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United States Department of State

Washington, D.C. 20520

January 17, 1990

*I called Matt Smith
1/24. 'No way' 50K
I suggested lateral
move pay.
Matt will look into it.
Jm*

MEMORANDUM

TO: Mr. Charles T. Hagel,
Deputy Director 1990 Economic Summit
FROM: A/EX/PMD - Joseph H. McGuire *Jm*
SUBJECT: Appointment of Mr. Fred Sainz

As a follow up to our conversations concerning your proposal to hire Mr. Fred Sainz as a Special Assistant with the 1990 Economic Summit group, I discussed appointment and contracting options with the Department's central personnel office and Steve Rodriguez in the Office of Acquisitions.

Unfortunately, our options are limited given Fred's experience and educational background. As I mentioned, there is no appointing authority available that would enable us to pay him at either his current salary level or the \$50,000 annual salary that has been requested. Based on his current rate of pay with the White House, it appears that a reimbursable or non-reimbursable detail arrangement would be the quickest and most appropriate process for at least retaining his current rate of pay.

On the contracting side, Steve Rodriguez has explored the various options available and has experienced problems with such issues as Federal Acquisition Regulation based authorities and sole source justifications, mandatory inter-departmental professional service clearances, and salary history, again due to Fred's experience and education level.

We want to be as responsive as possible to the staffing requirements of the 1990 Economic Summit. However, as you can see we are restricted in what can be done to accommodate the salary requested in this case.

I would be happy to work on the detail option with the White House if you think it is appropriate to go that route. Please let me know.

THE WHITE HOUSE

WASHINGTON

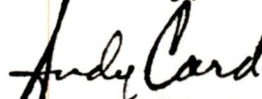
March 12, 1990

Dear Matt,

Enclosed is a copy of a letter I received from Bill Orr, Governor Kay Orr's husband, relative to a visa situation for Mr. Shan Lin and his wife. I would appreciate you checking into this and having the appropriate people get back in touch with Bill Orr.

Thanks also for your efforts in helping the George McNeil Family from Randolph, Massachusetts, recover their father's body from the Thai government. As always, you did a great job.

Sincerely,



Andrew H. Card, Jr.
Assistant to the President
and Deputy to the Chief of Staff

Mr. Matt Smith
White House Liaison
Department of State
Washington, D.C. 20520



WOODMEN ACCIDENT AND LIFE COMPANY

WILLIAM D. ORR, CLU
SENIOR VICE PRESIDENT
DIRECTOR OF AGENCY AND MARKETING

March 7, 1990

Mr. Andrew Card, Jr.
Assistant to the President
The White House, West Wing
Washington, D.C. 20500

Dear Andy:

Enclosed is the information we discussed by phone. Hopefully there is something you can do to get "the rest of the story." Anything you do will be greatly appreciated. Warmest regards.

Cordially yours,

William D. Orr, CLU

WDO/aa

Enclosures

THE WHITE HOUSE
WASHINGTON

2/20
Sent to NSC+
Matt Smith@DAS.

February 20, 1990

Dear Howard,

Thank you for your letter of February 15th. The President's trip to Cartagena was a success, and I expect that the result will be a significant plus in the war against drugs.

The appropriate officials here will look into the correspondence that you sent to the President on October 15, 1989. I will also make sure that the Department of State is aware of your correspondence to Secretary Baker.

The President has talked about the House prayer breakfast group. Congressman Ike Skelton raised the possibility of a meeting when the President attended the National Prayer Breakfast.

With best wishes,

Sincerely,



Andrew H. Card, Jr.
Assistant to the President
and Deputy to the Chief of Staff

The Honorable Howard W. Pollock
1001 Connecticut Avenue, N.W.
Suite 312
Washington, D.C. 20036-5544



AC HAS SEEN 2/20

HOWARD W. POLLOCK
MEMBER OF CONGRESS (ALASKA)
RETIRED

Thursday, 15 February 1990

The Honorable Andrew H. Card, Jr.
Assistant to the President and
Deputy to the Chief of Staff
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500-0001

Dear Andy,

Help! I'm frustrated! At first opportunity, when President Bush returns from Cartagena, please bring to his attention the letter I addressed to him on 15 October 1989, which was never answered, to which was attached a letter to Secretary James A. Baker, III, which was never answered either.

