

WITHDRAWAL SHEET

Ronald Reagan Library

Collection: CICCONI, JAMES W.: Files
 OA/Box: ~~OA 10702~~ **Box 3**
 File Folder: ~~W~~ Cicconi Memos, 1984 [3 of 6]

Archivist: dlb/bcb
 Date: 2/18/1998
 (withdrawal sheet revised 10/18/00)

DOCUMENT NO. & TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. memo	Cicconi to Michael Deaver, re meeting with LULAC officials, 1p	5/15/84	P5
2. letter	Dan McKinnon to James Baker, re Korean airlines, 1p	5/18/84	P5
3. enclosure	re US aviation situation with Korea, 4p	n.d.	P5 CCB 10/18/00

RESTRICTIONS

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].
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2. letter	Dan McKinnon to James A. Baker, III re Korean Airlines, 5p.	5/18/84	P5

RESTRICTION CODES

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

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THE WHITE HOUSE
WASHINGTON
May 10, 1984

NOTE TO ARLENE TRIPLETT

Thank you for your recent memo on procedures for abolishing unneeded advisory committees.

What I was suggesting is that the White House have some sort of prior notice in advance of any public announcement that a committee will be eliminated. This would be purely informational, and would help forewarn us of any potential controversy caused by eliminating any particular committee.

If the "regular quarterly lists" produced by GSA would highlight the committees which agencies intend to abolish, then they would serve as the advance notice I was seeking. If not, then some sort of informal "heads up" would suffice.

Thanks.


Jim Cicconi



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

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MEMORANDUM TO JAMES W. CICCONI

FROM: *Arlene Triplet*
Arlene Triplet

SUBJECT: Memorandum on Reform of Federal
Advisory Committees

This is in response to your comments on the proposed Presidential memorandum concerning "a list of the committees which would be abolished under this (memorandum)."

The procedures for reviewing advisory committees established by this memorandum require departments and agencies to review all their committees and to eliminate those not producing significant results or whose advice is no longer needed by the government. In December, the General Services Administration, in accordance with the Federal Advisory Committee Act, will prepare a report to the Congress on those committees eliminated. In addition, the GSA will continue its current practice of producing quarterly lists of advisory committees. We have not proposed, however, that separate lists be developed as a result of this Presidential initiative.

It may be possible to use the regular quarterly lists developed by GSA for the "advance notice" which you are seeking. We can work with GSA to make those lists available for review prior to publication.

cc: Richard Darman

THE WHITE HOUSE

WASHINGTON

May 15, 1984

MEMORANDUM FOR MICHAEL K. DEEVER

FROM: JAMES W. CICCONI *WC*

SUBJECT: Meeting with LULAC Officials

In my opinion, it would not be productive for the President to meet with LULAC leaders on the immigration issue. Instead, I would suggest they be referred to Attorney General Smith, who has been the President's point-man on immigration. There are several reasons for this recommendation:

1. LULAC is trying to assert its primacy among the various Hispanic groups. Since they are one of the most hostile to this President, it is not in our interest to enhance their credibility.

2. While we have had some private discussions with Mario Obledo, he is clearly under the influence of more liberal board members. One example of his dealings with us: Obledo was invited to sit at the President's table during our luncheon for the Hispanic Leadership Conference. He told us he was "uncertain" whether he could make it, and never regretted. We found out later that he had held a press conference, denounced the President, and said he would rather have a hamburger with poor people than lunch at the White House.

3. The immigration issue is one that cuts both ways politically. It is thus better to keep the President distanced from it (as we have done so far).

4. LULAC is entering the immigration debate very late, and they have not been influential with the Hill. For two years, they refused to participate in drawing up legislation, and opposed any balanced proposals that were put forward. Now that Simpson-Mazzoli has passed the Senate, and with O'Neill promising floor action in the House, LULAC has scrambled to get in the game. The result is a proposal which is so costly and ineffectual that it does not even have support of the full Hispanic Caucus on the Hill.

Frankly, any meeting with Hispanics on immigration, whether with LULAC or our own supporters, would develop into an attempt to back the President away from his support of Simpson-Mazzoli. Since he cannot do that, I feel it would be best not to have a meeting on the subject.

cc: James A. Baker, III

THE WHITE HOUSE

WASHINGTON

May 17, 1984

MEMORANDUM FOR THE FILE

FROM: JAMES W. CICCONI *JWC*
SUBJECT: Meeting with Congressman George O'Brien

On May 11, James A. Baker, III met with Representative George O'Brien (R-Ill). B. Oglesby and I were also present. The meeting lasted approximately 15 minutes.

O'Brien requested the meeting to urge that the Joliet Army Ammunition Plant be reopened, and argued that DOD should commit to produce tank or howitzer ammunition there in the near future.

Mr. Baker pointed out that the White House could do very little to help on defense procurement matters, and that, in this case, DOD had concluded that work on any future howitzer ammunition would have to go to one of the currently operating plants. Thus, Mr. Baker explained that, while we were sympathetic to the employment situation in Joliet, it was unlikely that anything could be done with regard to the ammunition plant in that city.

Following the meeting, Mr. Baker emphasized that neither Oglesby nor myself should contact DOD on the matter.

THE WHITE HOUSE

WASHINGTON

May 22, 1984

MEMORANDUM FOR FRED F. FIELDING

FROM: JAMES W. CICCONI *JWC*
SUBJECT: Letter from CAB Chairman

Attached is a letter from Dan McKinnon, Chairman of the Civil Aeronautics Board.

Could the Counsel's Office please respond directly to Mr. McKinnon, on JAB's behalf?

Thanks.

cc: Craig Fuller



THE CHAIRMAN
OF THE
CIVIL AERONAUTICS BOARD
WASHINGTON, D. C. 20428

May 18, 1984

CICCONI
JAB ASKS THAT YOU
P/S. handle
5/21

Dear Jim:

This is to alert you to an issue which will most likely become a high level political problem.

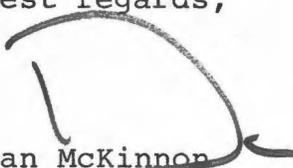
Korean Airlines has refused to sign a purchase order with McDonnell Douglas for six MD-80's unless they get the route rights as mentioned in the enclosed briefing paper.

This trade off of aircraft sales for route rights would set a dangerous precedent which every country in the world would utilize to the detriment of U.S. commercial aviation. It should never be done.

As you'll read, the issues go even deeper -- the Carter Administration made a very bad deal. This Administration must not give in to Korea's threat, and since they were first to refuse to fulfill a commitment, it gives the United States a way to get out of it.

I just want to bring this to your attention, as you'll probably be hearing more about it.

Best regards,


Dan McKinnon

Honorable James A. Baker III
Chief of Staff and
Assistant to the President
The White House
Washington, D. C. 20500

Enclosure

c

U.S. AVIATION SITUATION WITH KOREA AND
IMPENDING CRISIS

PROBLEM:

Korea wants route rights to Oakland, Chicago and beyond one point to Europe contained in a 1980 MOU in which Korea was to provide certain cargo facilities by March 1981. Korea has never provided the required facilities.

FORMER POLICY:

Under the Carter Administration, the idea in aviation bilaterals was to give away valuable route rights into the U.S. to create competition. There was no concern where competition came from or the cost to the U.S. for that competition -- just a frantic effort to create competition with the belief the consumer was the winner.

Result was entry of many foreign carriers who were more than willing to take advantage of this new generous U.S. policy. Net result was to dilute U.S. carriers' traffic by many foreign carriers and countries who provided little passenger or cargo traffic. Basically, many were poachers and drained away revenues from our carriers. They also kept restrictive rules in place that made true competition in their countries difficult for our carriers so they had their cake and ate it too.

It was this policy that promised Korea hundreds of millions of dollars of valuable aviation route rights for a \$4.5 million cargo hangar -- due to be built by March 1981. The Koreans never built it.

This competition's only result was to dilute U.S. carriers' earnings and, since all foreign countries closely control prices, the consumers gained nothing in pricing but only more carrier options for travel.

FACTS:

In April 1983, Flying Tiger wrote a letter to the State Department ostensibly withdrawing its objections to the implementation of the rights granted to Korea under the 1980 MOU. KAL demanded that FTL write the letter before KAL would complete a 5-million dollar transaction, involving the purchase of cargo facility space at New York from Tigers. Tigers was in dire economic straits at the time and wrote the letter as demanded.

GATT agreement says signatories agree to avoid attaching inducements of any kind to the sale or purchases of civil aircraft.

POLITICAL PRESSURES:

Favoring Korea-ROK government will request U.S. to honor its commitment and state ROK is now ready to honor the requirement to build the hangar. ROK will say U.S. never renegs on agreements. In addition, they will say Flying Tigers didn't properly follow through on exercise of their rights to build the hangar. (not so)

McDonnell Douglas will say order by Korean Airlines (KAL) for 6 to 9 MD-80s worth about \$300 million is being cancelled in retaliation if KAL does not get the route rights. "What's one more airline flying into CHI?" they say. Those aircraft purchases are mainly to replace aging domestic planes and at the present time only McDonnell Douglas or Boeing can provide the aircraft.

(To support a \$300 million aircraft purchase, an airline needs to gain revenues of roughly one-half of aircraft cost (\$150 million) per year. Since aviation between the U.S. and the ROK is not growing at that rate, revenues must come out of another carrier's income--mostly U.S. carriers--since all competitive conditions affecting our carriers is tightly controlled in Korea. Currently, Korea has about 80% of the market.

STR will say MD-80 sale will help balance of payment. Lost sales is threatened to go to Airbus.

East Asian Bureau (State) will say its important to give KAL rights to show friendship to Korea. This division of State told ROK we'll let them have rights. (No prior clearance with any other government agencies involved.)

Opposing Korea --

Flying Tigers will say why should they be penalized and finance U.S. policy to help ROK through added competition, especially through CHI which is their hub. They have lost millions in recent years and these rights threaten their very existence. They are angry over original MOU which was forced on our carriers by Carter Administration. Their retort to "What's one more carrier in CHI?" is "What's a couple more Airbus aircraft?"

Northwest Airlines will point out ROK and KAL for years have ignored bilateral requirements to allow operating conditions that allow for fair

competition in Korea. (They have pages of complaints -- small individually -- but added up virtually gut their Korean operation compared to KAL). NW hangar facilities are 4th rate and ROK has done nothing to alleviate their cargo handling problems, as was required by the bilateral to be done in 1981.

Department of Defense -- Sec. Weinberger has written Sec. Schultz that FTL serves CRAF program with 17 747s and the U.S. should make no agreement that could weaken that reserve defense lift capability.

CAB -- feels window of opportunity for Korea to exercise rights closed. It closed in 1981. CAB feels no rights should be granted to KAL for CHI or beyonds. The original deal was heavily imbalanced in favor of ROK. Today's U.S. aviation policy is being closely watched by other countries to see if we mean business when we say there are no more giveaways (Carter era) and all bilaterals must be balanced. Are we requiring countries to live up to agreements or always caving? Chairman Dan McKinnon says this is an example of a case the U.S. needs to be tough on. If we want to help ROK, all taxpayers should pay the costs -- not FTL and NW.

