

TABLE III

ACTIVE ARMED FORCES OF NATO AND WARSAW PACT COUNTRIES, 1983^a

<u>NATO</u>		<u>WARSAW PACT</u>	
United States	2,136,400	Soviet Union	5,050,000
Belgium	94,717	Bulgaria	162,000
Britain	320,623	Czechoslovakia	204,500
Canada	82,858	German Democratic	167,000
Denmark	30,700	Republic	
France	492,850	Hungary	105,000
Federal Republic	495,000	Poland	340,000
Germany		Romania	189,500
Greece	185,000		6,128,000
Italy	373,100		
Luxembourg	720		
Netherlands	102,957		
Norway	43,170		
PORTUGAL	63,500		
Spain*	347,000		
Turkey	569,000		
	5,337,595		

^aSource: Air Force Association, Air Force Magazine: The Military Balance 1983/84 (Washington, D.C.: Air Force Association, December 1983), pp. 74-91.

*Spain joined NATO in June 1982. In December 1982, the Spanish government ordered a freeze on integrating Spain's forces into the NATO Alliance.

he has minced no words about the danger of the Soviet military buildup.

A fair and supportable conclusion is that Catholic and tradition-bound Portugal is as firmly in the NATO camp as any other West European member country.

Worst Case NATO Scenario

The collapse of NATO armies following a Soviet attack on Western Europe and a quick overrunning of Europe North of the Pyrenees, if not a worst case scenario, is certainly close to it. The scenario itself, however, is just one of many, including those with more favorable outcomes. The problem is to estimate the odds of the worst occurring.

If military planners believe the odds to be long, then a good case exists for allocating the preponderance of NATO military expenditures to forces in place in West Germany with the aim of effectively absorbing an initial attack and ultimately turning it back. In a broad sense, that is the goal of NATO and U.S. policy in 1984 and a part of the rationale for significant increases in recent U.S. defense budgets.

However, no one is that sure of the odds and military planners cannot have it both ways--on the one hand, asserting it is extremely unlikely that NATO armies will be pushed out of Europe, and on the other, urging a buildup of Alliance forces to prevent that unstated possibility from occurring.

In the context of a war fought with conventional weapons, at least, the figures suggest the odds against a worst case scenario occurring are not that long. Table III contrasts NATO and Warsaw

military manpower in 1983. And while the total numbers seem reasonably close, it is really the forces in Europe and essentially in place that count.

In the context of forces in place, a more realistic picture is provided by the International Institute for Strategic Studies.¹³

	<u>NATO</u>	<u>Warsaw Pact</u>
Manpower	2.6 million	4.0 million
Tanks	13,000	42,500
Combat aircraft	2,975	7,240
Helicopters	1,800	1,000

The problem since the formation of NATO is how to move large forces and their equipment located some distance from Northern Europe, the United States in particular, to West Germany.

Whether sufficient troops and equipment can be transported in time to stabilize a West German front is unknown. However, the possibility of failure does exist. And for a relatively small amount of money and planning, the logical fallback position can be significantly improved. That position is to hold the entire Iberian peninsula if possible, and Portugal at all costs.

Would Portugal See Itself As The Last Line of NATO Defense?

Portugal in 1984 is a country at peace. Its most serious problems are economic. There are no territorial disagreements with the ancient enemy Spain. Differences that exist between the Iberian neighbors are basically economic, and although serious, are not likely to lead to conflict.¹⁴ Differences between the military and political leaders tend to be resolved in the

accepted Western tradition; that is, the supremacy of civilian control. For example, in November 1983, General Garcia dos Santos, Army Chief of Staff, publicly stated that the attitude of the [Portuguese] government "knives the military" and that its new attitude has "altered the quality of the armed forces." The incident was front page news. Pro-NATO Defense Minister Mota Pinto and Prime Minister Mario Soares refused to publicly comment on the episode. General Santos had made his point and within a few days his replacement had peaceably been named.¹⁵

While the West Germans consistently visualize their country as the major battleground in a NATO-PACT conflict, the Portuguese see a NATO war as a far-removed contingency. And although they deplore military rule in Communist Poland and shared the world's revulsion when the Soviet Union shot down a Korean Airlines 747 in late 1983, as a people, they do not feel directly threatened. This attitude fairly raises the question of whether Portugal would remain faithful to the alliance should the main theater of war shift to the Iberian peninsula. The best answer is to pose another question. What options exist other than to fight?

In this regard, it is assumed the Soviet Union would not be likely to offer even a Vichy France type peace to Spain and Portugal should NATO resistance collapse north of the Pyrenees, that is, risk the possibility of these countries becoming a staging area for a NATO reconquest of Western Europe. Rather, it is argued here, that following a victory in Northern Europe, PACT forces would regroup, if necessary, and invade Iberia. Thus, the war would come to Portugal like it or not.

Should Iberia become the main theater of war, the present small Portuguese military force would be of little help in stabilizing a front in either Spain or Portugal.¹⁶ Table IV shows the decline in numbers of Portugal's armed forces since 1972. The need for reequipping these forces was noted earlier.

Another question is whether NATO forces and their equipment could be extracted from continental Europe and redeployed to Iberia in numbers sufficient to hold an Iberian front without a significant Portuguese contribution. If such a contingency has ever been "gamed," the infinite number of assumptions that would have to be made, coupled with the myriad number of probabilities to be calculated, would make any conclusion highly suspect. In truth, we don't know.

If a worst case scenario comes to pass and the quick redeployment of any significant number of NATO forces from Northern Europe to Iberia is held unlikely, then it will be the Portuguese, and hopefully Spanish, forces in place that will determine whether a "European" front can be maintained until the full military might of the Allies can be brought to bear. At the same time, it must be recognized that Portugal's present lack of military capability would be a negative factor influencing that nation's willingness to support a NATO stand in Iberia.