(Copies are attached for reference, together with a copy of an earlier letter from the Department of Treasury to Combat Military Ordnance, Ltd.

In each, the underlying subject is a request to have the Office of Munitions Control, Department of State, grant an exception to the provisions of ITAR, so that the American company, Combat Military Ordnance, Ltd., may have a permit to purchase 20,000 Mosin-Nagant M-1944 carbine rifles from the government of Poland for \$2,500,000 at no expense to the US Government. These are obsolete Model 1891 Polish bolt-action carbines, curio/relic firearms, although it might be possible to convert them for use as sporting rifles. These are not strategic goods that US policy has been designed to prevent with communist countries; the relics are collector's items -- sportsmen's treasures.

Andy, some time ago the President asked for any suggestions on how to help Poland without increasing

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government expenditures substantially. Here we have a unique opportunity. This is not about guns; it is about economic trade that we should encourage rather than prevent it at this historic time in history.

An approval will require purposeful Presidential involvement, an executive change of existing US policy, instead of routine referral and bureaucratic reference to existing outdated anticommunist antitrade policies (which is so unlike the President's progressive and constructive attitude).

Approval would give Poland a very hefty economic boost by providing an injection of hard currency, which that nation desperately needs, without the slightest US Government funding.

Andy, it is very difficult to understand why the US is dragging its feet in removing East European nations from the Proscribed Country List since they have chosen to overthrow their former communist governments. At the least, granting temporary exceptions would vitally help, since the outdated original purpose was to prevent trade in strategic goods with communist countries.

This is particularly true for Poland, the country that courageously started the domino effect of crumbling the "iron curtain". Poland should not be now put on the back burner, but rather should be rewarded immediately with "most favored nation" status.

My friend, the most frustrating aspect is that most letters to the President never reach his desk for any consideration, but are routinely referred to Departments or agencies that implement the existing policy.

Obviously, if the President puts his blessing on the idea of (a) removing Poland from the Proscribed List, or, alternatively, granting an exception for the nation, and (c) giving Poland "most favored nation" status, the

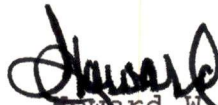
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changes will be made immediately. It will help a great and courageous nation, and will make millions of our own American citizens of Polish descent very pleased with a decision of our great President.

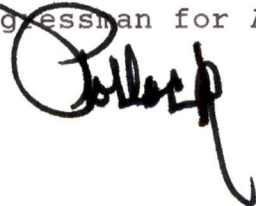
Kindly convey my warm personal regards to him, and to Governor Sununu. We are relieved at their safe return from Venezuela. Our prayers for their safe return were answered.

Incidentally, on another subject, it is my hope that our weekly House Prayer Breakfast Group might meet with the President at the White House one Thursday morning in the near future (which I will discuss with Cong. Sonny Montgomery and Cong. Ike Skelton (current president) at first opportunity).

Cordially, with appreciation,



Howard W. Pollock
The Former Congressman for Alaska





HOWARD W. POLLOCK
MEMBER OF CONGRESS (ALASKA)
RETIRED

Sunday, 15 October 1989

The President
The White House
Washington, DC 20500

Dear Mr. President,

Enclosed is a copy of a letter to Secretary of State Baker urging that a major policy decision be made to remove Poland from the Proscribed List of Communist Nations, or, in the alternative, that an exception be made by State under the provisions of the International Trafficking in Arms Regulations (ITAR), so that the Government of Poland might be allowed to sell approximately \$2.5 million of WWII carbine rifles here in the United States to arms collectors and sportsmen. Enclosed is a copy of the letter to Secretary Baker.

