

7:30 am

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

Mike Deaver

THOMAS J. DONOHUE
GROUP VICE PRESIDENT, DEVELOPMENT

February 29, 1984

Baker + Donahue
thought you and I
should get together
with
Donahue.
How about a
20 minute visit?

1015 H STREET, N.W.
WASHINGTON, D. C. 20062
202/463-5310

~~2/3~~ pls do!

The Honorable James A. Baker
Chief of Staff
The White House
Washington, D.C. 20500

Dear Jim:

Yesterday's meeting was very helpful. I will follow-up by working with Craig to brief Mike Deaver on BizNet and the related Chamber matters we discussed. In addition, I will speak to Rollins, Lake and Cameron at the Reagan-Bush Committee.

Attached you will find packets of information on BizNet and our voter registration program for your use.

Jim, as you know, the President cannot address the Chamber's 1984 Annual Meeting (April 30 - May 1) because of his trip to China. As the attached note to Craig indicates, we would like to have Vice President Bush address our group, and the President prepare a tape which we would be able to show at our First General Session. We would appreciate an early and positive decision.

Thanks again for a productive meeting. I'll keep you posted.

Sincerely,

Tom

✓ attachments
bcc: Craig Fuller

Please call whenever I can
help! Thanks for your
encouragement!
Tom

LARRY PRESSLER
UNITED STATES SENATOR

March 1, 1984

file

The Hon. Michael K. Deaver
The White House
Washington, DC 20500

Dear Mike:

On Saturday, February 18th, I formally announced my candidacy for re-election to the U.S. Senate.

I am pleased that Senator Barry Goldwater will accompany me to South Dakota on March 10th. We are holding a fundraising dinner in Sioux Falls that evening.

We would like very much to include greetings from you in welcoming Senator Goldwater to South Dakota and in officially kicking off my campaign.

If you could have your message sent to Eleanor Rhodes at 407A Russell, Washington, DC 20510, so that it can be taken with us to South Dakota on March 10th, I would be very grateful. Thanks for your help and support.

Sincerely,

Larry Pressler

Larry Pressler
United States Senator

stamped mail

Kenneth L. Khachigian

Public Affairs Consulting

209 Avenida Del Mar, Suite 203
San Clemente, California 92672
(714) 498-3879

2-28-84

(See)

Mike:

Pam showed me a copy of
your CFM speech — and
now I'm worried that you'll
get too good at writing this
stuff. Also heard about
the standing ovation.

Glad to hear everything
worked out so well.

Warm regards,

Ken

THE WHITE HOUSE
WASHINGTON

Date: 2/27/84

TO:

Mike Deaver

FROM:

Michael A. McManus, Jr.
*Assistant to the President
and Deputy to Deputy Chief of Staff*

- ☒ Information
☐ Action
☐ Let's Discuss

DB
Hold for
my breakfast
with
him.

7:30 a.m. ✓
Harold Burson
Roberto Goizueta

311
7:30 am

The Coca-Cola Export Corporation

JOSEPH B. WILKINSON, JR.
EXECUTIVE ASSISTANT
TO THE PRESIDENT

February 24, 1984

P.O. DRAWER 1734
ATLANTA, GA. 30301
404-898-2121

Mr. Mike McManus
Assistant to the President
The White House
Washington, D. C. 20500

Dear Mike:

I have just learned that Mike Deaver will be meeting with our Company's chairman, Roberto Goizueta, and Harold Burson of Burson Marsteller at the White House on Thursday, March 1. No doubt Harold has provided Mike's office with background material on Roberto, but I thought the enclosed official biography and the following internal Company information would prove helpful as well.

- Donald R. Keough, president of The Coca-Cola Company, served as co-chairman of the Grace Commission's Personnel Task Force. More than six other senior level Company employees were involved with the commission.
- Roberto was master of ceremonies at the Phoenix House dinner in New York last May honoring Mrs. Reagan. He greatly enjoyed the event and told me how much he liked Mrs. Reagan and how impressed he was with Jim Rosebush and the other members of her staff.
- The Coca-Cola Company and its Bottlers have donated more than \$35,000 of soft drink products to the Press office, the Advance office and the ranch during the past three years.

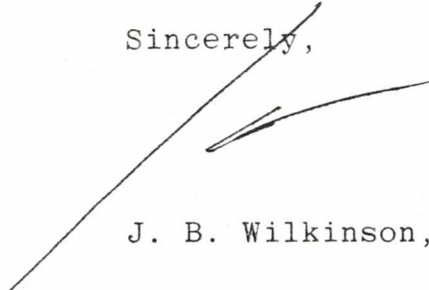
This figure does not include the regular, complimentary deliveries that are made to the State Department, Blair House, etc. Nor does it include the dinner party given by our German operation for the entire White House Press corps that accompanied the President to Germany in 1982. It does include the last major contribution of the more than 400 cases of products donated during the President's visit to Japan and Korea last fall.