Economic Bureau (State) -- This is not a balanced agreement. ROK did not honor the original terms, so there is no obligation for U.S. to honor our end of the deal.

DOT -- this deal is not healthy for U.S. aviation interests. Trade and aviation issues should not be mixed. The bilateral is inoperative since ROK did not live up to the terms of the deal back in 1981.

CURRENT SITUATION:

Negotiations with ROK took place April 2-3. U.S. Delegation said don't build hangar in reliance on 1980 MOU -- means no route rights to CHI and beyonds. ROK upset but aware they stiffed U.S. since 1981. Renewed negotiation scheduled this June. Now all parties conducting intense lobbying effort in USA. Pro U.S. parties say don't give CHI and beyonds. Pro ROK saying give ROK a second chance to fulfill terms of the original Carter deal.

RECOMMENDATION: Stick to tough U.S. aviation policy. If we don't on this clear-cut issue -- U.S. credibility and

that of this Administration is meaningless with all foreign countries. The Reagan Administration supposedly brought in tough people to say no to giveaways. If we give in on the Korean situation, we will be no different than the Carter Administration, and all tough talk on a reversal of U.S. aviation policy that it now must be balanced will have no worldwide credibility.

Unfortunately, this is a decision that can't be compromised. Either KAL is allowed into CHI or not. Delay is not a compromise -- because the damage done to U.S. carriers will still be done.

Prepared by:

Dan McKinnon
Chairman, Civil Aeronautics Board

April 24, 1984

THE WHITE HOUSE

WASHINGTON

May 25, 1984

MEMORANDUM FOR SENIOR STAFF

FROM: JAMES W. CICCONI

SUBJECT: Senior Staff Meetings

Next week, senior staff meetings will be held only on Tuesday, May 29, and Thursday, May 31.

Also, due to the President's trip to Europe, there will be no senior staff meetings from June 1 through June 11. Regular meetings will resume on Tuesday, June 12.

Thank you.

file

THE WHITE HOUSE
WASHINGTON

June 11, 1984

MEMORANDUM FOR BECKY NORTON DUNLOP

FROM:

JIM CICCONI *Jim*

SUBJECT:

Letter from National Right to Life Committee

Attached is a letter from Jean Doyle, President of the National Right to Life Committee, expressing concerns about the upcoming International Conference on Population.

I have since spoken to Doyle in follow-up, but thought it might also be appropriate for her to receive an acknowledgment from Presidential Personnel. She has forwarded some suggestions for the delegation, and expressed some concern regarding whether they had been processed.

Thanks.



Suite 402 419 7th Street, N.W.
Washington, D.C. 20004—(202) 626-8800

April 19, 1984

James A. Baker III
Chief of Staff
The White House Office
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. Baker:

Over two months ago, I sent a letter to the President on behalf of the National Right to Life Committee, concerning the U.S. delegation to the upcoming International Conference on Population in Mexico City.

It is essential that the U.S. delegation to the conference forcefully represent the President's position that abortion is not a legitimate method of family planning or population control. If this is not done, this conference will likely result in further promotion of abortion as a population control measure in many parts of the world, as was the case with the previous such conference, held in Bucharest in 1974.

In my letter (copy enclosed), I recommended Radio Free Europe President James Buckley and Surgeon General C. Everett Koop as delegation leaders. I further recommended as members of the delegation Julian Simon, Ph.D., of the Heritage Foundation; Prof. Arthur Dyke of Harvard; Prof. Jacqueline Kasun of Humboldt State University; and Dr. Carolyn Gerster, NRLC's vice-president for international affairs.

I have received no response to that letter. No delegation has yet been named, although the "interdepartmental coordinator" for the delegation, Richard Benedict, has already issued a policy statement and is reported to be working on protocols for the delegation. We are distressed at persistent rumors that the majority of those in line to be named as delegates do not share the President's opposition to abortion as a method of family planning. The naming of a predominantly pro-abortion delegation (even if headed up by an individual who share's the President's views) would be most unfortunate.

We urge that you take whatever action is necessary to ensure that the American delegation will truly represent the President's pro-life position, both in its makeup and in the influence which it will exert on the policies to be formulated at the conference.



Suite 402, 419 7th Street N.W.
Washington, D.C. 20004 — (202) 626-3800

February 10, 1984

President Ronald Reagan
The White House
Washington, DC 20500

COPY

Dear Mr. President:

We understand that the selection process is now well underway for the United States delegation to the International Conference on Population, to be held in Mexico City next summer.

A previous such conference, held in Bucharest in 1974, did much to lay the groundwork for aggressive promotion of abortion in the Third World. It is essential that the American delegation to the Mexico City conference fully reflect the Administration's pro-life policies. The delegation should be led by individuals who will firmly communicate the American government's position that abortion is not a method of "family planning," and who will strongly oppose any resolutions which advocate or promote abortion in any way.

We strongly recommend as delegation leaders Radio Free Europe President James Buckley and Surgeon General C. Everett Koop.

Further, we strongly recommend the following individuals for inclusion in the delegation:

Julian Simon, Ph.D.
Senior Fellow, The Heritage Foundation
110 Primrose Street
Chevy Chase, MD 20815

Arthur Dyke, Ph.D.
Professor of Population Ethics
Harvard Divinity School
Andover 501
Cambridge, MA 02138

Carolyn Gerster, M.D.
Vice-president for International
Affairs
National Right to Life Committee
7350 E. Stetson Drive
Scottsdale, AZ 85251

Jacqueline R. Kasun, Ph.D.
Professor of Economics
Humboldt State University
Arcata, CA 95521

Thank you for your consideration of this matter.

Respectfully submitted,

Jean Doyle

Jean Doyle
President

JD/dj

THE WHITE HOUSE

WASHINGTON

June 12, 1984

MEMORANDUM FOR THE FILE

FROM: JAMES W. CICCONI *JWC*

SUBJECT: Meeting with Bob Barrett and Jack McGowan

Jim Baker and I met briefly today with Bob Barrett and Jack McGowan. The meeting, which was at their request, was to discuss the impact new airline noise standards will have when they take effect on January 1, 1985. Their particular interest was Latin airlines who will need to re-engine their older planes in order to continue flying into U.S. airports.

McGowan suggested the possibility of loan guarantees to help the Latin countries finance the work and questioned whether the federal government might help. Jim Baker expressed doubt that such guarantees were available, and indicated that McGowan would have to talk directly with the appropriate agencies without White House involvement. Barrett said they understood this, and mentioned that they had a June 28 appointment to discuss the subject with the Ex-Im Bank.

This office has had, and will have, no contact with any agency on this matter.

THE WHITE HOUSE

WASHINGTON

June 12, 1984

MEMORANDUM FOR RICHARD G. DARMAN

FROM: JAMES W. CICCONI 

SUBJECT: Trade Reorganization Legislation

Jim Baker asked if you could please review the attached from Mac Baldrige, and also circulate it to Dave Stockman and B. Oglesby.

JAB indicated he would sign the proposed letters if the three of you are in agreement with them.

Thanks.



THE SECRETARY OF COMMERCE
Washington, D.C. 20230

June 6, 1984

The Honorable James A. Baker III
Chief of Staff and
Assistant to the President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Jim,

Enclosed are the drafts of two letters which I recommend you send to Senator Howard Baker and Senator William Roth. These letters summarize our approach on trade reorganization legislation which resulted from our meeting last week.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mar", is written above the typed name of the Secretary of Commerce.

Secretary of Commerce

Enclosures

Draft letter to Senator Howard Baker

Over the past year and a half, the Administration has made the creation of the new Department of International Trade and Industry one of its top priorities in the trade field. Although we had hoped for quicker action by the Congress, we are nonetheless gratified by the initiative taken by the Senate Governmental Affairs Committee. We continue to desire the earliest possible passage of trade reorganization legislation.

Because of the press of a number of high priority matters on the Senate's calendar for the remainder of this year, and because we want to handle the movement of the bill through both Houses of Congress in an effective way, we will withdraw our request for passage of the trade reorganization legislation during the remainder of this year. We intend, however, to make it one of the Administration's early legislative priorities in the next session of the Congress.

We seek the active support of the Senate leadership for this approach and will look to enactment of the law in 1935.

Draft letter to Senator William Roth

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We seek your active support, and that of the Governmental Affairs Committee, for this approach and will look to enactment of the law in 1985.

June 12, 1984

MEMORANDUM FOR MARGARET D. TUTWILER

FROM: JAMES W. CICCONI 
SUBJECT: Hispanic Chamber of Commerce

As I understand it, the Hispanic Chamber of Commerce, chaired by Hector Barreto, is prepared to endorse the President for re-election, and may be willing to do so at a time of our choosing.

Last year, the President spoke to this group's convention, and has been invited to do so again this September (right after Hispanic Heritage Week). The HCC is, by far, the most enthusiastic non-partisan Hispanic audience we could hope for, and we might wish to time an endorsement for right before a Presidential speech to the group. In that situation, the President would have a perfect forum for addressing Hispanic issues, and a good media opportunity for publicizing the endorsement.

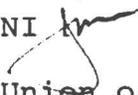
I would appreciate it if you could run this by the campaign for their thoughts on how we should proceed.

Thanks.

cc: James A. Baker, III

June 13, 1984

MEMORANDUM FOR MARGARET D. TUTWILER

FROM: JAMES W. CICCONI 
SUBJECT: International Union of Police Associations

The International Union of Police Associations recently expressed an interest in talking with a senior person from the campaign. They are an AFL-CIO affiliated union with over 50,000 members, and have been somewhat friendly to the Administration's policies.

I think it would be very worthwhile for Paul Russo or someone at his level to call the union's president, Bob Kliesmet, at 546-0010. They are expecting some sort of call, and it might well lead to an endorsement.

Thanks.

cc: James A. Baker, III

THE WHITE HOUSE
WASHINGTON

June 14, 1984

TO: DICK DARMAN

The attached letter was handed to JAB the other day by Chuck Percy. He asked if you would please staff it for appropriate response.

Thanks.


Jim Cicconi

Hand delivered 6/14/84, 4:10pm - ADC

CHARLES H. PERCY, ILL., CHAIRMAN

HOWARD H. BAKER, JR., TENN.
JESSE HELMS, N.C.
RICHARD G. LUGAR, IND.
CHARLES McC. MATHIAS, JR., MD.
NANCY L. KASSEBAUM, KANS.
RUDY BOSCHWITZ, MINN.
LARRY PRESSLER, S. DAK.
FRANK H. MURKOWSKI, ALASKA
PAULA HAWKINS, FLA.

CLAIBORNE PELL, R.I.
JOSEPH R. BIDEN, JR., DEL.
JOHN GLENN, OHIO
PAUL S. SARBANES, MD.
EDWARD ZORINSKY, NEBR.
PAUL E. TSONGAS, MASS.
ALAN CRANSTON, CALIF.
CHRISTOPHER J. DODD, CONN.