This sum would be from a private source here in the US, a retired military officer and licensed firearms dealer in collector/sporting arms sales - a very substantial sum in light of your request for an appropriation of \$150 million for both Poland and Hungary together for the next three years. This added revenue will be a further demonstration of US will and commitment to help Poland.

Mr. President, it is in our national interest that Poland and other nations of Eastern Europe be encouraged to turn to democracy; and this can only be enhanced by our increase in trade unhampered by restrictive/punative laws and regulations.

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It is an extraordinary situation that Solidarity, once outlawed, is now in the saddle of government in Poland, a dramatic turnaround for communism! We must do all within reason to stabilize this present political situation long enough to allow the nation to put the necessary economic reforms into effect.

Mr. President, won't you urge Secretary Baker to remove restrictions that hamper our normal trade with Poland?

With warm regards and best wishes,



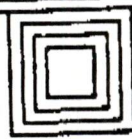
Howard W. Pollock
The Former Congressman for Alaska



HOWARD W. POLLOCK AND ASSOCIATES

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(202) 296-8466 OFFICE

(703) 521-1808 HOME

TELEX (EASYLINK) #5 106 005 197

ANSWERBACK "WORLDWAT"

FAX No. (703) 521-0019
Friday, 13 October 1989

The Honorable James A. Baker, III
The Secretary of State
Department of State
2201 C Street, NW
Washington, DC 20520-0001

Re: Request for: (a) removal of Poland from the Proscribed List of Communist Nations under 18 USC Section 925 (e), 22 CFR Part 126 and 27 CFR Part 47 & Section 178, or (b) for an exception to the provisions of ITAR under Section 126.3 because of the extraordinary turn of events in the communist nation of Poland, (c) to allow an application for a permit by an American firm to be approved for the importation of 20,000 Mosin-Nagant Model 1944 carbines from Poland to the US.

Dear Mr. Secretary,

A US company, Combat Military Ordnance, Ltd., of Savannah, GA, has applied for a permit to import 20,000 Mosin-Nagant M-1944 carbine rifles to be purchased from the Government of Poland, but the application was denied under present US policy.

If one might estimate the purchase value of these curio/relic firearms (for collectors or for conversion into sporting arms) at say \$125.00 each, this represents a total of \$2,500,000 furnished to the Government of Poland from a private source in the US -- a very substantial sum in light of the Administration's recommended \$150 million in aid to both Poland and Hungary over the next three years. However, this sale requires removal of Poland from the Proscribed Nations List, or that an exception be made by the State Department from existing policies of the Departments of Treasury and State, in order that a purchase from Poland and import of the carbines into the US might be consummated.

As I understand the situation, Mr. Secretary, these carbines, on the US Munitions Import List, are now subject to importation controls of the Arms Export Control Act of 1976 and regulations issued pursuant thereto (27 CFR Part 47).

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Under the International Trafficking in Arms Regulations (ITAR) (22 CFR Section 126.1) and 27 CFR Section 47.52, it is the policy of the United States to deny licenses/approvals for firearms and other defense articles originating in communist nations, so as to prevent trade in strategic goods with these regimes, this to also include imports and exports through third nations.

The big question is why Poland still remains on the Proscribed List, particularly in view of recent startling developments that placed Solidarity in control of the government, and brought such hope for democracy? We can help push the dramatic turnaround in Eastern Europe, if only we will have the courage and determination to make it happen.

In failing to approve the permit application, the Bureau of Alcohol, Tobacco & Firearms (Treasury) was guided by the existing policies of the Department of State. Section 126.3 of the ITAR allows the Director of the Office of Munitions Control at State to make exceptions to the provisions of the ITAR.

As you know, there have been instances in the past where the State Department has granted exceptions to the Proscribed Nations List (notably with the Peoples Republic of China, when thousands of rifles were approved for importation into the US; while another communist nation, Yugoslavia, has never been on the list).