Developing a Geostrategic Portugal Defense Policy

In 1984, the Portuguese armed forces stand at 63,000 men excluding paramilitary forces. The country, one of the poorest in NATO in terms of per capita income, spent 3.3 percent of its gross domestic product on its military, a somewhat higher percent

TABLE IV
PORTUGAL'S ARMED FORCES, 1972-83^a

<u>Year</u>	<u>Army</u>	<u>Navy</u>	<u>Air Force</u>	<u>National Guard</u>	<u>Para-military</u>
1972	175,000	20,000	18,000	-----	
73	180,000	18,000	21,000	9,700	
74	179,000	19,500	18,500	9,700	
75	179,000	19,500	18,500	9,700	
76	179,000	19,500	18,500	-----	
77	36,000	12,800	10,000		29,900
78	40,000	14,000	10,000		29,400
79	37,000	14,000	9,500		31,850
80	37,000	13,040	9,500		31,850
81	37,000	13,040	9,500		36,300
82	41,000	13,426	12,000		38,243
83	41,000	13,000	9,500		37,276

^aColliers Yearbooks 1973-1984, "Portugal" (New York: Collier-Macmillan), pp. 468, 442, 435, 439, 449, 454, 447, 450, 434, 440, 435, 519.

than the NATO average. Table V indicates defense expenditures and per capita income data for NATO countries.

The major conclusion to be drawn from Table V is that if Portugal is going to reequip and expand its military forces, the undertaking will have to be externally funded. Assuming external funding is made available, what difficulties, political and economic, must be overcome?

First, the Salazar legacy must be recognized and dealt with. Essentially, it is that a large active duty military force would be politically unacceptable to any of Portugal's major political parties today.

Second, over the long term, the Portuguese must come to accept their armed services as a part of society--not apart from it.

Third. If, in a poor country, being a member of the military forces becomes a way to better economic opportunities, then membership must be open to all. No economic or social constraint must bar the way.

Fourth. Granting that general population identification with the armed services is important, such identification is doubly important with respect to the officer corps.

Fifth. Agreements must be negotiated that would allow reasonable levels of equipment and material to be prepositioned in Portugal.

Considering the problems in order. If a large active duty military force is ruled out for political reasons, the only remaining alternative is a well trained and equipped citizen reserve.

TABLE V

NATO DEFENSE EXPENDITURES AS A PERCENT OF GROSS DOMESTIC PRODUCT
AND NATO NATIONS PER CAPITA INCOMES^a

	<u>Percent GDP</u>	<u>Per Capita Income</u>
Belgium	3.3	\$ 9,810
Britain	5.1	9,280
Canada	2.0	11,356
Denmark	2.0	11,399
France	4.1	10,552
Federal German Republic	4.3	11,097
Greece	6.7	3,890
Italy	2.6	6,100
Luxembourg	1.2	10,785
Netherlands	3.3	9,830
Norway	3.0	13,915
PORTUGAL	3.3	2,370
Spain*	2.6	4,228
Turkey	5.2	1,291
United States	<u>7.2</u>	<u>13,154</u>
Average	3.28	\$ 8,599
Average, w/o U.S.	3.00	

^aSources: Air Force Association, Air Force Magazine: The Military Balance 1983/84 (Washington, D.C.: Air Force Association, December 1983), p. 139; The World Fact Book 1983; U.S. Department of State, Background Notes, 1983.

On paper, Portugal is held to have a reserve force of some 90,000 men.¹⁷ However, the numbers, age, training status, condition of call-up, and state of equipment is highly questionable. A number of senior Army officers heavily discount any contribution the reserve might make to military preparedness. In any event, if the active duty forces are badly in need of new equipment, as is the case today, the condition of the reserves in this regard can, at best, be only marginal.

A common thread ties together the other points made above. It is that any armed service, active duty or reserve, must be viewed as being "of the nation" in every sense of the term. In practice, it means that if completion of a secondary school education and/or attendance at institutions of higher education is foreclosed to an otherwise qualified individual for whatever reason, be it lack of ability to pay or the constraint of limited places, and a military career requires specific educational attainments for entry, retention, and advancement, then the military services must be prepared to fund and offer the needed education, in-house, if necessary.

Should the European NATO nations, the United States and Canada agree that Portugal is strategically more important to the alliance than heretofore realized, and that increasing the country's military capability is money well spent, then several actions/programs should have a high priority.

First, reequipping the present active duty military force of 63,000 men must continue. In the process, however, every effort must be made to hold the present force level reasonably constant.

Reequipping should not become a rationale for any significant active force expansion. Rather, the active duty forces should be the nucleus around which a larger reserve force is built.

The second action is to prune the present reserve force. In final form, it would be composed of educated, well trained volunteers receiving reserve pay. Of all NATO countries, the U.S. has the greatest experience with voluntary reserve forces and would become the role model.¹⁸

Specific projects that should be funded include upgrading the present service academies (Army, Navy, Air Force) to full degree granting institutions.¹⁹ At present, these institutions do not have authority to grant the baccalaureate degree. In this respect, it is axiomatic that if the academies are to have a fair share of Portugal's brightest young people, then the granting of a recognized academic degree, in addition to military instruction, is a must requirement. In this regard, a program model is already in place. In 1984, the Agency for International Development is funding capital improvements and the education of Portuguese faculty in the United States at three Portuguese institutions of higher learning--Evora University, Instituto Universitario de Beira Interior and Instituto Universitario de Tras-os-Montes e Alto Douro.²⁰

To provide officers for a relatively large reserve force, the American ROTC experience is again a worthy model.