- Roberto has allowed me to donate approximately six months of Company time during the past three years to do press advance for the President.
- Roberto has allowed John White, Don Keough's executive assistant, to participate in a number of Presidential trips where he has made major contributions.

Mike, please let me know if you need any additional information or if I can be of further assistance. I look forward to seeing you soon.

With best wishes,

Sincerely,



J. B. Wilkinson, Jr.

JBW/asf

Attachment

cc: Mr. Larry Speakes
Mr. Dave Fischer

ROBERTO C. GOIZUETA
Chairman of the Board and Chief Executive Officer
The Coca-Cola Company

Roberto C. Goizueta is chairman of the Board and chief executive officer of The Coca-Cola Company.

Mr. Goizueta has been associated with the Coca-Cola business since 1954 when he was employed by the technical department of a wholly owned subsidiary of The Coca-Cola Company, Cia Embotelladora Coca-Cola S.A., in Havana, Cuba. Mr. Goizueta in 1961 was transferred to Nassau as area chemist in the Caribbean Area Office of The Coca-Cola Export Corporation. In 1963, he was named staff assistant to the senior vice president for Latin America, for all technical operations including citrus, coffee, tea, and soft drink products.

In 1964, Mr. Goizueta was transferred to the headquarters of The Coca-Cola Company in Atlanta on special assignment with the Technical Research and Development Department. In 1965, he was named assistant to the vice president, Technical Research and Development, and in 1966, he was elected vice president. His election to senior vice president, Technical Division, followed in 1974, and his election to executive vice president came in May 1975. In October 1978, Mr. Goizueta was given expanded management responsibility with supervision of the Company's Administration, External Relations, Legal, and Technical Divisions. In November 1979, Mr. Goizueta was elected vice chairman of the Company.

In May 1980, Mr. Goizueta was elected president and chief operating officer and a director of the Company. He became chairman of the Board and chief executive officer March 1, 1981.

A native of Havana, Mr. Goizueta was educated in Havana and later attended Yale University from which he received his B.S. degree in chemical engineering in 1953. He is a member of several technical societies including the Institute of Food Technologists and the Society of Soft Drink Technologists.

Mr. Goizueta is a member of the Boards of Directors of Trust Company of Georgia and Trust Company Bank, Sonat Inc., and Ford Motor Company.

Mr. Goizueta serves on the Boards of Trustees of Emory University, Atlanta Arts Alliance, Atlanta Symphony Orchestra League, The American Assembly, Atlanta University Center, Boys Clubs of America, and the U.S. Chamber of Commerce. He is a Director of Central Atlanta Progress and serves on the National Board of Governors of United Way of America.

He is a member of The Business Council, the Council on Foreign Relations, US-USSR Trade and Economic Council, The Conference Board, The Business Roundtable, the American Society of Corporate Executives, and the Trilateral Commission. Additionally, Mr. Goizueta is a member of The American Film Institute and Variety Clubs International. He also is a member of the Board of the Japan Society, Inc., the Board of Governors of the Lauder Institute, and an Honorary Trustee of the US-Asia Institute.

He serves on the Board of Directors of The Commerce Club, and is a member of the Piedmont Driving Club, the Capital City Club, Peachtree Golf Club, and the International Club of Washington, Inc.

Mr. Goizueta was born November 18, 1931. He lives in Atlanta, Georgia, with his wife, the former Olga Casteleiro. They are the parents of three children, Roberto, Olga Maria (Mrs. Thompson T. Rawls II), and Javier.

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1/27/84

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BUSINESS & FINANCE

Sunday, November 27, 1988

Coca-Cola Giant 'Has Awakened'

New Management Aggressively Enlarging Firm

By Mark Potts

Washington Post Staff Writer

ATLANTA—For decades at Coca-Cola Co., to paraphrase the company's advertising slogan, Coke was it.

And why not? Profits bubbled from the fizzy brown beverage invented by an Atlanta pharmacist in 1886. Coca-Cola became arguably the best-known brand name in the world, its red and white trademark appearing in dozens of languages. Even with the introduction of Sprite, Fresca and other sodas and the acquisition of Minute Maid orange juice in the 1960s, Coca-Cola changed little from its base as a highly successful maker of soft drinks.

