ID# 099557

FO004-02

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: DECEMBER 21, 1989

NAME OF CORRESPONDENT: THE HONORABLE BOB DOLE

SUBJECT: ENCLOSES COPY OF LETTER FROM 5 SENATORS TO MAJOR AMERICAN BANKS URGING THEIR COOPERATION WITH VENEZUELA ON DEBT RESTRUCTURING

ROUTE TO: OFFICE/AGENCY (STAFF NAME)	ACTION: ACT CODE	ACTION: DATE YY/MM/DD	DISPOSITION: TYPE RESP	DISPOSITION: C D	DISPOSITION: COMPLETED YY/MM/DD
JOHN SUNUNU LA	ORG	89/12/21	JS	A	90/01/08 CJ
REFERRAL NOTE:					
Fred McClure	D	89/12/21		C	89/12/21 CJ
REFERRAL NOTE:					
		/ /			/ /
REFERRAL NOTE:					
		/ /			/ /
REFERRAL NOTE:					
		/ /			/ /
REFERRAL NOTE:					

COMMENTS:

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 1220

CS MAIL USER CODES: (A)________ (B)________ (C)________

*ACTION CODES:	*DISPOSITION	*OUTGOING CORRESPONDENCE:
*A-APPROPRIATE ACTION	*A-ANSWERED	*TYPE RESP=INITIALS OF SIGNER
*C-COMMENT/RECOM	*B-NON-SPEC-REFERRAL	CODE = A
*D-DRAFT RESPONSE	*C-COMPLETED	*COMPLETED = DATE OF OUTGOING
*F-FURNISH FACT SHEET	*S-SUSPENDED	
*I-INFO COPY/NO ACT NEC		
*R-DIRECT REPLY W/COPY		
*S-FOR-SIGNATURE		
*X-INTERIM REPLY		

REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,OEOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

January 8, 1990

Dear Bob:

Thank you for your note following up on our recent conversation concerning debt reduction for Argentina and Venezuela. I have taken the liberty of sharing your comments and the copy of your letter to the several key American Banks with a number of Administration officials.

Your thoughts are receiving our close attention. Thank you again for writing.

With best regards,

Sincerely,

John H. Sununu
Chief of Staff

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

JHS:FDM:HGP:
cc: w/ copy of inc to AID - FYI
cc: w/ copy of inc to Ex-Im Bank -FYI
cc: w/ copy of inc to OPIC - FYI
cc: w/ copy of inc to STATE - FYI
cc: w/ copy of inc to COMMERCE - FYI
cc: w/ copy of inc to TREASURY - FYI
cc: w/ copy of inc to Intrntl. Bank for Reconstruction & Development - FYI
cc: w/ copy of inc to Inter-American Devel. Bank - FYI

THE WHITE HOUSE

WASHINGTON

January 8, 1990

Dear Bob:

Thank you for your note following up on our recent conversation concerning debt reduction for Argentina and Venezuela. I have taken the liberty of sharing your comments and the copy of your letter to the several key American Banks with a number of Administration officials.

Your thoughts are receiving our close attention. Thank you again for writing.

With best regards,

Sincerely,

John

John H. Sununu
Chief of Staff

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

99557

BOB DOLE
UNITED STATES SENATE

December 20, 1989

THE CHIEF of STAFF
has seen DEC 22 1989

Dear John:

In follow-up to our conversation at the White House on Monday, I wanted to provide you a copy of the letter that I and four other Republican Senators have sent to some of the key American banks, urging their cooperation with Venezuela on debt restructuring and their continued close monitoring of the situation in Argentina.

As we indicated in our letter to the President, the five of us feel that Perez needs and deserves our continued help, and expanded cooperation from the banks.

Sincerely yours,

BOB DOLE
United States Senate

The Honorable John H. Sununu
Chief of Staff
The White House
Washington

BOB DOLE
KANSAS

United States Senate

OFFICE OF THE REPUBLICAN LEADER

WASHINGTON, DC 20510

December 18, 1989

John S. Reed
Chairman
Citicorp
399 Park Avenue
New York, New York 10043

Dear Mr. Reed:

We have just returned from a trip to Latin America where we discussed a wide range of issues with some of the leaders of that continent. Among the problems that were uppermost in their minds were those related to the economy and international debt. We thought it might be useful to share with you a few observations from those discussions.

Many countries are moving to liberalize their economies and to open them up to foreign trade and investment. Such actions are essential if sustained growth is to be restored for these countries. We strongly encouraged leaders such as President Menem in Argentina, President Paz Zamora in Bolivia, and President Perez in Venezuela to continue their efforts, and, where necessary (such as Argentina), to strengthen them.

It is equally clear that these countries will also need continued external financial support if they are to achieve their economic goals. We are prepared to support necessary funding for the IMF and the World Bank if it is linked to market-oriented economic reforms and is consistent with U.S. foreign policy interests. But I am sure you can appreciate that such funding cannot be a substitute for debt reduction or new financing from the commercial banks. U.S. taxpayers would never be willing to use Federal funds to bail the banks out of their own lending decisions.

Each President with whom we met stressed the critical importance of active support from the banking community, either in the form of debt reduction or new lending. While recognizing that this should be the result of voluntary decisions based on pragmatic proposals, we nevertheless would urge you to work cooperatively with the debtors and other banks, including those outside the United States, to help find solutions to the debt problem of these countries.

In particular we would encourage you to reach early agreement with Venezuela. The Venezuelan government is implementing a far-reaching economic reform package and merits prompt support. The Argentines, as you know, are also working to put in place dramatic reforms, but are facing difficulties in that effort. We will be following developments there closely, and hope you will be willing to support their efforts at the appropriate time.

Reluctance to act by the banking community will only lead to more pressure from other quarters for regulatory or legislative action to mandate debt reduction, or unilateral debt moratoria by the debtors. I am sure that you will agree that voluntary, cooperative action is a much better way to proceed for all concerned.

I hope you will find these thoughts useful in your ongoing discussions with the debtor countries.

Sincerely,

Kit Bond
CHRISTOPHER S. BOND

Bob Dole
BOB DOLE

Orrin Hatch
ORRIN HATCH

Trent Lott
TRENT LOTT

Larry Pressler
LARRY PRESSLER

IDENTICAL LETTER SENT TO FOLLOWING:

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Chairman
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John McGillicuddy
Chairman and CEO
Manufacturers Hanover Trust
270 Park Avenue
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