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WHITE HOUSE
OFFICE OF RECORDS MANAGEMENT
WORKSHEET

☐ X - MEDIA

☐ H - INTERNAL

Name of Document: BRIEFING PAPERS FOR PRESIDENT'S SCHEDULED APPOINTMENTS FOR MAR 17 82

Subject Codes:
PR 007.01
AG
BE 003.06
PR 005
CO 001.09
LE
FO 003.02
CO 073
SO 003
HO 099

1 **Subject:** Meeting with California Cattlemen's Association

2. Meeting with White House News Photographers' Association Contest Winners

3. Ceremony transmitting legislation on the Caribbean Basin Initiative to Congress

4 Luncheon for Prime Minister HAUGHEY of Ireland in celebration of St. PATRICK'S DAY.

5. Schedule of the Prime Minister's Official working visit to Washington, D.C.

ROUTE TO: / **ACTION** / **DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
RMMATT	RSZ	/ /			/ /

Referral Note:

March 16, 1982
5:00 pm

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT'S SCHEDULE
Wednesday, March 17, 1982

9:00 am (30 min)	Staff Time (Baker, Meese, Deaver)	Oval Office
9:30 am (15 min)	National Security Briefing (William P. Clark)	Oval Office
9:45 am (15 min)	Meeting with Secretary Weinberger (William P. Clark)	Oval Office
10:00 am (10 min)	Dropby at Meeting of Leaders of California Beef Cattle Industry (William P. Clark)	Cabinet Room ~~Roosevelt~~ Room
10:15 am (10 min)	Photo with Winners of White House News Photographers Association Contest (Larry Speakes)	Oval Office
10:30 am (15 min)	Caribbean Basin Initiative Ceremony Remarks (Kenneth Duberstein)	Roosevelt Room Rose ~~Garden or~~ ~~Cabinet Room~~
10:45 am (45 min)	Personal Staff Time	Oval Office
11:30 am (30 min)	Meeting with Prime Minister Charles Haughey of Ireland (William P. Clark)	Oval Office
12:15 pm (75 min)	The President & Mrs. Reagan host Luncheon honoring Prime Minister & Mrs. Haughey	East Room
1:40 pm	To Private Quarters for Remainder of Day	Residence

Luncheon toast
remarks
Raf. sheets

March 16, 1982
5:00 pm

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT'S SCHEDULE
Wednesday, March 17, 1982

9:00 am (30 min)	Staff Time (Baker, Meese, Deaver)	Oval Office
9:30 am 9:48 (15 min) 9:48	National Security Briefing (William P. Clark) GB, MKD, EM, SAB, WPC	Oval Office
9:48-10:03 9:45 am (15 min)	Meeting with Secretary Weinberger (William P. Clark) ADM J. WATKINS GENERAL [illegible]	Oval Office
10:03-10:12 ~~10:00~~ am (10 min)	Dropby at Meeting of Leaders of California Beef Cattle Industry (William P. Clark)	CABINET ~~Roosevelt~~ Room
10:15 am (10 min)	Photo with Winners of White House News Photographers Association Contest (Larry Speakes)	Oval Office
10:25	WPC, EM, MKD, SAB.	
10:38 -> 10:50 ~~10:30~~ am (15 min) 10:31	(Kenneth Duberstein) Caribbean Basin Initiative Ceremony - DAVE GERGEN - 10:33	ROOSEVELT ROOM ~~Rose Garden~~ or ~~Cabinet Room~~
10:45 am (45 min)	Personal Staff Time	Oval Office
11:30 am (30 min)	Meeting with Prime Minister Charles Haughey of Ireland (William P. Clark)	Oval Office
12:15 pm 1:58 (75 min)	The President & Mrs. Reagan host Luncheon honoring Prime Minister & Mrs. Haughey	East Room
2:00	IN NUBEL'S OFC.	
2:05 ~~1:40~~ pm	To Private Quarters for Remainder of Day	Residence

Log Kept by Kathy Osborne

March 16, 1982
5:00 pm

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT'S SCHEDULE
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10:00 am (10 min)	Dropby at Meeting of Leaders of California Beef Cattle Industry (William P. Clark) (Tab A)	Cabinet Room
10:15 am (10 min)	Photo with Winners of White House News Photographers Association Contest (Larry Speakes) (Tab B)	Oval Office
10:30 am (15 min)	Caribbean Basin Initiative Ceremony (Kenneth Duberstein) (Tab C)(draft remarks attached)	Roosevelt Room
10:45 am (45 min)	Personal Staff Time	Oval Office
11:30 am (30 min)	Meeting with Prime Minister Charles Haughey of Ireland (William P. Clark) (distributed separately)	Oval Office
12:15 pm (75 min)	The President & Mrs. Reagan host Luncheon honoring Prime Minister & Mrs. Haughey (Tab D)(Draft remarks attached)	East Room
~~1:30 pm~~	~~Meeting with Ambassador Habib~~ ~~(William P. Clark)~~ (distributed separately)	Oval Office
	Return to Residence	

A

THE WHITE HOUSE

WASHINGTON

DROP-BY WITH CALIFORNIA CATTLEMEN'S ASSOCIATION

DATE: March 17, 1982
LOCATION: Roosevelt Room
TIME: 10:00 a.m.
FROM: Bill Clark Bill

I. PURPOSE

To welcome leaders of California beef cattle industry to the White House.