United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, D.C. 20510

SCOTT COHEN, STAFF DIRECTOR
GERYLD B. CHRISTIANSON, MINORITY STAFF DIRECTOR

June 11, 1984

Dear Mr. President:

The United States will participate in the International Conference on Population this August in Mexico City. Many of the participating governments, including the host country, Mexico, have made major commitments to population programs.

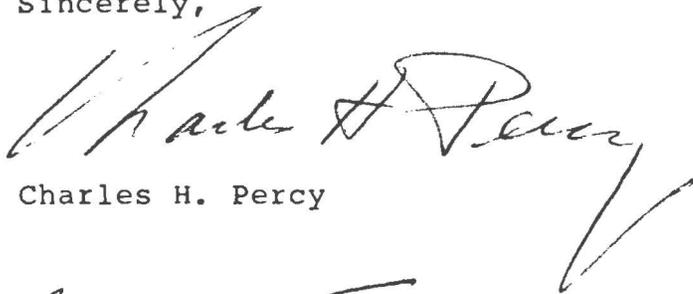
We are concerned about the draft position paper recently prepared for the U.S. delegation by the White House Office of Policy Development. We believe the proposed position statement represents a serious departure from longstanding U.S. policy which has had broad bipartisan support. Indeed, it deviates from the justification for population assistance presented by the Administration to Congress as recently as last February.

We have a special concern about the specific recommendations incorporated in the position paper which would have the effect of ending U.S. contributions to important international and bilateral assistance programs. If implemented these recommendations would end worthy U.S. programs in Tunisia and Bangladesh, and end U.S. support for the UN Fund for Population Activities, the U.S. contribution to which has been earmarked for the past several years.

A number of us have written to Secretary of State Shultz and other members of the Administration about the importance of the upcoming conference and have stated our desire to be actively consulted about preparations for the conference. Similar views were expressed in the Senate Foreign Relations Committee's report on the foreign assistance bill.

The draft position paper quotes your speech to the World Affairs Council in Philadelphia in 1981 in which you said: "Trust the people, trust their intelligence and trust their faith, because putting people first is the secret of economic success everywhere in the world." We believe that a position paper can be written which builds on your theme of respect for people as a key to economic development and human progress, but which also reflects accurately U.S. foreign assistance policy on population which has had bipartisan support for over two decades. We are very anxious to work with the Administration toward this end.

Sincerely,



Charles H. Percy



Charles McC. Mathias, Jr.



Alan Cranston

The President
The White House

THE WHITE HOUSE

WASHINGTON

June 19, 1984

MEMORANDUM FOR RICHARD HAUSER

FROM: JAMES W. CICCONI *JWC*
SUBJECT: Impact of TEFRA on Airline Pilots

The attached material outlines a problem experienced by airline pilots as a result of the enactment of TEFRA. In short, the law raised to 62 the age at which the maximum benefit could be drawn from tax-qualified pension plans. However, airline pilots are required by FAA regulation to retire at age 60. Their dilemma is obvious.

Captain Henry Duffy, president of the Airline Pilots Association, has been seeking a meeting with Buck Chapoton at Treasury to discuss this problem. Duffy has approached OPL for assistance in setting up such a meeting. Since this involves a tax matter, I thought it best that you review the request, and, if it is felt to be appropriate, that any contact with Chapoton be made by the Counsel's Office.

Thanks for your help.

cc: Doug Riggs

CAPTAIN HENRY A. DUFFY
PRESIDENT

AIR LINE PILOTS ASSOCIATION, INT'L



WASHINGTON, D. C. 20036

(202) 797-4010

THE WHITE HOUSE
WASHINGTON

June 18, 1984

MEMORANDUM FOR: Jim Cicconi

FROM: DOUGLAS A. RIGGS

SUBJECT:

I need your help in arranging an appointment between Assistant Secretary of Treasury Chapoton. It is very important. Alpa polits are very upset about Treasury's position. Your immediate help would be appreciated.

TEFRA's Impact on Airline Pilots

The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) made a number of modifications in the treatment of tax-qualified corporate pension plans. In addition to lowering both the contribution and benefit limits originally established under ERISA, it increased to 62 the age at which the maximum annual benefit could be drawn from a defined benefit pension plan. Under the new requirements established by TEFRA, any retirement prior to age 62 would result in actuarial reductions in the maximum annual benefit.

The new provisions of TEFRA overlook the unique circumstances of one group of employees who are required by the Federal government to retire prior to age 62 -- commercial airline pilots.

- For over twenty years the Federal Aviation Administration (FAA) has required by regulation (FAR 121.383(c)) that commercial pilots retire at age 60 for reasons of public safety.
- Commercial airline pilots are the only private sector employees in the United States with a Federally-mandated retirement age.
- This unique requirement was recognized by the Congress with a special exception for airline pilots to the national policy established by the Age Discrimination in Employment Act.
- Congress further acknowledged these special circumstances with a specific exclusion for airline pilots from ERISA's participation and eligibility standards (Section 410(b)(3)(B)).

The result of the conflict between the requirements of TEFRA and the FAA regulations is that airline pilots sustain a substantial penalty in potential pension benefits and are prevented from ever obtaining the benefit level available to all other retirees in tax-qualified pension plans.

While the Congress has judged it sound national policy to encourage longer working careers and has imposed a reduction in maximum pension benefits for those who choose to retire before age 62, it is clearly inequitable to apply this provision to those who, through the Federal government's action, have no choice.

We strongly urge the adoption of a correcting amendment to TEFRA to provide that the maximum benefit amount under a defined benefit pension plan is not to be reduced for the period between age 62 and any earlier retirement age mandated by the Federal government.

*House Committee Report
(Ways & Means)*

**N. Dollar Limits on Benefits Under Qualified Pension Plans for
Airline Pilots (sec. of the bill and sec. 415 of the Code)**

Present Law

The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) reduced the overall limits on contributions and benefits under qualified pension, profit-sharing, or stock bonus plans ("qualified pension plans"). In the case of a defined benefit pension plan, the dollar limit on annual benefits was generally reduced from an annual benefit of \$136,425 to \$90,000. If benefits begin before age 62, TEFRA requires that the dollar limit be actuarially reduced to reflect the value of early payment. Using a standard mortality table and 5 percent interest, the dollar limit at age 60 is \$75,240.

Federal regulations require that commercial airline pilots retire after attaining age 60.

Reasons for Change

The committee recognizes that the TEFRA rules requiring an actuarial reduction in the dollar limits on benefits under qualified pension plans for retirement before age 62 affects commercial airline pilots who are required, by Federal regulation, to retire at age 60. The committee believes that it is inappropriate to require this actuarial reduction under these circumstances.

Explanation of Provision

Under the provision, the reduction for early retirement applies only to those airline pilots whose benefits begin before age 60 and the dollar limit for annual benefits beginning at age 60 is \$90,000.

Effective Date

The provision is effective as if included in sec. 235 of TEFRA.

Revenue Effect

This provision will decrease fiscal year budget receipts by less than \$5 million annually.

May 13, 1984

The Honorable Barber B. Conable, Jr.
U. S. House of Representatives
Washington, D. C. 20515

Dear Congressman Conable:

I am writing with regard to your upcoming deliberations in the conference committee on H.R. 4170, the Tax Reform Act of 1984.

As you know, during consideration of H.R. 4170, the Ways and Means Committee adopted an amendment offered by Congressman Charles Rangel that addresses a conflict between provisions of the Tax Equity and Fiscal Responsibility Act (TEFRA) relating to tax-qualified retirement plans and employee retirement prior to age 62, and Federal Aviation Administration regulations requiring commercial airline pilots to retire at age 60. Congressman Rangel's amendment would allow commercial airline pilots to achieve the full pension benefit allowed under a defined benefit plan at their Federally-mandated retirement age.

We greatly appreciate the Committee's recognition of this problem and your support for the effort to correct it. Retention of this amendment by the conference committee will prevent a great number of our retiring members from suffering a very substantial reduction in pension benefits and allow them to obtain the pension benefit level available under law to all other individuals who participate in such plans. As you are aware, this action is not a new precedent, but is a continuation of long-standing Congressional recognition of the unique occupational requirements of our members. It is similar to exceptions previously granted to airline pilots by Congress in the Age Discrimination in Employment Act (ADEA) and in the Employee Retirement Income Security Act (ERISA).

This matter is of great importance to our membership, and we would deeply appreciate your continued support in conference for retention of Congressman Rangel's amendment.

Thank you for considering our views.

Sincerely,

Henry A. Duffy, President

HAD:kgb

April 30, 1984

The Honorable Robert Dole
U. S. Senate
Washington, D. C. 20510

Dear Senator Dole:

During your deliberations as a conferee on the deficit reduction package (H.R. 2163) you will be dealing with a provision of concern and importance to the membership of the Air Line Pilots Association. I want to bring this matter to your attention and ask for your support in equitably resolving this issue during the conference committee proceedings.

The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) modified the limits on contributions and benefits under tax-qualified retirement plans. Under TEFRA the annual limit established under a defined benefit pension plan is reduced on an actuarial basis if a benefit is paid to a participant before age 62. This requirement, however, does not take into account a conflicting Federal regulation which mandates commercial airline pilots to retire at age 60. This regulation, imposed by the Federal Aviation Administration, has been in effect for twenty-five years and was developed to enhance public safety in air travel.

The result of this conflict between two Federal requirements is that a great number of our retiring members suffer a very substantial reduction in allowable pension benefits, and are in fact prevented from ever obtaining the pension benefit level available under law to all other individuals who participate in such plans.

The House Ways & Means Committee, during consideration of H.R. 4170, the Tax Reform Act of 1984, adopted an amendment that resolves this conflict in what we believe to be an equitable manner. The Committee amendment would allow commercial airline pilots to achieve the full allowable pension benefit at their Federally-mandated retirement age.

You should be aware that this action is not a new precedent, but is a continuation of long-standing Congressional recognition of the unique occupational requirements of our members. It is similar to exceptions previously granted to airline pilots by Congress in the Age Discrimination in

AIR LINE PILOTS ASSOCIATION

1625 Massachusetts Avenue, N.W., Washington, D.C. 20036 (202) 797-4000

SCHEDULE WITH SAFETY



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The Honorable Robert Dole
Page Two

Employment Act (ADEA) and in the Employee Retirement Income Security Act (ERISA). In addition, this particular issue was the subject of hearings held by Senator John H. Chafee in the Subcommittee on Savings, Pensions and Investment Policy last year.

As I previously noted, this matter is of great importance to our membership and we would very much appreciate your support for and concurrence with the House amendment on this issue during the conference committee.

Thank you for considering our views.

Sincerely,


Henry A. Duffy, President

HAD:kk

THE WHITE HOUSE

WASHINGTON

June 25, 1984

MEMORANDUM FOR SUSAN BORCHARD

FROM: JAMES W. CICCONI *JWC*

SUBJECT: Texas State Senator Buster Brown

Attached is the resume of Texas State Senator Buster Brown, a Republican who represents the area south of Houston (including Galveston). I would appreciate it if you could consider Buster for any appropriate vacancies we might have on criminal justice related boards or commissions.

