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DEAVER LUNCHEON AGENDA -- 7/16/82

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THE WHITE HOUSE

WASHINGTON

July 13, 1982

MEMORANDUM FOR:

JAMES A. BAKER III ED MEESE III MICHAEL DEAVER WILLIAM P. CLARK

FROM:

DAVE GERGEN 🄀 A New Offensive -- III

SUBJECT:

In recent months, the President has undertaken a number of initiatives that have helped his general standing:

-- Three successes in a row on prime time news conferences, undercutting the notion that he's not up to it;

-- Institution of the mini-press conferences that have undercut the notion of isolation and also gave us the freedom to act on photo-ops.

-- The radio series that established a regular Presidential presence on weekends.

-- Recional press briefings in Chicago and L.A.

-- And of greatest importance, the outreach effort that carried him from the black high school in Chicago to the farm in Pennsylvania to the elderly center in California (all of these have been first rate).

Recognizing just how much help these events have been, we ought to be looking for additional ways now to strengthen and improve our communications effort over the next 100 days. Here are some ideas.

I. Options for Strenghtening the Reagan Message

(a) Weekly television series in the fall: A number of conservatives have been making the point that RR ought to be out every week on tv, delivering the message at least to his own faithful. I have recently met with two conservatives (Paul Weyrich and Jeffrey St. John) on an idea that I believe is definitely worth consideration: a half-hour weekly TV show that would be produced outside the White House, paid for by private funds, and for which time would be purchased on independent stations around the country during the fall. The show might be called "Window on the White House" and each week would feature (among other things): -- A statement of 5 minutes by RR on a topical subject (e.g., Social Security, the economy, arms control);

-- Relevant films from the President's week that might be purchased from our own film crew;

-- An interview with someone from the administration or the Hill on a subject of note:

-- And 5 to 10 minutes each week with the President responding spontaneously to items from the WH mail bag.

The basic audience we would be seeking would be the Reagan constituency and swing voters, and the idea would be to mobilize them much more fully, frame the issues for the fall, and give them a much keener sense of the messages we are trying to get out to the country at large.

While the proposition will be expensive (Mark Goode is working on estimates now), I have no doubt that the RNC and friends of the President could quickly raise a good deal of money for it. The hard part might be getting access to the stations -this is something Mark is also exploring. Personally, I would not be unhappy if the show were aired either on weekends or on fringe time during the week, because I still think the Reagan constituency would tune in. As you know, I have expressed some reservations in the past about having the President out too often on prime time, national network road blocks (according to m/ records, he has given more prime time speeches than any of h.; predecessors) but I think this kind of project -- for a finite time, on independent stations, not dominating the network, and containing some variety -- has a great deal of appeal. I would very much like to see it given active consideration inside.

Regional or state television interviews -- Recent (2) campaigns have demonstrated that television "shows" can be more effective than string after string of candidate "events". For the fall Presidential travels, why not try out exclusive half-hour interview with the President in key states, conducted by 3 (or so) of the leading anchor people in the state/region? The interviews would almost certainly be aired during prime time on the leading stations of the area and could be an excellent means of getting RR's message across. An ideal Presidential trip, in this case, might be to arrive in the state on say, Tuesday night, have two events during the following morning, staff time during the afternoon, the interview in the late afternoon, followed by a fund-raiser and then home. With a couple of limbering up sessions early in the fall, briefing preparations should be relatively light for him (a national update plus key regional issues).

Karna Small points out that Congressional races are usually won on local TV, not network TV and that demographics show that more people watch their local news than network news. Hence it makes good sense during a state-wide campaign to make heavy use of local news and their anchors. (Note: In addition to special interviews on the road, there is much to be said for RR dropping by regional briefings that are given by Cabinet and WH top siders. These would be open to local coverage, as opposed to the exclusive interviews by the President. We also hope, of course, to bring more regional reporters to the White House, too, during the next few months.)

As a variation on a theme: we also ought to explore the idea of the President meeting with a dozen citizens of a state to discuss their concerns, an event that could again go as an exclusive on a local television station.

(3) Short RR speeches for surrogates: Mark Goode, who has been pressing on the idea above, has also discussed with me the possibility of short film clips that the President might cut on key issues that surrogates could carry with them as part of their speaking kit. For example, in late August, he could cut short (5 minute) talks on the economy, Social Security, foreign affairs and 1-2 other issues that surrogates could show as part of their presentation for the next 30 days. Then in late September, he could cut a series of updated speeches that would serve through October. In that way, we would have our single most effective communicator reaching audiences around the country and we would also be able to frame the arguments in the way Ronald Reagan likes best. The cost could again be absorbed by the RNC.

(4) Fall revival of the radio series: Whatever else we do, I would recommend that RR revive the weekly radio eries in the fall. He obviously likes the idea, and we've all talked about the many other virtues.

(5) Video actualities: As you know, the radio actuality service out of the White House has been very active in recent months, pumping out daily materials to local radio stations. The technology is clearly available now to begin tv actualities out of the White House that could be provided to local tv stations; this is something I would like to explore in coming months. This would have to be long-term project.

(6) <u>Video conferencing</u>: The Chamber has, of course, made it clear that RR might speak to various business groups through its new network. Recommend we roundtable this one.

II. Beefing up the Surrogate Operation

We have a long list of administration speakers out on the trail. They don't win many national headlines, but they do fairly well locally and some have been particularly effective (e.g., Don Regan always wins kudos). But clearly, we need to do a better job in coordinating their activities, providing them access to key information, and ensuring they get maximum "bang for the buck" when they go visiting. Some thoughts:

(a) <u>Daily surrogate meeting</u>: Ed Rollins and I have recently begun a regular 9:15 a.m. meeting in his office to set up a more effective surrogate operation. So far, the meetings have been kept small (Atwater, Baroody, Small, Bistany, McManus, Beal) with the thought we may expand later. Our hope is that we can work out the bugs now so that we can have a fully operational system by Labor Day. Once in operation, I would like to see this team be able to feed out a "line of the day" to spokesmen around the country, gin up briefing materials and speeches, and come up with ideas with political punch

Note: To be effective, this group must be able to make fast decisions and execute them without going through an endless chain of staff checking. I participated in a group like this in 1972 (the 9:15 "attack group"), and time was always of the essence.

(b) Better flow of information to surrogates: We need two kinds of information flowing to them: regular packets of concise, up-to-date, usable materials on issues plus periodic personal briefings. On the former, Mike Baroody is working with Joanna Bistany to come up with an inventory of current materials from the WH, RNC campaign committees, etc., and to devise a better system for keeping this stuff concise and current. On the latter point, I would urge that at least two or three times in the next 100 days, we bring in all our key spokesmen and candidates and brief them fully on current events. They definitely need a better sense of what RR has accomplished and his views on issues.

(c) Who can go on the attack? If we're to be on the offensive -- as we all agree -- then we must also be able to mount an effective attack on the threat of liberal Democrats taking over again. For a variety of reasons, however, we don't have the kind of stable that some GOP administrations have had in the past (e.g., in 1972, the White House could turn to Agnew, RNC chairman Bob Dole, the minority leader of the House and Senate, some key governors and others). I would welcome your thoughts on who might carry this load again -- e.g., Drew Lewis? I would raise again the possibility of creating a special, super-charged surrogate group of a halfdozen to dozen who would see the President periodically, review strategy and get their charge for battle.

(d) The Vice President: It would not be in keeping with his temperament for the VP to lead hard-hitting political assaults, but there are a couple of items that I think he could do extremely well: if the President were to visit key states with special half-hour interviews, the VP could begin a series of half-hour "Ask George Bush" shows in some key states; he could also be a very fresh and effective voice on the morning TV and Sunday talk shows this fall (so far, he has not yet done any of the Sunday shows, and they would all love him as a guest.)

(e) <u>Tasking of surrogates</u>: Our team is now trying to prepare a general schedule of the fall that would identify key states, the media markets in those states, the media outlets., etc., and then match surrogate travel schedules against them. It is already apparent that we may need to ask for some change in plans and in approach (too many cabinet officers are just hitting a city to give a speech and are not staying to do the many other events that give a visit additional impact). We will probably need some friendly Presidential persuasion on this before long.