II. BACKGROUND

Current and past officials of California Cattlemen's Association are in Washington for annual meeting of National Cattlemen's Board. Representatives of the CCA and their wives are meeting in the Roosevelt Room with fellow Californian's in the Administration, including Ed Meese, Bill McMillan of Agriculture, Bob Nimmo of VA, and Ray Arnett of Interior, and myself. You may be familiar with several members of the group from Rancheros Vistaderos and California ranching circles.

III. PARTICIPANTS

See attached

IV. TALKING POINTS

o It is a pleasure to welcome friends from the California Cattlemen's Association to the White House.

o Very rarely do I get an opportunity to spend a moment with a group with which I share so much in common -- California -- love of ranching work and life.

o I hope your meetings in Washington this week are constructive. The concerns of the family-owned cattle ranch and cattle-feeder operations are known to me.

o I leave you in good hands to continue your meeting this morning -- Ray Arnett from Interior, Bob Nimo from VA, and Bill McMillan from Agriculture.

DROP-BY FOR CALIFORNIA CATTLEMEN'S ASSOCIATION

LIST OF PARTICIPANTS

Edward Biaggini, Jr.
Selistia Biaggini
Jack Owens
H. Clay Daulton
Nancy Mengshol
Jack Russ
Leo Johnson
George Scovel
William Staiger
Glen Van Schaack
Mari Van Schaack
Charles Kershaw, Jr.
Margaret Kershaw
Thomas Remington
Paula Remington
Francis Simpson, Jr.
John Weber

Ray Arnett - Assistant Secretary of Interior
Robert Nimmo - Administrator, Veteran's Association
William McMillan - Assistant Secretary of Agriculture

B

THE WHITE HOUSE

WASHINGTON

MEETING WITH WHITE HOUSE NEWS PHOTOGRAPHERS' ASSOCIATION CONTEST WINNERS

DATE: March 17, 1982
TIME: 10:15 a.m. (10 minutes)
LOCATION: The Oval Office

FROM: Larry Speakes

I. PURPOSE

To be photographed with the winners of the 1982 White House News Photographers' Association photo winners.

II. BACKGROUND

The White House News Photographers' Association has requested that you meet with the winners of the 1982 photo competition. You met with the 1981 winners last March.

A message has been prepared for inclusion in the Association's booklet of prize-winning photographs. A copy is attached.

An invitation has been extended to the President and Mrs. Reagan to attend the Association's annual dinner in May, where the winners are to be honored. If asked, a non-committal response is suggested.

III. PARTICIPANTS

Attached list of photo contest winners
Larry Speakes

IV. PRESS PLAN

White House Photographer
News Association Photographers

V. SEQUENCE OF EVENTS

After greetings, the President will look at the photographs and pose for pictures.

Attachments: List of 1982 photo winners
Text of message to the Association

WINNERS OF THE 1982 WHITE HOUSE NEWS PHOTOGRAPHERS' ASSOCIATION CONTEST

STILLS

Doug Chevalier
The Washington Post

Dennis Cook
Associated Press

Richard Darcey
The Washington Post

Fred Maroon
Free-lance

John McDonnell
The Washington Post

Wally McNamee
Newsweek

Larry Morris
The Washington Post

Ira Schwartz
Associated Press

James Stanfield (unable to attend)
National Geographic

Margaret Thomas
The Washington Post

REELS

Steve Affens
WJLA

Bob Boyer
NBC

Shelly Fielman
NBC

Paul Fine
WJLA

George Friedrich
NBC

Dave Gross
WJLA

Clyde Roller
WJLA

THE WHITE HOUSE

WASHINGTON

April, 1982

Nancy and I are pleased to have this opportunity to join in saluting the White House Photographers Association -- those who capture the moments of history in a most special way.

Thousands of words are written every day about what happens in the world, but often it is the picture that tells the story and vividly expresses the vitality and intensity of the moment. The professionalism and precision of your craft makes you artists in the finest sense of the word.

We congratulate you on providing for generations to come a very special record of history.

Ronald Reagan

C

MEMORANDUM #1456

THE WHITE HOUSE

WASHINGTON

March 16, 1982

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK WPC

SUBJECT: March 17 Ceremony Transmitting Legislation on the Caribbean Basin Initiative to Congress, 10:30 a.m., Cabinet Room

Issue

You will read a prepared statement (Tab A) and sign documents transmitting the legislation on the Caribbean Basin Initiative to the Congress. (A summary of the legislation is at Tab B.) The session should last no more than 15 minutes and will be attended by some 20 Administration officials, Senators and Congressmen, along with the media and press. There may be some questions from the press, although it is not intended as a press opportunity. I have attached some Q's and A's for your preparations (Tab C).