Until two years ago, that is.

Under the leadership of an aggressive new management team, Coca-Cola has embarked on an expansion

and diversification program that is moving the company strongly into such areas as movies, cable television, frozen foods and video games. In each, Coke is seeking to apply its considerable marketing expertise to highly competitive—and potentially highly profitable—fields.

The company's 1982 acquisition of Columbia Pictures Industries Inc. both surprised and pleased Wall Street and set the stage for additional moves: Coke executives make no secret of their plans for another acquisition in the entertainment arena, most likely in the fields of cable television or sports. The company also is considering the introduction of a major new line of products in the frozen foods market, possibly in the area of ethnic entrees.

And Coca-Cola hasn't forgotten its fountainhead. A flurry of new

products in the past few months has multiplied the number of soft drinks offered by the company. Its Diet Coke brand has rocketed to the No. 4 position among soft drinks in the 18 months since its introduction, and caffeine-free versions of Coke, Diet Coke and Tab also have been successful. Coke also has undertaken a major restructuring of the system of independent bottlers that is the core of its soft drink business, overseeing changes in ownership of about half its bottlers—\$2 billion in transactions, in all—in the past few years. The moves have reaffirmed its hold on the No. 1 spot in the soft-drink industry.

The company's aggressiveness has not gone unnoticed on Wall Street. Coca-Cola stock, which was trading at about \$29 in 1981, has about doubled since then, and the company is a favorite among stock analysts.

Columbia Pictures Acquisition Surprised, Pleased Wall Street

"By every measure, the company has been very successful in increasing the shareholders' investment," says Martin Romm, who follows the company for First Boston.

"The giant has awakened," says Emanuel Goldman, an analyst at Montgomery Securities in San Francisco. "It's a different company. In terms of its evolution, it's evolved to a higher level. [And] it was a super company before."

Indeed, Coke was not a company that really needed to diversify. Despite some occasionally spirited competition, its soft drink business was strong and profitable, with no signs of the kinds of inherent weaknesses that often lead companies to edge their bets by moving into other businesses. Says Romm, "They could go on and make soda forever and make money from it, without diversification."

But Coke executives say the company needed to be shaken up. "There are times when you hit sort of a plateau, and your vision of the future is a little fuzzy," says the company's president, Donald

half of the decade of the '70s."

The company's management had become preoccupied with government challenges to its bottler system, been sidetracked by some tentative attempts at diversification, and found itself with intensified competition from archrival PepsiCo Inc. and, later, from Seven-Up and its new corporate parent, marketing powerhouse Philip Morris Inc.

"I think we took our eye off the fundamental marketplace," Keough says.

The solution was a change in management. In March 1981, a new management team took the reins at Coke, led by Keough, a long-time Coca-Cola executive, and Chairman Roberto C. Goizueta, a native of Cuba who answered a blind ad for a chemist in a Havana newspaper in 1954 and rose quickly through Coca-Cola's management ranks.

Goizueta immediately issued a "Strategy for the 1980s" that has proved to be remarkably prophetic. In addition to reaffirming the company's role as the world's dominant maker of soft drinks, the

statement also promised, "In the U.S., we will become a stronger factor in the packaged consumer goods business. I do not rule out providing appropriate services to this same consumer as well. It is most likely that we will be in industries which we are not today."

Sure enough, in 1982, Coke took a giant into a new field with the acquisition of Columbia Pictures Industries. The gamble paid off almost immediately—two of the studio's 1982 releases, "Gandhi" and "Tootsie," were box-office and critical smashes.

But Coke officials recognize that the movie industry is a feast-or-famine business. For "Gandhi," there's usually more than one "Wrong Right," to name a Columbia Pictures dud of the past year. So Coca-Cola is spreading the word at Columbia, and winning critical praise from analysts for its efforts.

"The entertainment business is a hit-and-miss business, and you want a lot of hits to cover the misses. When you have other people particip-



By John Bowden for The Washington Post

Coke Eyeing Frozen Food Opportunities

they can help reduce the risks," Goldman says. Coke "won't have the earnings spike, but they also won't have the earnings crevice."

The company is aggressively using joint-venture and partnership arrangements to finance new movie production, removing much of the risk of a box-office bomb, if also requiring that a smash's profits be shared. Company officials also point out, however, that the advent of cable television, home video and other mediums have guaranteed markets and income for even the biggest commercial failures—a safety net that didn't exist a few years ago.