(f) Additional staff help: We will need some additional, short-term help to get much of this done well. (Addressing this in a separate memo). Suffice it to say that the Carter White House reportedly had some 17 people working on surrogate scheduling, material preparation, etc., we have less than half that now. (Note: I am hopeful that the Kevin Hopkins operation with the Office of Policy Information can provide additional muscle here.)

III. Public Affairs Strategy Group

There are obviously a number of highly talented individuals on the ouside who could provide useful long-term advice (e.g., Charlie Wick, Bryce Harlow, Lyn Nofziger, Bob Gray, Dick Moore, Ed Ney, etc., etc.) I seek ideas from some of them on an irregular basis now but would be happy to step that up or set up a more formalized structure. I don't think such a group is terribly constructive on a day-to-day basis, but they can be very valuable for brain storming and the long-term. Jim Jenkins could also be particularly helpful in this area.

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cc: Dick Darman Craig Fuller Jim Jenkins Ed Rollins Rich Williamson

Nofziger and Bragg COMMUNICATIONS

MEMORANDUM TO:

James Baker Michael Deaver

FROM:

DATE:

Lyn Nofziger

March 12, 1982

RE:

Utilizing the President as the preacher in the bully pulpit and assorted other things

PREMISE: The great communicator needs to communicate. PREMISE 2: He can't do it by himself.

PROPOSAL: To get the President's message to the people in a positive and effective manner takes more than press conferences. Indeed, press conferences on the whole have been counterproductive, especially recently, since it has become fashionable among the news media to: A. Say he has not done well; B. Attribute his refusal to comment to lack of knowledge and C. Make much out of minor misstatements.

Therefore, it is necessary for the President to go around the media directly to the people if they are to receive his unfarnished, unfiltered and uninterpreted message. One way to accomplish this is the following:

A weekly TV/radio taping of the President speaking to a major issue. (I believe that it is not enough for the President to speak only once on an issue. Iteration would convince the people that he is serious about an issue.)

The video tape would be made available to the networks and those independent stations which ask for it. They would be notified in advance that the series was being prepared.

An audio tape would be made available to the major networks and those other stations which request it.

A transcript would be made available to the Washington press and those publications which requested it.

Cost would be born by the RNC.

Ideally, the program would be taped on Tuesdays for release on Thursdays or Fridays.

RGD - 3/19/82

"DEAVER GROUP"

AGENDA

 Nuclear Freeze (revisited) [and domestic demonstrations, generally]

- 2) Nofziger memo (attached)
- 3) Business "non-support" (as opportunity ? -- RGD)
- 4) Poverty line change (Jenkins)
- 5) Other

MEMORANDUM PAGE 2

While many stations would only excerpt from it, others would use it in its entirety.

Transcripts would also be made available to Administration spokesmen -- Cabinet officers, Sub-Cabinet, Federal Regional Council Chairmen, Members of Congress, GOP Candidates, the RNC Chairman and State Chairmen, among others.

These could be the basis for speech inserts, letters to the editor, (an RNC function) articles in Republican and conservative publications, etc.

I think it is most essential that we have a project like this as soon as possible. The drawback is that if it is begun, it must be done at regular intervals for a significant period of of time.

The RNC could give you a cost estimate on the project. I do not think they would be prohibitive.

There is no reason to think this would interfere with the networks carrying any major speeches the President might wish to make.

CC: President Ronald Reagan Edwin Meese RADIO SHOW BACKGROUND SHEET

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1 Carpenter Be

LENGTH OF SEGMENT

The President's spot will be treated as news.

Generally speaking, radio news programming has developed over the years into five-minute, fifteen-minute or 30-minute segments.

Most of the news broadcasts (ie. hourly or half-hourly news) are tried at five minutes, though on some networks, they are less.

CBS, the flagship radio network for news, runs 6-minute hourly newscasts, for example, as do several of the ABC hourly network news broadcasts. NBC runs a four-minute hourly newscast, not including ads.

Traditionally, the most sought-after portions of the hour on radio have been those which abut the hourly news, on the hour, either before or after the news. That is why the RR feed is timed for 11:55 EST.

By feeding at 11:55 EST, the best coast-to-coast average (8:55-11:55) is advised. Too early for Hawaii and Alaska.

Which Segment?

Five-Minute Message

PRO

- 1. Fits nicely into a broadcaster's schedule.
- 2. Appeals to emphasis of many broadcasters on variety of program material within relatively short time span, listener attention span.
- 3. Provides adequate time for Ronald Reagan to crisply develop thesis and make his point.
- 4. Five minutes requires discipline in doing the above, and also makes it easy for the broadcaster to handle, especially when it comes to editing tape of the live broadcast for news actuality package.
- 5. Five minutes is short enough for a broadcaster to have maximum incentive to carry live, but long enough for RR to make his point effectively.

1. Five minutes may not be long enough for RR on complex or multi-subject message.

Two-and-one-half Minute Message

PRO

1. Some broadcasters might like because they like brevity.

CON

- 1. Too short for the President to develop and sell thesis of message.
- 2. If broadcaster will run 2 1/2 minute RR message, he will run five minute message, hence con on 2 1/2 minute message.
- 3. 2 1/2 minutes is so short, it almost sounds like a commercial, and not an honest-to-goodness Presidential message to the people.

Ten Minute Message

PRO

1. Gives RR more time to develop and sell thesis of message.

CON

 Too long for broadcasters who want to chop up program schedule, capitalize on short attention span of listeners, keep on-the-air format moving.

CON

CALENDAR

The ten Saturdays beginning April 3 appear to be technically feasible in all respects for radiowithout television. Such a schedule might look like this:

DA	TE	PLACE	SUBJECT
1.	April 3	White House	Preferably, for this lst shot, a spot news announcement.* Othe wise, might be "State of the Economy," giving an up-beat view of situation.
2.	April 10	Barbados	CBI/JAMAICA visit
3.	April 17	White House	Highlights of major Foreign Policy speech (if previously delivered)
4.	April 24	White House	Summary of budget situation (assuming Budget Resolution done, etc.)
5.	May l	Knoxville	Law Day/Describe pride in World's Fair
6.	May 8	White House	(To be determined)
7.	May 15	White House	Armed Forces Day Reiterate need for defense-building
8.	May 22	White House	(To be determined)
9.	May 29	Ranch	17
10.	June 5	Versailles	Economic Summit (It is vary important to conclude the serie with this one to show off technological state of the Art, even though ll:55AM here would be 4:55PM there (or 5:55, depen ing on French/U.S. daylight savings time interface)

* To withold news for release at Noon on Saturday will not endear the undertaking with the White House Press Corps. This is a judgement call, requiring the nicest sense of balance between the conflicting objectives of giving the series a good sendoff, and avoiding un-necessary alienation of the press.

POTENTIAL AUDIENCE

Radio networks are proliferating quickly. ABC has five which feature various kinds of programming. NBC now has two radio networks, as does RKO. In addition, CBS, Mutual and AP and UPI have their own network.

There are over 8500 AM and FM stations in the U.S., the major networks are:

Mutual			-	941	affiliates
RKO			-	139	
NBC				160	
CBS			-	95	
ABC			-	60	
UPI			-	88	11
AP			-	110	0
Sheridan				85	
National	Black	Network	_	90	affiliates

Giving exclusive use to one network would not allow us to penetrate the major markets because of the multitude of stations in each market.

All networks contacted have given us assurances they will make the program available to their affiliates. It is up to the affiliates to use all, some, or none of the program. We should test this approach for ten weeks, and then discuss alternatives.

Nearly all of the nation's radio stations are now affiliated with one or more of these networks. Contracts between the networks and the stations as to what programs must be carried, which can be preempted, etc., vary greatly.

ABC, CBS, and NBC are permitted to own up to seven of their own stations. These are referred to as O&O (owned and operated) stations; the rest of the stations on these networks are affiliated. Even the network O&O take broadcast services from competing organizations.

Thus, the various radio networks criss-cross through almost every radio station in the nation.

Due to this complex arrangement, it is simply impossible to predict how many stations will carry -- live or on a delayed basis -- a radio message from the President of the United States. However, if even half of the national radio networks carry the message, there is every reason to believe that a substantial majority of the stations on those networks will pick up and run the message.