Background

The ceremony gives you another opportunity to stress the importance of the economic aspects of our policy toward the Caribbean Basin. After the last week of media attention on the war in El Salvador and our policy toward Nicaragua, this occasion enables you to bring the attention back to the root cause of instability in the area and your unprecedented program of trade, investment and aid measures to improve the lives and well being of our neighbors in this region.

Recommendation

That you read the prepared statement at Tab A at the signing ceremony tomorrow.

OK ✓ RR NO ______

Attachments

Tab A Presidential statement
B A summary of the legislation
C Q's and A's

Prepared by:
Henry R. Nau

A

B

CARIBBEAN BASIN INITIATIVE LEGISLATION

Executive Summary

The Caribbean Basin Economic Recovery Act sets forth a series of measures in the fields of trade, financial assistance and investment to promote economic recovery in the Caribbean Basin region.

Title I of the bill contains the trade measures. The President will have the authority to eliminate for 12 years duties on all products from those Caribbean countries that he designates to be beneficiary countries. Exercise of this authority will permit the United States to establish a one-way free trade arrangement with Caribbean states. The President cannot designate countries which are communist, have expropriated U.S. property without compensation or failed to enforce arbitration awards unless he determines that the designation is in the national economic or security interest of the United States. The President is also required in designating countries to take into account factors such as the country's desire to be designated, economic situation, adherence to international trade rules, willingness to undertake self-help measures, and record of affording rights to workers.

The rules of origin for the free trade arrangement require that an eligible product contain 25% minimum beneficiary country content. Inputs from Puerto Rico and the Virgin Islands will be treated as inputs from beneficiary countries for purposes of satisfying the rules of origin requirements.

All products from beneficiary countries will be eligible for duty-free treatment except textile and apparel items subject to textile agreements. As long as an agricultural sugar price support program is in effect, sugar imports will receive duty-free treatment, but only up to certain limits. Sugar imports from the Dominican Republic, Panama and Guatemala will be subject to absolute quotas. Duty-free sugar imports from other beneficiary countries will also be limited. The President will have wide discretion to adjust the amount of duty-free sugar allowed to be imported.

A domestic industry which is being injured by imports from beneficiary countries can resort to the existing import relief procedures and imports from beneficiary countries will be subject to import relief measures as are other imports. When recommending import relief, the International Trade Commission is required to state the extent to which imports from beneficiary countries are the cause of injury. In acting on a recommendation to impose import relief the President will have the flexibility to treat the withdrawal of duty-free treatement as his only import relief measure or impose a lower duty on products from beneficiary countries than on products from other countries. The President will also have the authority to review existing import relief measures and to modify the relief for products of beneficiary countries. Upon the recommendation of the Secretary of Agriculture, the President can take emergency action to prevent perishable agricultural commodities from injurying a domestic industry pending the outcome of a normal import relief investigation. Emergency action is limited to restoring the most-favored-nation rate of duty on products from beneficiary countries.

Products of the U.S. Virgin Islands and other insular possessions will receive as favorable treatment as products from beneficiary countries and industries in the insular possessions can petition for import relief as can domestic industries. In the event that the formula for distributing to Puerto Rico and the Virgin Islands the excise taxes collected on imported rum is changed to their detriment, the President may consider measures to compensate them and will have the authority to withdraw the duty-free treatment given to rum. The bill will not affect the authority of Puerto Rico to impose a duty on coffee imported into Puerto Rico.

Title II of the bill authorizes a supplemental appropriation of $350 million in emergency economic assistance for Caribbean Basin countries.

Title III contains tax measures. The regular investment tax credit will be extended to property which is used predominantly in a qualifying Caribbean Basin country ("Caribbean Basin Property") if that property is otherwise eligible for the credit under present law. This benefit will be available for five years from the date of enactment of the bill. A beneficiary country may qualify for this benefit by entering into a bilateral executive agreement with the United States providing for the exchange of such information as is necessary for carrying out the tax laws of the United States and the other country, including information regarding beneficial ownership of bank accounts and bearer shares. The investment tax credit rules and limitations under present law generally apply to Caribbean Basin property.

A five percent United States shareholder of a foreign corporation will be allowed a pass-through of the credit with respect to the foreign corporations's investment in Caribbean Basin property. Generally, a pass-through credit is availible for qualifying investment purchased with funds which may be attributed, directly or indirectly, to equity investment of the shareholder in the foreign corporation after the date of enactment of the bill but is not availible for otherwise qualifying investments acquired with funds attributed to retained earnings or nonequity sources of funds.