Since the 1974 revolution, Portugal has doubled the number of institutions granting baccalaureate degrees. None, however, have any semblance of a military presence on their campuses,

i.e., a formal ROTC-like program. Nor does a program in which civilian lecturers are brought to the military academies on a continuing basis exist. The funding of a number of ROTC units at civilian universities to meet the demands of an expanded reserve force is a high priority goal.

Today, Portugal's Army has a good school for training its noncommissioned officers.²¹ However, this school must be expanded, as must counterpart schools in other services.

Finally, a reserve force is only as good as its training, and training is only as good as hands-on experience with first-line equipment. In this respect, as a part of their commitment, reserves must be prepared to attend summer camps to attain this proficiency. Training with wooden rifles and mock tanks, as was the case of the United States in 1940, is not an option in 1984.

Conclusion

What would be the end result if NATO planners upgrade the strategic role of Portugal as suggested in this lecture? Most important, an active duty armed force of about 70,000 men, backed by a well-trained and equipped reserve force of 80,000, would be in place to support a NATO defense line in Iberia should the need ever arise. As might be expected, the largest component of this force would be army reservists. This 150,000-man Portuguese force would be the nucleus around which NATO reinforcements would be deployed.

Every option to strengthen NATO has a price tag attached, and in 1984 with American defense (and NATO) budgets squarely

"under the gun," the cost of upgrading Portugal's military capability cannot be overlooked.

In 1982, Portugal spent an estimated \$630 million on its armed forces.²² This works out to approximately \$10,000 for each man on active duty. By an admittedly rough calculation, to increase the active forces to 70,000 and maintain a reserve of 80,000 would cost approximately \$470 million annually.

In FY 1982, Portugal was granted \$42.5 million under the Foreign Military Sales Program (FMS), \$20.4 million under the Military Assistance Program (MAP), and \$2.2 million under the International Military Education and Training Program for a total of \$65.1 million. Under the Azores base agreement negotiated in 1983, U.S. aid will increase to \$145 million. A part of this increase could be earmarked for an expanded reserve force.

In considering additional military funding for Portugal, it is often helpful to examine an expenditure in the context of alternative uses. In this respect, \$470 million would buy one-fourth of one Trident submarine, one-third of a guided missile cruiser, or 2.2 MX missiles. Alternatively, to implement and fund the Portuguese reserve force described here for the next 7 years, NATO would have to give up 1 Trident submarine and 1 guided missile cruiser.

It has been often said "prepare for the worst and hope for the best." I would change that slightly and assert "prepare for the worst, and diminish the chance of the worst occurring." Stated another way, an Iberian defense in-depth capability might go a long way to deter a Soviet attack on Europe in the first place.

APPENDIX

TABLE VI
RESERVE FORCES AS PERCENT OF U.S. ARMED SERVICES, 1982^a

<u>ARMY</u>		
	<u>Active</u>	<u>Reserve & National Guard</u>
Combat Divisions	65%	35
Separate Brigades	20	80
Special Forces	40	60
Armor Battalions	55	45
Field Artillery Battalions	40	60
Conventional Ammunition Companies	25	75
Light Equipment Maintenance Companies	8	92
Training Divisions	0	100
<u>NAVY</u>		
Carrier Air Wings	85	15
Intelligence Units	70	30
Construction Battalions	62	38
Minesweeps	15	85
CONUS Based Logistical Aircraft and Combat S & R	0	100
<u>AIR FORCE</u>		
CONUS Air Defense Interceptors	35	65
Tactical Fighters	70	30
Aerial Refueling	80	20
Rescue Recovery	65	35
Strategic Airlift Crews	55	45
Tactical Airlift	32	68
Tactical Reconnaissance	48	52
<u>MARINES</u>		
Combat Divisions	65	35
Air Wings	65	35
Force Reconnaissance Companies	50	50
Heavy Artillery Batteries	60	40
Tank Battalions	60	40

Source: U.S., Department of Defense, Defense 83 Almanac
(Arlington, Va.: Department of Defense, 1983, pp. 16-17.

FOOTNOTES

¹"NATO's Dilemma: Stopping Russia Without Nuclear Weapons," U.S. News and World Report, December 12, 1983, p. 41.

²While this lecture considers only the role of Portugal in a worst case scenario, it is not implied that Norway is of any less importance. The difference is in the different roles each would play. The scenario described might or might not include the use of tactical nuclear weapons.

³"Hammond, Paul Y., et al., The Reluctant Supplier: U.S. Decisionmaking For Arms Sales (Cambridge, MA: Oelgeschlager, Gunn and Hair, 1983), p. 17.

⁴"U.S., Portugal Sign Agreements on Strategic Base," Wall Street Journal, December 14, 1983, p. 3.

⁵"Reequipamento militar tem de ser acautelado," Diario de Noticias, 5 Dezembro 1983, p. 1.

⁶"Portugal esta na primeira linha de defesa da NATO," Correio da Manha, 9 Setembro 1983, p. 9.

⁷Disputes in the Iberian peninsula and Northwest Africa include the issue of Spain's claim to sovereignty over British-held Gibraltar, the issue of Spanish sovereignty over its enclaves of Ceuta and Melilla in North Africa, and anti-government guerrillas in Morocco supported by Algeria and Libya.

⁸The potential for Spain providing a defense-in-depth to the NATO alliance was noted in "The Security of the Atlantic, Iberian and North African Regions, report on a conference held May 9-10

in Lisbon sponsored by the Institute for Strategic and International Studies and The Institute For Foreign Policy Analysis.

⁹The sixth centenary of the Anglo-Portuguese alliance was celebrated in Lisbon in 1973 with Prince Philip, Duke of Edinburgh, in attendance.

