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WITHDRAWAL SHEET

Ronald Reagan Library

Collection: Deaver, Michael K.: Files

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File Folder: Miscellaneous Memos - [Jan-Jun 1982] [1 of 6]
 OA 7621 8545

Date: 4/7/98

sta 3/2/11

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. letter	Richard S. Williamson to Dr. Milton Friedman re follow-up call to President's call, 2p.	6/24/82	<i>P5 OPEN</i>
2. list	List of questions from Garry Clifford (partial), 1p.	n.d.	<i>F7 B7</i>
3. memo	Ken Khachigian to RR re economic and political problems, 13p.	4/20/82	<i>P5 OPEN</i> <i>LCB</i> <i>10/26/00</i>

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

- F-1 National security classified information [(b)(1) of the FOIA].
- F-2 Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA].
- F-4 Release would disclose trade secrets or confidential commercial or financial information [(b)(4) of the FOIA].
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA].
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA].
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].



MOTION PICTURE ASSOCIATION
OF AMERICA, INC.
1600 EYE STREET, NORTHWEST
WASHINGTON, D.C. 20006
(202) 293-1966

70
Joe Wright
771 7-7-82

JACK VALENTI
PRESIDENT

June 30, 1982

PERSONAL & CONFIDENTIAL

Dear Mike

I neglected to send you the attached.

These three letters clearly make visible the devastation that will occur in the video marketplace when there are some eight to ten million VCRs (videocassette recorders) in the marketplace. There will be that many at the end of 1983 or mid-1984. By the end of 1989, we expect 30-35 million.

These letters say:

First, because VCRs can "zap" out commercial messages due to "fast forward" and "visual search" buttons, Frito Lay, Coca-Cola and TWA will not pay for any audience where there is a taping of the commercial message, or if they do pay it will be at a greatly reduced rate.

Second, they do this because no rating service can (1) ever tell them if the tape was played back, and (2) if it was played back, was the commercial "assassinated."

Third, when this happens, the networks will receive less revenues and the producers in turn will receive less revenues and thereby reducing investment capital for future production.

Sincerely,

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

Attachments



Frito-Lay, Inc.

April 19, 1982

Mr. Jack Valenti
Motion Picture Association
1600 I Street, N.W.
Washington, D.C. 20006

Dear Jack:

I am writing to confirm several comments that I have made orally in conversation with you.

As I told you, the area of VCR media is relatively new, and Frito-Lay does not have any documented policy for this media form right now.

My personal point of view is this:

- 1) VCR penetration of households will continue to grow;
- 2) VCR devices allow consumers to record program materials, but delete commercial messages;
- 3) Some method of measuring whether a "set-in-use" is hooked up to a VCR will have to be developed and used;
- 4) The burden of proof will be on the television networks to provide data on VCR usage;
- 5) Advertisers either will not pay for VCR - associated message delivery, or they will pay at a reduced rate, given the potential for deleting commercial messages.

While I cannot commit Frito-Lay or PepsiCo on what may be hypothetical issues, I would anticipate that we would negotiate rate concessions on an "up-front" basis with networks once VCR penetration becomes significant (10% of Households).

Sincerely,

JOHN M. CRANOR
Vice President, Marketing

JMC:pjs

TWA B KENNEDY
605 3 AVE
NEW YORK NY 10016

Western Union Mailgram

4-035402S167 06/16/82 ICS IPMMTZZ CSP WSHB
2125573841 MGM TDMT NEW YORK NY 103 06-16 0213P EST

JACK VALENTI
MOTION PICTURE ASSN
1600 EYE ST NORTHWEST
WASHINGTON DC 20006

THIS IS A FOLLOW UP TO OUR CONVERSATION CONCERNING THE IMPACT OF
VCR'S ON TV ADVERTISING. TWA HAS RECENTLY REVIEWED THIS SUBJECT WITH
ITS AGENCY, OGILVY AND MATHER, AND WE HAVE A MAJOR CONCERN ABOUT THE
CONSUMERABILITY THROUGH VCR DEVICES TO DELETE TV COMMERCIALS. BECAUSE
OF THIS DEVELOPMENT WE PLAN TO PUT SUBSTANTIAL PRESSURE ON THE
NETWORKS TO AUTHENTICATE COMMERCIAL AUDIENCE DELIVERY AND TO THE
EXTENT POSSIBLE PLAN TO NEGOTIATE LOWER TV COMMERCIAL COSTS AS WELL
AS SEEK ALTERNATIVE ADVERTISING MEDIA

BRIAN KENNEDY
TWA
605 3 AVE
NEW YORK NY 10016

14:19 EST

MGMCOMP

The Coca-Cola Company

IRA C. HERBERT
EXECUTIVE VICE PRESIDENT

June 11, 1982

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

Mr. Jack Valenti
Motion Picture Association
1600 I Street, N. W.
Washington, D. C. 20006

Dear Jack:

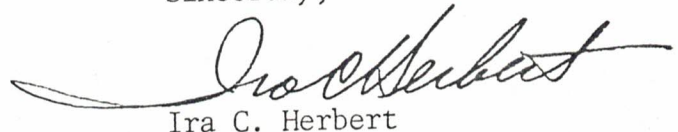
As we discussed, the prospect that VCR usage will increasingly undercut the audience exposed to our commercials disturbs us greatly. As you know, The Coca-Cola Company is a major advertiser on network television advertising. We are concerned that VCR usage is beginning to prevent our message from getting through. We expect this problem to become quite serious in the next two to three years as the numbers of VCR's increase.