And, if adequate notice is given of the President's plan to broadcast the messages, <u>at a time certain</u>, many stations will want to sell commercial spot announcements adjacent to the message.

While there are too many variables here to determine precisely in advance the extent of use of the President's message, the fact that the President of the United States is orienting the message to radio, and that such a message will be accepted as a "news event," portends very wide usage by the networks and by radio stations across the country.

The total <u>1-time</u> potential is 36 million adults. While the initial broadcast may reach only the low range of audience impart (5-7 million), the quality of the shots should build this number over the ten weeks to twice that number. This number is increased by whatever extent the segment is re-placed, TV coverage and print media coverage.

PROMOTION

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Option 1:

Announce commencement of the 10-week series at the President's press conference on Monday, March 29th. This requires extensive pre-planning designed to answer storms of press inquires such as:

Relationship to Fairness Doctrine? Equal Time? TV Coverage? Can newspersons attend broadcast? Is script released to print media?

Desirable as it might seem to be from a promotional point of view for the President to announce it, the prospect of having him flung against the ropes by the above questions militates against this option.

Option 2:

Have announcement made at a briefing session, complete with fact sheet, Q & A, etc.

There does not appear to be any viable third option (announce Saturday with no notice, for instance).

One method of assuring that the stations will take the feed and air the spot, would be to have the Ad Agency buying air time for DOD recruiting tell the market that they are buying "adjacents" to the President's spot. Also, some of our friends could have their ad agencies put out the word that they will want adjacents. In this manner, we could very well create an inter-network competitive selling spree that will ensure heavy airing at many times over the weekend.

However, our consultants (at NW AYER'S) strongly recommend we not try to promote the program in this manner for two reasons:

- 1. They think such artificial stimulus will not be needed. Most stations will air the shot several times over the weekend, using their own sales force if they have several days notice.
- 2. If it were heavily subsidized by big oil or big defense contractors, it would backfire.

Our consultants also recommend against "bracketing" (practice of putting air time limits on feed so that it is embargoed for re-broadcast except at certain times of the day).

Some promotional advantage can be attained by announcing the series as early as possible, since coverage will largely be determined by how well the adjacents sell during the prebroadcast interim.

RATING SERVICES

Audience-measuring services are not generally available for segments under 15 minutes in length. However, the AP network has a rating-measuring system which might be used to interpolate a ball-park estimate. A price estimate for this service is not yet available, but it is expected to be very high. Our consultants volunteer the advice that we may not wish to fund, an effort which almost certainly would soon become public knowledge. In other words, since the program is not costing us anything, why should we spend money measuring its impact-especially since it might be disappointing in the beginning.

Possible Legal Issues:

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Certain union requirements can be met easily.

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The question of "equal time" is not applicable.

Some claim may be made under the "fairness doctrine." Fred Fielding is looking into this. Tentatively, he thinks this will be a problem for the media (if for anyone), but not for us.

THE WHITE HOUSE washington

January 18, 1982

MEMORANDUM FOR MIKE BAROODY

FROM: JAMES E. JENKINS

SUBJECT: Promises Kept

The "Promises Kept" brochure is execllent. In a matter of an hour or less, I cannot vouch for all the "kept" language. However, since you need all comments by C.O.B. today, please accept the following:

- As laid out, this is also a catalogue of "Promises Broken," or "Not Kept." I think you should delete those, and make others do the research. That is the reason I think it should be titled "Promises Kept", leaving the rest to others so inclinded.

- The same might be true of some of the "Progress" Comments. If these are too transient or tenuous, or contrived, etc., they, too might better be left to opponent's research.

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bcc: Mike Deaver Dick Darman Craig Fuller Rich Williamson Dave Gergen MEMORANDUM

FROM:

THE WHITE HOUSE WASHINGTON

. . .

December 14, 1981

MEMORANDUM FOR DICK DARMAN

JAMES E. JENKINS

SUBJECT: State of Union Meeting 12/11/81

It may be of some use to you to have my version of some of the items agreed to at subject meeting:

- -- Speech will not make any attempt at being comprehensive or "all inclusive" or "laundry list: type of speech. Implicit in this approach is acceptance of the fact that criticism may be leveled for not addressing problems like energy, environment, farm surpluses, cost of health care, etc.
- -- Speech will not include economic problems in any detail, saving those for the annual Budget Message, or "State of the Economy" message. (selected items such as interest rates, GNP deflator, etc. may be included).
- -- The format, or style of the presentation will be that of a personal recount to friends and relatives at home.
- -- Substance will follow a pattern of expressing the theme of what kind of America the President wants, and how he expects us to achieve each of the main facets of it.

bcc: Mike Deaver

THE WHITE HOUSE

WASHINGTON

November 20, 1981

MEMORANDUM FOR MIKE DEAVER JIM JENKINS

FROM:

SUBJECT: An Administration Economic Policy

- In response to Ed Meese's need for some economic 1. taking points for last night, I got the attached items together.
- 2. It is my understanding from Dick Darman and others that some of these talking points, accurate though they are, may not be valid or useful or helpful to the Administration. That is, the optomistic thrust or theme, plus the prediction of a strict adherence to the Tax Reduction Plan, may not be in our own best interests.
- No harm has been done yet, but we desperately need 3. an up-to-date long-range policy which is to be strickly supported by Administration Officials at every level.

cc: Dick Darman Craig Fuller David Gergen Rich Williamson

THE WHITE HOUSE

WASHINGTON

November 19, 1981

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MEMORANDUM FOR EDWIN MEESE

...

FROM: JIM JENKINS

SUBJECT: The True Economic Situation

1. Three important financial markets have demonstrated their confidence in the Reagan economic policies:

Foreign Exchange: Dollar is strengthening steadily against almost all major foreign currencies.

<u>Commodities Futures</u>: Prices in all major commodities futures have consistently remained stable, and are enforcing the expectation that high inflation will not continue.

Gold Market: Over the long haul, ever since the Reagan election, the dollar has generally improved its gold purchasing power. The gold price has twice dropped below \$400 per ounce (most recently on November 16, 1981).

- 2. Two of the main factors have caused interest rates to remain high are now definitely on the wane: inflationary expectations, and suspicion that the Reagan Administration would waiver in its pursuit of anti-inflationary mometary policy.
- 3. As a result, interest rates, as manifested in the domestic money and bond markets, have recently fallen dramatically. During the second week of November, the auction rate on 13-week T-Bills dropped 2.5 points to the lowest level in over a year. Twentysix week T-Bills are down to around 11% return. The FHA ceiling rate has been cut twice in the past 5 weeks (to 15 1/2 on November 13, 1981).

- 4. It is essential that concern about the current recession not lead to quick-fix attempts to reverse the slowdown by the same old tried-and-failed methods of reacceleration of money growth, and massive, "pump-priming" federal make-work expenditures.
- 5. The three essential ingredients for a healthy economic recovery already are in place:
 - The tax cut, <u>undiluted</u>, will encourage spending and investment. These will create new jobs and reduce unemployment.
 - The economic benefits of the 4 points of the President's Recovery Program, and the declining inflationary expectations which are already abundantly in evidence will exert a steady downward pressure on interest rates.
 - Continuation of the current noninflationary monetary policy will assure that the coming economic growth will be real and substantial.
- 6. Finally, begining January 1, 1982, it is expected that thrift and financial institutions will begin to receive vast sums of IRA and Kehoe plan deposits which were heretofore prohibited for persons already covered by a retirement plan. These deposits will provide new funds for new home purchases, and stepped up investments.

Conclusion:

Those who cry havoc, gloom and doom, display the same analytical processes as those who describe a pregnant woman as merely fat, and, as her term progresses, bemoan her inability to lose weight. Even as we continue to probe the depths of the recession, and its accompanying unacceptable level of unemployment, all the signs are clear and cry out for recognition: The recovery will be early, strong, and lasting, if we just hang in there.

Related Subject

In the next few weeks, we will be hearing a lot about budget cuts. Usually, these cries of anguish will be

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accompanied by generalities, most of which are dead wrong. For instance:

- All but 6 of the 24 major budget items submitted by President Carter for 1981 remained the same, or were actually increased during the Reagan Administration.
- In 1982, half of these same major budget items (representing the most dollars by far) were increased. The other half received net reductions amounting to an average of 12%.
- For 1982, we are expecting revenues to continue to increase (recession and tax cuts not withstanding) by \$44 billion, or 7%. And, in 1983, we estimate that revenues will increase by \$48 billion, or 8% in 1983, for a 2-year total of \$92 billion or 15% over 1981.

