Collection: WHORM Alphabetical File, 1981-1989
Folder Title: Valenti, Jack

REQUEST FOR PHOTO/MAILING

(PLEASE TYPE) 12/19/88
(Date)

TO: MARY INGALS
CORRESPONDENCE OFFICE, Room 94, OEQB, Ext. 7610

FROM: Kathleen Conway **Room** 185 1/2 **Ext.** 6575

Description of photograph or photo number C50567-28

ATTACH PHOTO IF OTHER THAN OFFICIAL PORTRAIT

TO: CORRESPONDENCE REVIEW SECTION, Room 76, Ext. 2916

PHOTO TO BE SIGNED BY: President

- [x] Return to originating office. TYPE NAME & ADDRESS OF RECIPIENT BELOW
- [ ] Photograph is to be mailed.
  Attach mailing label, any correspondence and include typed address here:

881227

NAME: USIA
ORGANIZATION:
STREET:
CITY/STATE: Washington D.C. 20547

INSCRIBE TO: Jack and Mary Margaret Valenti

MESSAGE SHOULD READ:

- [x] With best wishes
- [ ] Congratulations and best wishes

DO NOT PACKAGE PHOTO. DO NOT SEND IT TO THE MAIL ROOM.

To Mary Margaret and Jack Valenti
With best wishes,   Ronald Reagan

March 31, 1981

Dear Jack:

The reception, dinner and film premiere lsst Monday night which you hosted for the newly-elected ItÂlian-American Members of Congress was delightful.

I'm glad that I wasmable to share in tthis fine occasion, and it was good to see you again.

With warm pordial regard, I am

Sincerely,

Max L. Friedersdorf
Assistant to the President

Mr. Jack Valenti, President
Motion Pictures Association
of America
1600 Eye Street, N.W.
Washington, D.C. 20006

MLF:FRD:fd

June 29, 1981

Dear Jack:

Priscilla and I deeply regret that we were unable to join you and your wife for cocktails, buffet dinner, and the private screening last week.

As you may be aware, we had planned to be there, however, my responsibilities here precluded our doing so at the last minute.

We do appreciate your kind invitation, and I'm sure it was a delightful evening.

With cordial regard, I am

Sincerely,

Max L. Friedersdorf
Assistant to the President

Mr. Jack Valenti, President
Motion Picture Association
1600 Eye Street, N.W.
Washington, D. C.

MLF:FRD:fd

July 31, 1981

Dear Jack:

Enclosed is a photograph taken with President Reagan at the meeting with Italian American leaders, July 13, at the White House.

It was a pleasure having you with us on this occasion.

Sincerely,

Jack Burgess
Special Assistant
to the President

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

Enclosure

JB:gjc

To Jack Valenti
With best wishes,

Ronald Reagan

THE WHITE HOUSE

WASHINGTON

August 10, 1981

Dear Jack:

Thanks ever so much for the terrific hospitality and an A-1 evening. It was great seeing you again and having the chance to meet all the other Valentis. And I particularly appreciated those thoughtful comments about Dad. What you said will always remain indelible in my memory.

I hope our paths will continue to cross and that I can lure you over for lunch when convenient.

My best to Mary Margaret et al.

Sincerely,

Peter

Peter Roussel
Deputy Press Secretary
to the President

Mr. Jack Valenti
Motion Picture Association
of America
1600 I Street, N.W.
Washington, D. C. 20036

MOTION PICTURE ASSOCIATION
OF AMERICA, INC.
1600 EYE STREET, NORTHWEST
WASHINGTON, D. C. 20006

JACK VALENTI
PRESIDENT

No Reply

August 3, 1981

Dear Mr President

I temporized about writing this brief note, but the more I thought about it, I wanted to say just a word to you.

On July 13, when I was part of a rather large group of people connected to the National Italian-American Foundation, gathered in the Roosevelt Room at the invitation of Elizabeth Dole, you did something special, warming and affectionate to me.

As you came in, you shook hands with the two men nearest you, and then you peered around the room, settling your gaze on me to say: "Isn't that Jack Valenti over there?" Then you smilingly commented, as I shook your hand, "I can't shake everyone's hand, but I am part of the alumni of Jack's group."

It was a winning, unaffected and thoroughly unexpected acknowledgment of me.

I was quite touched. I know something of the presidency, both as a participant in its environs and as a student of and writer about its burdens. It is a fact, Mr. President, that no matter how most people feel about this policy or that one, I cannot find one who does not feel warmed in your presence and comfortable with your humane and unimperial manners. Moreover, it has been quite astonishing to old Washington hands to watch the triumphant march of your program through Congress, a progression of victories unmatched since FDR and LBJ.

I thank you, sir, for the brief personal glimpse you gave me of those thoroughly valuable and too often vacant assets.

Sincerely,

and warmly
Jack

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

Bu

peter McCoy

MOTION PICTURE ASSOCIATION
OF AMERICA, INC.
1600 EYE STREET, NORTHWEST
WASHINGTON, D. C. 20006

JACK VALENTI
PRESIDENT

J

November 11, 1981

Dear Mrs Reagan

I cannot let any more time elapse without telling you with all the fervor I can summon how charmingly staged, how hospitable and delightful was your dinner and screening of RAGTIME, later.

You and the President could not have been more graceful. I am not a stranger to the White House, either its political ambiance or its social occasions, and I can tell you, quite simply, that you and your husband give the President's House a special warmth and shining grace.

I am deeply grateful that you would include me. I am honored.

Sincerely,

and warmly

Jack

Mrs. Ronald Reagan
The White House
Washington, D.C. 20500

Bom
Scheduling

5

Anna regretted
by phone

Nancy Thurmond and Barbara Pryor
in association with
Jack Valenti, President, Motion Picture Association of America
cordially invite you to attend a
Senate and Cabinet Wives Luncheon and Matinee
Starring Academy-Award Winner
MERYL STREEP
in
"THE FRENCH LIEUTENANT'S WOMAN"
Wednesday, October 14, 1981
12:30 p.m.

R.S.V.P. (by Oct. 9, please)
Anna Thomas
224-2353

Motion Picture Association of America
1600 Eye Street, N.W.
Washington, D.C.

13 July 1982

1

Dear Jack:

The purpose of this letter is to "confidently speak up" and thank you for sending me a signed copy of your book, Speak Up With Confidence. It is certainly a welcome addition to my library.