Senator Brown is one of only five Republicans in the thirty-one member Texas Senate, and was recently named vice-chairman of the Jurisprudence Committee, which deals with all state criminal legislation. He also chairs a state-wide committee, Associated Texans Against Crime, which will advise the next session of the Legislature on possible anti-crime measures.

Buster is a very capable attorney, and would be a solid asset to any criminal justice board or commission on which we might ask him to serve. Such an appointment would also be very favorably received in the Houston-Galveston area.

Thanks for your help.

The Texas Senate

J.E. "BUSTER" BROWN
State Senator
District 17

8303 SOUTHWEST FREEWAY
SUITE 110
HOUSTON, TEXAS 77074-1601
713/776-1414

P.O. BOX 888
LAKE JACKSON, TEXAS 77566-0888
409/297-5261

P.O. BOX 12068
AUSTIN, TEXAS 78711-2068
512/475-5881

March 1, 1984

COMMITTEES

VICE CHAIRMAN:
ADMINISTRATION
JURISPRUDENCE
HAZARDOUS WASTE (Interim)

MEMBER:
NATURAL RESOURCES
SUBCOMMITTEE ON CRIMINAL
MATTERS
SUBCOMMITTEE ON WATER
TEXAS BEACHES (Interim)

Mr. Jim Ciconni
Special Assistant
to the President
The White House
Washington, D. C. 20500

Dear Jim:

As a member of the Texas Legislature, I have devoted a great deal of my time and efforts to legislation concerning the criminal justice system and improvement of our law enforcement procedures and laws in this state. As a former prosecutor, I have endeavored to improve our system and bring about a greater balance of equities between the victim and the criminal.

Lieutenant Governor Hobby, the presiding officer of the Senate, has seen fit to name me as ViceChairman of the Senate Jurisprudence Committee before which all crime related legislation must be heard.

Additionally, during the year 1984, I will chair a statewide committee concerned with developing public awareness for the need to improve our criminal justice system in this state, the organization will be called Associated Texans Against Crime (ATAC), and we will begin conducting hearings throughout the state in March and April of 1984. The objective being to develop an agenda for the 69th Session of the Legislature in this field of law.

May I respectfully request that my name be considered for appointment to an appropriate task force or commission at the federal level dealing with the same subject, so that I may benefit from the experience of

Mr. Jim Ciconni

Page 2

March 1, 1984

other legislators, both at the state and federal level. Together we will certainly bring about improvements in our criminal justice system that will benefit the people of Texas and the people of the United States.

Thank you for your attention to this request, and I look forward to hearing from you.

Sincerely,

A handwritten signature in cursive script, appearing to read "JEB".

JEB:bs

Biographical Sketch
STATE SENATOR J. E. "Buster" BROWN



State Senator J. E. "Buster" Brown has represented the interests of residents of State Senatorial District 17 — comprised of parts of Brazoria, Fort Bend, Galveston and Harris Counties — since 1981. Senator Brown is a practicing attorney in Lake Jackson, Texas.

Senator Brown attended Southwest Texas State University in San Marcos and graduated from Texas A & I University in Kingsville in 1963 with a B. S. in Secondary Education. The Senator then taught government and history at Mary Carroll High School in Corpus Christi for a brief time, after which he attended the University of Texas Law School, graduating with an LLB/JD, in 1967. While attending the Texas Law School, Senator Brown served as President of its Student Bar Association.

Shortly after graduating from law school, Senator Brown was appointed Briefing Attorney for the Texas Court of Criminal Appeals. In 1968, he became Assistant District Attorney and Prosecutor for Brazoria County, serving in this capacity until 1971, when he entered private law practice.

Senator Brown shocked political observers in 1980 when he defeated the twenty-year incumbent, A. R. "Babe" Schwartz, to become the first Republican state senator from District 17 since Reconstruction Days.

In his first term, Senator Brown authored or sponsored key legislation dealing with law enforcement, and was instrumental in the passage of the Governor's Anti-Crime package. He also authored and passed eight bills designed to improve the Texas economy. During his second term, Brown again led the fight for tough law and order legislation. He also passed a landmark bill which will give consumers who purchase "lemon" automobiles a better chance for recovering fair compensation from the manufacturer. Senator Brown carried a heavy legislative package, dealing with law enforcement, the environment, coastal issues, and economic issues.

The Senator is Vice Chairman of the Senate Jurisprudence Committee and Vice Chairman of the Senate Administration Committee, and serves as a member of the Senate Committee on Natural Resources. In addition, he is a member of the Subcommittee on Water and the Subcommittee on Criminal Matters. He is also a member of the Texas Coastal and Marine Council.

During the interim periods between the sessions in which he has served, Senator Brown's interim committee assignments included: The Subcommittee on the Matagorda Island Land Sale, as Chairman; the Subcommittee on Bay Shrimp Licensing, as Chairman; the Senate Committee to Study Certain Issues Related to Agriculture; the Senate Committee to Study Coastal Reef Protection; the Senate Joint Committee to Study the Criminal Justice System; the Senate Committee to Study Disaster Response; the Senate Committee on Human Services Programs; the Senate Committee to Study Human Services Issues; the Senate Committee to Study Problems Relating to Redfish and Speckled Sea Trout in Texas Coastal Waters; the Senate Subcommittee on Public Health and Welfare; the Senate Committee on Water and Energy; and the Joint Committee on Hazardous Waste.

Senator Brown also served on the Public Servant Standards of Conduct Advisory Committee, the Committee to Study the Development of Texas Beaches, the Governor's Task Force on Work Related Accidents, the Governor's Blue Ribbon Commission for the Comprehensive Review of the Criminal Justice Corrections System, and the Subcommittee on Diversions and Inmate Programs, of which he was Vice Chairman.

Always active in the business and civic community, Senator Brown is a member of the State Bar of Texas, Brazoria County Bar Association, Brazosport Chamber of Commerce, Kiwanis Club, Phi Alpha Delta Legal Fraternity, and is a Mason. *

The Senator and his family are members of the First United Methodist Church of Lake Jackson. He and his wife Jill (formerly Jill Kerr of El Campo, Texas) live in Lake Jackson with their three children, Jeb (age 14), Jay (age 12), and Jennifer (age 9).

On November 2, 1982 Senator Brown was reelected to represent the newly redistricted District 17.

October, 1983

*See attached Addendum.

Addendum

Senator Brown is also a member of the following organizations:

Brazoria County Cattlemen's Association
Brazoria County Fat Stock & Fair Association
Houston Livestock Show & Rodeo
Ducks Unlimited
Gulf Coast Conservation Association
Associated Builders and Contractors
Lake Jackson Business and Professional Association
Brazosport Symphony
Kappa Sigma Fraternity
Southwest Texas State University Alumni Association
Texas A&I University Alumni Association
East Fort Bend Chamber of Commerce
Sheriffs' Association of Texas
Texas Circle R
Harris County Young Republicans
Greater Houston Young Adult Republican Club
National Republican Legislators Association
National Legislative Services and Security Association

Recently Senator Brown was recognized by the following associations for his work in the 68th Session of the Legislature.

Texas District and County Attorneys Association
Texas Municipal League -- "Legislator of the Year, 1983"
Texas Nature Conservancy
Keep Brazoria County Beautiful Association
Texas Water Conservation Association

THE WHITE HOUSE

WASHINGTON

July 2, 1984

MEMORANDUM FOR MIKE BAROODY
BEN ELLIOTT

FROM: JAMES W. CICCONI *JWC*
SUBJECT: Commentary Article on "The Networks vs.
the Recovery"

Per Jim Baker, the President asked that the attached article from the July 1984 issue of Commentary be forwarded to you for your information.

PH

The Networks vs. the Recovery

Paul H. Weaver

IN THE summer of 1981, some six months after Ronald Reagan took office, the U.S. economy stopped growing and began to contract. Over the ensuing year-and-a-half the country experienced a recession of about average intensity and duration for the postwar period. Real gross national product contracted by 2.5 percent. The unemployment rate rose from 7.2 percent to 10.8 percent. In December 1982, when contraction gave way to recovery, 12 million Americans were out of work.

The recession, naturally, was covered intensively by the press, including the television networks' nightly news programs. Night after night, month after month, they reported the latest economic statistics, which generally painted a picture of growing millions out of work, sagging morale, and a still substantial (though declining) inflation rate. Having rehearsed the essential statistics, the anchormen would then switch to filmed reports from correspondents in the field showing the scenes and replaying the sounds of plants being closed and people losing jobs or looking for work. In this period, the economic news was unrelievedly discouraging. But so were the economic conditions it reflected.

In December 1982, the economy started growing again, and during the twelve months that followed, the country experienced an economic recovery and expansion whose size once again made it about average for postwar expansions. Real gross national product rose by 6.2 percent, total employment grew by 3.9 million, unemployment fell to 8.2 percent, and one measure of inflation, the producer-price index, rose by 0.6 percent—the smallest increase since 1964. Automobile sales grew smartly, rising 18 percent above the previous year's depressed level. Real per-capita after-tax income went up by 5.3 percent, and the Dow Jones Industrial Average hit record highs.

But as the economy itself began growing again, the networks' economic coverage became curiously schizophrenic, according to a study conducted by the Institute of Applied Economics, a small

New York research group that videotaped and analyzed every economic news story on the three network nightly news programs from July 1 through December 31, 1983. The Institute's analysts identified two main types of economic news stories. One genre—there were from four to fifteen of these per month in the period under study—was the news item, often short, that in the typical case reported freshly released economic statistics. Of these, nearly all (about 95 percent) conveyed a positive impression: things in the economy were getting better, the data reflected the improving trend, and the stories reflected the data.

A second genre of news story identified in the study was the longer, in-depth, interpretative news analysis, typically narrated by a reporter in the field. These stories took as their point of departure some event of the day; often the "news peg" was the announcement of upward movement in an economic indicator. But having quickly noted the news peg, the stories would then turn to their real purpose—delving beneath the surface of the news to identify some larger, more meaningful economic reality or trend. According to the study, the networks ran 104 of these longer, more analytic, less event-oriented news pieces during the second half of 1983. Of these stories, 89, or about 85 percent, featured bad news, emphasizing not any reassuring resurgence of economic growth or welcome increase in employment, but the recession's lingering ill effects, or the persistence of structural economic problems that demanded attention now that the recession had passed.

Their length and documentary character made this second group of stories the dominant body of network economic-news coverage—and the impression they conveyed was strongly negative. The economy, they suggested, though perhaps technically in recovery, was not really much better. Major problems of hunger, chronic unemployment, and regional and structural stagnation remained. The pains and scars of a long recession were far from forgotten. Presiding over the entire worrisome situation, these stories suggested, was an uncaring, politically manipulative administration that sought political advantage in the nation's recovery from a recession which the ad-

PAUL H. WEAVER, who worked as an editor both at the *Public Interest* and *Fortune*, is DeWitt Wallace Fellow in Communications at the American Enterprise Institute. An earlier version of the present essay was recently delivered at a seminar given by the Lehrman Institute.

ministration's policies had probably made worse.

Overall, then, as the study concludes: "The economic news was good in the second half of 1983. The coverage on network television was still in recession."