The bill allows an investment tax credit and the benefits of accelerated cost recovery (ACRS) to property used predominately in Puerto Rico, the U.S. Virgin Islands and other possessions which is owned or used by certain U.S. taxpayers that are not presently allowed these benefits. Generally U.S. corporate shareholders of such corporate taxpayers will receive a pass-through of a portion of these tax benefits.

The present law providing for the transfer to Puerto Rico and the U.S. Virgin Islands of the excise tax collected on their respective rum sales to the United States will be amended to provide that Puerto Rico and the U.S. Virgin Islands will also receive U.S. excise tax collections on all rum imports at a rate per unit not greater than the rate they receive for their own rum sales to the United States.

SUPPLEMENTAL Q's AND A's

Q: Can you comment on newspaper allegations and charges by the Nicaraguan government that the U.S. is engaged in covert activities directed against the Nicaraguan government? What about blowing up bridges?

A: It is our policy never to comment on this kind of report.

Q: But what about Sen. Goldwater's confirmation of the Washington Post report on covert activities?

A: We just aren't going to comment.

Q: What is the military situation in El Salvador? Are we losing?

A: The guerrillas are intent on proving to the world their victory is inevitable. That, however, is not supported by the facts. They can make raids; they engage in acts of terrorism; but they can't seize and hold territory and they can't demonstrate widespread mass support.

Q: What about the elections? Can they be held; can they be meaningful?

A: I believe the elections will be held despite the harrassment of the guerrillas who believe power can be won only at the barrel of a gun. Furthermore, it is a free election with six parties competing, with an enormous press presence and numerous independent election observers. The fact that it will be a free election can be verified. We hope for a good turnout despite the blatant intimidation of the other side.

Q: What if the far right -- particularly Mr. D'Aubisson's party ARGNA wins in El Salvador?

A: I don't predict outcomes. Our goal and the Government's goal is a fair contest.

Q: Do we need to globalize El Salvador as some unnamed official suggested to the Washington Post last weekend?

A: Secretary Haig answered that question yesterday. It is true that El Salvador has a local, regional and global aspect. Our policy addresses all three aspects. Solving the problem means acting in all three areas. But it must be made crystal clear: although the Soviets and Cubans have interfered in Central America in an unwarranted manner, they have by their promoting of anti-democratic violence earned no right to join in any possible discussions. We must, as Secretary Haig again suggested, use our influence in each area in order to find a solution.

Q: What are the next steps concerning the Mexican peace initiative since the Haig-Castaneda meeting?

A: We are looking forward to further talks with the Mexicans and others. We are always willing to consider any suggestions that might improve chances for peace.

Q: Do Nicaraguans have any reason to fear U.S. attacks or aggression?

A: We have made our position known to the Nicaraguans and we are prepared to seriously discuss matters of mutual interest with Nicaragua whenever they are ready.

Q. Why is the Caribbean Basin being singled out for special attention?

A. Because many Caribbean and Central American countries, which together make up our third border, face an economic crisis of unprecedented dimensions. They cannot cope with it alone. The situation is deteriorating rapidly, contributing to political instability and creating fresh openings for our adversaries.

The Caribbean is too close and too important for us to stand by while misery and conflict grow and spill over. This is our neighborhood. We cannot move out. These are our neighbors. We cannot turn our back on them.

The situation is so grave and so urgent that it demands an immediate U.S. response. I am counting on you, the leaders of our Congress, to insure rapid action on our legislative package.

Q. Mr. President, is this program adequate to do the job, or is it just another example of "too little, too late?"

A. The economic crisis facing the Caribban Basin region is of major proportions. Thus, I have proposed a major and comprehensive response. Perhaps the greatest enemy of the peoples of the region is despair, for it leaves them vulnerable to extremist appeals, violence and external exploitation. The most important weapon we can provide is hope, born out of the conviction that someone cares and is prepared to help them meet this crisis.

This is one reason why it is critical that the Congress approve the CBI legislation quickly. Rapid Congressional action will provide an immense psychological boost to the peoples and governments of the region. It will demonstrate to our friends worldwide that we are prepared to throw out a life line when our neighbors are sinking. When added to what others can be expected to do to help, the major steps I have proposed will do the job.

Q. Can you tell us something about the international reaction to the President's proposed Caribbean Basin proposals?

A. The reaction has been very positive. Within the Caribbean Basin, comments from potential recipients have been overwhelmingly favorable. Government leaders from Jamaica, Dominica, St. Lucia, Belize, Antigua and Barbuda, Costa Rica, Honduras, El Salvador, the Dominican Republic, Panama, and elsewhere have made public statements praising the program.

Canada, Mexico and Venezuela, our "Nassau Four" partners, have generally welcomed our economic program.

Many of our European and Asian allies privately have welcomed the U.S. economic program. But I'll let them speak for themselves.