With best personal regards,

Sincerely,

EDWIN MEESE III
Counsellor to the President

Mr. Jack Valenti
Motion Picture Association
of America, Inc.
1600 Eye Street, N.W.
Washington, D.C. 20006

cc: Ed Meese
cc: Florence Randolph w/book (not attached)

EM:ES:vml--

August 23, 1982

(1)

Dear Jack:

A belated note of thanks for sending me a copy of your new book, Speaking Up With Confidence. I truly appreciate your kind inscription and will look forward to reading your gift in the near future. You were thoughtful to think of me.

Hurriedly, but with best wishes to you and for the success of your book.

Sincerely,

James A. Baker, III
Chief of Staff and
Assistant to the President

Mr. Jack Valenti
Motion Picture Association
of America, Inc.
1600 Eye Street, N.W.
Washington, D.C. 20006

cc: Kathy Camalier--for JAB files
JAB file

ALFONSE D'AMATO
NEW YORK

(2)

United States Senate
WASHINGTON, D.C. 20510

August 25, 1982

The Honorable Ronald Reagan
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

As you know the National Italian American Foundation ~~will hold its Annual Dinner~~ on Saturday, September 11th. Lee Iacocca among others, will be the honoree.

The Foundation is very excited about the possibility that you will attend. The Italian American community has given you strong support over the years, and an appearance by you would be a wonderful way to say thanks.

I urge you to accept this invitation to attend this prestigious event.

Regards,

Al D'Amato

Alfonse M. D'Amato
United States Senator

AMD:jzu

Jack Valenti

T

CAMPBELL PEACHEY AND ASSOC
404 7TH ST NW
WASHINGTON DC 20004

western union Mailgram

UNITED STATES POSTAL SERVICE U.S.MAIL

1-027269A067003 03/08/82 ICS IPMWGWD WSH WHSA
00272 MGM WASHINGTON DC 158 03-08 0747P EST

3/13/82
DONE
mg

THE HON. JAMES A BAKER, III
AND MRS. BAKER
C/O THE WHITE HOUSE
WASHINGTON DC 20500

PLEASE JOIN SENATOR BARRY GOLDWATER, SR., SENATOR ALAN CRANSTON, FRED PIERCE, EXEC. VICE PRESIDENT; ABC, NORMAN LEAR AND ME FOR COCKTAILS AND BUFFET DINNER FOLLOWED BY A SCREENING OF "I LOVE LIBERTY", AT 6:30 PM ON SUNDAY, MARCH 14 AT THE MOTION PICTURE ASSOCIATION OF AMERICA, 1600 I STREET, N.W. PARKING AVAILABLE IN UNDERGROUND GARAGE ADJACENT TO THE BUILDING. DRESS INFORMAL.

"I LOVE LIBERTY", PRODUCED BY MR. LEAR, STARS BARBRA STREISAND, BURT LANCASTER, MARTIN SHEEN, MARY TYLER MOORE, WALTER MATTHUR, JANE FONDA, PATTY DUKE ASTIN, KRISTY MCNICHOL, KENNY ROGERS, THE MUPPETS AND MANY MORE, AND CELEBRATES THE 250TH BIRTHDAY OF GEORGE WASHINGTON AND OUR COMMITMENT TO FREEDOM IN SONG, DANCE, DRAMATIC VIGNETTE. THE SPECIAL IS SCHEDULED TO AIR ON THE ABC TELEVISION NETWORK ON MARCH 21 AT NINE O'CLOCK. WE HOPE YOU WILL BE ABLE TO JOIN US FOR THE PREVIEW OF THIS EXTRAORDINARY PRESENTATION.

SINCERELY,

JACK VALENTI

PLEASE
RSVP
CAMPBELL, PEACHEY AND ASSOCIATES
202 737 5858

22:23 EST

MGMCOMP

TO REPLY BY MAILGRAM, PHONE WESTERN UNION ANY TIME, DAY OR NIGHT:

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OR DIAL WESTERN UNION'S INFOMASTER SYSTEM DIRECTLY:

FROM TELEX 6161

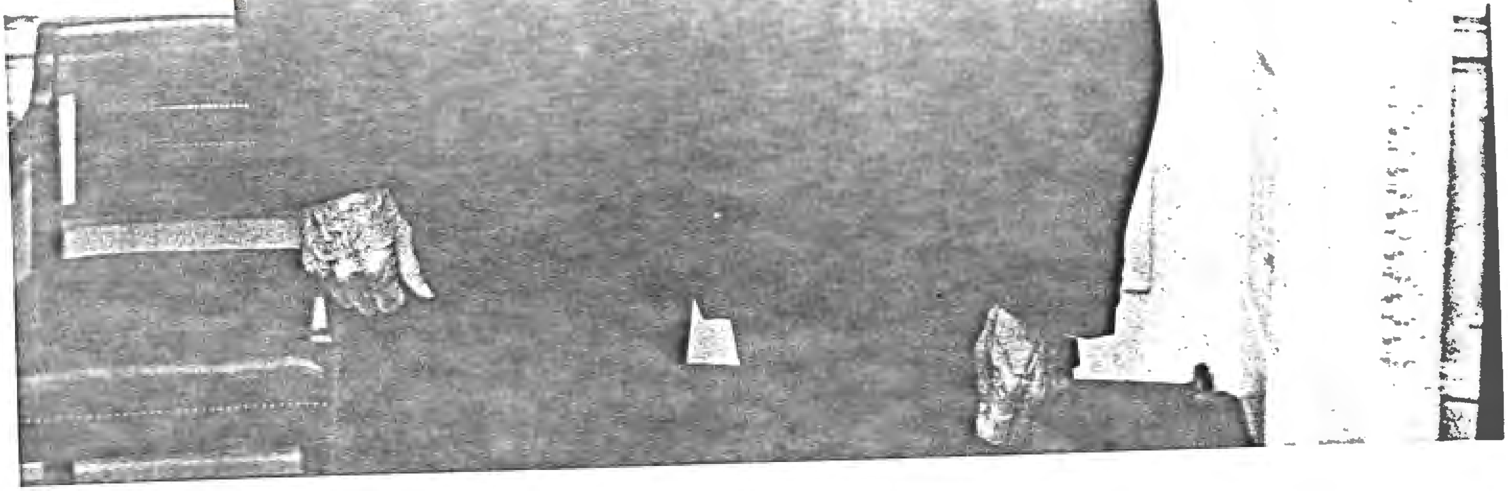
FROM TWX 910 420 1212

SCREENING AND THEN A BUFFET DINNER AT THE MPAA BUILDING, 1600 EYE ST NORTHWEST. UNDERGROUND PARKING AVAILABLE. INFORMAL. LEONARD GOLDBERG, THE PRODUCER AND JOHN BADHAM, THE DIRECTOR, WILL BE PRESENT. WE LOOK FORWARD TO BEING WITH YOU FOR THIS ENJOYABLE EVENING. PLEASE RSVP HELEN CAMERON 2931966. X

MARY MARGARET AND JACK VALENTI
1600 EYE ST NORTHWEST
WASHINGTON DC 20006

1144 EST
NNNN

...YEARS BEST.