A TYPICAL example of this pattern was broadcast on December 2, 1983, when the Bureau of Labor Statistics announced preliminary unemployment statistics for November. On ABC, senior economics correspondent Dan Cordtz summarized the news with his customary—and, alas, among the men and women of television news, unique—precision and generosity:

Unemployment fell significantly last month for almost every category of worker. . . . And employment went up in most of the 186 different industries on which the government collects statistics. In just two months, the total number of unemployed Americans has dropped by well over a million. That's a remarkable decline, and a sign of how surprisingly strong the economic recovery is. At the rate things are going, unemployment may not even be a political issue by the time election day rolls around next year.

Picking up on Cordtz's theme, anchorman Peter Jennings observed, "The White House called the drop in unemployment 'remarkable,' and President Reagan was obviously pleased." Film showed a beaming Ronald Reagan exulting before a White House press conference earlier that day, "We're a little ahead of schedule on the recovery." Jennings, broadcasting from Chicago, concluded the segment by noting, "Here in the Midwest, a lot of people have still been left behind, and a little later we'll have a report on them."

Soon Jennings was back: "And now those unemployment figures again. . . . Here in Illinois, once again, there are many families for whom the statistics, as good as they are, have little meaning. This week we met a couple of them." One was Jack Lauderbach, forty-eight, whom we watched jogging along the streets of his "fairly well-to-do Chicago suburb" on a cold winter day. "He'd worked hard all his life, he'd become a successful executive—the American dream, if you will, become reality. . . . Twenty months ago, the dream began to dissolve" when he was fired as a \$39,000-a-year personnel director of the Brunswick Corporation during a reorganization. We also met Frank Foster, thirty-three, who was raking leaves in the front yard of his rented house in an attractive neighborhood in Rockford, Illinois. Over a decade he had worked his way up in the local Borg-Warner automobile-parts factory to an \$11-an-hour job as a stock clerk. "A year and a half ago, he lost his job. His dream dissolved as well." Both men, Jennings informed us, were "among the nation's chronically unemployed. That's a word usually applied to illness.

It means prolonged, and lingering. Frank and Jack *never* expected to be out of work."

Foster, a cheerful, modest, well-spoken father of two who left school early to work his way up in the company, had lost his house; the bank foreclosed when he and his wife, also unemployed, were unable to meet the mortgage payments. "Losing their own home, more than anything else, was an attack on the status they'd worked for," said Jennings. "Their faith in the American dream has been badly shaken." Mrs. Foster, now also out of work, explained: "The way America was, you could start at the bottom and go up. . . . Now there's not too much to do to start at the bottom." Jennings added that "now could be a particularly bad time for the Fosters." A Johns Hopkins University psychologist was then brought on to say of chronically unemployed people like the Fosters, "It is exactly when things seem to be getting better for other people that they find themselves isolated."

Lauderbach, we then discovered, had sent out 2,500 resumes (we saw him typing on his sleek Olivetti electric); "so far, no success." With his severance pay and unemployment insurance exhausted, his wife had taken two jobs, and his mother, who lives with him, was contributing her Social Security check. "In this family, it isn't that there's no food, it's the price Jack pays in dignity," Jennings said. He showed film of Jack explaining that "if you give up, you're dead," and admitting that though "it's dumb, and I'll never do it," he has thought of suicide ("taking the pipe," he called it).

Jennings noted pointedly that the recent drop in unemployment "hasn't solved Jack Lauderbach's or Frank Foster's problem." He said that Louis Ferman, a labor-market expert at the University of Michigan, "expects new faces in the ranks of the chronically unemployed." Ferman: "It's no longer that mechanization is only being thrust into the blue-collar world. It's being thrust all over, top to bottom. Every job is in a sense vulnerable." Having delivered that gloomy assessment, Jennings gave his two chronically unemployed subjects some parting words. The former stock clerk was optimistic: "Just hope for the best," he said with his shy smile. The former personnel director was hopeful, too, but there was desperation in his words: "Sooner or later, I'm gonna get something. I mean, I gotta feel that way. If I don't, you know, I'm gonna take the pipe."

The Institute for Applied Economics sums up: "A story that began with an 0.4 percent drop in unemployment ended in complete despair and talk of suicide."

JENNINGS's theme was bitter irony—the illusoriness of the economy's seeming improvement, the persistence of deep and disturbing problems—and it was repeated again

and again during this period. The networks ran dozens of long, interpretative stories about hunger, the burden of which was, as CBS's Lem Tucker put it in December at the end of a long report that closed with videotape of a homeless man sleeping on a subway grate in Washington, D.C.: "The nation is now in its fourteenth month of economic recovery. Unemployment is the lowest it's been in two years. *They* [the hungry] are *still* there." And it was not just the hungry whose numbers were undiminished amid declining unemployment. In November, an NBC story on unemployment stated, "One of the painful side-effects of high unemployment in many areas was a significant increase in cases of wife beating. However, the problem of battered women doesn't go away when the economy improves. . . . It is always there."

Other stories suggested that as the employment situation got better, it only got worse. On July 8, when the Labor Department announced a drop in unemployment, CBS reporter Ray Brady emphasized that there were 1,250,000 new people in the labor market seeking only 350,000 available jobs, and focused on worsening unemployment in certain industrial states. In November, after unemployment fell from 9.2 percent to 8.8 percent in a month, ABC stated that the drop in unemployment was the result of many jobless Americans ending their search for work. Thus, the "news is not as good as it sounds. . . ." Throughout the period, the networks reported numerous cases of reopened plants attracting far more applicants than there were new jobs. The impression created was that such events disappointed more people than they helped. As Peter Jennings put it in August: "There was another of those huge job lines today. . . . In Galesburg, Illinois, 40 jobs opened up at the Admiral Appliance factory; 10,500 people lined up to fill out applications."

The ultimate irony of all was the one broached by ABC's Dan Cordtz in August at the close of a long and generally excellent exploration of recession and recovery in two very different states—West Virginia, with the nation's highest unemployment rate (19.5 percent), and Massachusetts, with one of the nation's lowest (6 percent). After explaining that the two states were so different because they had such different industries, Cordtz ended by saying: "In a number of states like Massachusetts, the outlook is pretty bright, and that's clearly good news. But it also means that the gap between the beneficiaries of the recovery and the victims of a lingering recession will grow even wider in the months ahead." In other words, just as the recession had widened the gap between rich and poor, now the recovery was about to do its part to make the rich richer and the poor poorer.

The effort to see irony and contradiction in the events of the recovery led television news in

some instances to make errors of fact. In December, Ford Motor Company, in the wake of an unsuccessful effort to sell its aging Rouge steel subsidiary to the Japanese, announced it would spend \$168 million to modernize the facility, the nation's eighth largest. On CBS, anchorman Dan Rather briefly sketched the Ford announcement, then dismissed it: "That kind of business investment so far hasn't played a major role in the drama of recovery." In the lengthy interpretative story that followed, reporter Ray Brady added: "It is the shadow which darkens the eleven-month-old economic recovery. While many companies once again are making huge profits, so far they've been reluctant to invest those profits in new plants and new machinery." In fact, according to Commerce Department data, "nonresidential fixed" investment of precisely the type Ford was undertaking at the Rouge plant was running about 50 percent ahead of the norm for recoveries in the postwar era. In its enthusiasm to deny the reality of the economic expansion, network news not only misrepresented an important trend, but virtually passed over an event of significance in its own right.

THE fascination of the networks with the recovery's weaknesses and the economy's underlying problems was closely associated with their even more intense interest in the person and policies of Ronald Reagan. To play through the Institute's videotapes of network economic news stories is to enter a world that revolves around the White House. In this Reaganocentric view of the universe, everything is explained by a few simple equations. In one equation, Reaganomics equals the interests of the rich equals indifference to the poor. In another, the claims of the poor are associated with the press, which is arrayed against Ronald Reagan and his policies.

This way of looking at life is not limited to this particular body of news coverage. In a study of, among other things, network coverage of the first 100 days of 1983, political scientist Michael Robinson and his colleagues identified the same set of identities and oppositions. Of 46 "soft-news" stories about policy issues mentioning Ronald Reagan, 27 were directly negative toward Reagan and just two were positive. As the authors pointed out, the stories were notably critical of Reagan's economic policies:

In a feature report on Reagan's first two years, Sam Donaldson and ABC superimposed the President's picture over a brightly colored visual that traced the phenomenal growth in unemployment during Reagan's first term. In those same frames, ABC also used audiotape in which Reagan predicted that the recession was over. The report made it perfectly clear that Reaganomics had failed. . . . "There is," concluded Donaldson, "plenty of room for disagreement over whether Ronald Reagan should re-

ceive a passing or failing grade for these past two years. But there is a consensus in Washington that unless he changes his game plan, economically the grade for the next two years will almost certainly be an F."*

For the networks, therefore, covering economic news consisted in large part of trying to demonstrate that under the influence of Ronald Reagan's policies, the economy was unfair and/or was performing badly. Alternatively, on occasion it consisted of an effort to show that while the economy was doing all right, Ronald Reagan and his associates were not.

THE anti-Reagan animus was vividly demonstrated by two episodes in the second half of 1983. The first occurred on July 20, when CBS ran the only substantial news account I saw on videotape that was unqualifiedly positive about the recovery. The story was introduced by Dan Rather, sitting in front of a graphic display showing a map of the U.S., bedecked with stars-and-stripes bunting, on which were superimposed the words, "Gross National Product":

"Stunning—the figure leaves us a little breathless." That was one analyst's reaction to today's Commerce Department reports that the gross national product grew at a surprising 8.7 percent annual rate in the year's second quarter. That's the fastest pace for economic growth in more than two years.

Then Rather handed the narrative over to reporter Bruce Hall, who proceeded to give a report on the strength of the economy in Atlanta, where resurgent consumer spending was helping the city lead the nation out of the recession.

The entire lengthy story consisted of an exploration of the sources and consequences of Atlanta's economic buoyancy. A viewer learned that sales at a major shopping mall were up 13 percent, that salesmen could see the increased consumer optimism that was leading people in the area to spend a higher proportion of their disposable income. We were told that consumer spending in the second quarter of the year rose at an annual rate of 10 percent, and that clothing and automobiles were selling particularly well. Hall took his audience on a visit to a dress shop, then showed a couple buying a new Cadillac (for cash). The story was unusual, and interesting, in its willingness to give specifics about the recovery in one city. It was also unusual in not hastening to seek out a dark irony, hidden contradiction, or worrisome underside of Atlanta's economic comeback. It concluded simply, "With the customers returning, much of Atlanta is beginning to enjoy life just a little bit more."

Dan Rather immediately reappeared on the screen to introduce the next story:

President Reagan hailed the Commerce Department report today. He said, quote, "Vigorous growth is the surest route to more jobs, declin-

ing deficits, and a future filled with opportunity." It's hard to quarrel with those words. The problem, Ray Brady explains, lay with some of the President's statistics.