¹⁰It was during this period that the Portuguese army was reorganized under the direction of British Marshall William Beresford. The Victors, edited by Brigadier Peter Young (London: Hamlyn Publishing Group, 1981), p. 25.

¹¹The U.S. Portuguese agreement grants base rights to U.S. forces for out-of-theater contingencies on a case-by-case basis.

¹²"France," Colliers Yearbook 1982 (New York: Collier-Macmillan, 1982), pp. 260-61. In the 1983 French municipal elections, the electorate shifted to the right with rightist parties receiving 51 percent of the vote.

¹³"NATO's Dilemma: Stopping Russia Without Nuclear Weapons," p. 41.

¹⁴Major economic problems include a heavy trade imbalance favoring Spain, Spanish tariff barriers against Portuguese products, and disagreement over the present arrangements governing Spanish fishing rights in Portuguese territorial waters.

¹⁵Diario de Noticias, 19 Novembro 1983, p. 1.

¹⁶Portugal, however, has some natural defensive advantages based on its rugged terrain, particularly the Serra da Estrela mountains in the central region of the country.

¹⁷Air Force Magazine: The Military Balance 1983/84, p. 90.

¹⁸U.S. reserve forces as well as the American ROTC program is discussed in "The Recruitment and Education of the American Officer Corps: Can Lessons Learned Benefit Portugal's Armed Services?" by Clinton H. Whitehurst, Jr., Working Paper Series WP 122883, Strom Thurmond Institute For Public Policy Research, December 1983.

¹⁹This issue is discussed in "Relatorio da Commissao Nomeada Para O Estudo da Insercao da Escola Naval, Academia Militar e Academia da Force Aerea no Esquema Geral do Ensino Superior (Report of Standards Committee on the Study to Include the Naval School, the Military Academy, and Air Force Academy in the General Plan of Higher Education. (Unpublished mimeographed report, 1983).

²⁰A beginning in upgrading Portuguese military academies to degree granting institutions would be the establishment of a program whereby instructors at these schools could attend U.S. universities and earn advanced degrees in their respective fields in the same manner in which the AID program is upgrading faculties at civilian institutions.

²¹The Army school for non-commissioned officers is located at Caldas da Rainha. Nomination to the two-year program is from enlisted ranks and is by examination.

²²Air Force Magazine: The Military Balance 1983/84, p. 90.



1900 Lyttonsville Rd. #306
Silver Spring, Md. 20910
585-1864

Dear Mr. Deaver,

Enclosed you will find the new material that I told you I was working on. It is a take-off on the President's 1985 budget.

I have also been working on an idea that I think you might be interested in. Because President Reagan is so witty and uses a lot of humor in his speeches, I would like to do a small, paperback book on the President's humor since he took office. The cost of publication plus my expenses could be paid for through the Republican National Committee and the book would be given to those who donate money to the campaign. I think that it would make a nice gift and it might even help my writing career. Thanks so much for your consideration, and I hope to be hearing from you soon.

Sincerely,


Alan DeValerio

One of the most debated subjects right now on Capitol Hill is President Reagan's 1985 budget package. Heavy cuts in domestic spending, if passed by Congress, will cripple many federal agencies as well as hurt those less fortunate in our society. Let's face it, Reagan is the type of guy who would go into a drugstore, put a slug in the March of Dimes container, and walk out looking like he gave.

Unfortunately, more budget cuts for 1985 are inevitable. Therefore, in order to understand how they affect people and institutions throughout the country, let us look at the following list. On the left is the current institution, and on the right is its status if Reagan's budget passes Congress.

1. National Symphony Orchestra	José Melis Trio
2. Library of Congress	A paperback book store
3. National Institutes of Health	The free clinic
4. The FBI	The Guardian Angels
5. The Food-Stamp program	10¢-off coupons
6. Wilt Chamberlain	Gary Coleman
7. Health and Human Services	Dear Abby
8. Internal Revenue Service	H&R Block
9. Jerry Falwell	A Salvation Army Santa
10. Energy Secretary Donald Hodel	The Shell Answer Man
11. Space-Shuttle Columbia	The Spruce Goose
12. U.S. Information Agency	Ask Heloise

I'm sure by now you've gotten the point. The big question is this: Can Congress be convinced of the damage that will be done by these proposals before it's too late? Can they make the Reagan administration see the error of its ways? There is one possibility. Maybe Congress, desperate for money itself under these budget restraints, will be pressured into passing a law forcing the White House to go condo.



California Trucking Association

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Burlingame
April 9, 1984

File

Mr. Michael Deaver
Deputy Chief of Staff
Assistant to the President
THE WHITE HOUSE
Washington, D. C. 20050

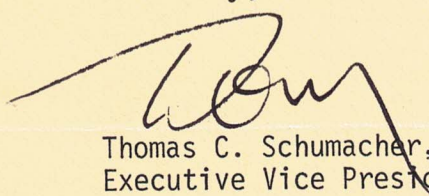
Dear Mike:

Thank you for your letter of March 15 regarding the Administration's proposed motor carrier uniformity legislation. I don't often take issue, but in this instance I must.

In your letter you indicate the bill can substantially benefit the industry by reducing costs, etc. It is doubtful that the cost and complexity will be reduced. There is an extremely high probability of injection of substantial further federal dominance, to the detriment of the industry. I did receive a long letter from Mrs. Dole, a copy of which is attached. I am, of course, attaching a copy of my response to her.

My best to you and Carolyn, Amanda and Blair.

Cordially,


Thomas C. Schumacher, Jr.
Executive Vice President

TCS:jr

Attachments



California Trucking Association

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Burlingame
April 6, 1984

The Honorable Elizabeth Hanford Dole
Secretary
U. S. Department of Transportation
400 Seventh Street, S. W.
Washington, D. C. 20590

Dear Secretary Dole:

Your views on our concerns with H.R. 4518 are appreciated.