To Jack Valenti
With best wishes, & Regards
Ron

830621

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

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

9 Misc (FYI) copy

file

Motion Picture Association of America
1600 Eye Street, N.W.
Washington, D.C. 20006
(202) 293-1966

I thought you would be
interested in these
remarks by Jack Valenti.

Ken Clark

Some Advice for a New President— It's a Bit Old, but Not Moldy

By JACK VALENTI

New Presidents receive a lot of advice on how to handle their job. Among the suggestions are usually a number of books on how the presidency operates.

I should like to offer Ronald Reagan but one book; I would wager that it would prove more useful than all the volumes composed by former Chief Executives, former White House aides and professors of government combined.

The book is the "Meditations," by Marcus Aurelius.

What Marcus Aurelius has left to the ages is the finest counsel on how to lead a life that is valuable, useful and, for a leader, beneficial to the people whom he has by inheritance, force or democratic vote been fitted to command.

Marcus was in that brief line of Roman emperors who ruled in the period of time described by historian Edward Gibbon as an era "in which the condition of the human race was most happy and prosperous," from the accession of Nerva in AD 96 to the death of Marcus in AD 180.

Marcus had no particular advocacy for happiness as it would be popularly defined today, but he had a stern and durable belief in wisdom, justice and endurance. He, as Issac Asimov put it, "shrank from no hardship that lay in the way of his duty."

In a world inhabited by cruelty, Marcus was an odd captain. He was noble in his aim and compassionate in his spirit. The most famous anecdote that reveals his inner self concerns his response when he heard of the assassination of one Avidius Cassius, who rebelled in arms against Marcus. "Ah," said the emperor, "I am sorry to hear of his death, for now I will be deprived of the pleasure of pardoning him."

Marcus composed his "Meditations" not in some marble-floored study but in the field, in the rude campsites of the Roman legions, during the last two years of his life.

What he said and thought is ample fare not only for Presidents but for ordinary citizens as well.

"Let no act be done without a purpose, nor otherwise than according to the perfect principles of art," wrote Marcus. (New Cabinet secretaries should ponder that one.)

In giving thanks to those who taught him, he observed that he always was ready "to do what was set before me without complaining."

He beseeched others to "begin the morning by saying I shall meet with the busybody, the ungrateful, arrogant, deceitful, envious, unsocial . . . and I will be not injured by them for no man can fix on me what is ugly." (Good morning, Mr. President, here is your recipe for the day!)

There would have been no Watergate had these words of Marcus penetrated the West Wing some years ago: "Never value anything as profitable to yourself which shall compel you to break your promise, to lose your self-respect, to hate any man, to act the hypocrite, to desire anything which needs walls and curtains."

Be prepared, said Marcus, be ready for what you must do in the larger interest of the people you serve: "As physicians always have their instruments and knives ready for cases which suddenly require their skill, so must you have principles ready for the understanding of things." He did not comment on the absence of principle, but it is fair to say that he considered firm principles to be buckled to every good leader.

He understood even then the blandishments of a seductive Washington and the golden garments it lays before those who come to take charge. "Perhaps the desire of the thing called fame will torment you. But see how soon everything is forgotten . . . the emptiness of the applause and the changeableness and want of judgment in those who pretend to give praise."

He went on to cite the great equation of succumbing to the claims of favor by others: "Neither worse than nor better is a thing made by being praised. That which is really beautiful has no need of anything; not more than law, not more than truth, not more than benevolence nor modesty. Which of these things is beautiful because it is praised or spoiled by being blamed?"

He had no illusions about a static society. He knew that everything changes, not always the way we would like it: "Everything is for a day, both that which remembers and that which is remembered . . . Observe constantly that all things take place by change, and accustom yourself to consider that the nature of the universe loves nothing so much as to change the things which are and to make new things like them."

He was the great advocate of taking it easy when everyone is bad-mouthing you and causing you public pain: "All things soon pass away and become a mere tale, and complete oblivion soon buries them." This is more than adequate counsel for the President on reading syndicated columnists and watching the network news each evening.

There is more, much more in this slim volume of no more than 50-plus pages (depending on how it is bound). Its sheer brevity ought to be the ultimate beckoning.

One final note: Most Presidents, and I am personal witness in one specific instance, delight in working long and mighty hours, becoming personally involved in detail. In the course of that endless labor, a lot gets done and much is done that might be better not done. Marcus, as usual, sees this clearly: "Do what is necessary, for the greatest part of what we say and do is unnecessary. If a man takes this away, he will have more leisure and less uneasiness."

What a fascinating thought, that a President might obtain for the people a higher quality of life if he did more thinking and pondering about what ails us than bustling through the corridors of the West Wing racing to meetings. To put it another way, it is very fine to be energetic, but it is also important to be right.

Jack Valenti, the president of the Motion Picture Assn. of America, was for three years a special assistant to President Lyndon B. Johnson.

9 November 1982

Dear Jack:

Thank you for your leter of 26 October 1982 and the attached suggestions for consideration as I prepare my speech for the Academy of Television Arts and Sciences tomorrow in Los Angeles.

Your thoughtfulness is appreciated.

With kind regards,

Sincerely,

EDWIN MEESE III
Counsellor to the President

Mr. Jack Valenti
President
Motion Picture Association
of America, Inc.
1600 Eye Street, N.W.
Washington, D.C. 20006

THE WHITE HOUSE

WASHINGTON

February 11, 1985

Dear Mary Margaret and Jack,

The President and Mrs. Reagan thought you might like to have the enclosed photographs, which were taken during your visit to the White House, December 2.

We hope that you will enjoy having these as mementoes of that occasion.