Only in America would the story that followed be broadcast on national television. For over the next few minutes Brady, using videotape of a Ronald Reagan press conference earlier that day, showed the President making four significant factual errors in a series of extemporaneous, upbeat statements about the economy. And using official government statistics, Brady coolly refuted each error, one by one. The effect was electrifying: it isn't often that one witnesses a direct, one-on-one confrontation between a journalist and the President of the United States. In the "kicker" that concluded his story, Brady did not try to calm the charged atmosphere, but pressed the attack:

The White House press office said this afternoon the figures could have different interpretations. And an administration source told CBS News the President was obviously doing some fast figuring in his head.

It does not seem accidental that the one lengthy TV story in the period under study that did not deny or qualify the recovery appeared back-to-back with this extraordinary personal challenge to and rebuke of President Reagan by a network newsmen. Together, the stories sustained the underlying equations that shaped the content of TV economic news. It seems equally coincidental that on the one occasion during the period in question in which a senior member of the Reagan administration stepped out of the indifferent-to-the-poor persona to which the press had become accustomed among the President's men, the networks went to extraordinary lengths to ridicule the effort and deny its reality.

The event in question occurred in August 1983, when the press and the Democrats were harping on the hunger issue and the President was about to appoint a task force to look into it. Apparently as part of the administration's response to the problem, Secretary of Agriculture John Block and his family conducted an experiment in which they lived for a week on food stamps. The effort was kicked off with a shopping visit and photo-opportunity session in a Bethesda supermarket, where the Blocks bought \$54 worth of groceries (food-stamp recipients get \$58 worth of stamps), and it ended a week later at a press conference in which the Blocks described their experiences. It was a symbolic gesture, but a meaningful one, since Block is responsible for administering the food-stamp program, and since it is always desirable for someone in such a position to know from experience what his "clients" go through. That it was also a good way to grab a bit of pub-

* Michael Robinson, Maura Clancy, and Lisa Grand. "With Friends Like These . . ." *Public Opinion*, June/July 1983.

licity for himself and his boss does not negate its intrinsic value.

CBS's Dan Rather wasted no time derogating this gesture. This was the first sentence of his introduction to the story: "Agriculture Secretary John Block is a millionaire farmer who owns a \$300,000 house in the Washington suburbs." (Its hostility aside, this statement is breathtaking in its hypocrisy, considering the identity of the man making it. Does Rather mean to invite people commenting on his doings and undoings to preface their remarks with the comparable observation: "Dan Rather is a multimillionaire TV star and national celebrity who lives in a half-a-million-dollar coop on Manhattan's posh Park Avenue and who often presents himself as caring about the poor"?) Reporter Eric Engberg began his filmed report this way:

The hustle and bustle at this supermarket was the work of Agriculture Secretary John Block's staff, whose cash crop today was publicity. The Secretary and his wife Sue made a carefully staged trip through the aisles to show that the government's recommended food-stamp allotment for the poor . . . can provide a nutritious diet.

A week later, when the Blocks reported on their adventures, the people at CBS News were still on the warpath. Rather opened:

A week ago, Agriculture Secretary John Block and his family began a short experiment of living on a food-stamp budget. They did so among much well-orchestrated publicity. Critics insisted that it was all designed mainly to feed the Reagan administration public-relations mill.

This time reporter Engberg was much straighter in covering the Blocks' experiences, which were instructive. Clearly they had not found the experiment easy, particularly at the beginning, and the Secretary ordered free distribution of a government booklet they had used in planning their food buying, which, they found, was tricky on the tight budget. But Engberg nevertheless invoked the theme of the public-relations gesture again in his kicker, in which he showed videotape of Block, an avid runner, suited up and taking off from the starting line in a one-mile race: "Moving on to run a mile in a promotion of fitness, Block said he felt better qualified to oversee the \$12-billion food-stamp program than he did a week ago."

IN ALL this the networks were acting in part out of liberal political animus. It is impossible to watch these stories without concluding that the journalists writing and performing them had a low opinion of Ronald Reagan, his conservative philosophy, and his economic policies. It is hard not to conclude that their opinion of the man and his program was so low that they were determined to do everything with-

in their legitimate discretion, and perhaps then some, to prevent their reportage from suggesting that the policies worked, or that a recovery was in full swing, or that the President might be in line for some credit for the expansion of the economy.

In part too the networks were acting out of an institutional animus. To watch these stories is to be in the presence of the acts and utterances of people who evidently believe passionately that their mission is to criticize and oppose the President—any President—as if they were members of an opposition party in a parliament. This "adversary" role, as it has been called, is relatively new for American journalism, which historically has thought of itself as politically neutral, save in those rare or anyway limited cases where it serves as a watchdog defending basic concepts of law and personal morality. What this development signifies is the institutionalization of the ideas and attitudes that infected the media in the 1960's.

Yet the strongest impression these stories leave is not of liberalism or of institutional imperialism, but of opportunism and incoherence. In December, in the wake of the flap created by presidential counselor Edwin Meese when he questioned whether all those being fed in soup kitchens were really in need, ABC ran a long and evidently lengthily prepared story by national correspondent James Wooten intended to get to the bottom of the issue and sort out what is and is not known about hunger in America.

Early on, Wooten put the issue squarely:

By any standard and in any season, America is a generous community. Nearly \$20 billion tax dollars this year alone for federal food programs, and another \$50 billion at least donated to private charities. . . . So if we're spending all that much money, why do we still have hungry neighbors?

A good question to which, as it happened, Wooten had no coherent answer. At first he said, quoting food lobbyist Nancy Amadei, that "if there are more people without money, there are more people at risk of hunger." But in a dramatic conclusion, he shifted course:

Hunger and need and poverty persist in this country, not from a lack of money, but a lack of commitment, not as a consequence of policy, but a product of politics.

The meaning of this statement was never explained. Then once again Wooten shifted course:

And as the debate drones on and on into the presidential campaign, the problem simply grows.

It is hard to avoid the impression, finally, that this confusion, this refusal to lay troubling questions to rest where possible—which had their counterparts in virtually every story in the period under study—reflect the very essence of television

journalism in its current form. This is an institution whose behavior seems to do only one thing consistently: create conflict and agitate issues, and present itself as the arbiter of the resulting maelstrom.

In other words, television denied the reality of the recovery in large part out of the institutionalized egomania that TV journalism has become. The filmed TV news story is an intensely personal and interpretative narrative form, dominated by the voice, language, image, thought, and feeling of the omniscient narrator, the reporter, who is completely in control of every element of the story. These excerpts from the networks' coverage of the recovery suggest that the people of TV news have finally internalized this stance of omniscience, that they have begun to take this formal fiction literally. They proceed in these stories as if they were superior to events, superior to the audience, superior to elected politicians, superior to everyone and everything. No one and nothing is good enough for them; all they can see about them is bad news. A recession is bad news; a recovery is also bad news. So insistent are these newsmen on interpreting reality and laying bare subsurface meanings and broader trends—as they choose to define reality, meanings, and trends—that they cannot report mere actual events, no matter how important. Neither can they sustain the discipline to form a coherent image of the trends and circumstances surrounding them. As a result, they misrepresent and falsify what is going on in the world.

IN MY opinion, the networks' coverage of the recent economic recovery and expansion limns one of the more unattractive and depressing episodes in the history of American journalism. At the end of a long period of growing economic disarray and decay, and in the wake of a deep and painful economic contraction—a contraction sharply criticized by TV journalists—the network news programs effectively denied the reality of the long-awaited recovery. Things were at long last getting better. A set of policies was working; even if one disagreed with their premises, they deserved to be taken seriously, rather than mindlessly derogated. These realities were blacked out on the network news.

This cannot be explained away as the perhaps unfortunate but nevertheless inevitable result of

the supposed iron laws of television journalism that apologists conventionally adduce to exculpate network news and explain away poor performance. We are often told, for example, that with their meager 22 minutes a night in which to present the news of the world, the networks must omit or radically condense much that is important. But that was not the problem in this case, since the networks could have achieved a reasonably truthful sketch of events simply by reversing the emphasis of their coverage—spending most of the time on the recovery, and noting in introductory or parenthetical passages or in an occasional feature story the persistence of pockets of unemployment, or permanent poverty and hunger, or structural maladjustment in West Virginia and other such areas. Similarly, the old saw about television being a visual medium and needing colorful action film does not explain why people going back to work and factories reopening are not news, while people without work and shut-down factories are news. No, what the Institute of Applied Economics study reflects is misrepresentation by journalists corrupted by hubris.

In recent decades the most widespread and insistent theme of press criticism has been the denigration of the "objective" tradition in modern journalism as mindless and irrelevant and misleading. What really matters, the critics have declared, is the meaning of news events and the broader trends of our time; accordingly, the main mission of journalism should be to divine trends and meanings, not to assemble data describing the noise and random flux of the day's events.

This view, alas, is mostly wrong-headed; in fact, the truth is just the reverse. What is enduringly valuable in journalism—not to mention hard to get—is accurate information about what actually happened today or yesterday; assembling and presenting such information is the highest ambition journalism can realistically pursue. Trends and meanings are fictions that merely aggrandize the journalist and manipulate the audience, not inform it; they, not the data of actual experience, are the true noise of history. The cure for what has come to ail network news is therefore straightforward: it is to abandon the false sophistication of the thematic, interpretative television news story, and to return to the oldest tradition of American journalism—the description of daily events and the pursuit of hard fact.

THE WHITE HOUSE

WASHINGTON

July 3, 1984

MEMORANDUM FOR SENIOR STAFF

FROM: JAMES W. CICCONI
SUBJECT: Senior Staff Meetings

There will be no Senior Staff Meetings on July 4, 5, or 6 due to the federal holiday and the Presidential trip. Regular meetings will resume on Monday, July 9.

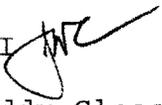
Thank you.

THE WHITE HOUSE

WASHINGTON

July 9, 1984

MEMORANDUM FOR THE FILE

FROM: JAMES W. CICCONI 
SUBJECT: Meeting with Teddy Gleason

On June 27, JAB met with Teddy Gleason and Pat Sullivan of the Longshoremen. The meeting was requested by Gleason to discuss some current issues of concern to his union. Doug Riggs and I were also present.

The meeting lasted approximately 10 minutes. Gleason discussed general maritime policy concerns, and raised the fear that many U.S. ports "will be going out of business unless some changes are made." He also noted the recent sale of Delta Lines, and the buyer's expressed desire for an ODS "buy-out." Gleason emphasized the ILA's opposition to such buy-outs, and argued that the practice should be stopped.

JAB listened to their points, but did not respond to any one in particular (including the ODS buy-out issue). After Gleason's departure, JAB said that there was no need for follow-up on the union's concerns since they had already made their views known to the appropriate agencies.

THE WHITE HOUSE

WASHINGTON

June 25, 1984

MEMORANDUM FOR JAMES A. BAKER, III

THROUGH: JIM CICCONI

FROM: DOUGLAS A. RIGGS 

Subject: Issues that Teddy Gleason, President, International Longshormen's Association (ILA), wishes to raise with you on Wednesday, June 27.