We know that VCR technology permits, if not induces, consumers to delete commercials while taping or playing back programming. Common sense tells us that, whenever possible, television viewers will take advantage of the chance to avoid commercials. And we agree that general VCR usage diminishes audience size by drawing viewers away from current broadcasts. After all, a viewer will watch a VCR when it is convenient to him which is the time when, formerly, he would have watched current broadcasting.

Network television must be cognizant of these developments. The burden of proof is thus on the networks to provide assurance to us that VCR usage does not reduce effective advertising audience size.

The Coca-Cola Company will not pay for viewers that are not seeing its commercials. In such circumstances, advertising rate concessions will have to be made. I anticipate that we will discuss these issues with network executives as VCR penetration increases.

Sincerely,



Ira C. Herbert

ICH:dbb



MOTION PICTURE ASSOCIATION
OF AMERICA, INC.
1600 EYE STREET, NORTHWEST
WASHINGTON, D. C. 20006
(202) 293-1966

file

JACK VALENTI
PRESIDENT

June 29, 1982

Dear Mike

As I pledged you, here is
a brief summary of the home record-
ing issue that is before the Congress.

This is the issue that
Charlton Heston spoke to you about,
which Heston testified for before the
Senate and Clint Eastwood before the
House, and in whose cause all elements
of the creative community in this
country are united.

Sincerely,

Jan

The Honorable
Michael Deaver
The White House
Washington, D.C. 20500

Enclosures

The Mathias Amendment No. 1333 to S. 1758 (in the Senate)
and the Edwards/Moorhead Bill H.R. 5705 (in the House)

The central issue is the protection of private property. That which belongs to others cannot be taken from them without permission of or compensation to the owner.

That is the basic, indeed, the only issue.

Why there is a problem

The videocassette recorder (100% of which are manufactured in Japan) and the blank video tape (85% of which are manufactured in Japan) comprise the only visual distribution system which is unlicensed. All other distributors of visual material are subject to licensing programs and material they use: theaters, prerecorded videocassettes, basic cable TV and pay TV, pay television, network television, local TV station syndication -- all must either license their programming or be subject to a compulsory license (i.e. basic cable television). Today only the videocassette recorder and the blank tape lie outside this marketplace boundary.

The Court of Appeals supports our view

The 9th Circuit Court of Appeals in October 1981 declared that videotaping in the home constituted copyright infringement. Copyright is the singular asset of the creative community in America. Without the protection of copyright, the value of creative property collapses.

The congressional solution

Both in the Senate (the Mathias Amendment) and in the House (the Edwards/Moorhead bill) legislation is pending which would accomplish several purposes:

1. All home taping would be exempt from copyright infringement. That is, the home viewer can tape as much and as often as he or she chooses, in the privacy of the home.

2. A copyright royalty fee will be imposed on the manufacturers of videocassette recorders and blank tapes, and on audio recording equipment and blank audio tapes.

3. The fee would be determined by the Copyright Royalty Tribunal, an agency of the government created by the Copyright Act of 1976. In other words, an agency already in being, with no new bureaucracy or additional cost to the public.

4. After a year's evidentiary hearings the CRT would set a fair and reasonable fee on both video and audio equipment and blank tapes. Every five years, the CRT would revisit the fee schedule to determine if it is reasonable in the light of new marketplace developments.

5. A Fair Marketing Amendment is included which allows copyright owners to either rent or sell their pre-recorded videocassettes to retail stores, and share in either income from the rental or the sale of the cassettes.

Complete industry support for our cause

Every segment of the creative community supports this measure -- the four guilds (the Screen Actors, Directors, Writers and Producers Guilds), unions, all those involved in the investment in and creation of visual entertainment for the American public.

Large Senate and House support, with Japanese in opposition

Twenty-five Senators have co-sponsored the Mathias Amendment, including the Republican leadership and the Democratic leadership of the Senate, as well as 90 Congressmen, from both sides of the aisle.

The opposition comes from the Japanese manufacturers of the taping equipment (Hitachi, Matsushita, Sony, Sanyo, Victor, Toshiba) and the electronics industry.

Reagan administration support urgently needed.

What we are asking the Congress to do -- and desperately need the support of the Reagan administration in this objective -- is to (1) exempt home taping from copyright infringement and (2) set in place a mechanism for compensation to copyright owners in the face of a new technology that if left unharnessed threatens the future life of the creative community in the USA.

Protection of private property is the issue.

We believe that the Reagan administration is solidly supportive of the concept of private property and its protection from unauthorized use. What we are asking is that protection from the ravages of a new technology be engraved in the law else this new technology will upset and devastate the marketplace balance.

Government protection, not government regulation

This is not regulation by the government, but protection by the government. Just as all private property in the land is protected from unauthorized use, so creative property must be protected against the intrusion of an ingenious technology that did not exist a decade ago, and was only a faint shadow in the marketplace when the Copyright Act of 1976 was passed.

Attached is a brief two-page summary of all aspects of the issue, as well as those organizations who have banded together as the Coalition to Preserve the American Copyright.