The point to be made is: We are not cutting the budget because of our tax rate decreases. Both the budget and the tax revenues are going up. The thrust of the President's Budget policy is merely to slow the growth in the Budget and in so doing to reduce its burden on the country.

As historic as they are, let's put the budget and tax cuts passed so far into proper perspective.

If Jimmy Carter could be credited with meeting the social needs of our people in 1980 with a \$600 billion budget, why can't we do it today with \$723 billion? If Lyndon Johnson was a hero with a Great Society budget in 1965 of \$118 billion, of which 40 percent was spent on defense, why is Ronald Reagan a villian for spending over \$700 billion, of which just 27 percent goes for defense?

The percent of after-tax income saved by Americans, the lowest of any industrial nation, has begun an impressive climb, from 4.3 percent back in January to an estimated 5.3 percent today.

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EXECUTIVE OFFICE OF THE PRESIDENT COUNCIL OF ECONOMIC ADVISERS

Date: 11-19-81

Rm-200

To: Rich Beal

From: JERRY L. JORDAN

I understand this evening Ed Meese will give an address that may touch on economic issues, especially the current recession. Attached is a copy of some talking points to put the recession in perspective for a general audience and answer their questions as to why we aren't scrambling around trying to do something about it.

We received this after our document was prepare and are sending it for four information. RB.

Keynes is dead, and so are his ideas.

Hayek lives, and so do his ideas.

الله دار بوده به مستخدم د. امام استان از مصرفان الله مستخدمات المعام محدد از الموسط المام.

He taught us "the only time to fight recession is during the previous expansion"; which is like saying the only way to prevent a hangover is 'don't get drunk'.

Recessions are not "caused" by restrictive monetary and fiscal policies. Their seeds are sown in the previous period of excessive stimulus. But, recessions, like hangovers, are postponable. The problem is, it only makes them worse.

The present recession could not have been avoided indefinitely by continuation of the past excessively stimulative monetary and fiscal policies.

Sobering up takes time. A bloody mary in the morning after may relieve the pain, but it starts the cycle all over again.

Recovery from recession does not require "pump priming" stimulus. An economy based on private property and which relies on market forces is inherently resilient and naturally gravitates towards full utilization of all its resources following any shock or depressing force such as draughts, wars, or destabilizing policies of government.

Obviously, government policies (including actions of the central bank) should not cause the recession to be longer and deeper than otherwise.

Also, efforts to shorten the recession or hype the recovery are usually counter productive.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

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TO: Edwin Meese

FROM: Richard S. Beal

SUBJECT: Possible Unified Position of Administration on the Economy

DATE: November 19, 1981

As requested, attached are some thoughts on what might be the unified position of the Administration on the present and future conditions of the economy. The thoughts are based on information received from a variety of sources, including CEA, Treasury, private forecasters and public opinion polls.

A. Introduction

In describing the economy, it is recommended that the President and his key advisers <u>play down the differences of</u> <u>opinion among Presidential advisers since the differences are</u> <u>small</u> -- and are mostly related to which quarter of next year the recovery will occur rather than whether a recovery will occur next year at all. Further, the advisers agree on far more than they disagree. Presidential adviser thoughts are also generally consistent with economic projections by the majority of independent economic forecasters.

In addition, it is recommended that the President and his advisers:

o be candid, but not pessimistic;

be cautious on which numbers are used as economic indicators, since some are much more negative than others and some are much less reliable than others;

- avoid talking in terms that are too technical since the public, media and Congress will generally not understand excessively technical terms;
- o emphasize the long-term nature (and need) for the President's economic recovery program and his unwillingness to attempt short-term corrections that damage the long-term recovery;
- point out that a slow-down in economic activity is the expected short-run effect of a deceleration of money growth;

- o explain that a balanced budget in FY 1984 is not a required factor in achieving the President's economic recovery goals, although it is still desirable long-range objective;
- o point out that everyone must be prepared to suffer some during the next six months in order to enable true economic recovery to take effect;
- o be cautious in discussing tax cuts as a Keynesian fine tuning device to avoid or cure the recession;
- o explain that Congress has not passed the FY 82 budget, so technically we are still not fully underway with the Economic Recovery Program;
- o explain that economic indicators will be moving in positive and negative directions during the next six months, but that the long-term projection is positive for next year.

B. General Status and Direction of Economic Conditions

- o currently in a minor recession;
- some indicators may continue moving in a negative direction through at least the first quarter of calendar year 1982, which could increase recessionary conditions to an average depth;
- o most indicators will be moving in a positive direction for the last two quarters of Calendar Year 1982;
- Calendar Year 1982 will show better overall growth than Calendar Year 1981.

C. Specific Indicators

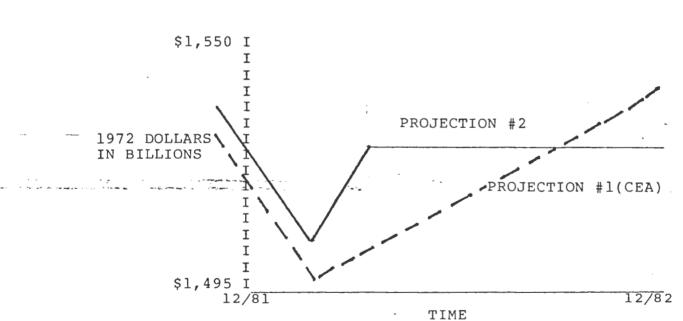
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- o <u>Interest rates</u> are coming down, including:
 - a prime rate of 16 1/2% (compared to 21% in January, 1981);
 - short-term Treasury bill interest rates under 11% (compared to 15 1/2% in January, 1981);
 - long-term FHA mortgage ceiling rates (which are typically lower than the average current mortgage commitment rate) of 15 1/2% (compared to 17 1/2% in September, 1981);

- o Inflation is easing, including:
 - an increase in the Producer Price Index of 7.3% in The last 12 months as compared to 13.1% in the previous 12 months;
 - an increase in the Consumer Price Index of 10% expected for 1981 as compared to 12.4% in 1980 (and likely to drop to 8% in 1982).
- Real growth in gross national product (GNP) for Calendar 1982 as compared to Calendar 1981 is likely to be 1% (see Attachment #1). This growth total does not fully reflect the strong growth during Calendar 1982 since the starting point for the economy in 1982 was at such a low point. For example, in the fourth quarter of 1982, real GNP should be 4% higher than in the fourth quarter of 1981.

Figure 1 below shows the projected pattern of the recovery according to the Council on Economic Advisers (CEA) as compared to another possible pattern that still would have the same net results.

FIGURE 1



ALTERNATIVE PROJECTIONS FOR REAL GROWTH OF GROSS NATIONAL PRODUCT

PROJECTION #1 : COUNCIL ON ECONOMIC ADVISORS ESTIMATE PROJECTION #2 : ILLUSTRATIVE ESTIMATE

NOTE: THIS FIGURE IS INTENDED TO DISPLAY TWO ALTERNATIVE PATTERNS OF GROWTH, WITHOUT A PRECISE RELATIONSHIP TO FISCAL YEAR QUARTERS.

- <u>Commodities Futures</u> average prices have consistently remained stable over the last several months and should remain so.
- o Gold prices are stable and should remain so.
- Unemployment, now at approximately 8%, will probably rise in the next several months close to 9% until the economy turns around and reduces unemployment back to about 7 1/2% by the end of Calendar 1982.
- Housing starts and automobile sales, now at a very low level, should show strength beginning in the Second Quarter of Calendar 1982, with housing showing the initial strength.
- D. Key Parts of Economic Recovery Program Have Been Established
 - <u>Tax Cuts</u> that were adopted will make more money available for spending, investment or savings.
 - <u>Budget cuts</u> that are being made will reduce the Federal need for funds on credit.
 - Tax free savings opportunities should increase the funds available for long-term investments.
 - o Defense buildup will increase employment.
 - o <u>Automatic economic stabilizers</u> (e.g., lower tax collections and higher unemployment compensation) will help balance things out.
 - o Reasonable restrictions on the availability of money have been established by the Federal Reserve.
 - o <u>Reductions in regulatory burdens</u> are beginning to take hold.
- E. Public Opinion on the Economy
 - Only 56% of the public said the nation's number one problem was of an economic character -- as compared to 69% who expressed such a concern in February, 1981 (DMI, October 1981)
 - 30% of the public said interest rates were the most important of the economic problems -- as compared to only 19% who expressed such a concern in August, 1981 (NBC, October 1981).