With warmest wishes,

Sincerely,

Gahl

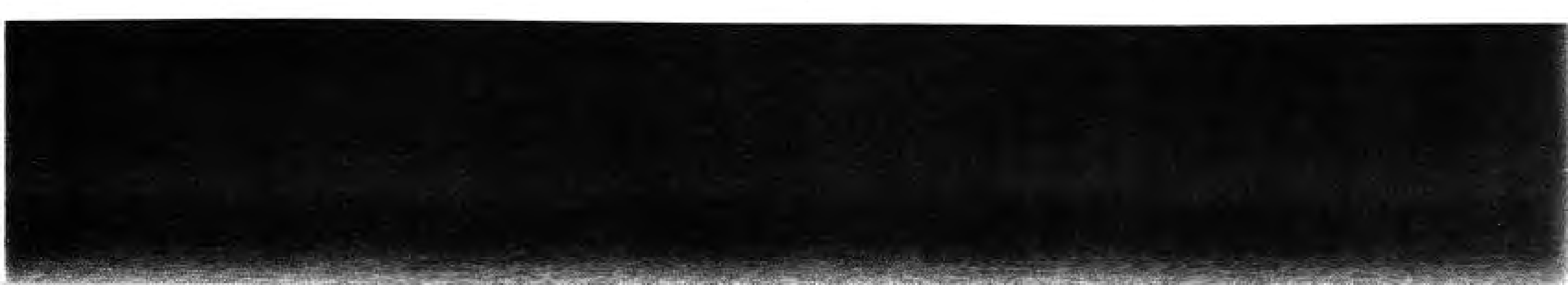
Gahl L. Hodges
Social Secretary
to the White House

The Honorable Jack Valenti
and Mrs. Valenti
4635 Ashby Street, N.W.
Washington, D.C. 20007

Enclosures

To Jack Valenti
With best wishes, Ronald Reagan

To Mary Margaret Valenti
With best wishes, Ronald Reagan Nancy



3)

Regret
3/22/85
18

Mr. R. E. Turner
President & Chairman of the Board
of Turner Broadcasting System
With
Mr. Jack Valenti
President of Motion Picture Association of America, Inc.
cordially invite you to attend a private screening of
Turner Broadcasting's
"Portrait of America - Massachusetts"

Tuesday, March 26, 1985
Motion Picture Association of America, Inc.
1600 Eye Street, N.W., Washington, D.C.

6:30 p.m. Reception-Buffet
7:15 p.m. Screening:
Portrait of Massachusetts

RSVP. Lillian Weigel (202) 293-0780

Private Garage Parking
(Entrance: Adjacent Building, Eye Street Side)

Scheduling
4/4/85

File

Ted - 1)
per
telephone
regrets

Senator William S. Cohen
and
Mr. Jack Valenti

phoned regrets
4/3/85

request the pleasure of the company of
the Honorable and Mrs. Ronald Reagan
for a buffet and
private screening of Yevgeny Yevtushenko's "Kindergarten"
at
The Motion Picture Association
on Thursday, April 4
at six o'clock

4/2/85

R.S.V.P.
Barbara Dixon 202-293-1966

M.P.A.
1600 Eye Street, N.W.

too late

~~KB-31/ attend the luncheon and matinee~~

3)

Mr. and Mrs. Jack Valenti

Mrs. Strom Thurmond

Mrs. David Pryor

cordially invite you to

a luncheon and matinee

Wednesday, May 8th

Motion Picture Association of America

1600 Eye, N.W.

Reception 12:00 Noon

Lunch 12:30 p.m.

Movie 1:30 p.m.

RSVP 293-1966

E would you pls call!

call & say sorry she can't attend


PROMISE TO MEET ME AT THE MATINEE...

March 12, 1986

Dear Mr. Valenti:

The President thought you might like to have the enclosed photograph, which was taken during your visit to the White House.

We hope that you will enjoy having this as a memento of that occasion.

With warmest wishes,

Sincerely,

Linda Faulkner
Social Secretary
to the White House

The Honorable Jack Valenti
4635 Ashby Street, N.W.
Washington, D.C. 20007

Enclosure

LF:jfcf
LF-1A

REQUEST FOR PHOTO/MAILING

(PLEASE TYPE)

2/24/86
(Date)

TO: MARY INGALS
CORRESPONDENCE OFFICE, Room 94, OEOB, Ext. 7610

FROM: Shirley Campolieto **Room** EW204 **Ext.** 7788

Description of photograph or photo number

KENNEDY CENTER HONORS - C32396-9

ATTACH PHOTO IF OTHER THAN OFFICIAL PORTRAIT

TO: CORRESPONDENCE REVIEW SECTION, Room 76, Ext. 2916

PHOTO TO BE SIGNED BY: RR

XX Return to originating office. TYPE NAME & ADDRESS OF RECIPIENT BELOW

☐ Photograph is to be mailed.
Attach mailing label, any correspondence and include typed address here:

LF-1A

NAME: Hon. Jack Valenti
ORGANIZATION: 4635 Ashby Street, N.W.
STREET: Washington, DC 20007
CITY/STATE:

TO: CALLIGRAPHY OFFICE, Room 202 East Wing, Ext. 2510

INSCRIBE TO: Jack Valenti

MESSAGE SHOULD READ:

XX With best wishes ☐ Congratulations and best wishes

DO NOT PACKAGE PHOTO. DO NOT SEND IT TO THE MAIL ROOM.

860313

To Jack Valenti
With best wishes, Ronald Reagan

REQUEST FOR PHOTO/MAILING

(PLEASE TYPE) 12/11/85
(Date)

TO: **MARY INGALS**
CORRESPONDENCE OFFICE, Room 94, OEOB, Ext. 7610

FROM: Kenneth L. Barun **Room** EW 213 **Ext.** x7905

Description of photograph or photo number

ATTACH PHOTO IF OTHER THAN OFFICIAL PORTRAIT

TO: **CORRESPONDENCE REVIEW SECTION, Room 76, Ext. 2916**

PHOTO TO BE SIGNED BY: NR

XXX Return to originating office. TYPE NAME & ADDRESS OF RECIPIENT BELOW

☐ Photograph is to be mailed.
Attach mailing label, any correspondence and include typed address here:

851213

NAME: Brian Dyak
ORGANIZATION: Entertainment Industries Council
STREET: 6715 Lowell Avenue
CITY/STATE: McLean, VA 22101

TO: **CALLIGRAPHY OFFICE, Room 202 East Wing, Ext. 2510**

INSCRIBE TO: Jack Valenti

MESSAGE SHOULD READ:

XX With best wishes ☐ Congratulations and best wishes

DO NOT PACKAGE PHOTO. DO NOT SEND IT TO THE MAIL ROOM.

To Jack Valenti
With best wishes, Nancy Reagan

NR
CF

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

JACK VALENTI
PRESIDENT
AND
CHIEF EXECUTIVE OFFICER

July 31, 1986

My Dear Mrs Reagan

How joyous was my meeting with you yesterday and how hospitable and responsive you were to ideas about combatting drug depiction in television.