And Coke has found another way of reducing the risk. Columbia Pictures, in partnership with CBS Inc. and Time Inc.'s Home Box Office, last year formed Tri-Star Pictures, the first major new studio in decades. Tri-Star's first release schedule holds nine or 10 movies for next year.

With Columbia Pictures' own slate of scheduled movies, that gives Coke/Columbia more than two dozen film releases next year—a large number in the movie business,

and one that increases the chances that Columbia can find another "Tootsie" or two in 1984.

But Coke has even bigger plans for Columbia, which it has made the cornerstone of its new entertainment division. The acquisition also gave it entrees into the video game and television production businesses, through existing Columbia ventures, and the company already has entered another business through the acquisition earlier this year of Big 3 Music, a music publishing firm whose titles include hits from movies such as "The Wizard of Oz" and "Rocky."

And Coca-Cola is clearly on the prowl for more entertainment properties. "We are anxious to expand the entertainment business sector [and] fully intend to," Keough declares. On the shopping list, according to Coke executives, are interests in the pay and cable television markets, broadcasting and professional sports. Sources say Coke has had discussions with Walt Disney Productions and Atlanta neighbor Cox Broadcasting Co., both major cable participants. Coke officials, however,

won't be more specific about their plans.

In another major change of corporate policy, Coca-Cola officials say they are willing to finance acquisitions with debt, although they also have built up a nest egg of more than \$300 million in cash through divestitures in the past year.

Coke also is looking to expand another area of its business. Hoping to capitalize on the success of its Minute Maid frozen orange juice, the company is exploring opportunities in the frozen-food business. Based on its recent acquisition of a small maker of pasta and other ethnic foods, analysts believe that Coke is planning to move into the market for frozen ethnic entrees. "Anything that has an ethnic bent to it would have some interest for them," says Romm. "I don't think they're necessarily interested in making frozen peas."

Even as it has planned expansion, the company has been pruning some less-than-successful previous attempts at diversification. Most notable among these was the just-completed sale of the company's Wine

Coke Hasn't Neglected Soda, Despite Wheeling and Dealing

Spectrum division to Seagram Co. Ltd. for about \$200 million. "Even under the most optimistic long-range projections, the returns from our wine business were inadequate to justify our continued participation, given the many higher yielding investment opportunities we see before us," Goizueta told a recent meeting of securities analysts.

Even with all its wheeling and dealing in other areas, Coca-Cola hasn't neglected the soda business—as a check of your local Coke machine or grocers' shelves will prove. The company has been the leader in the recent proliferation of brand names and soda varieties, from Diet Coke to the latest permutation, caffeine-free Diet Coke partially sweetened by aspartame.

Analysts see the introduction of Diet Coke as typifying the company's new style. For 95 years, Coca-Cola had been leery of putting the

flagship trademark on a new product, and when the company first moved into the diet cola field in the 1960s, it used the new moniker Tab. So last year's introduction of Diet Coke represented another important break with the company's tradition. "Diet Coke could not fail," Executive Vice President Ira C. Herbert says.

And it certainly didn't. It has quickly grabbed about 4 percent of the soda market, in the process taking surprisingly few drinkers away from Tab, according to the company. So successful was the new product that, when the company's 1982 annual report was released earlier this year—the sanctity of the Coke trademark a recent memory—it's cover was a gigantic Diet Coke label.

Coke also has added to its soda line with its caffeine-free beverages—apparently an answer to Seven-Up's successful "no-caffeine" campaign—but company officials down-

play those products. They're much more enthusiastic about the potential for sugar-free drinks, especially with the introduction of the low-calorie sweetener aspartame, which reduces the aftertaste and health problems of saccharin (which is still an ingredient in Coke's diet drinks).

Coke officials, like other experts on the soft-drink industry, believe that the improvements in taste and safety will attract millions of new drinkers to the diet-drink market. "Diet drinks were growing at a remarkable rate before the advent of aspartame," says Keough, but he predicts they will increase from the present 20 percent of the soft-drink market to 30 percent by the end of the decade.

Coca-Cola wouldn't mind increasing that growth by using some other sweetener options, and it is closely watching Abbott Laboratories' application with the Food and Drug Administration for the reapproval of

Despite Its Many Moves, Firm Faces Challenges

cyclamates, which were taken off the market in 1969 because of health fears.

An Abbott spokesman says an FDA ruling is imminent. Keough says he believes there's "better than a 50-50 chance" that cyclamates will be available for the second half of the 1980s. "The more sweetener alternatives we have, the better it would be," he says.

But the explosion of soft drink brands and types has to have some fallout, eventually, and Coke officials concede that some brands might not make it. "This is not a market for the weak. There are going to be products that are going to be squeezed out of the system," Keough says. "That's why our system has to be lean and mean."