Q. Are Cuba, Nicaragua and Grenada eligible to participate in the CBI?

A. As I said in my speech February 24, we seek to exclude no one. Those who accept and practice the traditions and common values of this hemisphere are welcome. The benefits of the free trade and investment provisions can only be realized in practice by those countries which accept the role of a strong private sector. The usual criteria governing eligibility for trade preferences and assistance will apply. We will be discussing with each country their eligibility under these criteria.

The Castro government has excluded itself from participation in the U.S. program with its imposition of a Communist system on Cuba and elimination of the private sector; through an aggressive policy of active support for violent extremists in Latin America; and by its failure to compensate U.S. firms expropriated after Castro came to power.

Let me make one thing clear. The CBI is not aimed at Cuba specifically. But by promoting economic development and peaceful political evolution, it helps inoculate the region against Cuban terrorism and Cuban-supported insurgency.

Q: What about security assistance for the Caribbean Basin?

A: I believe it is in our national interest to help governments threatened with aggression from outside their borders to defend themselves. As I said in my speech of February 24, I shall be asking the Congress to provide increased security assistance to help friendly countries protect themselves against those who would destroy their chances for economic and social progress and political democracy. The request for additional security assistance will be forwarded to the Congress separately.

Q. Is the Caribbean Basin Initiative just a cover for increased military assistance to El Salvador?

A. Most assuredly not. From the very beginning of my Administration, we have been discussing with Mexico, Canada, and Venezuela and then with other countries in the Caribbean and Central America how we might best address the urgent economic crisis in the region. It was in consultation with other donors and with recipient countries that we drew up the Caribbean Basin Initiative.

There is, of course, concurrently a security threat to the region stemming from Cuban and Nicaraguan efforts to subvert governments in the region. Security problems have aggravated the economic crises in Central America. The United States must and will respond to this security threat as well. But, we will not follow Cuba's lead in seeking to resolve human problems by brute force. Our economic assistance is more than five times our security assistance to the area.

Q How will the free trade provided by this legislation affect U.S. working people?

A: First, the Caribbean Basin -- even taken as a whole -- is very small economically when compared to our market. Secondly, these countries will need some time to expand their productive and export capacity. We therefore expect that their exports to us will not grow explosively -- but gradually. For these two reasons, I believe there is little likelihood of disruption in our economy.

However, in the unlikely event that our industries or workers are threatened with injury from Caribbean Basin exports, there is a safeguard mechanism. We can reimpose duties in those cases.

Q: Shouldn't we exclude from the free trade arrangement those industries where U.S. workers could be hurt -- for example, shoes and other leather products?

A: We must avoid excluding products or sectors. What gives this program impact is that it is comprehensive -- and therefore simple. That is a powerful stimulus to investment by both local and foreign businessmen. The simple comprehensive approach is essential to demonstrate our real concern for these small neighboring countries.

Once we start down the road of exclusions, where would we stop? Almost every industry will argue that it needs duties.

We have a safeguard system for those cases where our industries are hurt by imports. Let's rely on that, rather than exclusions, to protect our workers and industries.

MEMORANDUM #1456

THE WHITE HOUSE

WASHINGTON

March 16, 1982

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK WPC

SUBJECT: March 17 Ceremony Transmitting Legislation on the Caribbean Basin Initiative to Congress, 10:30 a.m., Cabinet Room

Issue

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Background

The ceremony gives you another opportunity to stress the importance of the economic aspects of our policy toward the Caribbean Basin. After the last week of media attention on the war in El Salvador and our policy toward Nicaragua, this occasion enables you to bring the attention back to the root cause of instability in the area and your unprecedented program of trade, investment and aid measures to improve the lives and well being of our neighbors in this region.

Recommendation

That you read the prepared statement at Tab A at the signing ceremony tomorrow.

OK ________ NO ________

Attachments

Tab A Presidential statement
B A summary of the legislation
C Q's and A's

Prepared by:
Henry R. Nau

PRESIDENT'S STATEMENT ON CBI TO CONGRESSIONAL LEADERS

Two weeks ago in an address to the OAS, I presented a comprehensive proposal designed to help the peoples of the Caribbean Basin cope with a crisis of unprecedented proportions. Today I am transmitting this plan to Congress.

The well-being and security of our Caribbean Basin neighbors are in our own vital interest.

Today, both their economic well-being and security are threatened. Economic disaster is consuming our neighbors' money reserves and credit, forcing thousands of people to emigrate, and threatening even the most established democracies. Extremist groups and violent minorities are exploiting this economic misery to gain new footholds in this hemisphere. If we do not act now, the dangers will grow. New Cubas will arise. The costs of ensuring our security to the south will escalate.