It was for me heartening, exciting, and warming to be with you. I have never had such an opportunity before to hear you, listen to you, and most of all, note with such gratitude and affection your own capacity to listen. A most uncommon attachment.

I think the event we discussed and with which you found some rapport, will be a valuable and meaningful venture. Your gift of presence will be the generating force that I am persuaded will surely result in an ever ascending curve of accomplishment.

I have conveyed to Mr. Richard Frank, president of the Academy of Television Arts & Sciences, your gracious cooperation, and he and I will work closely with Mr. Courtemanche to design something you will find worthy and enduringly useful.

Thank you too for enriching the second floor of the Mansion. It has that elegant look which you have obviously inserted into every piece of furniture, painting and color that inhabits the personal living quarters of the President and the First Lady.

Sincerely,

Jack

Mrs. Reagan
The White House
Washington, D.C. 20500

<u>By Hand</u>

THE WHITE HOUSE

WASHINGTON

February 2, 1987

Dear Mr. Valenti:

On behalf of the President and Mrs. Reagan, it is my pleasure to send you the enclosed photograph, which was taken during your recent visit to the White House.

We hope that you will enjoy having this as a memento of that occasion.

With warmest wishes,

Sincerely,

Linda Faulkner

Linda Faulkner
Social Secretary
to the White House

The Honorable Jack Valenti
4635 Ashby Street, N.W.
Washington, DC 20007

Enclosure

REQUEST FOR PHOTO/MAILING

(PLEASE TYPE)

January 16, 1987
(Date)

TO: MARY INGALS
CORRESPONDENCE OFFICE, Room 94, OEOB, Ext. 7610

FROM: Shirley Campolieto Room EW204 Ext. 7788

Description of photograph or photo number KENNEDY CENTER HONORS RECEPTION -12/7/86
C38292-27

ATTACH PHOTO IF OTHER THAN OFFICIAL PORTRAIT

TO: CORRESPONDENCE REVIEW SECTION, Room 76, Ext. 2916

PHOTO TO BE SIGNED BY: ~~RR & NR~~ unsigned

[X] Return to originating office. TYPE NAME & ADDRESS OF RECIPIENT BELOW

[ ] Photograph is to be mailed.
Attach mailing label, any correspondence and include typed address here:

NAME: Hon. Jack Valenti
ORGANIZATION: 4635 Ashby Street, N.W.
STREET: Washington, DC 20007
CITY/STATE:

870202

TO: CALLIGRAPHY OFFICE, Room 202 East Wing, Ext. 2510

INSCRIBE TO: ~~Jack Valenti~~

MESSAGE SHOULD READ:

[X] With best wishes [ ] Congratulations and best wishes

DO NOT PACKAGE PHOTO. DO NOT SEND IT TO THE MAIL ROOM.

THE WHITE HOUSE

WASHINGTON

May 29, 1987

Dear Mrs. Valenti:

On behalf of the President, it is my pleasure to send you the enclosed photograph, which was taken during your recent visit to the White House.

We hope that you will enjoy having this as a memento of that occasion.

With warmest wishes,

Sincerely,

Linda Faulkner

Linda Faulkner
Social Secretary
to the White House

Mrs. Jack Valenti
c/o Motion Picture Association
1600 I Street, N.W.
Washington, DC 20006

Enclosure

THE RISE AND FALL OF COMPETITION
IN THE TELEVISION MARKETPLACE

Remarks of Jack Valenti, President
The Motion Picture Association of America

before the
Hollywood Radio & Television Society

The Beverly Wilshire Hotel
Beverly Hills, California

October 11, 1983

Edward Gibbon wrote in his great classic "The Decline and Fall of the Roman Empire" that if one were to fix the period of time when the world was the happiest and most prosperous it would be those years of the Roman Empire in the governments of Nerva, Trajan, Hadrian, and the Antonines to the accession of Commodus.

Likewise if contemporary historians were to gauge that era when the television world was the most competitive and the fairest it would be the years between 1970 and today, when the television marketplace has been and is operating under what is known as the Financial Interest and Syndication Rule.

On August 4, 1983, a day that will live in perfidy, FCC Chairman Mark Fowler rammed through a "Tentative Decision" aimed at destroying that Rule and proffering to the three networks total dominion over television programming as well as allowing them to chart the destiny of those programs in syndication.

It is a move so baldly defective that Tom Shales, television critic of the Washington POST bitterly wrote: "It hands the networks a gold mine on a silver platter."

If the "Tentative Decision" becomes FCC doctrine you can mark it well that those responsible will forever be known as the folks who killed competition in television programming. And then they can author a new book called "The Rise and Fall of Competition in the Television Marketplace."

Let me quickly describe to you why this "Tentative Decision" is a taunting parody of the public interest.

In 1970, the FCC clearly recognized that there are just three networks and there will never be more than three networks. Because of a government-ordered design of TV station license allocations in 1947 and 1952, the television market was forever tilted toward monopoly. It is not a free marketplace, as some ideologues would have you believe. Thus the FCC in 1970 saw with clarity that if you want to put your program on prime time television you must have the approval of one of the three networks. If they deny you entrance, you are stone cold dead in the national television market. There is no other alternative.

That is a brutish fact of television life. Every professional understands it.

When just three people in three giant companies have supreme command over your program destiny, you have no bargaining power, no alternate entry to national television and no rebuttal to outlandish demands on your ownership.

This is what monopoly power is all about. And monopoly power, excessive power, is the central issue, the only issue in this debate.

Monopolies are peculiar beasts, best catalogued by the late Senator Robert Kerr of Oklahoma who once said: "I'm against all monopolies I'm not a part of!"

To remedy this excess power that forever distorts the television arena, the FCC in 1970 enacted the Financial Interest and Syndication Rule and its companion, the Prime Time Access Rule.

From this order sprung a robust, lively competitive environment, which curbed the all-grasping network power. For the first time competitive forces were allowed to enter and the market was put in balance.

Many of you in this room today became creative entrepreneurs as a result of that new rule, masters of your own fate, no longer subject to the feudal network system so long a barrier to the zest and energy of a competitive marketplace.

The Rule was simple, self-enforcing and unambiguous.

<u>And it worked.</u>

In the 13 years of the Rule's existence, national television programming changed, no longer the serf of three feudal lords. Now it enjoyed the creative competition of dozens of producing companies and independent syndicators.