Coke is well along on a program to upgrade its stem of independent bottlers and make them more competitive and flexible. "We're going to live and die on the strength of the independent bottler system," Keough says. "We believe it's the best system, because the independent bottler is closest to the marketplace."

Over the past few years, Coke has shepherded the reorganization and strengthening of the management of its network of bottlers. This has included combining some of the operations and finding new ownership and financing for others.

Coke also is expanding its soft-drink business overseas. It may be thought of as the all-American drink, but Coke is available in 155 countries outside the United States and Canada, and about 60 percent of the company's sales and profits come from foreign markets. The international flavor of the company goes right into its antebellum-design executive suite—three of Coke's top executives, including Goizueta, are foreign-born.

Coke's international operations, like those of many American multinationals, have been adversely affected of late by the strong U.S. dollar's effect on foreign exchange translations, as foreign profits are watered down by the poor exchange rates. The problem has been particularly acute in Latin America, where wage-price caps in many countries have prevented the company from rais-

ing prices to cover declines in profits and volume.

In spite of its many moves over the past couple of years, Coca-Cola still faces challenges. Coke faces increased competition in its core business from companies that can match its marketing savvy—Philip Morris and, potentially, Procter & Gamble, which already has begun moving into the soft drink field. "When you're in the arena with PepsiCo, Philip Morris and, perhaps, Procter & Gamble, you're in the major leagues," Keough says.

But Coke's myriad moves have matched Goizueta's statement of purpose in positioning the company in a number of new areas for growth the next few years. Coke officials say that future acquisitions will be in the company's three current main lines of business—soft drinks, food and entertainment—and growth from those three areas should double earnings within seven years.

"I just think that we're ready for the balance of this decade," Keough says. "We've got a clear sense of direction about what we want to accomplish."



FINANCIAL DATA

YEAR ENDED DEC. 31, 1982

Revenue	\$6.25 billion
Net income	\$512.2 million
Income per share	\$3.95
Shares outstanding	129.8 million
Assets	\$4.9 billion

SHARE OF THE U.S. SOFT DRINK MARKET

IN PERCENT, 1983

Coca-Cola	24.8
Tab	2.9
Diet Coke	4.0
Sprite	2.8
Diet Sprite	0.4
Fanta	1.2
Fresca, Mello Yello and others	14.6
Total	37.9

SOURCE: Montgomery Securities Estimates

ESTIMATED OPERATING INCOME BY PRODUCT LINE

IN MILLIONS OF DOLLARS

	1979	1980	1981	1982	1983e	1984e
Soft drinks	\$647.7	\$698.5	\$764.7	\$846.7	\$906.0	\$1037.6
Food and non-entertainment	\$117.4	\$134.4	\$152.8	\$170.3	\$184.1	\$208.6
Columbia Pictures	-	-	-	\$39.0	\$98.0	\$112.7
Total	\$765.1	\$832.9	\$917.5	\$1056.0	\$1188.1	\$1358.9

ESTIMATED OPERATING INCOME BY PERCENTAGE OF PRODUCT LINE

	1979	1980	1981	1982	1983e	1984e
Soft drinks	84.7	83.9	83.3	80.2	76.3	76.4
Food and non-entertainment	15.3	16.1	16.7	16.1	15.5	15.4
Columbia Pictures	-	-	-	3.7	8.2	8.3

By Gail McCrory - The Washington Post

THE WHITE HOUSE
WASHINGTON

March 2, 1984

TO: Michael K. Deaver

FROM: BILL SITTMANN
Special Assistant to the President
and Special Assistant to the
Deputy Chief of Staff

As the China schedule looks now
we're going to have to cut events.

I don't think this is that good.

☒ Information

☐ Action

*call LND
2/ Tell
him.*

LYN NOFZIGER

February 27, 1984

*Bill
any interest?*

MEMORANDUM

TO: Michael K. Deaver
FROM: Lyn Nofziger *LN*
SUBJECT: President's trip to China

File

The attached is from clients of mine.
Nevertheless, it might be of some interest
to the White House regarding the President's
visit to China.

*LN.. notified 3/5
2pm.*

nmc

NATIONAL MEDICAL CARE, INC.

Reservoir Place
1601 Trapelo Place
Waltham, Massachusetts 02154
617-466-9850

FEDERAL EXPRESS

January 20, 1984

Mr. Lyn Nofziger
Nofziger & Bragg
1605 New Hampshire Avenue, NW
Washington, DC 20009

Dear Lyn:

I enclose this synopsis of the medical project we're working on with the People's Republic of China. Since it's non-defense and non-controversial, I wonder whether the White House would have any interest in having the President show off this transfer of technology in the medical field.