1. What kind of groups support the Mathias Amendment?

o A diverse group of 17 organizations collectively called "The Coalition to Preserve the American Copyright" actively supports the Mathias Amendment. These groups are broad-based, representing labor, consumers, the movie industry, the broadcasting industry, the cable TV industry, and professionals of every kind. The following groups are Coalition members:

- Motion Picture Association of America
- Children's Television Workshop
- Volunteer Lawyers for the Arts
- National Association of Theatre Owners
- Screen Actors Guild
- Association of Talent Agents
- National Cable TV Association
- International Alliance of Theatrical
Stage Employees and Moving Picture
Operators of the U.S. and Canada
- Producers Guild of America, Inc.
- CBS, Inc.
- Authors League
- Writers Guild of America
- Training Mediastat Distributors Association
- Directors Guild of America
- Actors Equity Association
- American Federation of Television and
Radio Artists (AFTRA), AFL-CIO
- National Association of Broadcasters.

o A similarly diverse group of 19 organizations from the audio recording industry also supports the Mathias Amendment. The following organizations have formed the Coalition to Save America's Music:

- AFM (American Federation of Musicians)
- AFTRA (American Federation of Television and Radio Artists), AFL-CIO
- AGAC (American Guild of Authors and Composers)
- ASCAP (American Society of Composers, Authors and Publishers)
- BMA (Black Music Association)
- BMI (Black Music Inc.)
- CMA (Country Music Association)
- GMA (Gospel Music Association)
- MPA (Music Publishers Association of the United States)
- NAPM (National Academy of Popular Music)
- NARAS (National Academy of Recording Arts and Sciences)
- NARM (National Association of Recording Merchandisers)
- NMA (Nashville Music Association)
- NMC (National Music Counsel)
- NMPPA (National Music Publishers' Association)
- NSAI (Nashville Songwriters' Association International)
- RIAA (Recording Industry Association of America)
- SESAC
- SPARS (Society of Professional Audio Recording Studios)

THE POSITION OF OWNERS OF CREATIVE PROPERTY
IN SUPPORT OF H.R. 5705 AND AMENDMENT NO. 1333 TO S. 1758

THE U.S. FILM AND TELEVISION INDUSTRY IS A HUGE AMERICAN ASSET WHICH MUST BE PRESERVED

- The U.S. film and television industry is a great national asset and a trade asset of significant and continuing value to the US Treasury. In 1981, the U.S. film and television industry brought back to our country almost \$1 billion in surplus balance of payments. The American movie is the one U.S. made product that even the Japanese, skilled beyond all comparison in their conquest of world trade, are unable to compete with, displace or clone.

THE CRITICAL ISSUE: IF WHAT YOU OWN CANNOT BE PROTECTED, YOU OWN NOTHING

- The central principle on which this issue hinges is this: The right of those who create television programs and feature films to own what they create. We are for individuals recording video and audio works in their homes so long as copyright owners of motion pictures, television programs and musical works are compensated for the taking of their property.

THE 9TH CIRCUIT COURT OF APPEALS DECISION IN THE "BETAMAX" CASE

- In the case of Universal City Studios v. Sony Corporation of America, the Ninth Circuit Court of Appeals found that the Copyright Act of 1976 did not provide a specific exception for home video recording and such recording does not fall within the general "fair use" exception to the use of copyrighted material established in the 1976 Act.
- The day following the Ninth Circuit's decision, however, legislation was introduced to overturn the court by creating a home use exemption from copyright infringement for video cassette recording. These bills fail to recognize the property rights of the creators, fail to compensate the owners of copyrighted programs for an unjust taking of their property, and fail to understand that the public interest will be ill-served because such legislation will surely diminish the quantity and quality of programs on "free" television.

THE CASE FOR COMPENSATION TO CREATIVE PROPERTY OWNERS

- Eight out of ten films do not recoup their investment from theatrical exhibition and six out of ten films never recoup their total investment. Motion picture investment is a high risk business which depends for its survival on the viability of four distinct after-theatre markets.
 - Prerecorded cassettes and discs
 - Pay cable and pay television
 - Network television
 - Syndicated television

It is these very markets which are most susceptible to VCR usage.

- Most VCR owners (75%) "library" home-taped programs with the average number of video cassettes owned per household being 26.8. [Source: Media Statistics, Inc. 1981.]
- The vast majority (86.8%) of VCR households reported that they "skipped commercials or erased them." [Source: Mediastat, 1981.]
- The future impact of these practices by millions of VCR users on after-theatre

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- The future impact of these practices by millions of VCR users on after-theatre markets is clear and understandable: Those who invest in and own copyrighted films will be unable to rely on these markets to recoup their investments when hundreds of millions of copies are made.
- A significant loss of revenue to the producers of programs shown on television will result because advertisers will not pay high rates for large audience shares when they realize that commercials are systematically deleted due to VCR use. VCR manufacturers deliberately design their machines so that VCR owners can use "pause" features to delete commercials while recording programs and "fast forward" features to skip commercials while viewing programs they have recorded. There is also widespread promotion of automatic electronic commercial killers. The VCR allows more viewers to watch programs without commercials.
- No rating system for television programs now adequately accounts for VCR usage, and so the marketplace does not provide a solution. Significantly, technology has eclipsed the statistical accuracy of TV ratings by making the wholesale obliteration of commercials part and parcel of VCR viewing.
- Without a compensation mechanism, creators will have less incentive to create quality films and producers of programs will be far less willing to take financial risks to make innovative programs of excellence.

By 1990, one-third of Americans will either not have access to cable or not be able to afford it. By 1990, two-thirds of Americans will not have video machines. These Americans, many of whom will be the least affluent, will continue to depend on free television for their home entertainment. But if unlicensed uses can exploit property belonging to others, that marketplace soon will become a wasteland filled with game shows and other inexpensive, mind-numbing programming. The producers of the most entertaining programs, the best that is created, will be reluctant to confront an unleashed machine with an insatiable appetite for swallowing copyrighted programming.