If we seem hesitant as to this legislation perhaps a review of the industry's experience will explain our attitude. On major issues affecting truck transportation in recent years, DOT has not responded favorably to industry recommendation. On the major size and weight study the suggested industry scenario was not included in the ten examined in the Sydec study. In the big federal cost allocation study industry recommendations were essentially ignored in selection of the methodology which was central to the inequitable burden shifting that resulted from abandonment of the proven incremental solutions followed by the agency in the past. Industry recommendation on the most recent alternatives to the federal highway use tax have similarly received short shift. It is no wonder we are wary of cooperative results in the future. From our side of the issues the work product is not very good.

The great majority of trucks (92%) are local or regional carriers operating under a combination of local and state laws. A sincere interest in fostering a viable industry to serve the public calls for emphasis on these carriers in the uniformity project. As I will explain later in this letter, there is a role for DOT in the effort.

The local and regional carriers have enjoyed significant uniformity in one area. This successful program, developed by the states without federal intervention, is the International Registration Plan. The proposal in H.R. 4518 seems to be patterned after this program. The plan has been developed and promoted by State Motor Vehicle Administrators and managed by their national group, AAMVA. The essential element in their success has been the flexibility of the participant in accommodating the many incompatible laws, practices and regulations as they proceeded.

Public Law 89-170 is the one instance in the past that the federal government promoted uniformity as to identification of vehicles and insurance coverage for protection of the public. It was felt necessary to turn control of the operation to a group of state administrators (NARUC).

We think there is a need for uniformity. However, the emphasis should be on local and regional commerce and the federal role should be to facilitate the existing cooperative efforts to achieve it. The best way to start on such a program would

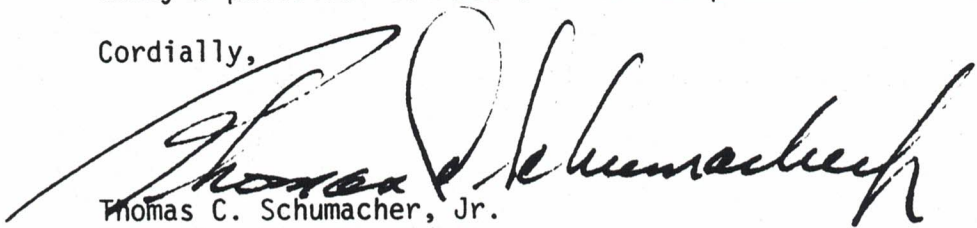
4/6/84

be to establish a Motor Carrier Administration of equal standing with the present four administrative divisions now existing of air - Federal Aviation Administration; water - St. Lawrence Seaway Development Corporation; bus - Urban Mass Transportation Administration and rail - the Federal Railroad Administration. Each of these four administrations has, as a part of its created mission, the promotion of its own mode of commercial transportation. There is no one within the U. S. DOT or elsewhere in the federal government charged with the promotion or representation of the interest of motor carriers, who today are the principal mode of freight transportation in the United States.

A knowledgeable group informed concerning the problems of our industry would be able to proceed step-by-step to accomplish the objective to which you refer in your letter. The role of the federal group would be to facilitate the process and help where necessary. It is important that within the Department there be a group with the background to understand all of the many facets of our industry and able to mold them together in a workable plan. Simply adopting some standards will not do the job. Think back to the experience arising from STAA '82.

We suggest there is a need for a fresh approach, new thinking and reassessment because the problem is not new and has eluded solution for some time. To use force in today's political climate will not be productive. I hope you agree.

Cordially,



Thomas C. Schumacher, Jr.
Executive Vice President

TCS:jr

cc: Congressman Glenn Anderson
Congressman James J. Howard
The Honorable Ray Barnhart



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

Calif. Trucking Assn.
MAR 13 1984
Burlingame, Calif.

Mr. Thomas C. Schumacher, Jr.
Executive Vice President
California Trucking Association
1240 Bayshore Highway, P.O. Box 923
Burlingame, California 94010

Dear Mr. Schumacher:

Thank you for your letters to me and to Federal Highway Administrator Barnhart concerning our proposed state motor carrier tax uniformity legislation and other trucking matters. I am particularly concerned that you do not support H.R. 4518, our uniformity bill, and would like to offer some thoughts to explain our approach to this issue.

You raise a number of trucking issues and offer some thought-provoking suggestions for dealing with them. While we recognize that there are a number of problems affecting the trucking industry, our uniformity proposal attempts to deal with one major issue in a manner that we believe will significantly benefit the industry and has a reasonable chance of passage by Congress. Federal action affecting state taxing prerogatives is a highly controversial issue, and broadening the purview of the bill, as you suggest, is likely to attract even more opposition than is now the case. We would not expect a much broader proposal to have any chance of enactment in this session.

We view the Secretary's authority to enter into rulemaking in the absence of recommendations by the working group and the authority to act independently after considering the recommendations of the working group as being the very essence of the legislation. Our experience with the state motor carrier tax administration issue strongly suggests that there are substantial impediments inhibiting the states from reaching an accord on uniformity. The rulemaking authority in the bill provides a powerful incentive to overcome those impediments. In carrying out that rulemaking authority, the Secretary must take into consideration the views and opinions of all concerned parties (such as the trucking industry). However, we cannot legally delegate the Federal rulemaking authority outside the Executive Branch. Were we to be bound by the recommendations of the working group or any other party in advance of the regulatory decision process, this is exactly what would be taking place.