- I. The ILA, including the Masters, Mates & Pilots Union which is a division of the ILA, is very opposed to efforts by some shipbuilding companies where they will agree to cancel their Operating Differential Subsidy (ODS) agreements with the U.S. government in exchange for a cash settlement from the government.
- II. The ILA is opposed to legislation pending in Congress to "re-flag" two foreign built Cunard vessels which would then permit them to operate in the domestic Jones Act Trade. (The ILA is supported on this position by essentially every maritime union and shipbuilding company in the U.S. The only unions in favor of this legislation are Drozak/ Seafarers International Union (SIU) and McKay/MEBA II).
 - A.) The ILA is concerned about recent efforts that would weaken the Jones Act, including the Construction Differential Subsidy (CDS) payback issue that DOT has proposed.
- III. The ILA is upset about Dotson and the management of the NLRB.
- IV. The ILA is concerned about the bad faith actions of Maritime Transport Lines, Inc., that is under contract to the U.S. Navy to provide vessels for the sealift requirements. Evidently, the Navy would only extend the contract with Marine Transport Line, Inc. if the ILA made contract concessions. The ILA did so and now feels that both the Navy and the employer are not living-up to the agreement.



THE DEPUTY SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

JUN 19 1984

MEMORANDUM TO: JAMES W. CICCONI
SPECIAL ASSISTANT TO THE PRESIDENT

FROM: *JJM*
JJM BURNLEY

SUBJECT: ILA Concern About DOT Testimony on Canadian
Diversion Bill

On Wednesday, May 23, 1984, one of our Deputy Assistant Secretaries testified before the House Merchant Marine Subcommittee against H.R. 1511, known as the "Canadian diversion" bill. As always, his testimony was cleared in advance by OMB. Furthermore, his testimony was completely consistent with the position the Administration took when similar legislation was considered two years ago. Later the same day another DOT official received a phone call from an ILA representative, who complained that they had received an Administration commitment not to oppose the legislation. Upon further checking, it appears that a statement to that effect may have been made by someone in the White House Office of Public Liaison, although it was never communicated to DOT. In subsequent calls, the ILA has indicated an expectation that the Administration will notify Congress of a changed position. For the reasons that follow, I strongly recommend against doing so.

Supported by port interests, including labor, the main purpose of the bill is to extend FMC tariff-filing requirements to carriers that transport cargo from inland points in the Midwest by truck or rail, across the Canadian border, and then by sea from Montreal to Europe. At present, only the land portion of such shipments is subject to U.S. law, meaning that ocean carriers can defeat U.S. regulatory jurisdiction by avoiding U.S. ports and shipping out of Canada. By subjecting movements through Canada to FMC tariff-filing requirements, the bill would cancel that alleged advantage.

We are opposed to the bill for a number of reasons:

- o First, of course, it would increase the regulatory authority of the FMC in an area (tariff filing) that the Administration would prefer to deregulate.

The Honorable James W. Cicconi
June 19, 1984
Page Two

- o Second, it is our view that the magnitude of the problem has been exaggerated. The fact is that U.S. ports handle nearly as much Canadian cargo as is lost to Canadian ports. There is an imbalance in the East, where nearly twice as many U.S. containers are carried through Canadian ports as Canadian containers are carried through U.S. ports. The situation is dramatically different in the West, however, where nearly all the transborder traffic consists of Canadian containers moving through U.S. ports.
- o Third, the bill represents an improper extension of our jurisdiction to carriers operating between the ports of foreign countries. The Department of State testified that, for this reason alone, the bill could not be supported.
- o Finally, we believe that the new Shipping Act, which gives U.S. carriers new competitive flexibility, will greatly alleviate the pressure to avoid regulation by routing overseas intermodal traffic through Canadian ports.

STATEMENT OF JEFFREY N. SHANE, DEPUTY ASSISTANT SECRETARY FOR POLICY
AND INTERNATIONAL AFFAIRS, U.S. DEPARTMENT OF TRANSPORTATION, BEFORE
THE SUBCOMMITTEE ON MERCHANT MARINE OF THE HOUSE COMMITTEE ON MERCHANT
MARINE AND FISHERIES, MAY 23, 1984.

Mr. Chairman and members of the Subcommittee, I am pleased to have
this opportunity on behalf of the Department of Transportation to comment
on H.R. 1511 a bill,

"To provide for jurisdiction over common carriers by water engaging
in foreign commerce to and from the United States utilizing ports
in nations contiguous to the United States"

As drafted the bill purports to alter the Shipping Act of 1916 definition
of "common carrier" to include carriers that transport cargo to or
from the United States by way of a port in a contiguous country if
the carrier:

"(a) advertises, solicits, or arranges, directly or through an
agent, within the United States, for such transportation;
and

"(b) engages, directly or through an agent, in the transportation
of such property between a point within the United States
and a port in a nation contiguous to the United States."

The Administration is opposed to the passage of H.R. 1511. It is similar in its objectives to H.R. 3637 and S. 2414, bills which the Department of Transportation opposed in the 97th Congress.

The bill, like its predecessors, is apparently intended to reverse the 1978 decision of the United States Court of Appeals for the District of Columbia in Austasia Intermodal Lines Ltd. v. FMC. In that case, the Court held that the Shipping Act did not give the FMC jurisdiction over a firm that solicited cargo in the United States for common carrier service from Detroit, Michigan, overland to Vancouver, British Columbia, and then by ship to foreign destinations. The Court reasoned that no U.S. ports were utilized by the ocean carrier on its own route or a through route in which it participated, and that U.S. regulatory jurisdiction did not, therefore, obtain.

The principal effect of this bill would be to establish new regulatory authority over containerized ocean transportation from the U.S. through Canada to overseas points, by requiring the filing and enforcement of tariffs for such shipments by the FMC. Presumably all carriers which transport cargo to or from the United States by way of ports in a contiguous country would meet the qualifying conditions and would be considered common carriers by water and, therefore, subject to the authority of the FMC. The Department of Transportation believes that the proper course of action is to minimize, not expand, regulatory jurisdiction over the transportation industry, and, for that reason, this bill represents a step in the wrong direction.

Mr. Chairman, we are delighted with the significant decrease in the regulatory burdens on carriers in U.S. foreign maritime commerce which will result from the implementation of the Shipping Act of 1984. I compliment you and your Subcommittee on your pivotal role in obtaining passage of the Act. We believe it will have a beneficial effect on the economy of the United States by increasing the efficiency and availability of ocean shipping services using our ports.

One of the reasons prompting the introduction of the predecessors of H.R. 1511 appears to have been the perceived competitive disadvantage of U.S. carriers unable to offer conference intermodal freight rates from U.S. inland points, through U.S. ports, to foreign ports. Moreover, the old regulatory regime was sufficiently onerous that there was significant pressure to avoid it through introduction of intermodal freight arrangements not using U.S. ports and, therefore, not subject to FMC regulation or tariff filing requirements.

We believe that the new Shipping Act, which for the first time clearly permits and expands the availability of conference intermodal rates through U.S. ports, and which gives U.S. carriers new competitive flexibility, will greatly alleviate the pressure to avoid regulation by routing overseas intermodal traffic through Canadian ports. In particular, the new Act permits greater pricing flexibility in the form of service contracts and time volume rates. While these rates must be made public, the Act gives shippers and carriers the opportunity to negotiate rate

and service agreements that were not allowed under current law, allowing our carriers to be more competitive with foreign carriers. All carriers may also take independent rate action on 10 calendar days' notice to the conference.

The Act, of course, has not yet become fully effective. We are confident that once the Act has been fully implemented and the new competitive freedom given to ocean carriers has worked itself out in the marketplace, carriers will realize that the shipping of commodities by land transportation, sometimes over long distances, solely to avoid FMC regulation is no longer justified. We believe that the changes to come as a result of the Shipping Act of 1984 particularly make this proposed legislation unnecessary.

There is one possible potential remaining argument for the bill; the fact that U.S. carriers must file their domestic intermodal rates with the FMC while the intermodal rates through Canada are not filed.

As you will recall during the debate on the Shipping Act of 1984, the Administration supported the end to all tariff filing in our ocean trades. There was widespread opposition to the termination of tariff filing requirements from many segments of the maritime industry. Clearly, had the mandatory filing of tariffs been ended, there would not have been any reason for the continuation of this series of hearings. After we have had a year or so of experience with the new Shipping Act, the

Administration will be prepared to discuss methods for further reducing tariff filing requirements on domestic intermodal movements if there appears to be significant inequity as regards tariff filing in the trades over contiguous country ports compared to domestic ports.

It is the firm belief of this Administration that shippers and carriers should make maximum use of the marketplace in their business decisions, with a minimum of interference from the government. In this connection, it is important to point out that nearly as many containers originating in or destined to Canada move through U.S. ports, as containers originating in or destined to the U.S. move through Canadian ports. Even on the East Coast of the U.S. and Canada, about half as many Canadian containers are shipped through U.S. ports as there are U.S. containers shipped through Canadian ports. On the West Coast almost all of the transborder container movements are Canadian containers through U.S. ports, since relatively few U.S. containers are shipped through Canadian Pacific ports. I am submitting for the record a table prepared by the Maritime Administration giving details of United States and Canada transborder intermodal shipments for the period CY 1980 through the first half of 1983.

We believe that the economies of both the United States and Canada have benefited from regulatory policies designed to minimize the barriers to the development of an integrated North American transportation network. Under these policies, transport movements between the two countries, with third countries, and between regions within each country, have developed in response to economic and market conditions rather than

administrative restrictions. This is evident from the two-way traffic in containers. This Administration supports a free and competitive regime for international trade in both goods and services. This two-way trade in container transportation movement represents services used and desired by both consumers and shippers in both countries. The United States is currently running a very high deficit in its balance of trade. The role of exports is crucial to reducing our trade deficit and makes us keenly aware of the need to be export competitive and to preserve export related jobs in all sectors of our economy.

Finally, we understand that the State Department has serious foreign policy objections to this legislation. We fully support those views.

This concludes my testimony, and I shall be glad to answer any questions the Subcommittee may have.

Transborder Container Movements Detail

(TEUs)

	At East Coast Ports	At West Coast Ports	Total all Ports
(1st Half CY 1983)			
Container cargo for the U.S. discharged at Canadian Ports	31,047	180	31,227
U.S. container cargo loaded at Canadian Ports	24,008	148	24,156
Total all containers to and from U.S. handled at Canadian Ports	55,055	328	55,383
Canadian destination cargo Discharged in U.S. Ports	106,636	20,839	31,475
Canadian origin cargo loaded in U.S. Ports	12,370	7,943	20,313
Total cargo to and from Canada handled at U.S. Ports	23,006	28,782	51,788

Comparison Canada over U.S. and U.S. over Canada cargo in TEUs
1980 to 1st half 1983

Year	Canada cargo over U.S. Ports (TEUs)	U.S. cargo over Canada Ports (TEUs)
1983 (6 mo)	51,788	55,383
1982	100,539	100,204
1981	91,878	126,692
1980	101,483	106,857

Source: DOT, Maritime Administration

THE WHITE HOUSE
WASHINGTON

July 10, 1984

*doing
this
walking
w/ her*

TO: MIKE MCMANUS

Anne Armstrong called today to say that she had spoken with Kay Ortega. Anne wanted to pass on one particular point to whoever is working with Kay: she is apparently still concerned about using a teleprompter. Anne said she tried to reassure her that she could pick it up with a bit of practice, and that it was far preferable to reading the speech from a hard-copy (having to look down all the time, etc.).