The plan I am offering today addresses the underlying economic crisis that offers opportunities to the foes of freedom. Our program, like the crisis itself, is unprecedented and consists of mutually-reinforcing measures in the fields of trade, investment, and financial assistance. The package is a balanced one, and every component is essential. It is not foreign aid as usual but a program that is based on unique American practices that we know work. It will support our neighbors' efforts to achieve economic progress, political democracy, social justice and freedom from outside intervention. By encouraging a more productive and dynamic private sector, it will develop the jobs, goods and services which the people of the Basin need for a better life.

This is our contribution. Others in this hemisphere are also increasing theirs. Our willingness to act boldly has been a catalyst. Earlier this week Al Haig and Bill Brock met with the Ministers of Colombia, Mexico, Venezuela and Canada to discuss programs. These countries are making substantial contributions. Colombia which is itself a developing country is increasing trade credits, balance of payments swaps and technical assistance, and will extend trade preferences. Canada will more than double its assistance. Mexico and Venezuela, in addition to the $700 million a year oil facility, are increasing other programs including trade preferences. Our countries agreed jointly to ask the Europeans and Japan to pitch in too. We'll be meeting with them soon.

I am acutely conscious that we ourselves are going through a period of economic difficulty. I would not propose this program if I were not convinced that it is in our vital national interest. The economies of these countries are small; the impact of the trade measures will develop slowly. Every protection available to U.S. industry and labor against disruptive imports will remain.

The crisis in the Caribbean Basin is not a partisan issue. I urge the Congress to move with maximum speed. Your leadership will be crucial. Our security cannot wait.

CARIBBEAN BASIN INITIATIVE LEGISLATION

Executive Summary

The Caribbean Basin Economic Recovery Act sets forth a series of measures in the fields of trade, financial assistance and investment to promote economic recovery in the Caribbean Basin region.

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The present law providing for the transfer to Puerto Rico and the U.S. Virgin Islands of the excise tax collected on their respective rum sales to the United States will be amended to provide that Puerto Rico and the U.S. Virgin Islands will also receive U.S. excise tax collections on all rum imports at a rate per unit not greater than the rate they receive for their own rum sales to the United States.

SUPPLEMENTAL Q's AND A's

Q: Can you comment on newspaper allegations and charges by the Nicaraguan government that the U.S. is engaged in covert activities directed against the Nicaraguan government? What about blowing up bridges?

A: It is our policy never to comment on this kind of report.

Q: But what about Sen. Goldwater's confirmation of the *Washington Post* report on covert activities?

A: We just aren't going to comment.

Q: What is the military situation in El Salvador? Are we losing?

A: The guerrillas are intent on proving to the world their victory is inevitable. That, however, is not supported by the facts. They can make raids; they engage in acts of terrorism; but they can't seize and hold territory and they can't demonstrate widespread mass support.

Q: What about the elections? Can they be held; can they be meaningful?

A: 'I believe the elections will be held despite the harrassment of the guerrillas who believe power can be won only at the barrel of a gun. Furthermore, it is a free election with six parties competing, with an enormous press presence and numerous independent election observers. The fact that it will be a free election can be verified. We hope for a good turnout despite the blatant intimidation of the other side.

Q: What if the far right -- particularly Mr. D'Aubisson's party ARGNA wins in El Salvador?

A: I don't predict outcomes. Our goal and the Government's goal is a fair contest.

Q: Do we need to globalize El Salvador as some unnamed official suggested to the Washington Post last weekend?

A: Secretary Haig answered that question yesterday. It is true that El Salvador has a local, regional and global aspect. Our policy addresses all three aspects. Solving the problem means acting in all three areas. But it must be made crystal clear: although the Soviets and Cubans have interfered in Central America in an unwarranted manner, they have by their promoting of anti-democratic violence earned no right to join in any possible discussions. We must, as Secretary Haig again suggested, use our influence in each area in order to find a solution.

Q: What are the next steps concerning the Mexican peace initiative since the Haig-Castaneda meeting?

A: We are looking forward to further talks with the Mexicans and others. We are always willing to consider any suggestions that might improve chances for peace.

Q: Do Nicaraguans have any reason to fear U.S. attacks or aggression?

A: We have made our position known to the Nicaraguans and we are prepared to seriously discuss matters of mutual interest with Nicaragua whenever they are ready.

Q. Why is the Caribbean Basin being singled out for special attention?

A. Because many Caribbean and Central American countries, which together make up our third border, face an economic crisis of unprecedented dimensions. They cannot cope with it alone. The situation is deteriorating rapidly, contributing to political instability and creating fresh openings for our adversaries.

The Caribbean is too close and too important for us to stand by while misery and conflict grow and spill over. This is our neighborhood. We cannot move out. These are our neighbors. We cannot turn our back on them.

The situation is so grave and so urgent that it demands an immediate U.S. response. I am counting on you, the leaders of our Congress, to insure rapid action on our legislative package.