You are right that our proposed uniformity legislation responds to a number of considerations and does not adhere solely to the principle of federalism. In considering whether to propose the legislation, we had to balance the potentially conflicting principles of states rights and the needs of interstate commerce. We believe that we have done this by, on the one hand, ensuring that the states would have a strong role in the formulation of the standards and that we would not intrude on the authority of the states to establish the rates and levels of their highway taxes. On the other hand, the productivity benefits for interstate commerce compel us to seek a strong mechanism to enhance uniformity among conflicting state administrative procedures.

I want to assure you that we are very much interested in considering the views of the trucking industry on our proposed uniformity legislation. As I noted earlier, we think that we have a legislative proposal that can be enacted, and we will work hard for its passage. However, given the opposition that could be expected from the states, it will not pass without the strong support of the trucking industry. If it does not pass, the industry, the consumers, and the nation will be the loser.

I hope that you will reconsider your position on H.R. 4518 and that we can count on your support.

Sincerely,



Elizabeth Hanford Dole



California Trucking Association

GENERAL OFFICE
EL MONTE, CALIFORNIA 91731 BURLINGAME, CALIFORNIA 94010 SACRAMENTO, CALIFORNIA 95814
3650 ROCKWELL AVENUE 1240 BAYSHORE HIGHWAY, P.O. BOX 923 SUITE 402, 1127 ELEVENTH STREET
(213) 442-8120 (415) 579-3500 TWX 910 374 2352 (916) 442-1017

Burlingame
February 6, 1984

The Honorable Elizabeth Dole
Secretary, U. S. Department of Transportation
400 Seventh Street, S. W.
Washington, D. C. 20590

Dear Secretary Dole:

The Board of Directors of the California Trucking Association has considered HR 4518 which establishes a working group on National Uniform State Regulation of Interstate Motor Carriers and opposes the bill. The reasons for this opposition follow.

We recognize this bill is the result in part of many hearings throughout the United States and numerous discussions within the administration to determine what should be presented as the administration's legislative answer to the numerous statements made by the trucking industry concerning the lack of uniformity in the collection of highway taxes.

Trucking in the United States represents one of the major forces for a viable, effective expanding economy. Government's overall concern with this important segment of the country's economic infrastructure is vital for our continued growth in G.N.P. The way in which trucking "business" is conducted is rapidly changing, particularly in the current "deregulation" atmosphere. In the not too distant future, trucking or trucking companies will not be operators of "trucks" but rather "movers of goods or products" in the most efficient, cost effective and profitable method available within a transportation system.

This then is our concern with HR 4518 as a major administration effort to resolve trucking highway tax uniformity problems. It is very narrow in scope and contains a provision which in fact will create further problems if used as written in the bill. It is our view that if the administration is going to spend all the time and effort required for passing major legislation, such effort should be devoted to legislation which encompasses trucking industry situations and which provides for the future.

The narrowness we refer to is that the bill provides for the development of standards in the area of "paperwork" for qualifying interstate commercial vehicles. While this was an issue spoken about in many of the hearings, it doesn't represent a major economic problem in the total scheme of trucking activities.

A major bill for solution to trucking industry problems needs to be broader in scope as provided in our recommendations.

The proposed "standards" solution is exentiated by the grant of power to the Secretary to write rules and regulations in the "absence of" committee recommendations - or even contrary to committee advice. The International Registration Plan, which has been used as a "standards" model, was developed after a number of years of negotiation between states, administrators, legislators and industry. Yet the bill provides for recommendations from a committee or the Secretary will act in any case without further input. The STAA is a good example of the problems that develop in bringing federal standards down to a local level without strong, knowledgeable negotiations prior to final drafting. Certainly, federal regulations without the benefit of local review and agreement would be much more difficult to sell and politically impossible to justify.

Additionally, this doesn't appear to be a bill, particularly with the Secretary's rule making authority, which is synchronized with the President's "New Federalism" program. The bill in its current format doesn't further this administration's concept of recognizing the need for strong state control of activities within their jurisdiction. Actually, "New Federalism" is a very practical and realistic program when applied to trucking. The reason for this is that trucking activities are inherently "regional" because of geography, local economies and availability of transportation systems. Consequently, legislation such as HR 4518 should recognize this vital factor.

What then do we propose? Basically we would recommend for overall consideration that the bill be held until comprehensive redrafting can be accomplished which will ensure a recognized and established voice for the trucking industry as an important factor in assuring the economic health of our nation.

Our suggestions in lieu of the bill are:

1. Establish a governmental agency with the prime duty of fostering a strong viable trucking industry. Duties to include development of an ongoing national truck census for base information to provide the necessary back up for all national and local economic development planning; review and approval for administration support of legislation concerning size, weight, height, or taxation of commercial vehicles; furtherance of activities which will provide for more productive use of trucks and saving of energy.
2. Provide for recognition of regional differences. One of the problems of the STAA was the failure to recognize that the standards proposed for national implementation were not conducive to increased trucking productivity in many of the states. "Trucking productivity" is the key phrase here, and the bill should assure the continued interest of furthering this concept without overlaying or overriding this concept with "national" standards.
3. Establish representative committees to assure full and complete input on issues concerning the trucking industry which will result from the type of administrative activity we are proposing. The new agency would be required to identify issues for the furtherance of

their charter and to provide for the approximately balanced committee to develop the required recommendations, procedures, standards and programs.

4. Develop a special Presidential Transportation Task Force of high level executives for assistance in development of economic transportation planning in conjunction with Presidential national economic planning and development.

5. Provide for the development of standards as indicated in the HR 4518, but make such development and approval based on committee recommendations before the Secretary can promulgate any rules or regulations.

6. Any punitive aspects as to state compliance should be general and, again, specifics should be developed through appropriate committee review and prior to issuance of rules and regulations.