Let me know if you need anything more.

Sincerely,



Constantine L. Hampers, MD
Chairman of the Board

CLH/ejo
Enclosure

The People's Republic of China's
first complete artificial kidney
center to open in Beijing in April
with the help of U.S. technology.

National Medical Care, Inc. of Waltham, Massachusetts, has undertaken a major project involving the transfer of medical technology to the People's Republic of China.

Through a joint agreement with the Beijing Health Bureau and the State Pharmaceutical Administration of Beijing, National Medical Care, the world's largest provider of kidney dialysis services, will assist the Chinese in the development of its first complete artificial kidney program for patients with end stage kidney disease. Kidney failure is one of the leading causes of early mortality in the People's Republic of China.

The agreement, signed in 1983, involves the design and outfitting of a dialysis center in the T.B. Hospital of Beijing, the installation of a modern water treatment system, and the transfer of medical and technical information.

Utilizing the experience gained in the design, construction, and operation of 168 dialysis centers of all sizes in the United States and Europe during the past 15 years, National Medical Care has designed a twenty station dialysis center which is currently under construction by the Chinese. The unique design utilizing available space will provide dialysis in the most medically effective and economically efficient manner available. The facility is due to be completed in early April, 1984.

In addition to the material aspects of the program, National Medical Care will undertake the transfer of dialysis technology through an extensive training program to be conducted on behalf of representatives of the People's Republic at National Medical Care's Kidney Center in Boston. All trainees, hosted in the United

States by NMC, will receive training in the technical aspects of dialysis and the treatment of patients.

This joint effort between National Medical Care and the People's Republic of China has reached fruition in less than a year's time and reflects the urgency placed on the care of kidney patients in Beijing. Future programs in the People's Republic of China are anticipated by National Medical Care following this demonstration project.

file
Make Blank
FBI

THE WHITE HOUSE

WASHINGTON

March 6, 1984

Good

Dear Don:

You once told me that anytime I had a suggestion to come straight to you with it.

The Monday edition of the Washington Post carried the story, "Military's Readiness, Command System Criticized". In yesterday's White House press briefing I responded to these criticisms (transcript enclosed) -- yet not a word in the Tuesday edition of the Washington Post.

Let's visit sometime soon.

Best regards,

[Signature]
Larry Speakes
Deputy Press Secretary
to the President

Mr. Donald Graham
Publisher
The Washington Post
1150 15th Street, N.W.
Washington, D.C. 20071

Q Have you checked further on that Post story about the decrease in combat readiness of military units?

MR. SPEAKES: Yes.

Q Do you dispute specifically the assertion that there's a 25 percent reduction in the number of units that are combat ready at this moment if you set the Navy aside?

MR. SPEAKES: To begin with, the President believes that the United States military is better equipped, better trained, has better people, and is hence more ready than ever before for a combat role should it be necessary. There are a number of facts that back this up. Dealing with the study specifically, I don't have the data on the item that you mentioned. However, the Defense Department will be briefing in detail tomorrow in response to this.

But, basically, a study of this type is a management tool. It does not take into account, for instance, quality of new weapons. What you are seeing is a selected sampling of data, and we don't think it is an accurate reflection.

Now, if you're -- would like to go into it, as far as readiness is concerned, this has been one of our highest priorities. We have raised military salaries totally 18 percent which has helped substantially in recruiting. All military services met or exceeded their recruiting objectives for the last three years. The quality of people volunteering for military services improved. In 1983, 91 percent of the recruits were high school graduates compared to 68 percent in 1980.

Re-enlistment levels have also risen averaging an all-time three-year high of 66 percent between 1981 and '83.

On the training, flying hours for tactical and fighter pilots increased steadily between 1981 and '84. Ships steaming hours have increased as well.

On material readiness, we significantly increased our funding for equipment and facilities' maintenance. The procurement of repair parts almost doubled between '81 and '84. And purchase of spare parts has increased

MORE

#1031-03/05

dramatically. On mobility, improved personnel and material readiness have been completed marked improvement -- have been complemented by marked improvement in our ability to move forces rapidly to distant areas. Since 1981 we've made major investments in strategic airlift and sealift. From '82 to '84 for instance, we funded 5 C-5 cargo planes and 20 KC-10 tanker cargo planes. And, on sealift capability -- '81 and '82 -- we acquired 8 SL-7 container ships, the fastest cargo ships available.