Anne thought someone might want to follow-up with Ortega for a bit more reassurance.


Jim Cicconi

THE WHITE HOUSE

WASHINGTON

July 16, 1984

MEMORANDUM FOR JACK SVAHN

FROM: JAMES W. CICCONI *JWC*

SUBJECT: Letter from Jay Hair

Jim Baker would appreciate it if you could please respond to the attached letter from Jay Hair on behalf of the President.

JAB felt that the response could be relatively brief, and need not be deferential. I have taken the liberty of drafting a suggested response which may be helpful.

Thanks.

Dear Mr. Hair:

On behalf of the President, I would like to thank you for your expression of concern regarding the U.S. government's policy statement for the International Conference on Population. As you know, a final decision has now been made on the document, and copies were made available to the press on July 13. I trust that, upon reading it, you will find that the concerns expressed in your letter are either without foundation, or are adequately addressed in the paper itself.

Sincerely,



NATIONAL WILDLIFE FEDERATION, 1412 Sixteenth Street, N.W., Washington, D.C. 20036 (202) 797-6842

Office of the Executive Vice President

July 13, 1984

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

Dear Mr. President:

On behalf of the over four million members and supporters of the National Wildlife Federation, I urgently ask that you set aside the draft population position paper prepared by the White House Office of Policy Development and the National Security Council for the United Nations International Conference on Population to be held this August in Mexico City.

The proposed position paper represents a drastic departure from well established bipartisan agreement on our nation's population policies. If presented in Mexico City, this paper would constitute a complete reversal of the population policies advocated by the United States delegation, and delegation Chief Caspar Weinberger, at the 1974 World Population Conference in Bucharest. Most confusing of all is the paper's complete inconsistency with the 1982 official Population Paper of the U.S. Agency for International Development which was established under your Administration. The AID paper sets out the principles under which our government provides assistance to developing countries for their population programs, and would be an appropriate basis for drafting the U.S. position at the Conference on Population.

Here at the National Wildlife Federation, we are concerned with the interconnections among economic development, population growth, and sound natural resources management. Through our educational programs we have actively sought greater recognition of the potentially devastating impact population growth can have on natural resources. All of the major areas of natural resource degradation in the developing world -- tropical deforestation in many regions of the world; denuding of the Himalayan foothills for fuelwood, and resulting floods in India; advancing desert in sub-Saharan Africa; plus numerous other environmental problems, are greatly aggravated by human population growth. While voluntary family planning programs must be pursued in conjunction with economic development, disastrous environmental consequences would arise from development strategies which seek to solve population problems through economic growth alone. Those who advocate exclusive reliance on economic solutions to population problems,

July 13, 1984

including the author(s) of the draft position paper, assume that population growth creates only temporary human misery. Such a position ignores the long-term environmental consequences of current population trends and fails to recognize the impact of today's environmental decline on many future generations to come.

I urge you to ensure that the established U.S. population policy is maintained. The United States delegation at Mexico City should not indicate to our friends and allies that we have abandoned them on this issue.

Sincerely,



JAY D. HAIR

JDH:bb

THE WHITE HOUSE

WASHINGTON

July 16, 1984

MEMORANDUM FOR THE FILE

FROM: JAMES W. CICCONI *WC*

SUBJECT: Conversation with Richard Galland

On July 12, 1984, I spoke with Mr. Richard Galland, head of American Petrofina. The conversation took place at the request of former Texas Governor Bill Clements.

Mr. Galland was concerned that the CDS payback rule, which was forwarded by DOT in May, has still not been cleared by OMB. American Petrofina apparently has the option of chartering out several tankers if the rule is issued by August 8; thus, Mr. Galland was especially anxious for a speedy resolution of the issue.

I thanked Mr. Galland for his views, and told him that the matter was still under active consideration, but that I could not predict whether a final decision would be made by August 8. Galland asked about the possibility of a speedy Cabinet Council meeting to decide the issue, and I informed him that the scheduling of such meetings was handled by Mr. Meese's office.

Since Mr. Galland had already discussed with DOT his desire for an early decision on CDS payback, I did not feel it necessary to pass on his concerns.

cc: James A. Baker, III

THE WHITE HOUSE

WASHINGTON

July 18, 1984

MEMORANDUM FOR WILLIAM F. SITTMANN

FROM: JAMES W. CICCONI 

SUBJECT: Interview with Black News Organizations

Per your request, I've checked into the attached and discussed it with Steve Rhodes. Under the circumstances, we feel it best that some sort of interview with black news organizations be scheduled in the future. However, we may want to structure this ourselves, and need not accept Jerry Lopes' format or suggested participants.

An interview with black news organizations could be helpful in getting our message across to the black community. The biggest reason to have such an interview, though, is the fact that failure to do so would make the President sound hypocritical when he complains about an inability to get his message across on issues of concern to blacks. Having such an interview allows us to at least claim that we've tried.

Rhodes suggested that Larry Speakes discuss the idea of such an interview with Tony Brown, a black broadcaster based in New York City who has previously interviewed the President. Rhodes feels that Brown would be very helpful in terms of suggesting the right format, and identifying reporters who would be more inclined toward objectivity. Rhodes offered to contact Brown in advance and pave the way for Larry's call.

cc: James A. Baker, III

*Bill
see what JC
thinks*

THE WHITE HOUSE
WASHINGTON

July 17, 1984

MEMORANDUM FOR JAMES BAKER
MICHAEL DEEVER, /

FROM: Larry Speakes

The attached letter is from Jerry Lopes who has been seeking an interview with the Black news organizations for a number of months. As you know, we have not acted on this matter, and recently Lopes provided the New York Times with a very negative story about our delays.

Unless you have another suggestion, I will advise him that his interview request is still under consideration.



Sheridan Broadcasting Network

1150A West King Street • Cocoa, Florida 32922 • (305) 631-6300

July 10, 1984

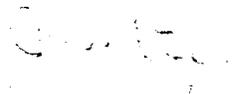
Mr. Larry Speakes
Deputy Press Secretary
White House
Washington, D. C. 20500

Dear Mr. Speakes:

This interview request business is beginning to get a bit ridiculous. Black media representatives including SBN, NBN, Johnson Publications, The National Leader, Black Enterprise, Black Media Inc. and The National Newspaper Publishers Association have been waiting more than a year to interview the President. Again I say if the President is having difficulty getting the truth to Black America about his administration's policies, let's get on with it. If you have no intention of honoring the request the President ought not be making statements like he did the other day before Midwestern/Mid Atlantic editors and broadcasters, "if we can find a way for those people to know what we've done, I think they would choose our policies, rather than those policies of the past".

I'm not going to lay dead on this matter nor will the other organizations involved in this request. We have laid a reasonable request on the table and have been treated like the request was never made. You must realize at some point all of this has to be exposed. Does the administration care? Let us get this matter out of the way once and for all.

Cordially,


Jerry Lopes
News Director

cc: Vince Sanders, NBN
Steve Davis, NNPA
Simeon Booker, Johnson Publications
Calvin Rolark, Black Media Inc.
Derrick Dingle, Black Enterprise
Ken Smikle, National Leader

July 23, 1984

MEMORANDUM FOR MICHAEL K. DEEVER

FROM: JAMES W. CICCONI

SUBJECT: Proposed Texas Hispanic Tour

The idea of a major Hispanic campaign trip through Texas is, in my opinion, a good one. We will need to make significant inroads with the Hispanic community in order to carry Texas, and such a trip, with the probability of heavy media coverage, would demonstrate an appeal and sensitivity that cannot be fully communicated from the Rose Garden. I would have to defer to the campaign, though, on any question of sites or timing. (My personal reaction is that Laredo is a good site for a South Texas visit, though it might be hard to avoid the lower Valley cities where the bulk of the Hispanic population is concentrated. I might also add that the State Republican Convention is not exactly a Hispanic event despite its location.)

cc: James A. Baker, III
Margaret D. Tutwiler



**Republican
National
Committee**

July 6, 1984

Fran Chiles (Mrs. H.E.)
Member for Texas
Post Office Box 26162
Fort Worth, Texas 76116
(817) 731-5510

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

Re: Texas Hispanic Tour
Sept. 22 - Corpus Christi
Laredo and Eagle Pass
5,000 people each

Dear Mr. President:

The leadership of your Texas Re-election Campaign feels it is critical for you to visit Texas for this Hispanic vote getting tour.

The State Republican Convention will be held in Corpus Christi September 21 and 22, and 5,000 grassroots Republicans will attend. You can address the convention, go to Laredo for a rally of 5,000, and then to Eagle Pass for the second rally for 5,000. The timing is important. Your visit should be after 5:00 p.m. to attract these working people.

Esther Buckley, Texas Co-Chairman of Hispanics for Reagan-Bush, one of five of your Civil Rights Appointees will be in charge at Laredo. Her address is 1308 Santa Maria, Laredo, Texas 78040, telephone number (512) 724-4926.

Helen Marie Jones is in charge of the Eagle Pass Rally. Her address is Rt. 2 Box 178, Eagle Pass, Texas 78852. Her telephone number is (512) 773-2021.

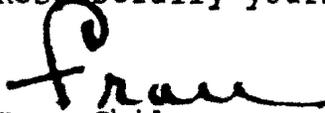
These gals are results oriented, and Barbara Bush will attest to their success having recently been to Eagle Pass. They would like Phil Gramm to join you on this tour.

Since this is such a Democrat stronghold, it is important that no one contact local people other than the above ladies to avoid

our efforts being derailed.

This trip is very important to you, and the Texas vote. Please come. Eddie joins me in sending our love and enormous gratitude to you and Nancy.

Respectfully yours,



Fran Chiles

FC:nw

c: Senator Paul Laxalt
Senator John Tower
Mr. Frank Fahrenkopf
Mrs. Martha Weisend
Mrs. Ruth Cymber
Mr. George Strake
Mr. Ernest Angelo
Mrs. Helen Marie Jones
Mrs. Esther Buckley

P. S. The Dallas Convention will not get the Texas Hispanic vote.

THE WHITE HOUSE
WASHINGTON

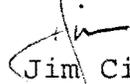
July 23, 1984
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NOTE FOR JOHN ROGERS

Would you have any problem if I referred June Walker to you regarding the attached?

I thought handling by your office might be best since this involves the use of a particular manager's skills within the White House.

Thanks.


Jim Cicconi

I see no point in interviewing this person, particularly in an election year. I will inform June Walker that we are not interested. I received a letter on someone else too.

J

THE WHITE HOUSE

WASHINGTON

July 24, 1984

MEMORANDUM FOR SENIOR STAFF

FROM: JAMES W. CICCONI *JWC*
SUBJECT: Senior Staff Meetings

There will be no senior staff meeting on Thursday, July 26 due to the President's travel schedule.

Also, please note that senior staff meetings will not be held from July 30 through August 15. Regular meetings will resume on Thursday, August 16.

Thank you.