- o 25% of the public say they are better of now than a year ago -- as compared to only 19% who expressed such a view when Carter left office (NBC, October 1981).
- o 41% of the public believe the economy could get worse a figure similar to April, 1980 (NBC, October 1981).
- o 69% of the public feel that Reagan's economic proposals will help the economy (DMI, October 1981).
- These statistics indicate that people are aware that the economy could get worse, but they generally support what the President is doing and believe that things will get better.

Real GNP Consensus Drops Sharply to 1.2% For 1982

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1	1	2	PERCE	NT CHANGE	1982 from 19 5	81 <u>6</u>	7	8	4TH QU/ 9	RTER AVG. 10	1982	TOTAL UN	13 NITS - 1982
	Roal GNP	GNP		-					Interest	Interest	Unempl.		
NOVEMBER 1981 FORECAST FOR 1982	(Con. \$)	'Deflator	Totai GNP	Personal Income	Profits Pretax	Plant Equip,	Indus. Prod.	Cons. Price	Rates Short	Rates Long	% of Labor	Housing Starts	Auto Seles
SOURCE:	(Output)	(Prices)	(Cur. \$)	(Cur. \$)	(Cur. \$)1)	0 101	(Total)	Index	Term 3)	Term 4)	Force		(MIL)
Bostian Research Associates	4.1H	7.4	11.6	11.5	18.0	14.5H	5.0	7.8	10.5	11.5	6.9	1.60H	9.8
Econoviews International, Inc	• 4.0	9.0H	13.18	12.OH	19.5	14.5H	4.3	9.2	10.7	12.0	. 7.2	1.60H	10.5H
Cahners Publishing Company	3.5	.8.0	11.8	11.9	14.0	12.5	5.lH	8.5	11.9	12.2	7.2	1.60H	10.2
Morris Cohen & Associates	3.5	7.4	11.1	11.5	20.4H	13.5	4.5	7.4	12.0	12.5	6.41	1.41	10.3
Metropolitan Life	2.6	8.1	10.8	11.6	14.7	8.3	4.3	8.5	12.8	13.1	7.3	1.20	10.0
Chamber of Commerce of U.S.	2.4	7.3	10.0	9.5	9.3	11.6	4.3	7.6	13.0	14.5	7.2	1.50	10.3
Equitable Life Assurance	2.3	8.5	11.0	11.0	10.0	10.0	4.5	8.5	16.5H	16.OH	7.2	1.30	9.8
E.I. DuPont Company	2.2	, 7.8	10.2	11.2	12.1	11.3	2.6	8.0	10.0	12.0	7.5	1.20	9.5:
Bankers Trust	2.0	. 8.4	10.5	11.2	6.6	13.1	1.5	9.3	N/A	N/A	7.2	1.25	10.2
Arthur D. Little	2.0	7.5	9.7	10.5	7.0	8.0	2.0	7.4	9.5	12,0	7.5	1.40	10.0
EGGERT ECONOMIC ENTERPRISES	2.0	17.4	9.6	10.4	9.0	10.0	2.5	7.3	10.7	12.0	7.7	1.45	10.2
LaSalle National Bank	1.7	8.0	9.8	10.5	5.0	10.0	2.0	8.3	13.0	13.0	7.6	1.30	9.6
U.S. Trust Company	1.5	¦ '8₊0	9.6	10.0	9.0	9.0	2.0	8.5	12.0*	12.5	7.2	1.40	9.5
Chase Econometrics	1.4	8.4	10.0	9.7	5.9	10.1	2.4	8.9	13.2	14.4	7.9	1.26	9.9
Wayne Hummer & Company	1.3	7.7	9.1	10.2	11.6	12.7	2.5	7.9	9.9	11.7	7.6	1.39	10.2
Pennzoil Company	1.2	8.7	9.5	10.0	1.2	9.0	2.5	8.8	11.8	12.9	7.9	1.35	9.6
Evans Economics, Inc.	1.1	8.6	9.8	9.9	3.1	9.5	2.3	8.7	11.9	12.8	7.0	1.37	9.6
Univ. of Michigan, M.Q.E.M.	1.1	8.4	9.7	10.1	-7.8	4.9	-0.6	9.9H	13.0	15.3	7.6	1.21	8.7
Nat. City Bank of Cleveland	1.1	7.7	8.9	9.4	3.2	7.3	0.7	8.5	13.0	11.5	7.9	1.24	10.0
Shearson/American Express Inc	0.9	8.4	9.5	9.9	-0.4	8.6	2.1	8.6	13.0	13.0	8.0	1.30	10.1
Morgan Guaranty	0.9	. 7.3	8.4	9.3	-3.1	8.8	1.5	8.1	N/A	N/A	8.1	1.17	8.4L
Goldman, Sachs Co.	0.8	8.4	9.3	10.5	5.3	8.8	-0.5	8.3	N/A	N/A	7.5	1.27	10.2
Bank of America, N.A.	0.8	8.1	9.0	10.2	0.8	7.3	1.1	8.5	N/A	N/A	8.0	1:30	9.6
First National Bank-Chicago	0.8	7.5	8.4	9.7	-7.5	6.3	1.5	8.5	9.8	10.6	7.3	1.31	10.3
Philadelphia National Bank	0.7	8.1	9.2	10.4	5.0	11.6	2.5	8.4	13.0	13.0	7.8	1.40	9.8
Morgan Stanley & Company	0.7	7.4	8.1	8.5	-14.3L	5.0	0.0	7.1L	8.8	11.5	7.1	1.20	9.5
Security Pacific National Ban	k 0.6	8.4	9.1	10.2	8.0	8.1	0.6	8.6	14.1	14.6	7.8	1.32	9.6
Harris Trust & Savings Bank	0.6	7.4	8.1	8.9	-0.3	2.1L	-1.3L	7.4	8.0L	10.5L	7.7	1.45	9.4
Wharton Econometric Forecast	0.5	8.6	9.1	9.2	3.5	6.8	0.1	8.2	12.5	14.1	8.9H	1.19	9.1
UCLA Business Forecasts	0.5	8.0	8.7	9.7	1.5	5.4	1.0	8.3	11.5	14.2	7.9	1.46	9.7
Conference Board	0.5	7.1L	7.7	7.6L	5.8	6.2	0.9	8.3	N/A	N/A	7.6	1.35	9.5
W.R. Grace Company	0.4	7.5	. 8.0	9.0	2.0	6.7	0.5	8.2	11.8	13.0	7.7	1.35	9.5
Arnhold & S. Bleichroeder	0.3	7.9	9.0	10.8	4.0	10.0	2.0	7.5	13.0	12.5	7.5	1.50	9.1
Peter L. Bernstein, Inc.	0.2	7.5	7.8	7.8	9.9	9.0	0.0	8.0	8.0L	14.0	8.3	1.30	9.0
CitiBank	0.2	7.4	7.6	8.5	7.2	5.5	0.6	7.9	11.8	12.5	8.3	1.40	9.7
Irving Trust Company	0.2	7.2	7.5L	9.0	2.0	10.0	0.1	8.3	10.9	12.5	7.6	1.33	9.7 -
Manufacturers Hanover Trust	0.1	8.0	8.1	9.7	-3.6	6.0	-0.3 '	8.4	12.0	12.5*	8.1	1.24	9.7
Brown Brothers Harriman & Co.	0.1	7.8	7.9	8.7	3.0	7.0	0.7	7.9	N/A	N/A	8.3	1.35	9.4
Dean Witter Reynolds & Co.	0.1	7.5	7.6	9.7	-8.0	7.1	-1.0	9.0	11.7	15.0	8.4	1.10L	8.7
Prudential Life Company	0.0	8.3	8.2	9.0	3.0	5.0	0.2	8.7	N/A	N/A	8.0	1.32	9.1
Siff, Oakley, Marks, Inc.	0.0	8.2	8.9	9.3	5.0	6.5	0.2	8.2	13.0	13.0	8.1	1.15	9.3
Business Economics, Inc.	-0.2L	8.2	8.0	9.1	-3.0	9.0	2.0	8.8	12.0	13.0	8.0	1.30	9.7
Chase Manhattan Bank	-0.2L	7.6	7.5L	8.0	-2.2	5.2	0.5	8.4	N/A	N/A	7.5	1.10L	9.3
	~									-			
THIS MONTH	1.2	7.9	9.2	9.9	4.9	8.7	1.6	8.3	11.7	12.9	7.7	1.33	9.7
1982 CONSENSUS LAST MONTH	2.2	7.8	10.2	10.2	8.5	10.5	3.4	8.0	11.8	12.7	7.3		10.0
H = Highest Forece	st I = Low	, st Forecost				(hoak): 2) 1		Fernomic	Anatusle	Finad Inv	-	•	