The preferable alternative, of course, would be simply to remove Poland (and Hungary) from the Proscribed List, even on a temporary basis, continuing to observe progress toward democracy (hopefully with our unswerving assistance).

Obviously, it is in the best security/foreign policy interest of the United States that Poland and other communist nations over in Eastern Europe turn to democracy as speedily as possible, with every feasible incentive and assistance. In turn, US commitment to support these nations must go well beyond symbolic nods and meager gestures. In this instance, we have a great opportunity to help Poland by providing additional revenue to the nation, one of many instances through which we can manifest an abiding US commitment to foster democracy there and around the world.

It is indeed an extraordinary situation that Solidarity, once outlawed, is now in the saddle in the Government of Poland - quite a dramatic turnaround in Eastern Europe, and truly our magnificent opportunity to sow the seeds of democracy and provide nourishment to nurture it to full maturity. Now we have a responsibility to help stabilize the political situation long enough to help put the needed economic reform into effect.

Your having formerly served with distinction as the Secretary of the Treasury, and now holding the prestigious, most important position of Secretary of State, no one in the US Government could

Page 3.

possibly have a greater understanding than you of this matter, for its resolution involves important policy decisions for both the Departments of Treasury and State, and the United States as well.

Accordingly, Mr. Secretary, lest this opportunity pass us by, would you please take steps to (a) immediately remove Poland from the Proscribed List or (b), in the alternative, make an exception to the provisions of ITAR under Section 126.3 of such regulations, so that Poland may directly benefit from your bold decision. Your action would help fulfill a commitment of the President to assist Poland in a meaningful manner, and, at the same time, it would be a positive step to please the gun collector/sportsmen here in the United States in their eternal quest for additional historical and sporting firearms.

As always, warm personal regards and best wishes.

Cordially, with respect and appreciation,



Howard W. Pollock
The Former Congressman for Alaska



DEPARTMENT OF THE TREASURY
BUREAU OF ALCOHOL, TOBACCO AND FIREARMS
WASHINGTON, D.C. 20226

SEP - 5 1989

C:F:I:JAR
5330/0010
Ref:89-12108

Combat Military Ordnance, Ltd.
3900 Hopkins Street
Savannah, GA 31405

Gentlemen:

We are not approving your permit application, dated August 11, 1989, to import 20,000 Mosin-Nagant model 1944 carbines into the United States from Poland.

Rifles are articles enumerated on the U.S. Munitions Import List and are subject to the importation controls of the Arms Export Control Act of 1976 and the regulations issued pursuant thereto (27 CFR Part 47).

Under the International Trafficking in Arms Regulations (ITAR) (22 CFR Section 126.1) and 27 CFR Section 47.52, it is the policy of the United States to deny licenses and other approvals for firearms and other defense articles originating in Poland and certain other countries.

✓ This policy is designed to prevent trade in strategic goods to and from Communist countries, and parallels the treatment accorded such trade by those countries. The policy also applies to imports and exports through third countries.

✓ In carrying out this policy, the Bureau of Alcohol, Tobacco and Firearms is guided by the Department of State. Section 126.3 of the ITAR allows the Director of the Office of Munitions Control, Department of State, to make exceptions to the provisions of the ITAR.

✓ There have been instances in the past where the Department of State has granted exceptions to the proscribed country list, however, their current position does not allow these importations unless in the interest of the security and foreign policy of the United States.

-2-

Combat Military Ordnance, Ltd.

The status of Poland has not changed relative to the above prohibition. Yugoslavia has never been a country on the proscribed list. The Peoples Republic of China has been removed from the proscribed list. Hungary remains on the proscribed list.

We trust the foregoing is fully responsive to your inquiry. If we can be of further assistance, please let us know.

Sincerely yours,



Harry J. Alder
Chief, Firearms and Explosives Imports Branch