Q Larry, why aren't these things reflected in that report?

MR. SPEAKES: That's because the report -- because you don't understand the report. The report, for instance -- if you read the story you would find out -- that the Assistant Secretary for Manpower, Installations and Logistics said that this does not provide a fair report of the emphasis the administration has put on readiness and sustainability.

The procurement account includes ammunition as well as new weapons. And military construction contributes to readiness. For instance, it points out in the study -- when the army designates a battalion to receive a new M-1 tank, the battalion automatically and immediately becomes "not ready for combat" until the tanks arrive, even though the battalion is as capable as ever. So.

Q Sounds like the White House is pretty stung by this.
(Laughter.)

MR. SPEAKES: No. I just happen to have the facts. And the facts weren't reflected in the story.

Mike?

Q I thought one of the other points in one of those two stories in The Post had to do with the question of performance by the military units -- some serious criticism of the organization of military command, accountability of military personnel, and their ability to -- not a question of whether or not they had enough guns and ammunition -- but whether they performed properly under various circumstances since Vietnam.

Do you have a comment on that?

MR. SPEAKES: I think that was more opinion than anything else, reflected by the writer.

Q Larry, as I understand it, the readiness report has to do with the level of training, as you pointed out, whether a unit is, meets its table of organization and equipment. So, I think the question remains -- given the amount of money we're spending, why is -- why are these -- why do these deficiencies exist?

MR. SPEAKES: I don't think the study is a fair reflection of it, as I pointed out, because -- in the instance I cited -- if they're designated to receive a new tank, they immediately become unqualified even though their readiness under the M-60 tank is just as capable as it

in '84. In addition --

Q -- talking about training --

MR. SPEAKES: -- increased use of more realistic training aids, to complement higher flying levels -- higher levels of flying hours -- have also proven highly successful.

Q The story doesn't say that training -- it says the number of combat planes ready to fly right now are fewer than they were in 1980.

MR. SPEAKES: Once again, this could be reflected in the buildup of the weapons systems.

Q Do you know it is?

MR. SPEAKES: No, I do not.

Q Did you talk to the President about his daughter yet?

MR. SPEAKES: No, but I know --

Q One more question on this, Larry -- what about the allegation --

MR. SPEAKES: Yes?

Q What about the allegation the U.S. could not fulfill its obligation to NATO in providing battalions --

MR. SPEAKES: I don't have the details on that yet, Mick but, Defense will be ready -- to coin a phrase -- with both barrels tomorrow.

Q -- daughter?

MR. SPEAKES: Daughter? I have nothing new on that. Here's what -- what I said this morning was quite all right with him.

Q How do you know?

MR. SPEAKES: Because I asked him.

Q You told him what you said?

MR. SPEAKES: Yes.

Q And he said, "That's okay with me, Larry." (Laughter.)

Q And he said nothing more?

MR. SPEAKES: I knew it reflected his views, and there they were.

Q Well, is he going to call up Terry Dolan and --

Mr. Michael Deaver
The White House
Washington, D.C.

March 3, 1984
K.L. Miles
700 Briggs #48
Pacific Grove
CA 93950

Probably you were too busy to receive my letter of Feb. 7, 1984. That letter proposed a series of low cost actions related to our productive technology. The purpose is to awaken politicians and the public to the realities of our "dying" growth era and the development of basic values necessary for a good life with the earth's limited resources. The brief statements did not include justification and methods for low cost implementation.

Apparently, a large segment of our people think our political leaders should pay more attention to the physical aspects of our present situation. Our dependence on the economic approach is similar to Hoover's. I hope and believe Reagan can generate the dynamics of Roosevelt. Concern for the next two decades motivates me to push the importance of maintaining reliability of our technology based productive systems, methods and skills.

Consequently, if you and the Republican Party are not interested in that aspect, I will try to interest Senator Hant.

Sincerely Yours,

Kenneth L. Miles
(Adele Gurney's brother)

THE WHITE HOUSE
WASHINGTON

7 March

Mr. Deaver:

Attached is a copy of the letter
the President sent to Coco Brice.

DB

file

March 7, 1984

Dear Coco:

Your letter to Ben Bradlee has made its way to my desk, which I understand your first letter never did.

I want to thank you for sharing your thoughts with me. After reading your poem, I know that you are an individual with real concern for what happens in the world and one who would take pride in defending his country as well. I've always had great faith in America's young people and your letter is one very good reason why.