The thrust of the suggestions is for a comprehensive bill for the trucking industry to become a full time federal partner in the field of economics along with agriculture, railroads, aviation, manufacturing, and communications. Now is the time to promote this kind of program because the industry is evidently moving to more comprehensive intermodal and regional systems as opposed to coast-to-coast transportation solely by truck. Our Association strongly urges that now is the time to provide for comprehensive federal legislation to resolve these major ongoing trucking concerns.

Cordially,

Thomas C. Schumacher, Jr.
Executive Vice President

TCS:bh

cc: Congressman Glenn Anderson
Congressman James J. Howard
The Honorable Ray Barnhart



EMBASSY OF THE
UNITED STATES OF AMERICA

3 April 1984

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

sent 4/13/84

Dear Mike:

I have enclosed a photograph of the Baker-Meese-Deaver trio which I would like very much to have autographed for my personal collection.

Could I impose on a member of your staff to pass the photograph along to Jim Baker and Ed Meese for their signatures and then have it returned to me at the following address? I appreciate your assistance.

Dr. Raymond Tanter
MBFR Delegation - Vienna
U.S. Department of State
Washington, D.C. 20520

I am grateful for having had the privilege of serving the President on the NSC Staff during 1981-1982 and look forward to the opportunity for further service in the future.

With warm regards,

Sincerely,

Raymond Tanter
Personal Representative of the
Secretary of Defense to the
Negotiations on Mutual &
Balanced Force Reduction



UNITED STATES SENATE
OFFICE OF THE MAJORITY LEADER
WASHINGTON, D. C.

HOWARD H. BAKER, JR.
TENNESSEE

April 10, 1984

Dear Mike:

As Jim Cannon mentioned to you yesterday, I am most interested in seeing Cran Montgomery become our next Ambassador to Jordan. I thought it would be fitting to put this request in writing to the President, and I also wanted to let you know how much I would appreciate your consideration of this request.

Jordan is a special post, and Cran is a special person. He not only knows the Middle East, but he also has a strong personal relationship with King Hussein.

This appointment is an important one to me, Mike, and I am grateful for your assistance.

Sincerely,

A handwritten signature in dark ink, appearing to read "Deaver", with a stylized flourish at the end.

Honorable Michael K. Deaver
Deputy Chief of Staff
The White House
Washington, D.C. 20500

United States Senate

OFFICE OF THE MAJORITY LEADER
WASHINGTON, D.C. 20510

April 10, 1984

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

On not more than two or three occasions I have asked for your help on appointments that were special to me, and you have been good enough to grant my requests.

Now I have another recommendation of that order: I would like very much for George Cranwell Montgomery, currently the senior foreign policy advisor to the Senate Majority Leader, to be considered as your Ambassador to Jordan.

Cran has served on my staff since 1975 as a legislative assistant, legislative director and for the past three years as Special Counsel. As a lawyer with a background in international law, he has acquired extensive experience during his Senate service in the formulation of our country's foreign policy. Moreover, both in travelling with me and travelling alone on my behalf, Cran has proved most adept at representing our views at the highest levels of foreign governments.

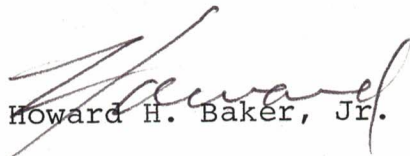
With respect to the Middle East, at his own initiative and with my encouragement, Cran has become one of the leading experts in the Congress on that troubled region. He has, at my behest, travelled repeatedly and extensively throughout the region and has acquired a comprehensive knowledge of regional leaders, their interests, and how best to represent our interests and concerns to them.

Although I would feel entirely comfortable in recommending his appointment to any Middle Eastern country, Jordan is particularly appropriate. As you know, our relationship with Jordan, more than most countries, is heavily concentrated in the personal communication between the King and our Ambassador to the Kingdom. For that communication to be effective, our ambassador must not only have the confidence of King Hussein, but the ability to speak candidly to him, particularly when our respective interests do not coincide.

Cran meets both criteria. He is well known and respected by Hussein and his key advisors. He is knowledgeable and can speak frankly about the concepts and realities of our policies toward the Middle East.

Mr. President, I am convinced that you and the country could have no finer representation to Jordan than Cran Montgomery. I earnestly and respectfully urge your consideration of his appointment.

Sincerely,



Howard H. Baker, Jr.

HHBJr:aaf

RYI
LEW LEHRMAN

April 11, 1984

The Honorable Michael K. Deaver
Deputy Chief of Staff & Assistant
to the President
The White House
Washington, D.C. 20500

Dear Mike:

I have just learned that Lee Weil is being considered for the post of Ambassador to Nepal. Had I known of this sooner, I would have written long before this. I know Lee well. He is a knowledgeable and gracious person who would serve the United States and the President with distinction. His character and temperament make him specially suited for the position.

His credentials are also excellent. A graduate of Princeton, he is a successful businessman in the investment field and has a wide understanding of economic affairs. He has a long history of active participation and responsibility in the political process and, incidentally, was one of the earliest supporters of President Reagan.

In addition, Lee is deeply committed to a host of community and educational activities. He serves as a trustee of Berkshire School in Sheffield, Massachusetts, the Robert Taft Institute of Government, and Outward Bound, Inc. In his work for Outward Bound, Lee has been to Nepal on several occasions. I have seen the photos he has taken during his visits -- and felt his enthusiasm for the country. Lee and his wife have become friendly with the Nepalese ambassador, and I know that they were guests at a reception given for the King and Queen of Nepal on the occasion of their state visit.

Lee is an incredibly active person. Not only a good public speaker, he is a marathon runner and a cross-country ski racer. He just returned from Tanzania, where he climbed Mount Kilimanjaro. Here in the states, he serves on the President's Council for Physical Fitness and Sports.