II= Ilighest Forecast L= Lowest Forecast: NA = Not available; 1) unadjusted (book); 2) U.S. Bureau of Economic Analysis — Fixed Investment — Nontesidential; 3) Prime commercial paper 6 months, Oct. 31, 14.5%; 4) Corporate Aaa Bonds, Oct. 31, 15.5%. "Minor adjustments have been number to adapt to the definition in footnotes 3 and 4.

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CHIP ECONOMIC INDICATORS

BLUE

November 10, 1981

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Page 2

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du's is Bunham's contribution

TALKING POINTS ON THE ECONOMY

Progress on the Economy

- o Interest rates are coming down: in January the prime rate was 20 percent; today it is 16-1/2 percent and continuing to fall. Long-term rates are dropping. FHA ceiling rate on home mortgages has been cut twice in past five weeks, most recently (November 13) to 15-1/2 percent.
 - All this is good news for realtors, farmers, auto dealers, and small business.
 - Falling short-term rates are a big plus for the hard-hit thrift industry, as the cost of money drops.
- o Inflation is easing. The CPI in 1980 rose 12.4 percent; in 1981 it will be up about 10 percent - a one-fifth drop in the rate of increase.
 - In October, the Producer Price Index was up 7.3 percent over October 1980. In October 1980, the PPI was 13.1 higher than October 1979.

Current Situation

- The economy is paying the price for the stop-and-go policies of the past.
- o Fourth quarter of 1981 likely to show a large minus; first quarter 1982 could also be down, but not as much.
- Unemployment is likely to rise over the next several months, before the economy starts turning around
- We shouldn't forget the underlying strength of the economy: nearly 100 million Americans are working. In October 1981, there were about 500,000 more jobs than in January.

Policies are in Place for a Strong, Less Inflationary Economy

- Interest rates are down.
- Tax cuts are in place: October 1981 personal rate cut;
 January 1982 (top rate, cut from 70 percent to 50 percent); July 1982 personal rate cut.
- Defense build-up underway, with increasing employment in wide range of industries.
- "Automatic stabilizers" in the budget (lower personal and business tax collections, higher unemployment compensation) also a positive factor.

Outlook for 1982

- A weak first quarter followed by strength in housing, then autos, in the second quarter.
- Growth in the second half of 1982 on the order of 5 percent plus seems a reasonable bet. Business investment should be a strong factor as the year progresses, thanks to tax cuts and rising industrial activity.
- Given the low starting point for the economy in 1982, year-over-year real GNP growth is likely to be only in the vicinity of 1 percent. But this will conceal a pattern of increasing strength as the year progresses.
- Inflation will continue to ease: CPI in 1982 up 7-8 percent.

JBB:11-17-81

THE WHITE HOUSE WASHINGTON

THE WHITE HOUSE WASHINGTON

Liken TO:

FROM

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

- Information
- Action

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AE.X

(it got excellent remieres)

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

1981

	Fin Sentins	December 23,
то:	EDWIN MEESE	6
FROM:	JOHN MCCLAUGHRY, O	PD Me
THRU:	EDWIN J.GRAY	6-

Junevier

RE: POLAND: WHITE HOUSE SCREENING OF "MEN OF IRON"

We recommend that the Andrzej Wajda film "Men of Iron" be shown at the earliest opportunity in the Family Theatre.

The film is a chronicle of Solidarity's struggle against the Polish communist regime. It was the Grand Prize winner at the 1981 Cannes Festival. Lech Walesa appears in cameo roles and it obviously has the approval of Solidarity.

The film is scheduled to open in Washington in mid-January at the Janus. It is 35 mm and runs 2:32. It is now showing at the 68th Street Playhouse in New York. It has recently been reviewed in the New York Times (Vincent Canby) and Newsweek (copies attached.)

A print of the film is available immediately from MGM-United Artists Distribution Company. Its President is Nathaniel Kwit, 212 575 4886.

We believe that showing this film in the Family Theatre with the President and Mrs. Reagan in attendance is itself an act of solidarity with the brave people of Poland.

In addition, showing a film that makes an anti-communist statement as this one does would be a valuable counter to the film "Reds", recently shown in the Family Theatre, which sympathetically portrays the Bolshevik Revolution. This showing has been sharply criticized by conservative organizations.

We would like to have the opportunity to suggest the names of invitees for this showing. An invitation to ex-Ambassador Spasowski should be considered. He has already viewed the film in an early private showing at American University some weeks ago and was reportedly much moved by it.

The NY Times reported on December 22 that the producer of "Men of Iron", Andrzej Wajda, has been imprisoned in Poland. State has been unable to confirm this but it seems highly probable.

We urge prompt attention to this suggestion.As an additional option, one might consider a gala benefit showing at the Kennedy Center, with proceeds to benefit the Polish people in their fight against tyranny.



Walesa and Wajda during filming: Making art from the struggle for Solidarity

Forged in the Polish Fire

he events in Poland have made Andrzej Wajda's Man of Iron even more compelling, more necessary to see, than it was. The film is not only a remarkable synthesis of art and history-in-the-making; it is itself a living part of that history. Filmed at white heat in the wake of the dramatic events that culminated in the triumph of the Solidarity movement in August 1980, "Man of Iron" was rushed to completion last May just before its scheduled showing during the Cannes Film Festival. Many doubted that the Polish authorities would allow a film so critical of the government to be shown, at least without extensive cuts. But an uncensored "Man of Iron" arrived at Cannes at the last moment and won the Golden Palm as best film. There's little doubt that it was only Wajda's international standing and reputation as Poland's leading filmmaker that got his picture through the Polish censorship.

It's hard to think of another film that has the special excitement of "Man of Iron." As both a romantic and a revolutionary in the classic Polish vein, Wajda has always dramatized the clash between huge, dehumanizing historical forces and the individuals caught up within them. From "A Gen-eration," "Kanal" and "Ashes and Diaeration," "Kanal" and "Ashes and Dia-monds" in the '50s to his present work, Wajda's films are a history of the Polish sensibility as it collides with the great totalitarian forces of the century-the Nazis in World War II and Stalinist Communism after the war. He shows you human beings trying to create a genuine moral revolution within-and against-these false political revolutions. Wajda knows that just as the great political enemy is the sheer physical force of the oppressor, the great moral enemy is the bad faith and cowardice of the oppressed. That's why he tells the story of the Solidarity revolution through the eyes of Winkiel, a once courageous TV journalist and filmmaker who's become a scared and alcoholic hack.

Conscience: Winkiel is sent by his superiors ostensibly to do a story on the Solidarity strike in the Gdansk shipyards, but in reality to smear one of the strike's key figures, a worker named Maciek-the "man of iron." As Winkiel encounters and "interviews" the various figures connected with Maciek-old friends, relatives and Maciek's wife, a filmmaker who unlike Winkiel refused to knuckle under to the system-the journalist is gripped by conscience and trapped between his admiration for the Solidarity people and his fear of the cynical and sinister bureaucrats and security agents who threaten him with dire consequences if he doesn't do the smear job on Maciek.