- The many thousands of men and women in guilds and unions who are the backbone of the American film industry will also be harmed if legislation were adopted providing a home video exemption without compensation. Those who are manufacturing and importing VCRs to the U.S.A. are reaping substantial and growing profits from a device which people want to buy in order to tape programs shown on television. It would be wrong and terribly unfair to neglect the interests of those who work in the motion picture industry.

A SOLUTION TO PRESERVE THE AMERICAN COPYRIGHT: THE HOME RECORDING LEGISLATION

- Compromise legislation has been introduced by Senators Mathias, Baker, Stevens, Byrd and Cranston, and cosponsored by 11 other Senators (Amendment No. 1333 to S. 1758) and, in the House, by Reps. Edwards, Moorhead, Schroeder, and Quillen together with more than 60 of their colleagues (H.R. 5705). These proposals exempt owners of home audio and video recorders from copyright liability when taping in the privacy of their homes and provide a mechanism to compensate the owners of creative property for the use of their property.

THE HOME RECORDING LEGISLATION OBEYS THE CONSTITUTION

- Constitutional scholars, including Laurence H. Tribe, Professor of Constitutional Law of the Harvard Law School, confirm that if the Congress merely overturns the 9th Circuit's decision without fair and just compensation to copyright owners, that law will be unconstitutional, as it would violate the Fifth Amendment.

DOWNSTREAM EFFECTS OF THE HOME RECORDING LEGISLATION

- On Consumers: The economic consulting firm of Robert R. Nathan Associates examined the potential impact of a copyright royalty fee on the ultimate selling price of the VCR and blank tape and concluded:
 - Due to the VCR industry's high profits, significant degree of competition and economies of scale in production and distribution, the markets for VCRs and blank video cassettes will require that very substantial portions of a copyright royalty fee will be borne by manufacturers and retailers, rather than consumers. Possible price increases of 1 to 2% will be offset by concurrent reductions in import tariffs on this equipment.
 - As the market for VCR equipment and tapes matures, consumers will become increasingly sensitive to price changes and progressively smaller portions of any fee will be passed on to consumers through higher prices.
- On Retailers: The six Japanese companies that manufactured all the VCRs exported to the USA in 1981 made \$2.8 billion in NET profits. In 1982, their profits are expected to rise to \$3.1 billion.
 - The Japanese could easily absorb any royalty fees, and pass none of it to retailers or consumers.

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 - The Japanese could easily absorb any royalty fees, and pass none of it to retailers or consumers.
 - The number of VCRs in the U.S. will, by the end of the decade, have multiplied ten-fold to 35 million. In the first quarter of 1982 alone, sales are up 40% over last year at this time. The VCR will remain a highly desirable and marketable good, regardless of any royalty fee.

THE COPYRIGHT ROYALTY TRIBUNAL AS ARBITER OF ROYALTY CLAIMS

- ° The CRT will set and distribute these copyright royalty fees, as it now does for the cable TV and jukebox industries. As to the efficacy of the CRT, former FCC Chairman Charles Ferris, recently commented that establishing the "compulsory licensing option and the Copyright Tribunal . . . (represented) a valid and wise policy choice. I think the system does work. I do not think it needs to be tinkered with." Hearings before the Senate Judiciary Committee, 97th Cong., 1st Sess. 56 (1981).
- ° This view was validated recently by a federal Court which upheld the CRT's cable royalty distribution system. National Ass'n of Broadcasters v. Copyright Royalty Tribunal, No. 80-2773 slip op. (Apr. 9, 1982). The Court held that "the Tribunal's resolution of the problem confronting it was reasonable," id. at 36, and its "procedures were clearly adequate." Id. at 15.

file

THE WHITE HOUSE
WASHINGTON

6/28

MKD

RECOMMENDED TELEPHONE CALL FOR JIM BAKER

TO: Dr. Milton Friedman
Author and Economist
(Office: 415-497-0580)
(Home: 415-928-0268)

Can you make
this call? Milton
isn't happy with me
due to budget. E.M.

DATE: June 24, 1982

FROM: Richard S. Williamson

Rich won't call cause
his buddy (Uhler)

PURPOSE: Follow-up call to the President's call asking him to be National Co-Chairman of an independent citizens organization to promote the Balanced Budget Amendment. *doesn't want a competing*

BACKGROUND: Andre LeTendre, Executive Director, contacted Friedman after the President's call to give Friedman additional information regarding the Committee. Friedman raised several questions regarding the formation of another committee in support of the Balance the Budget Amendment and desired a detailed description of his personal involvement. *public vehicle supporting the Amend. Pls. let me know.*

Friedman's questions seem to result from his conversation with Lewis K. Uhler, President, National Tax Limitation Committee, following the call from the President. (Uhler views a new committee as a threat to his committee and its activities. It appears to be a "turf" concern more than a substantive one.)

It is not imperative to get Friedman on board. We will proceed with former Congresswoman Edith Green, who agreed to be a Co-Chairman, and with one or two others notwithstanding Friedman. It would be helpful to the program and getting the President dramatically out front on the issue if Friedman were part of the team.

- TOPICS OF DISCUSSION:
1. The President asked me to call and reaffirm his wish to have you serve as Co-Chairman on the Balance the Budget Committee.