Q. Mr. President, is this program adequate to do the job, or is it just another example of "too little, too late?"

A. The economic crisis facing the Caribban Basin region is of major proportions. Thus, I have proposed a major and comprehensive response. Perhaps the greatest enemy of the peoples of the region is despair, for it leaves them vulnerable to extremist appeals, violence and external exploitation. The most important weapon we can provide is hope, born out of the conviction that someone cares and is prepared to help them meet this crisis.

This is one reason why it is critical that the Congress approve the CBI legislation quickly. Rapid Congressional action will provide an immense psychological boost to the peoples and governments of the region. It will demonstrate to our friends worldwide that we are prepared to throw out a life line when our neighbors are sinking. When added to what others can be expected to do to help, the major steps I have proposed will do the job.

Q. Can you tell us something about the international reaction to the President's proposed Caribbean Basin proposals?

A. The reaction has been very positive. Within the Caribbean Basin, comments from potential recipients have been overwhelmingly favorable. Government leaders from Jamaica, Dominica, St. Lucia, Belize, Antigua and Barbuda, Costa Rica, Honduras, El Salvador, the Dominican Republic, Panama, and elsewhere have made public statements praising the program.

Canada, Mexico and Venezuela, our "Nassau Four" partners, have generally welcomed our economic program.

Many of our European and Asian allies privately have welcomed the U.S. economic program. But I'll let them speak for themselves.

Q. Are Cuba, Nicaragua and Grenada eligible to participate in the CBI?

A. As I said in my speech February 24, we seek to exclude no one. Those who accept and practice the traditions and common values of this hemisphere are welcome. The benefits of the free trade and investment provisions can only be realized in practice by those countries which accept the role of a strong private sector. The usual criteria governing eligibility for trade preferences and assistance will apply. We will be discussing with each country their eligibility under these criteria.

The Castro government has excluded itself from participation in the U.S. program with its imposition of a Communist system on Cuba and elimination of the private sector; through an aggressive policy of active support for violent extremists in Latin America; and by its failure to compensate U.S. firms expropriated after Castro came to power.

Let me make one thing clear. The CBI is not aimed at Cuba specifically. But by promoting economic development and peaceful political evolution, it helps inoculate the region against Cuban terrorism and Cuban-supported insurgency.

Q: What about security assistance for the Caribbean Basin?

A: I believe it is in our national interest to help governments threatened with aggression from outside their borders to defend themselves. As I said in my speech of February 24, I shall be asking the Congress to provide increased security assistance to help friendly countries protect themselves against those who would destroy their chances for economic and social progress and political democracy. The request for additional security assistance will be forwarded to the Congress separately.

Q. Is the Caribbean Basin Initiative just a cover for increased military assistance to El Salvador?

A. Most assuredly not. From the very beginning of my Administration, we have been discussing with Mexico, Canada, and Venezuela and then with other countries in the Caribbean and Central America how we might best address the urgent economic crisis in the region. It was in consultation with other donors and with recipient countries that we drew up the Caribbean Basin Initiative.

There is, of course, concurrently a security threat to the region stemming from Cuban and Nicaraguan efforts to subvert governments in the region. Security problems have aggravated the economic crises in Central America. The United States must and will respond to this security threat as well. But, we will not follow Cuba's lead in seeking to resolve human problems by brute force. Our economic assistance is more than five times our security assistance to the area.

Q How will the free trade provided by this legislation affect U.S. working people?

A: First, the Caribbean Basin -- even taken as a whole -- is very small economically when compared to our market. Secondly, these countries will need some time to expand their productive and export capacity. We therefore expect that their exports to us will not grow explosively -- but gradually. For these two reasons, I believe there is little likelihood of disruption in our economy.

However, in the unlikely event that our industries or workers are threatened with injury from Caribbean Basin exports, there is a safeguard mechanism. We can reimpose duties in those cases.

Q: Shouldn't we exclude from the free trade arrangement those industries where U.S. workers could be hurt -- for example, shoes and other leather products?

A: We must avoid excluding products or sectors. What gives this program impact is that it is comprehensive -- and therefore simple. That is a powerful stimulus to investment by both local and foreign businessmen. The simple comprehensive approach is essential to demonstrate our real concern for these small neighboring countries.

Once we start down the road of exclusions, where would we stop? Almost every industry will argue that it needs duties.

We have a safeguard system for those cases where our industries are hurt by imports. Let's rely on that, rather than exclusions, to protect our workers and industries.