If it were possible for me to accept your invitation to speak at your school's graduation, you can be certain that I'd enjoy doing that very much. I know you understand, however, that my official schedule will not permit me to be with you and your fellow students in person, but I'll most definitely be there in spirit. God bless you and keep up the good work.

Sincerely,

Mr. Coco Cassien Brice
Post Office Box 306
Chambers, Arizona 86502

RR:CGM:AVH:lpr 3PMN

Enclosures: #13, horse photo

cc: Scheduling Office
WHcc:Mr. Ben Bradlee
Executive Editor
The Washington Post
1150 15th Street, N.W.
Washington, D.C. 20071

The Washington Post

1150 15TH STREET, N. W.
WASHINGTON, D. C. 20071
(202) 334-6000

BENJAMIN C. BRADLEE
EXECUTIVE EDITOR
(202) 334-7510

February 28, 1984

DTB
Track
this
down
pls.

Desr Mike:

If this guy tells his mother, there may be
a vote.

Best,

Ben

Encl.

Mr. Michael Deaver
Special Assistant to the President
The White House
Washington, D. C.

The Washington Post

1150 15TH STREET, N. W.
WASHINGTON, D. C. 20071
(202) 334-6000

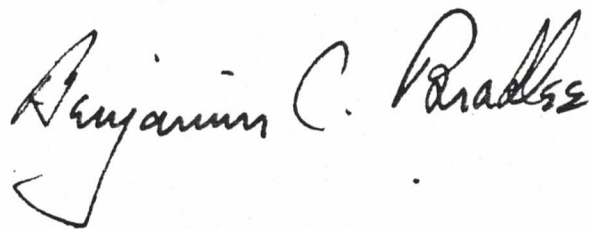
BENJAMIN C. BRADLEE
EXECUTIVE EDITOR
(202) 334-7510

February 28, 1984

Dear Mr. Brice:

I don't know if it will do any good, but
I have sent your letter on to Michael Deaver, the
President's special assistant.

Sincerely,

A handwritten signature in dark ink, reading "Benjamin C. Bradlee". The signature is written in a cursive style with a large, sweeping initial "B".

Mr. Coco Cassien Brice
306
Chambers, Arizona
86502

From: (Mr.) Coco Cassien Brice
a male 306
17 yrs old
6'4" tall
200 lbs.
Chambers, Az. 86502

2/22/84

Valley High
688-2751

TO: Mr Ben Bradlee, Editor/Publisher
Washington Post
Washington, D.C.

Dear Mr. Bradlee

In our very small library at Valley High
in Sanders, Az (39 miles E to Gallup, New Mexico
and 4 hrs South to Phoenix, Arizona) we have
copies of the Post. Also I've seen you on TV,
and I liked your face.

two months ago I wrote to
President Rogan, sort of our President to
another, I'm Student Body President of our
Class - 4 Anglos in a 39 student Senior Class,
the others Navajo - we are a Public School
facing the Navajo Reservation. I invited the
President to come speak at our Senior Graduates
(New May 22nd - then May 24th) and also told him
I wanted to defend my country. I would
vote for ^{him} being 18 yrs in October 1984. But my
mother would not.

Also I enclosed a poem I wrote:

Gun Flowers

In middle-East sands
of Beirut in Lebanon,
Guns stand like flowers
in death's garden tall and red
who sold the seeds
that grew like weeds?
who planted them
in Lebanon?
These stems of steel
will never feel
the wind or rain again.
Blossoms of wasted flesh
can never scent the air,
or be flower
for a woman's hair.

I never received an answer, is there
any way you can send this to the President?
Maybe he didn't like the poem or the people
close to him screen all his mail. This
shouldn't be. We send Billions and Billions of
dollars out of the U.S.A to other countries. Why
isn't there a fund for the people to hear from
their President? Best wishes to you and your family

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

March 12, 1984

THOMAS J. DONOHUE
GROUP VICE PRESIDENT, DEVELOPMENT

1615 H STREET, N.W.
WASHINGTON, D. C. 20062
202/463-5310

file

The Honorable Michael K. Deaver
Assistant and Deputy to the President
The White House
Washington, D.C. 20500

Dear Mike:

Thanks for our useful breakfast last week. Since that time, we have moved ahead with our project to expand the BizNet network as we discussed. I'll keep you posted.

We've also learned that Vice President Bush has agreed to speak at the First General Session of our Annual Meeting on April 30. I'll be in touch with Bill Sittmann to work out a short Presidential tape which we will also show at the Annual Meeting.

I look forward to staying in close touch as the legislative and political situation evolves. Please let me know if I may be of assistance.

Sincerely,

Tom