Using flashbacks to the abortive upris-

Radziwilowicz: Poland's New Man



ings of 1968 and 1970, cutting into his story with actual footage of those violent clashes and the euphoric events of 1980, Wajda creates an exciting juggernaut of a film. Binding the real and fictional elements together is the figure of Solidarity leader Lech Walesa, who appears in both of them. The presence of the Roman Catholic Church as a social force is deftly conveyed: in one scene strikers confer, while in the background priests robe themselves for Mass. The key relationship is that between Maciek, the man of iron, and his father, Birkut, the title character of Wajda's previous film "Man of Marble," a worker honored by the state for heroic labor and then shot down in the street in 1970. Father and son are played powerfully by the same actor, Jerzy Radziwilowicz. The film titles are not just slogans: marble refers sardonically to the awful statues of Birkut made when he was a "hero" of communist labor; iron symbolizes the forging of his own character that Maciek had to accomplish to stand against the lies and violence of the state.

The courage and strength it took for Wajda to make these points border on the incredible: "Man of Iron" must be the strongest overtly critical film ever made in an Iron Curtain country. Made under extreme pressures of time and circumstance, the film is no agitprop exercise that happens to be on the right side. It is masterly in execution and rousing in its inspirational force. Wajda doesn't neglect even the comic side of his full human spectrum: Winkiel is a wonderfully ironic figure as played by Marian Opania-a jittery, sweaty, boozy little guy huffing along with his tape recorder and tote bag dragging down his shoulder, smoking endless cigarettes and looking for a drink in Gdansk. (Liquor has been locked up by order of the austere Solidarity strikers, who want clear Polish heads for their revolution.) In one memorable scene Winkiel gets hold of a bottle of vodka; when he drops it on his bathroom floor he dives to his knees in anguish, soaking up the booze with a towel and wringing it into a glass.

'More Imagination': With Winkiel, Wajda may even be referring to elements of bad conscience in his own character. "I am no more innocent than anyone else," he

> has said, referring to an early Stalinist propaganda film he worked on as a young assistant director. More generally, Winkiel clearly stands for all artists and intellectuals, whom Wajda regards with a jaundiced eye. In a recent conversation in New York he said, "More than once I thought I knew where history was going, but I was wrong. The workers have more imagination." It was a worker at the Gdansk shipyard who gave his new film its title when he asked Wajda: "When are you going to make a film about us men of

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iron?" "Artists must be humble," said Wajda. "We are in public service. If we can fix up society we could make such wonderful films."

If such sentiments sound naïve to Western ears, there is a tough awareness in Wajda that comes out at the end of "Man of Iron" when a politico tells Winkiel that the agreement between Solidarity and the government isn't worth the paper it's printed on. "We're not here to share power," says a government official. Wherever Wajda is now in Poland, he may already be planning a sequel to his men of marble and iron perhaps the ultimate substance of history, flesh and blood.

JACK KROLL

Film: 'Man of Iron' Tells of Polish Union's Struggle

By VINCENT CANBY

NDRZEJ WAJDA'S "Man of Iron" is such an up-to-date report on political events in Poland that one attends to it less as a piece of fiction than as a primetime television news special. It's not criticism but a statement of fact to describe it as more notable as a political than an artistic achievement. Another fact is that it's an unexpected disappointment, because it is both a continuation and an explanation of Mr. Wajda's extraordinarily fine "Man of Marble," which was made in 1977, but not shown in New York until 1979.

"Man of Iron," the winner of the Golden Palm at this year's Cannes Film Festival, was shown last night at Avery Fisher Hall to bring the 19th New York Film Festival to a poignant, troubling close. The movie is an act of bravery that approaches bravado.

To make sense of "Man of Iron," one should have seen "Man of Marble," or perhaps be furnished with a synopsis. In the earlier film, set in the mid-1970's, an ambitious, headstrong young woman named Agnieszka (Krystyna Janda), a film-school graduate, is making a documentary about Birkut (Jerzy Radziwilowicz),

Act of Bravery

MAN OF IRON ("Człowiek z Zelaza"), directed by Andrzej Waida; screenplay (Polish with English subtilles) by Aleksand; Scibor-Rytski; photography by Edward Klosinski and Janusz Kalicinski; edited by Halina Production, zespoly Filmowe, Unit "X"; a Cinema Circle of Canada release. At Avery Fisher Hall, part of the 19th New York. Film Festival. Running time: 140 minutes. This tilm is na rated.

Jerzy Radziwilowicz
Marian Opania
Irena Byrska
Boguslaw Linda
Wieslawa Kosmalska
Andrzel Seweryn
Krzysztof Janczar
Boguslaw Sobczuk
Franciszek Trzeciał
Jan Tesara

who had been celebrated during the Stalinist period as a champion bricklayer, a worker of all workers, the exemplification of an idealized proletariat.

For several years, Birkut had been a national celebrity, the handsome model for a lot of truly awful socialrealist sculpture, the real-life subject of official propaganda films and the principal salesman for a system he supported with his heart and mind. Then, suddenly, Birkut vanished.

In the course of "Man of Marble" Agnieszka discovers that Birkut, attempting to help a friend unjustly accused ot treason by the Government, had himself been imprisoned and, on his release following the fall of the Stalinists, remained profoundly disillusioned. She follows Birkut's trail to Gdansk where, she learns from his son, Birkut apparently had been killed during the ruthless suppression of the 1970 shipyard strike.

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New York Times



Andrzej Wajda

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October 12, 1981

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The most interesting thing about "Man of Iron" is the way it dramatizes the immense political importance of. Polish Roman Catholicism at this time. It's also to Mr. Wajda's credit that though the film ends with the fall of the Government and the official recognition of Solidarity, the upbeat note is tempered by a sly shot of one old-line party member who reminds a friend, "It's only a piece of paper, signed under duress."

Like all of Mr. Wajda's outright political films, "Man of Iron" must seem far more rousing in Poland than it does in this country, which is, I suppose, as it should be. The fact that Mr. Walesa is prominently featured in the film, not only in newsreels but also in a couple of "fiction" scenes, including one in which he plays himself at the wedding of Tomczyk and Agnieszka, will, I hope, be read differently in Poland from New York. He is giving his seal of approval to the Wajda film, attesting to its political validity.

However, to those of us who have a built-in skepticism about celebrity and who are so far removed from the passions that have shaken Poland to its roots, his appearance looks less serious than self-promoting, the beginning of a new cult of personality. This is worrying to anyone who has been so wonderfully astonished by the accomplishments of Mr. Walesa to date. MEMORANDUM

THE WHITE HOUSE washington December 23, 1981

TO: EDWIN MEESE

FROM: JOHN MCCLAUGHRY, OPD

THRU: EDWIN J.GRAY

RE: POLAND: WHITE HOUSE SCREENING OF "MEN OF IRON"

We recommend that the Andrzej Wajda film "Men of Iron" be shown at the earliest opportunity in the Family Theatre.

The film is a chronicle of Solidarity's struggle against the Polish communist regime. It was the Grand Prize winner at the 1981 Cannes Festival. Lech Walesa appears in cameo roles and it obviously has the approval of Solidarity.

The film is scheduled to open in Washington in mid-January at the Janus. It is 35 mm and runs 2:32. It is now showing at the 68th Street Playhouse in New York. It has recently been reviewed in the New York Times (Vincent Canby) and Newsweek (copies attached.)

A print of the film is available immediately from MGM-United Artists Distribution Company. Its President is Nathaniel Kwit, 212 575 4886.

We believe that showing this film in the Family Theatre with the President and Mrs. Reagan in attendance is itself an act of solidarity with the brave people of Poland.

In addition, showing a film that makes an anti-communist statement as this one does would be a valuable counter to the film "Reds", recently shown in the Family Theatre, which sympathetically portrays the Bolshevik Revolution. This showing has been sharply criticized by conservative organizations.

We would like to have the opportunity to suggest the names of invitees for this showing. An invitation to ex-Ambassador Spasowski should be considered. He has already viewed the film in an early private showing at American University some weeks ago and was reportedly much moved by it.

The NY Times reported on December 22 that the producer of "Men of Iron", Andrzej Wajda, has been imprisoned in Poland. State has been unable to confirm this but it seems highly probable.

We urge prompt attention to this suggestion. As an additional option, one might consider a gala benefit showing at the Kennedy Center, with proceeds to benefit the Polish people in their fight against tyranny.