Drafted:ARA/ECP:JSlattery:ARA/PPC:JSwigert
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RM

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

March 17, 1982

FOR: DAVE FISCHER

FROM: M. B. OGLESBY, JR.
PAMELA TURNER

SUBJECT: Ceremony to Forward to the Congress Caribbean Basin Initiative Legislation and Accompanying Presidential Message, March 17, 1982

The following list reflects attendance at the 10:30 a.m. Ceremony today in the Roosevelt Room:

The President

Alexander Haig, Secretary of State
Malcolm Baldrige, Secretary of Commerce
William Brock, United States Trade Representative
Peter McPherson, Administrator, Agency for International Development
Thomas Enders, Assistant Secretary of State for Inter-American Affairs

The Governor of Puerto Rico

Senate

Jesse Helms (R-North Carolina)
Edward Zorinsky (D-Nebraska)

House

William Broomfield (R-Michigan)
Robert Lagomarsino (R-California)
Michael D. Barnes (D-Maryland)
Clarence Long (D-Maryland)
Baltasar Corrada (Resident Commissioner-Puerto Rico)

THE WHITE HOUSE

WASHINGTON

March 13, 1982

CEREMONY TO FORWARD TO THE CONGRESS
CARIBBEAN BASIN INITIATIVE LEGISLATION
AND ACCOMPANYING PRESIDENTIAL MESSAGE

DATE: Wednesday, March 17, 1982
LOCATION: The Cabinet Room
TIME: 10:30-10:45 (15 minutes)

FROM: Kenneth M. Duberstein KMD

I. PURPOSE

To emphasize formal transmittal of the Administration's Caribbean Basin Initiative legislation and accompanying Presidential message, and to recognize the key Administration officials and Members of the Congress who are involved in this effort.

II. BACKGROUND

On February 24, in a speech to the Organization of American States, the President outlined a bold and extensive proposal for assisting nations of the Caribbean Basin through enhanced trade, investment, economic and security assistance. Prior to the President's speech, extensive briefings were held for the Congressional bipartisan leadership and other interested members of the House and Senate here at the White House.

The legislation and Presidential message are ready to be sent to the Congress. Briefings are being conducted with the relevant committee chairmen and staff and members of the Leadership in the House and Senate. Many of the jurisdictional committees have indicated an interest in holding hearings soon after receipt of the legislation. The Ways and Means Subcommittee on Trade has tentatively scheduled a hearing on the legislation in the late morning or afternoon of the 17th. Overall reaction by the Congress to the Caribbean proposal has been encouraging.

The genesis of the Caribbean Basin Initiative goes back to the President's campaign pledge to forge a stronger partnership among our North American neighbors. Working cooperatively with Canada, Mexico and Venezuela, the United States will provide economic and security assistance, trade incentives and encouragement for private sector growth designed to promote economic and political stability in the nations of the Caribbean Basin and Central America.

III. PARTICIPANTS

List Attached

IV. PRESS PLAN

Press pool
White House photographer

V. SEQUENCE OF EVENTS

Administration officials and Members of Congress to stand behind the President.

10:30-10:40	Presidential remarks
10:40-10:45	Formal signing of Presidential Message and individual expressions of appreciation to Members of Congress

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Attachments: Presidential Remarks
Participants List

ATTACHMENT

The President
The Vice President
Alexander Haig, Secretary of State
Malcolm Baldrige, Secretary of Commerce
William Brock, United States Trade Representative
Peter McPherson, Administrator, Agency for International Development
Tom Enders, Assistant Secretary of State for InterAmerican Affairs

SENATE

Bentsen, Lloyd (D-Texas)
Byrd, Robert D. (D-West Virginia)
Dole, Robert (R-Kansas)
Hatfield, Mark O. (R-Oregon)
Helms, Jesse (R-North Carolina)
Zorinsky, Edward (D-Nebraska)

Regrets: Baker, Howard H., Jr. (R-Tennessee)
Danforth, John D. (R-Missouri)
Inouye, Daniel K. (D-Hawaii)
Kasten, Robert W., Jr. (R-Wisconsin)
Long, Russell B. (D-Louisiana)
Pell, Claiborne (D-Rhode Island)
Percy, Charles H. (R-Illinois)
Proxmire, William (D-Wisconsin)

HOUSE

Barnes, Michael D. (D-Maryland)
Broomfield, William S. (R-Michigan)
Conte, Silvio O. (R-Massachusetts)
Corrada, Baltsar (D-Puerto Rico)
Gibbons, Sam M. (D-Florida)
Lagomarsino, Robert J. (R-California)
Long, Clarence D. (D-Maryland)
Vander Jagt, Guy (R-Michigan)
Whitten, Jamie L. (D-Mississippi)
Zablocki, Clement J. (D-Wisconsin)

Regrets: Bingham, Jonathan B. (D-New York)
Conable, Barber B. (R-New York)
Gilman, Benjamin A. (R-New York)
Kemp, Jack (R-New York)
Michel, Robert H. (R-Illinois)
O'Neill, Thomas P., Jr. (D-Massachusetts)
Rostenkowski, Dan (D-Illinois)
Wright, Jim (D-Texas)
De Lugo, Ron (D-Virgin Islands)

PARTICIPANTS (continued)

Staff

Edwin Meese, III
James Baker, III
Michael Deaver
William Clark
Richard Darman
Ken Duberstein
Pamela J. Turner
M. B. Oglesby, Jr.
John Dressendorfer