JAB

2. The President understands the excellent job done by existing committees. He believes there is an important role to be played by an independent citizens organization to promote the balanced budget.
3. In addition to the important legislative track of the Balanced Budget Amendment, the President believes it is important to develop the Balanced Budget Amendment as a political issue for Republican and conservative candidates for the '82 elections.
4. The President believes the Committee, through its statewide and Congressional District organizations, coupled with members who appeal to a broad spectrum of the population, can and will be effective in getting the Balance the Budget Amendment through the Congress, and ratified by the necessary number of State Legislatures.
5. Our timing is critical. The President wishes you and Edith Green to join him, the Senate and House leaders, and the sponsors of the Senate and House Amendments for lunch before the Senate recess July 2.
6. We need to proceed. The President is convinced of the merits of the independent Committee. He is hopeful it will be formed with you as National Co-Chairman.
7. Your personal involvement can be as limited as you desire. The most we would like is three trips into D.C. during the next six months for the President's luncheon, an event to capture national media attention, and a National Advisory Committee meeting.
8. Can I tell the President tonight you will serve?

DATE OF SUBMISSION: June 24, 1982

ACTION _____

For Immediate release

Reagan House Sold

Los Angeles -- Coldwell Banker, Residential Real Estates Services, and Previews inc. today announced the house in Pacific Palisades, which was the home of President and Mrs. Reagan for nearly 25 years, has been sold.

Jim Wix, Vice President and Manager of the company's Brentwood office, said that "We are honoring the buyers' request and right to privacy, and neither terms of the sale nor the buyers' names would be disclosed." Steven Halpern, the attorney representing the buyers, said that the family plans to occupy the residence immediately.

Although the three bedroom ocean view property has been on the market for almost a year, which is typical of such properties in today's market, Wix ventured that the several offers for the Reagan property received over the past six months and its sale are indicative of a healthy upturn in the residential resale market. He also cited recent telephone inquiries showings and sales activity to support his views.

1941 - Mansion was determined to be unsuitable for occupancy. although 5 Governors occupied it until Governor Reagan moved out during the first part of 1967.

1967 - A Citizens group raised \$200,000 and acquired property in Carmichael.

This property was given to the State in 1969.

1970 - The legislature designated the property as the site of the new mansion.

1972 - \$150,000 was appropriated for preliminary plans and drawings.

1.3 million was provided for construction and was completed in 1975.

June 22, 1982

Jelle

PAT JACOBSON wanted to talk about the Clymer Wright matter. She says letters are going out - possibly from Clymer Wright and possibly Gingrich's sharp letter to Baker - and maybe a letter from Paul Tees - to Senators and Congressmen and the other "biggies". She said she is getting lots of calls blaming you, since you are "the" Reagan person and are therefore responsible. She wants you to understand the frustration of the Reagan conservatives.

There is a State Executive Board meeting this weekend in Austin, and she wanted some guidance from you. She says the Reagan people are in the majority at SREC.

Among the people who have called are other State Reagan Chairmen.

She feels that the President should have CALLED Clymer instead of sending a letter. She wants the White House to "stretch out their hands" to the Clymer Wright people and try to correct the damage. She feels President Reagan cannot afford to lose the support of the big \$. She is afraid these people are going to desert the President.

JOHN T. HAY
1316 San Augustine Way
Sacramento, California 95831

file

June 22, 1982

The Honorable Ronald Wilson Reagan
President of the United States
The White House
1600 Pennsylvania Ave., N.W.
Washington, D.C. 20500

Dear Mr. President:

Your trip to key countries in Europe certainly was a tremendous success. I have said, for over a year, that you and Pope John Paul II are the two world leaders for the cause of righteousness. Your position as a respected and recognized leader in the world is now a reality.

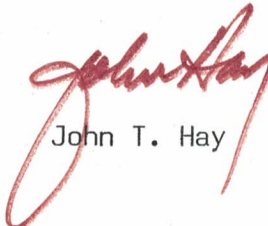
We cannot solve all the problems and no one expects us to. The charge now, as I see it, is to help our own domestic economy turnaround.

In my opinion, and after talking to hundreds of business people and citizens, I have come to the following (simplified) conclusions:

- a. Our economy at home is hemorrhaging.
- b. The average citizen is more worried about the bank or S. & L. taking his home than the Russians.
- c. After forty-five years of give away economics, our country cannot change over to supply-side economics in twelve months. This is what people expect but they must be told and told again that this cannot happen.
- d. Leadership now is of prime importance in resolving budget difficulties and in knocking some heads together to stop the recession.

I applaud your leadership abilities and I hope and pray that you will be successful in your endeavors. I have always supported you and will never waiver in this regard. My wife, Mable, will be with the California Delegation attending your White House Reception this week.

Sincerely,


John T. Hay

THE WHITE HOUSE
WASHINGTON

TO:

Mr Baker

FROM:

MICHAEL K. DEEVER
Assistant to the President
Deputy Chief of Staff

Information

Action

*JAB HAS
SEEN - 9/14
BACK TO MD*



Office of the Chairman

Dear Social Security Contributor,

Social Security is no longer secure. Unless you and I act -- and act immediately -- Social Security benefits could be drastically reduced or destroyed.

With the President and his hatchetman, David Stockman, treating Social Security as if it were a charity rather than the earned benefits of hard-working Americans, you and I are in trouble!

Yes, Ronald Reagan and the New Right Republicans -- ultra-conservatives and wealthy businessmen -- have blatantly chosen to ignore the fact that you and I and millions of other Americans have earned these benefits.

In the name of "efficiency" and "budget cutting," the Republicans have simply turned their backs on millions of Americans who have spent their lives earning their right to Social Security benefits.

On assembly lines, in the military services, in offices and small businesses, millions of Americans have paid into the Social Security fund with their sweat.

They've worked hard to raise and educate their children. They've lived through the Depression, war and social turmoil. They've seen inflation eat away at what little they've been able to save.

Social Security is their rightful return on a lifelong investment in hard work.