But more importantly, there appeared a cheeky competitor to the networks, nourished for the first time by the availability of popular off-network syndicated programs. This was <u>the independent television station,</u> whose growth spiraled in an ever-ascending curve, from 73 stations in 34 markets in 1970 to 179 stations in 86 markets in 1982.

Previously, the independent TV station had been a fiscally sick enterprise, isolated from the audience's favor because of a lack of available quality programming. But with the power choke hold of the networks slackened, the independents took off.

It is the independent station, NOT cable, that is attracting TV viewers. CBS' own research forecast that in 1990 the networks would command 70% of the audience -- larger in number than they have today -- with pay cable and basic cable accounting for about 12% and independent TV stations gathering in 18%. When the networks instill fear in Congress with doomsday predictions that free TV will soon vanish due to the inroads of pay services, it is disinformation of the kind first invented by Soviet revisionist historians, and just as false.

No wonder the networks fear most the independent stations and not the so-called "new media." And that is why independent TV stations are passionate opponents of the "Tentative Decision."

Then there are the national advertisers. Their factual studies show that wherever there is a market without a strong independent station, advertising costs are 20% to 60% higher than those markets where one or more independents flourish. You know who pays for higher advertising costs: that valiant, long suffering, dumped-on body called the American public.

That is why the Association of National Advertisers, an organization of some 400 corporations with over 2,000 subsidiaries, many of whom depend on national television as their primary advertising medium, are steadfastly opposed to the "Tentative Decision."

Mark you well this maxim: Whenever and wherever there is competition, the public is the beneficiary. Whenever there is monopoly the public is the loser. That is a durable fact of everyday living.

Now enter a man of intellect and energy appointed to be Chairman of the FCC. Beguiled by a faith in absolutes, fortified with a Savonarola belief in the all-curing concept of "de-regulation" which, to him, takes on the divinity of canon law, Chairman Fowler became the champion of the networks. His aim: To rupture the Rule so that fact and realism are turned on their head.

From this objective came the "Tentative Decision." With logic that is infirm, with data that are unsupportable by either reason or empirical verification, with assumptions that are as perishable as writing in sand washed by the tides, the "Tentative Decision" was best described by Disraeli: "This proposal must be compared to the liquefaction of St. Januarius' blood: the remedy is equally efficient and equally a hoax."

This "Tentative Decision" is called a 'compromise' which is a grand disfiguring of a perfectly useful word. It was all displayed in a lengthy document thickly planted with dense, impenetrable prose, whose authors obviously studied the habits of the cuttle fish which confuses its pursuers by the ejection of ink. After you hack away at this document for a while you find that the networks are to be unleashed in the name of de-regulation (when to de-regulate is actually to reinstate monopoly!).

How on earth could such a Plan ever see the light of day? Only a blinkered vision resistant to reality is capable of such revision. But when people are determined to believe, the absurdity of the doctrine only serves to confirm their faith.

Here is what the "Tentative Decision" will do:

It gives the networks 'carte blanche' power to 'negotiate' for up to 100% financial interest in all programs. Except here to 'negotiate' means the networks merely say quite softly, "Give Me What I Want or Goodbye, Baby."

In the real world of television, a world dimly seen and coarsely misunderstood by the authors of the "Tentative Decision" when the networks say they want financial interest and you say "NO", you are out.

It will allow the networks to enter syndication for the first time in 13 years: The networks could now syndicate:

1. Movies, theatrical as well as Made-For-TV
2. Specials
3. Mini-series, of less than 22 episodes
4. Any program that did not previously appear on a network, i.e. first run syndication. This means that for the first time the networks can intrude on the Prime Time Access period with their fully-owned syndicated programs.
5. Any program that initially appeared on a network outside the Prime Time period.

But the malignancy doesn't end there. The networks can also own syndication rights to prime time programming. The "Tentative Decision" says they must sell off these rights five years after the show has been on the air. Sounds reasonable, doesn't it? Except the proposal is languid and indistinct on "how" the networks shuck off these syndication rights. They can, in fact, deal them off to an affiliate station to syndicate. Or, they can sell them to a "friendly" newly-formed company which, you may be sure, will be eager to do the networks' bidding in charting syndication strategy. Are you aware that the Department of Justice has testified publicly that the anti-trust laws should not be relied upon to police covert collusion if these new revisions are voted? That's the real world, not the illusions of the "Tentative Decision."

Does anyone in this business really believe that with this ultimate power the networks won't stiff the independent TV stations by holding shows out of syndication, won't work out their deals with their friendly syndicator to favor their owned and operated stations and big market affiliates?

Does anyone in this business believe the networks, unloosed to own 100% of all programs, won't own them?

Does anyone in this business believe that with this kind of power even the biggest of the production companies won't be helpless before the networks' rough demands?

Hidden beneath all the spongy and ungainly premises of the "Tentative Decision" is one simple fact. Financial Interest and Syndication are locked together. You cannot separate them. Financial interest means ownership. Syndication means whoever owns the program can chart its destiny in the syndication market. You can't have one without the other. The "Tentative Decision" nowhere exhibits any understanding of that linkage.

Finally the "Tentative Decision" deals unworthily with realism. It ignores the fact the United States Department of Justice began investigating network anti-competitive activities in the mid 1950's, and only suspended that investigation while the FCC worked out its 1970 Financial Interest and Syndication Rule. In 1972 and in 1974, the Department of Justice, armed with all the evidence it needed, prosecuted the three networks for anti-trust violations. By 1980, all three networks had signed consent decrees to avoid a trial on the anti-trust charges, and pledged among other prohibitions they would not, one, acquire any financial interest in television programs and, two, they would not acquire any syndication rights and could not therefore restrict syndication of those programs to independent TV stations.

Now, unless you are Merlin the Magician, please tell me what has changed so radically in the marketplace in three short years that would merit the insensibly reversed opinion of the "Tentative Decision"? The truth is, nothing has changed, you know it, I know it, even the networks know it. Somehow this truth, so accessible to everyone in our business, passes the understanding of the authors of the "Tentative Decision."

What is ominous here is the resurrection of network monopoly power in a new and larger marketplace that was not imagined back in the pre-1970 days.

What is at stake here is competition, whether it lives or dies.

What is at hazard here is the future of independent television stations, the stability of advertising rates and entrepreneurial creative energy.

What is in jeopardy here is the public interest, gracelessly ignored by the FCC.

