would like nothing better than to sweep the region clear of every American influence. With this in mind we are exploring ways in which the continued American commitment to constructive engagement in Lebanon and the entire Middle

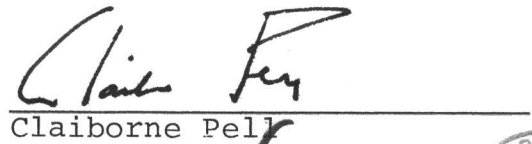
East can be reaffirmed by assuring the long-term future of AUB. One way of doing this is to establish a trust fund within the United States Treasury, the annual earnings from which would be dedicated to supporting the university. This idea was employed previously in establishing the Japan-United States Friendship Commission, which supports cultural and educational activities between the two countries. Similar approaches with somewhat different structures were used to fund the East-West Center in Hawaii and the Israeli-American foundations for industry, science, agriculture, and education. We believe creation of a U.S. Government trust fund for AUB would have the merit of enhancing the university's ability to attract financial backing from both U.S. private sources and governments in the Middle East.

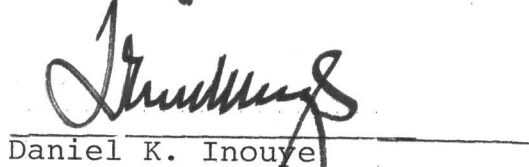
The AUB trust could be funded by utilizing a portion of the monies previously appropriated for Lebanon reconstruction. These monies could be reprogrammed to the fund.

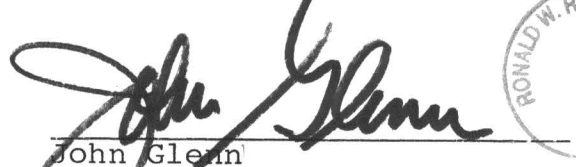
We offer these ideas for your consideration in the hope that you will join us in guaranteeing AUB's future. We are convinced that by giving priority to the university's mission of healing and understanding we will reassure our friends in the Middle East of our determination to remain constructively involved in working for peace.

Sincerely,

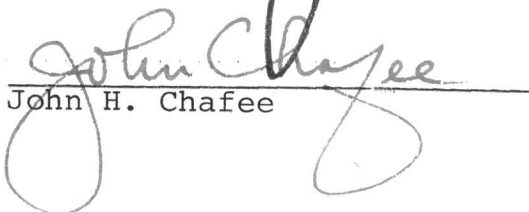

Charles McC. Mathias, Jr.

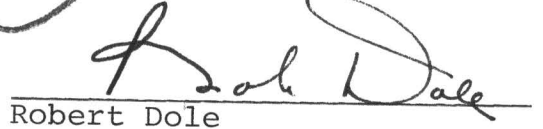

Claiborne Pell


Daniel K. Inouye


John Glenn




John H. Chafee


Robert Dole

The President
The White House