I, for one, am not going to stand by silently and let the Republicans destroy Social Security. And, I don't think you will either. That's why I'm writing to ask you to join with me and the Democratic Party in the CAMPAIGN TO SAVE SOCIAL SECURITY.

The Democratic Party instituted Social Security under Franklin Delano Roosevelt. Over the years it has been the Democratic Party which has enhanced Social Security in the belief

(over, please)

that a strong Social Security System is essential for a free society, a growing economy, and a stable nation.

Now, the Democratic Party has set as its number one priority the goal of saving the Social Security System.

Here's the battle plan for the Democratic Party's new CAMPAIGN TO SAVE SOCIAL SECURITY.

1. First, I have directed our political staff to immediately begin drawing plans to ensure the election of candidates in 1982 who will stand for, work for, and fight for a strong Social Security System.
2. Next, I have ordered our staff to alert Party organizations all across the country to begin mounting massive grassroots efforts to save Social Security.
3. Third, I'm sending hundreds of thousands of letters like this to special friends and concerned citizens like you asking for a special contribution to the Democratic Party to help with this campaign.

Believe me, the ballot box is the most important weapon we have against those who would destroy our Social Security System.

But, to elect and reelect candidates who will defend Social Security will not be easy. Nor will it be cheap.

In 1981, the New Right-dominated Republican Party Committees raised \$75 million more than their Democratic Party counterparts.

If we allow that \$75 million gap to continue, we will be facing a Congress more responsive to New Right theories about the need to cut Social Security.

However, if we can raise the money needed to elect candidates who will defend the Social Security System, we can protect the real life needs of those Americans already retired or planning to retire.

In 1980, the Republicans' huge war chest made it possible for them to provide their candidates with the most modern technology, research, and advertising available. We cannot afford to face another campaign like that.

(next page, please)

And the elderly, whose savings are being destroyed by inflation and whose futures are being threatened by the opponents of Social Security, can afford it even less.

I know the tide can be turned. In a 1981 special election, voters in Jackson, Mississippi elected their first Democratic Congressman in ten years. He is a Congressman committed to Social Security.

And, not long ago, the Democratic Candidate for Congress in Ohio came within 400 votes of victory in a district which has not elected a Democrat since the 1936 Roosevelt landslide. In that district the Democrats also made an issue of Social Security.

Public opinion poll after public opinion poll show strong support for Social Security. There is no doubt the Democrats can win. And, Democratic candidates who have been targeted for defeat by the New Right Republicans -- leaders like Henry Jackson, Pat Moynihan, Howard Metzenbaum, Paul Sarbanes, Edward Kennedy, Morris Udall, Patricia Schroeder, Lawton Chiles, Jim Sasser -- can be reelected.

But, electing and reelecting Democrats who will defend Social Security requires closing the \$75 million gap. It will require your help and mine. That's why it is so important that I hear from you right away.

In 1980 the American people used the ballot box to send a message to Washington. But, they didn't get what they voted for.

Candidate Ronald Reagan promised to defend the Social Security System. As President, Ronald Reagan has shown his true colors by indicating that he intends to gut Social Security.

And his fellow New Right Republicans are also showing their true colors. Those who are now demanding that Social Security be cut are the very same people who advocate lowering the tax rates of major oil companies, real estate interests, corporate executives, and other wealthy citizens.

They are the same people who want to give the Pentagon a virtual "blank check" for spending billions for every new weapon system it desires.

The New Right Republicans say it's time to "get tough" on expenditures. But who do they choose to "get tough" with?

... NOT giant corporations -- which are swallowing each other up in a mad rush toward economic concentration.

(over, please)

... NOT consulting firms -- which take the government for billions each year.

... NOT big oil companies -- which have been targeted for special tax relief.

No, they chose to get tough with the most vulnerable people in American Society -- the elderly.

Millions of Americans rely on Social Security payments to meet their living costs.

Week after week, year after year, they have contributed to Social Security. And in planning their futures, they have relied on the Social Security System.

Now, the Reagan Administration and the New Right Republicans -- going back on their campaign promises -- pose the greatest threat to Social Security since its creation.

Social Security is paid-in insurance -- not charity. But for Social Security to survive, we need another kind of insurance -- political insurance.

You and I need political insurance to ensure that New Right extremists and politicians with little sensitivity to human needs are not in a position to make Social Security policy.

And, to do that, the Democratic Party needs your help to elect candidates to office who will stand for, work for, and fight for a strong Social Security Program -- a Social Security Program which is at the top of our list of priorities, not at the bottom.

Because you care about your community, the society you live in, and your own future, I hope you will help us in the CAMPAIGN TO SAVE SOCIAL SECURITY.

Your Emergency Contribution of \$20, \$30, \$100, or whatever you can afford will help ensure the success of this campaign.

Please let me know that the Democratic Party can count on your help in this battle to save Social Security.

The stakes are enormously high for all of us.

Sincerely,



Charles T. Manatt
Chairman

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(over, please)

THE WHITE HOUSE
WASHINGTON

TO: *Mike Deaver*

FROM: **KATHY OSBORNE**
Personal Secretary
to the President

Information

Action

*This is the letter RR
weath Legit Thompson
many years ago -
the one I told you
about last week.*

RONALD REAGAN
PACIFIC PALISADES, CALIFORNIA

Keep

Jan. 21

Dear Light

Just time between chimes for a line
or two. It was nice of you to write and
pat our shaw on the back - of course I'm
aware that it took a Helen Hanson to
get you pen in hand. On the other
hand I don't blame you she's a lot of gal.