I don't know what else to add except that Lee has successfully completed everything ever asked of him -- and he has been asked plenty. He is eager to serve. If he does, we will have a top man in Kathmandu.

Best regards,

LL
Lew Lehrman

LL/ms

Mike: Lee Weil truly is the right man for this post. With deep respect,
LL

R-1 D

THE WHITE HOUSE

WASHINGTON

April 10, 1984

MEMORANDUM FOR JAMES A. BAKER
MICHAEL DEEVER ✓
JOHN HERRINGTON

FROM: M. B. OGLESBY, JR. *Bo*

SUBJECT: Tennessee Valley Authority Board Vacancy

Senator Baker's recommendations, for our consideration, to fill the TVA Board vacancy are:

John Waters, currently President of Tennessee Bar Association; or

Bob Farris, currently Tennessee Commissioner of Transportation

Resumes will be forwarded.

We should give Senator Baker's recommendations the highest priority in our selection process.

THE WHITE HOUSE

WASHINGTON

April 12, 1984

MEMORANDUM FOR JAMES A. BAKER
MICHAEL DEEVER ✓
JOHN HERRINGTON

FROM:

M. B. OGLESBY, JR. *Bo*

SUBJECT:

Tennessee Valley Authority Board Vacancy

As indicated in my April 10 memorandum to you, I have attached the resume of Mr. John Waters.

This is Sen. Baker's 1st choice -

John B. Waters

HOME:
Waters Edge
Sevierville, Tennessee 37862
(615) 453-3913

OFFICE
Hailey, Waters, Sykes, & Sha
Attorneys
Professional Building
Sevierville, Tennessee 37862
(615) 453-2877

Family: Born, Sevierville, Tennessee, July 15, 1929; father, John B. Waters, Senior, deceased; mother, Myrtle Paine Waters, deceased; sister, Mary Louise (Mrs. R.B.) Hailey; brother, David Paine Waters, Sevierville, Tennessee; married the former Patsy Temple (1953); two children, John B. Waters, III, born 1955, and Cynthia Beth, born 1957. Mrs. Waters is a graduate of the University of Tennessee. John B. Waters, III an attorney, is a graduate of the University of Tennessee at Knoxville and Georgetown Law School; Cynthia, a professional photographer, is a graduate of the Art Institute of Atlanta. All the family are members of the First Baptist Church of Sevierville, Tennessee.

Education: Graduated from the University of Tennessee with a B.S. degree in Finance in 1952. Doctor of Jurisprudence, 1961. After serving three years in the United States Navy, returned to the University of Tennessee Law School, receiving J.D. degree in 1961. While attending the University, was a member and Vice President of Phi Sigma Kappa Fraternity; Vice President of the Student Body; member of Athletic Council; Sevier Senior Society; chairman of campus political party; member of Pi Alpha Delta Legal fraternity; listed in Who's Who in American Colleges and Universities in 1952.

Military: Joined the United States Naval Reserves in 1948 at age 17, while a student at University of Tennessee. Commissioned as Ensign in 1952 and served on U.S.S. Conway (DDE 507) from 1952 to 1955 as Gunnery Officer in the Atlantic and Sixth fleet. Now Lt. USNR Hon. Ret.

Business and Professional; Engaged in the practice of law as a general partner in the Law Firm of Hailey, Waters Sykes and Sharp, Professional Building, Sevierville, Tennessee. Member Sevier County, Tennessee and American Bar Association.

Licensed to practice in Tennessee, District of Columbia and U.S. Supreme Court; President of Sevier County Bar Association, 1972 - 1974. Vice President for East Tennessee, Tennessee Bar Association, President of Tennessee Bar Association, 1983-84. Fellow, American College of Probate Council. Member, American Judicature Society. Fellow of the American Bar Foundation.

Community and Civic: Member, American Legion, Masons, Sons of the American Revolution, Gatlinburg Elks Lodge (Exhalted Ruler, 1960). Member of Sevierville Housing Authority, 1958 to 1968; member and Chairman of Sevier County Industrial Development Board, 1964 to 1968; Chairman, Sevierville Library Foundation; Vice-Chairman, Sevierville Chamber of Commerce, 1962-1966; Member Governor's Committee on Economic Development 1971; Member State of Tennessee Industrial and Agricultural Commission, 1971; Tennessee Representative to Southern Growth Policy Board, 1971-1975; Trustee, East Tennessee Baptist Hospital, Knoxville. 1976-1982; Member, Tennessee-Tombigbee Waterway Authority, 1978-present.

Political: Republican. Member of the State Executive Committee, 1962 to 1968; Vice Chairman, 1962-1966; in 1958 made unsuccessful campaign for Republican Nomination for Congress against the late Carroll Reece. State campaign Chairperson for Senator Howard Baker's 1964 and 1966 campaigns. Delegate to 1968 Republican National Convention. Member of State Nixon Committee, 1968.

Governmental: In 1969 President Nixon nominated Waters as Federal Co-Chairman of the Appalachian Regional Commission. He was confirmed by the United States Senate on March 26th, 1969. Justice Potter Stewart of the U.S. Supreme Court Administered the Oath of Office to Mr. Waters. The Appalachian Regional Commission consists of the governors of the 13 Appalachian states and the Federal Co-Chairmen.

The commission engages in a broad spectrum of economic development programs including highways, health, vocational education, sewer and water projects, land reclamation, housing in the Supplemental of other federal grant-in-aid programs. Waters served as Federal Co-Chairman until March 1971, when he resigned and returned to Sevierville to resume his law practice and business. A joint resolution honoring Waters was passed by the Eighty-Sixth General Assembly of the State of Tennessee.