Walesa and Wajda during filming: Making art from the struggle for Solidarity

Forged in the Polish Fire

he events in Poland have made Andrzej Wajda's Man of Iron even more compelling, more necessary to see, than it was. The film is not only a remarkable synthesis of art and history-in-the-making; it is itself a living part of that history. Filmed at white heat in the wake of the dramatic events that culminated in the triumph of the Solidarity movement in August 1980, "Man of Iron" was rushed to completion last May just before its scheduled showing during the Cannes Film Festival. Many doubted that the Polish authorities would allow a film so critical of the government to be shown, at least without extensive cuts. But an uncensored "Man of Iron" arrived at Cannes at the last moment and won the Golden Palm as best film. There's little doubt that it was only Wajda's international standing and reputation as Poland's leading filmmaker that got his picture through the Polish censorship.

It's hard to think of another film that has the special excitement of "Man of Iron." As both a romantic and a revolutionary in the classic Polish vein, Wajda has always dramatized the clash between huge, dehumanizing historical forces and the individuals caught up within them. From "A Gen-eration," "Kanal" and "Ashes and Diamonds" in the '50s to his present work, Wajda's films are a history of the Polish sensibility as it collides with the great totalitarian forces of the century-the Nazis in World War II and Stalinist Communism after the war. He shows you human beings trying to create a genuine moral revolution within-and against-these false political revolutions. Wajda knows that just as the great political enemy is the sheer physical force of the oppressor, the great moral enemy is the bad faith and cowardice of the oppressed. That's why he tells the story of the Solidarity revolution through the eyes of Winkiel, a once courageous TV journalist and filmmaker who's become a scared and alcoholic hack.

Conscience: Winkiel is sent by his superiors ostensibly to do a story on the Solidarity strike in the Gdansk shipyards, but in reality to smear one of the strike's key figures, a worker named Maciek-the "man of iron." As Winkiel encounters and "interviews" the various figures connected with Maciek-old friends, relatives and Maciek's wife, a filmmaker who unlike Winkiel refused to knuckle under to the system-the journalist is gripped by conscience and trapped between his admiration for the Solidarity people and his fear of the cynical and sinister bureaucrats and security agents who threaten him with dire consequences if he doesn't do the smear job on Maciek.

Using flashbacks to the abortive upris-

Radziwilowicz: Poland's New Man



ings of 1968 and 1970, cutting into his story with actual footage of those violent clashes and the euphoric events of 1980, Wajda creates an exciting juggernaut of a film. Binding the real and fictional elements together is the figure of Solidarity leader Lech Walesa, who appears in both of them. The presence of the Roman Catholic Church as a social force is deftly conveyed: in one scene strikers confer, while in the background priests robe themselves for Mass. The key relationship is that between Maciek, the man of iron, and his father, Birkut, the title character of Wajda's previous film "Man of Marble," a worker honored by the state for heroic labor and then shot down in the street in 1970. Father and son are played powerfully by the same actor, Jerzy Radziwilowicz. The film titles are not just slogans: marble refers sardonically to the awful statues of Birkut made when he was a "hero" of communist labor; iron symbolizes the forging of his own character that Maciek had to accomplish to stand against the lies and violence of the state.

The courage and strength it took for Wajda to make these points border on the incredible: "Man of Iron" must be the strongest overtly critical film ever made in an Iron Curtain country. Made under extreme pressures of time and circumstance, the film is no agitprop exercise that happens to be on the right side. It is masterly in execution and rousing in its inspirational force. Wajda doesn't neglect even the comic side of his full human spectrum: Winkiel is a wonderfully ironic figure as played by Marian Opania-a jittery, sweaty, boozy little guy huffing along with his tape recorder and tote bag dragging down his shoulder, smoking endless cigarettes and looking for a drink in Gdansk. (Liquor has been locked up by order of the austere Solidarity strikers, who want clear Polish heads for their revolution.) In one memorable scene Winkiel gets hold of a bottle of vodka; when he drops it on his bathroom floor he dives to his knees in anguish, soaking up the booze with a towel and wringing it into a glass.

'More Imagination': With Winkiel, Wajda may even be referring to elements of bad conscience in his own character. "I am no more innocent than anyone else," he

> has said, referring to an early Stalinist propaganda film he worked on as a young assistant director. More generally, Winkiel clearly stands for all artists and intellectuals, whom Wajda regards with a jaundiced eye. In a recent conversation in New York he said, "More than once I thought I knew where history was going, but I was wrong. The workers have more imagination." It was a worker at the Gdansk shipyard who gave his new film its title when he asked Wajda: "When are you going to make a film about us men of

iron?" "Artists must be humble," said Wajda. "We are in public service. If we can fix up society we could make such wonderful films."

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If such sentiments sound naïve to Western ears, there is a tough awareness in Wajda that comes out at the end of "Man of Iron" when a politico tells Winkiel that the agreement between Solidarity and the government isn't worth the paper it's printed on. "We're not here to share power," says a government official. Wherever Wajda is now in Poland, he may already be planning a sequel to his men of marble and ironperhaps the ultimate substance of history, fiesh and blood.

JACK KROLL

Film: 'Man of Iron' Tells of Polish Union's Struggle

By VINCENT CANBY

NDRZEJ WAJDA'S "Man of Iron" is such an up-to-date report on political events in Poland that one attends to it less as a piece of fiction than as a primetime television news special. It's not criticism but a statement of fact to describe it as more notable as a political than an artistic achievement. Another fact is that it's an unexpected disappointment, because it is both a continuation and an explanation of Mr. Wajda's extraordinarily fine "Man of Marble," which was made in 1977, but not shown in New York until 1979.

"Man of Iron," the winner of the Golden Palm at this year's Cannes Film Festival, was shown last night at Avery Fisher Hall to bring the 19th New York Film Festival to a poignant, troubling close. The movie is an act of bravery that approaches bravado.

To make sense of "Man of Iron," one should have seen "Man of Marble," or perhaps be furnished with a synopsis. In the earlier film, set in the mid-1970's, an ambitious, headstrong young woman named Agnieszka (Krystyna Janda), a film-school graduate, is making a documentary about Birkut (Jerzy Radziwilowicz),

Act of Bravery

4 OFFIC 2 V R	
Agnieszka	
Winkiel	Marlan Opania
Anna Hulewicz's Mother	Irena Byrska
Radio Technician	Boguslaw Linda
Anna	Wieslawa Kosmalska
Ceptain Wirski	Andrzej Seweryn
Kryszka	Krzysztof Janczar
TV Editor	
Badecki	Franciszek Trzeciał
Sze1	
WITH: Anna Walentynowi	

who had been celebrated during the Stalinist period as a champion bricklayer, a worker of all workers, the exemplification of an idealized proletariat.

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New York Times



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October 12, 1981

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THE WHITE HOUSE

WASHINGTON

December 15, 1981

MEMORANDUM FOR MIKE DEAVER

FROM:

JIM JENKINS

SUBJECT: President's invitation to the Navy League Convention

While entitlement constituencies kick our head in, I think the President should take this opportunity (or one like it) to re-charge the defense constituency's natural affection for him.

I would volunteer to advance it.



NAVY LEAGUE OF THE UNITED STATES

(FOUNDED 1902)

818 EIGHTEENTH STREET, N.W., WASHINGTON, D. C. 20006

OFFICE OF THE NATIONAL PRESIDENT

December 14, 1981

The President The White House Washington, D.C. 20501

Dear Mr. President:

On the evening of Wednesday, April 7, 1982, a formal banquet will conclude the Navy League's annual convention and Sea-Air-Space Exposition at the Sheraton Washington Hotel. It is my honor to invite you to address those assembled on that occasion.

This event culminates a unique four-day program of education, management, and display of technology that brings together maritime leaders from throughout the world, those who head those corporations which create and manufacture the tools which make possible the formidable sea forces of our nation, and many of those in Congress and the Administration responsible for determining the scope and degree of growth of those forces in these days of peril to our security.

There obviously could not be a more appropriate person to address such an assemblage than the leader of our country, who has taken it upon himself to restore the maritime greatness which for so long was America's hallmark. For that reason, it is our sincere hope that you will accept our invitation. We shall await your reply with great anticipation.

Sincerely,

John M. Rau National President

JMR/jls

THE NAVY LEAGUE OF THE UNITED STATES Industry Support for America's Strength on the Seas

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Mike

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