Moon is doing fine - he's a V.P. of
McLann Ericsson adv. agency. Nell is a
victim of time. Physically she's in good shape
but gets confused now and has very little
memory of places & people. It's strange to
see someone who was always so active &
aware of people & their problems now rather
unable to ~~know~~ know most people from day
to day.

Time to go now and add a little
electricity. It was good to hear from
you and to start mentally re-living
those Savell Park summers -

Best

Reagan



PRESERVATION COPY

June 22, 1982

File KO

How long has the President been interested in Western paintings and sculpture and who are his favorite artists?

I can't exactly say how long - but it goes back quite a ways & was started by exposure to Remington & Russell.

Does his interest in horses and riding play a part?

Very definitely.

Some background, please, on how the second Remington sculpture called

"The Rattle Snake" was brought over from the State Department to join the

"The Bronco Buster" already there. Did the President seek it because of his interest in Remington?

Loaned to State. Congress loaned it over. In line w/ what he was interested in. (can't answer)

Does the President own any Western paintings or sculpture? If so, where

are they? *including works of modern day Western artists.*

Most are at the ranch.

How did he happen to choose "Pueblo at Taos" by O.E. Berninghaus for his private study in the family quarters? *I liked it and also it seemed exactly right for the place where it is hanging.*

Does the President like to paint for relaxation as did Dwight Eisenhower?

No - I'm a doodler only.

Would the President like to see increased loans or gifts to the White House as a showcase for our Western American heritage?

Yes. "Rattle Snake" is on loan. I must say there are a great many Western masterpieces in the W. H. on loan - probably enough for a good balance. Any little anecdotes the President has about his interest

in the subject would be helpful. Thanks very much.

A number of years ago when abstract art was at it's height ^{PA} I was convinced that one day ^{perhaps} would re-discover Western Art which at that time was largely ignored. I went so far as to predict - frequently and to anyone who would listen that the day was near at hand. Well I turned out to be right. But when that day dawned I realized I'd never put my money where my mouth was. I hadn't bought one good piece of Western Art when they were in little demand & low priced.

U.H. property Ford Admin.

Personal

PRESERVATION COPY

File here

June 16, 1982.

Dear Mike,

I phoned yesterday, because I am concerned about a meeting between the President and Begin and believe that one should not take place unless it is clear beforehand what the President will achieve. Put another way, the President should be given some concession by Begin, not the reverse.

My reasons for being against the meeting: 1) Begin has the blood of some 10,000 people on his hands, many of them innocent women and children.

2) His invasion of Lebanon

with weapons provided by us for "defensive" purposes is an obvious violation of U.S. law and understandings at the time of the sales or transfers.

3) As Haig's role in all this, (I would prefer to discuss that orally).

4) Begin has consistently ignored the President's requests for moderation, leading to the impression, sadly, that the U.S. is impotent.

5) No meeting will get Begin's attention like nothing else.

I do not mean to intrude into affairs of state, but I want you to have my views.

Dick Helms
All the best.

OFFICE OF
THE SECRETARY OF STATE
WASHINGTON

File

June 16, 1982

Dear Mike:

Just to let you know that I am on top of the invitation to Secretary Haig from Vernon Cristina which you enclosed. You can be sure every effort will be made to accommodate the University of Santa Clara. Besides, California in October or November might just be a good break and give an opportunity to help our common cause.

Regards,

Woody
Sherwood D. Goldberg
Executive Assistant

Mr. Michael Deaver
The White House

file

600 West 113th Street
New York, New York 10025

den 16 June 1982

Dear Mr. Deaver:

I received today the two books which were signed by the President. I really appreciate your quick response in this matter. Over the past year you have been most kind and attentive. I do not know what I will do when you leave.

This note is just to let you know that all your assistance has been and always will be appreciated. You will be sorely missed, but fondly remembered.

With warmest regards, I am

Sincerely yours,



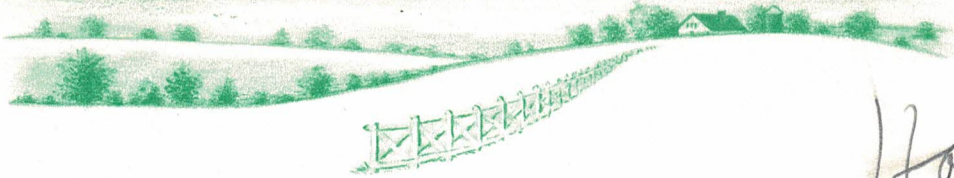
Stuart M. Baer

Hon. Mike Deaver
The White House
Washington, D.C. 20500

ROLLING HILLS FARM •• PRAIRIE VIEW FARM

SUNSET COTTAGE •• DELLWOOD COTTAGE

HAZELWOOD FARM •• HONEY CREEK FARM •• OAK HILL FARM



Hold

June 8, 1982

Mr. Michael K. Deaver
White House
Washington, DC 20013

Dear Michael:

You will be receiving 1 case of our Hickory
Sauce by UPS shortly. I do hope you and Caroline enjoy
it.

Kindest personal regards, I remain

Cordially yours,


G. George Fox
Fox Farms

GGF/sz

Thanks
not yet
tossed first
batch - a
request

Address all inquiries to: FOX FARMS, 1512 Jarvis, Chicago, IL 60626

GREGORY W. CARMAN
THIRD DISTRICT, NEW YORK

COMMITTEES:
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SUBCOMMITTEES:
INTERNATIONAL TRADE, INVESTMENT
AND MONETARY POLICY
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RENEGOTIATION
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SELECT COMMITTEE ON AGING

SUBCOMMITTEES:
RETIREMENT INCOME AND EMPLOYMENT
HOUSING AND CONSUMER INTERESTS

Congress of the United States
House of Representatives
Washington, D.C. 20515

WASHINGTON OFFICE:
1729 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-3865

DISTRICT OFFICE:
322A MAIN STREET
HUNTINGTON, NEW YORK 11743
(516) 549-8400

May 10, 1982

File

PERSONAL AND CONFIDENTIAL

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

Dear Michael:

As a member of Congress who has been totally supportive of the President and his programs, I am concerned about what could happen in the November elections to Conservative Republicans, with a special interest in the 3rd Congressional District, New York.