It is a piece of bewildering irony that the networks have no allies in this assault on competition. Independent stations, advertisers, directors, writers, actors, producers, programmers, syndicators, pro bono groups, consumer organizations have all risen to testify that this is a shameful decision, a delusion without redemption. The networks (except for some affiliates) stand alone. If the public really understood these complicated issues, they would storm the FCC to protest this anti-consumer grab for monopoly power. Indeed, the networks simply cannot answer this question: "What is there in the public interest that compels the abolition of a Rule which has served the public so efficiently for 13 years?" They cannot answer it because the answer is "nothing."

The Japanese could best describe the "Tentative Decision" in their own language by labeling it a 'zaru ho' decision, translated to 'bamboo basket' decision, because it is so full of holes water leaks out everywhere.

Unless the creative community of this nation, as well as the 179 independent television stations, as well as hundreds of large and small advertisers, as well as concerned citizens who care about nourishing competition wherever it exists, band together to march on Washington via phone, mail or person, we are lost. Only four people will decide this in the FCC. Are we incapable of convincing just two of the four FCC Commissioners that it is madness to give this "Tentative Decision" the flesh and spirit of a Rule? The Congress is our only alternative beyond the FCC. We must with passion and facts persuade the FCC and the Congress that this is not merely who cuts up an economic pie but a public policy issue of the highest priority. We must. For if we cannot, we will soon be witness to the awful, squandered ruin of a once-competitive marketplace soon to be owned, controlled and inflexibly dominated by just three people.

That is cruelly wrong.

You won't like it.

Far more importantly, the public won't like it.

And that is <u>not</u> 'zaru ho.'

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14 JUN 1982

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

JACK VALENTI
PRESIDENT

June 14, 1982

Dear Ed, Jim and Mike

I want to make you aware of an impending decision by the FCC, a decision passionately championed by the Chairman of the FCC. Chairman Fowler wants to unharness the three networks, CBS, ABC, NBC, from a current FCC rule which, if the Chairman has his way, will give the networks absolute and total dominion over programming, shrink to the disappearing point all competition for programming, diminish the audiences of independent TV stations, and give the networks far more power than they now use and brandish with visible arrogance.

I just don't believe that the Reagan Administration supports "more power to the networks". Therefore, you should understand clearly, plainly, what is about to happen within the next 10 days at the FCC.

What is the rule that Chairman Fowler wants to abolish? Right now, there is a long-standing FCC regulation which prevents the networks from having a financial interest in programs they air on their prime time schedules, and prohibits them from owning syndication rights to those programs, that is, rights which would allow them to distribute programs to TV stations.

Both Republican and Democratic chairmen of the FCC have in the past refused to bow to network pressures to relax or abandon this rule. Why? Because these chairmen knew that once the rule is abolished the three networks would bestride the programming field as they now dominate prime time scheduling. Every independent producer would be out of business. Once an independent producer had a "handshake" commitment on a new program, he would then be importuned to give up syndication rights to the networks. If he refused, he would know that his pilot commitment would then be in jeopardy. If he wants to be on prime time, he must let the networks syndicate the program. Yet he cannot continue in business if he does not have syndication rights. Keep in mind that it is in the syndication arena that independent producers must seek their recoupment of investment and a possible profit. They make no money on the original prime time exhibition, indeed most independent producers are "in deficit" until they can go to syndication to retrieve their investment.

That is why every independent producer in the field is on the verge of hysteria. They know beyond any peradventure of doubt that once this rule is abolished, the networks will have eliminated all competition to their dominance.

Chairman Fowler vows to rescind the rule under the canopy of "deregulation." It is one thing to deregulate, but it is quite another to deregulate when that action brings on less competition and increased power for a three-network monopoly.

I think this is an issue that the White House would be most interested in and quite wary about. I can tell you that four and perhaps five members of the Commission are uneasy about the Chairman's insistence. They don't want this issue to come up. They don't believe it is either required or right to rescind the rule. But they are under fierce and intense pressure from the networks and from the Chairman.

There are two questions to be asked and, frankly, those who want to abolish this rule simply cannot answer these questions for if they did, they would have to change their mind and keep the rule:

QUESTION #1: What is the public interest reason that compels the abolition of the rule?

QUESTION #2: Will the abolition of this rule increase or decrease competition in the television programming field?

These are the key questions, and they must be answered before the FCC embarks on a journey that will result in TOTAL power to the three networks.

This is what will happen:

1. Competition will disappear. Before the networks will put a program on the air, they will demand (and get) a financial ownership interest in the program and more importantly, they will gain control of all syndication rights.

2. The independent stations will suffer. Now they obtain some of the best syndication programs. When the networks control programming, they will get only the scraps.

3. It will give the networks supreme dominance. Three men will control the destinies of public choice in all ways and every way.

4. The independent producer will be out of business. He can no longer control syndication and ownership of his programs and therefore will become an employee of the networks.

What is the networks' rebuttal?

They claim they need to have this new freedom in order to compete with the new technologies. Nonsense.

The FCC has already unleashed the networks, allowing them to enter the "new technology" marketplace, cable, pay cable, programming for these new technologies, etc.

Moreover, note the ATTACHMENT (from the Hollywood Reporter) which reports CBS' own forecast. They will continue to dominate the television arena in the year 1990. I am also attaching a letter I wrote to the Chairman.

And please note the third attachment. It is a letter from Mr. Leonard Koch of Syndicast, an independent syndication company. This letter was sent to all FCC commissioners as well as the President and Mr. Deaver.

Mr. Koch relates how he was chosen to distribute President Reagan's announcement for the presidency because the networks refused to handle it, and the only way the President could reach the people was through syndication companies. Syndicast, as Mr. Koch plaintively points out, will be dead if the rule is abolished.

In the interest of competition, in the public interest, I urge you to swiftly investigate this issue else it will be too late. The Chairman plans on Wednesday, June 16, to publicly announce that this issue will be taken up for a vote on June 23, on a "notice of proposed rule making." The Chairman's insistence will no doubt result in a vote to issue the notice. Once the rule-making is approved, the networks will then have won their big victory, and will be on the threshold of total dominance in television programming, which is clearly, plainly not in the Administration's or the public's interest.

Forgive this long letter. But I had to present you the facts.

Sincerely,

Jack

The Honorable
Messrs. Edwin Meese,
James Baker and Michael Deaver
The White House
Washington, DC 20500

Attachments

HOLLYWOOD REPORTER

Wednesday, May 26, 1982

Network need not fear competition, CBS affils hear

By ALAN L. GANSBERG

SAN FRANCISCO – The networks will compete successfully against any and all competition between now and 1990, but the growth of advertising revenues is reflecting both the sluggish economy and the desire of the agencies to test the new video waters with money that might be coming from the networks' pie, according to Dave Poltrack, vp research CBS/Broadcast Group, and Paul Isacsson, vp sales CBS TV Network, who addressed the affiliate conference Tuesday.