I would appreciate an opportunity to speak with you personally while I am in Washington, Tuesday, May 11th, Wednesday, May 12th, or Thursday, May 13th. I will re-arrange my schedule to fit yours. Ten (10) minutes should be sufficient for our discussion.

Thanks for your continued help and assistance. You have made an enjoyable task, i.e., supporting the President, even more enjoyable. Be justly proud of your work and success on behalf of the President.

Sincerely,

Gregory W. Carman
Member of Congress

GWC:KC

*Mike: We rec'd this
ltr on May 13th - 8am
but did not hear from him.
GWC*

*I called
Andre
Le fondre
5-14-82
AM*

VINSON & ELKINS

ATTORNEYS AT LAW

FIRST CITY TOWER

HOUSTON, TEXAS 77002

TELEPHONE 713 651-2222 TWX 9108816391 TELEX 762 146

1101 CONNECTICUT AVE. N. W., SUITE 900
WASHINGTON, D. C. 20036
TELEPHONE 202 862-6500
CABLE VINELKINS · TELEX 89680

47 CHARLES ST., BERKELEY SQUARE
LONDON W1X 7PB, ENGLAND
TELEPHONE 44 01 491-7236
CABLE VINELKINS LONDON W. 1 · TELEX 24140

AUSTIN NATIONAL BANK TOWER
AUSTIN, TEXAS 78701
TELEPHONE 512 478-2500

May 10, 1982

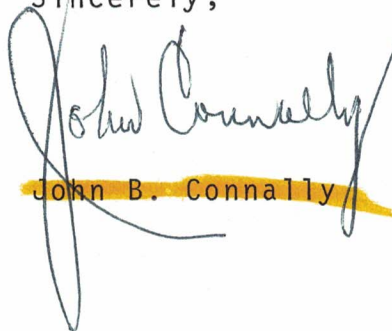
Mr. Michael K. Deaver
Deputy Chief of Staff
The White House
1600 Pennsylvania Ave., N.W.
Washington, D.c. 20500

Dear Mike:

Enclosed is a picture that was taken not too long ago at the White House of the four Presidents.

I would love to have President Reagan's signature. I will also get former President Ford's. Hopefully, I will at least get three out of four.

Sincerely,


John B. Connally

JBC:kw

Encl:

Returned
6-28-82

Mike
I'm returning the
photo to Lou Connally
Would you like to
enclose one of your
notes?
Pat



TELEVISION 26 RADIO FM 91
BOX 2626, WASHINGTON, D.C. 20013
(703) 998-2600

*File
Larry Speakes
Handled*

May 4, 1982

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

Dear Jim,

I appreciate your support in my request for an interview with the President.

This would be for our new weekly program on Congress called "The Lawmakers", shown in prime time at 8:00 P.M. on Thursdays. It is carried on approximately two hundred PBS stations across the country.

I would like to tape an interview of about fifteen to twenty minutes duration in which the President would discuss his relations with Congress and the importance of those relations to his presidency.

We would like to proceed as soon as it may be feasible.

Sincerely,

Paul
Paul Duke

6/22

MKD

*Can we place in
line to do? Thanks*

JMB III

cc: Larry M. Speakes

DUKE, P.

NO

Called
6-30-82

Ms. Monus had
already
written

May 6, 1982

Dear Mike,

On June 6, 1982, a new group of 15-20 White House Fellows will be selected by the President's Commission. The new class will then report to Washington for the week of July 12-16 for job placement interviews and will begin their Fellowship year September 1.

The White House Fellowships program was founded in 1964 by President Lyndon Johnson to bring a select number of well qualified, highly motivated young leaders to Washington for one year and to give them the opportunity to work in the federal government at a high level and to gain firsthand knowledge of the governmental process.

Fellows are typically assigned as special assistants to the Vice President, to the heads of agencies and Cabinet departments and to senior members of the White House staff. Since 1964 almost 300 Fellows have come through this program. President Reagan is the fifth President to oversee the program and he is very supportive of it. I have also met with the officials who have Fellows this year and they have all spoken in extremely positive terms of the work the Fellows have done for them.

It is my hope that you would be interested in interviewing some of the new Fellows in July.

As I mentioned, the Fellowship year begins the first of September. The Fellows are paid by the departments they work for, at levels not to exceed GS 15, step 6. In addition, it is expected that they will be permitted to participate in field trips, not to exceed 15 working days during the year or \$3,000 in expenses (which the employing agency are asked to cover).

If you would be interested in having a White House Fellow this Fall, please advise me of the name of your staff assistant who would conduct the initial interviews. I will then give that individual a set of files on the new Fellows after the new class has been announced on June 7 and your representative can review them and decide which ones it would be productive to interview.

As I indicated, I think a White House Fellow could be a real asset to you and I hope you will decide to participate in the interviewing process.

If you or your staff have any questions, please feel free to give me a call at 395-4522. I am enclosing a copy of our brochure for your information.

I look forward to hearing from you.

Sincerely,

James C. Roberts
Director

Enclosure

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