Isacsson told the affiliates that national spot advertising is expected to grow only 10.5% this year, as opposed to 14.1% last year. Similarly, local spot will grow only 11%, com-

— continued on page 8

CBS affiliates meeting

continued from page 1 —

pared to 12.7% in 1981. Network market growth will improve, but only slightly, to 9.5% over an 8.7% growth in 1981.

In all, last year the three-network economy performed worse than the national economy, the trend being one of "declining growth," according to the text of Isacsson's speech. The text was available to the press, but he did not deliver the comparison to the national economy in its entirety as part of his address.

According to both executives, CBS is taking steps to convince advertisers that pay-cable is not the place their advertising dollars will be effective. In particular, CBS did a study of WTBS, the Atlanta-based Turner Broadcasting superstation, and showed that WTBS "is a poor substitute for the network exposure combined with supplemental spot weight."

Poltrack noted that currently the combination of independent stations and PBS are the biggest competitors for the networks' share of the audience, pulling in about 17% of the audience in 1981. Nationwide, WTBS attracted .7 of a ratings point, with 25% of the country able to view the station.

He insisted that the potential of independents to compete will decline as local sports and classic films are sold to pay-cable rather than indies. "There is no long-term growth," Poltrack said. "Perhaps there is even a decline."

Competitor number two is basic cable, which Poltrack indicated attracts about 2% of primetime viewers now. But, he said that as more services go on the systems, the audience will fragment. Poltrack's statistics show that in homes with 25 available cable channels, the viewer uses only eight of them for more than 10 minutes a month.

Networks will also face competition from pay-cable, but even that does not intimidate Poltrack. Pay services capture 4% of the current primetime audience, with Poltrack noting that on Sunday and Monday nights, when pay viewing is highest from 8 to 10 p.m., CBS picks up the after-movie crowd for its dramas.

Poltrack feels that pay-per-view on similar ventures will dent pay TV's market potential.

In the final analysis, Poltrack's prognosis is that in 1990, the networks will control about a 70 audience share, independents will have an 18 share, basic cable a five share, and pay-cable an 11 share. Interpreted another way, the networks will take in $15-20 billion in advertising revenues, while pay-cable will have to settle for $6 billion.

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JACK VALENTI
PRESIDENT

June 1, 1982

PERSONAL & CONFIDENTIAL

Dear Mark

You were most responsive to me and my colleagues in your office on Thursday. I cannot ask more than what you offered so hospitably: your time, your attention, your interest and your open mind. I thank you for that very much.

I know how you feel about the process of "deregulation." I share your philosophy and your objectives. I fought in the Congress for a free marketplace in cable television (and I lost) and I importuned the FCC to abolish its constricting rules on pay cable (and won). But I am also much aware as a result of long years in politics and government (made wiser by the mistakes my colleagues and I made) that all change is not growth as all movement is not forward. What I am trying to say, I guess, is that "deregulation" as a concept must be applied to an issue with a delicate hand else we spoil what is good since sometimes it is linked firmly to that which we find not so good.

So I return to the two threshold deregulation questions which must be answered:

"Will the deregulation of financial interest and syndication ownership increase or decrease competition in the television production marketplace?"

"What is the compelling public interest reason that commands the FCC to take this action?"

The courts, the Justice Department and the Congress have all commended the creation and retention of the rule as being in the public interest, and surely preventing anti-competitive activity.

The only voices heard condemning the rule are the three networks whose grip on program production, program ownership and program syndication will, if the rule is abolished, become total, snapping shut any openings for independent production entities, who will simply expire as entrepreneurs and, if they want to keep working, will have to become employees of the networks. Competition will vanish.

Today the most successful competitors of the networks are not inhabitants of the new technology, but rather the independent VHF's and some UHF's. They are holding their own with the networks because they are able to offer syndicated programs which attract sufficient audiences to give the networks a run for their ratings. Once the networks are able to own and control syndicated programs, you can safely wager the independents will be shorn of their good off-network material. That is not a theory. It is a fact of television life and every professional in the business understands that.

All program producers and independent TV stations ask is a marketplace that is in competitive equilibrium.

The networks have already been unleashed by the FCC to plunge into the "new technology." They have made that plunge with fierce and dominating energy; basic cable, pay cable, pay television, joint ventures with the Japanese in home taping linked to affiliate early morning programming, cable networking, prerecorded cassettes, DBS, ad infinitum.

All this represents a hotly contested marketplace. Giants and those who want to be giants are all scrambling for position and no one is asking the FCC or anyone else to come in and "regulate."

But network prime time television is a marketplace NOT in equilibrium. There is no chance for new entries. The three networks sit astride the program funnel and no one else can intrude.

By CBS and NBC's own estimates, by 1990, seven out of ten people watching their television sets will be watching network programs. It will be a long, long time before the ancillary markets will develop fiscal muscle to even begin to joust with the networks in buying power and preferred playing time.

As I read this over, I find the tone a bit passionate. But then, as Dr. Johnson once wrote, "when a man is about to be hanged, it does tend to concentrate the mind wonderfully." I know exactly what that means!

I pray you will hear what so many in the television production field are saying, by sorting out the answers to the two threshold questions I ask most respectfully.

I thank you.

Sincerely,

Jack

The Honorable
Mark S. Fowler
Chairman
Federal Communications Commission
Room 814
1919 M Street, NW
Washington, DC 20554

SYNDICAST SERVICES

June 9, 1982

Commissioner Abbott Washburn
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Dear Commissioner Washburn:

In the early 1970's, my partners and I founded Syndicast Services, a company who owed its existence to the then recent FCC ruling opening up television broadcasting to responsible parties, and thereby effectively limiting what had essentially been de facto, if not de jure, network control of the entire television broadcast arena.

Prior to that, the networks had used their leverage to control all "off-network" programming, selling their own product to whomever they pleased (their affiliates), and releasing the programs when they felt it most advantageous; in essence, a controlled market. At the present time, the networks have never made more money nor controlled more affiliated station time than today; and with the take-over of more local time this Fall for all-night news, broadcasters estimate that the networks will control anywhere from 70-75% of the affiliated stations' time.

NOTE: The black lines are really yellow-high LITER MARKS WHICH TURN BLACK ON XEROX.

Should the FCC revoke the Financial Interest/Syndication Rule, there will be nothing to prohibit the networks from controlling 100% of affiliated programming. If this becomes the case, there is no doubt that the entire broadcast industry will be stifled, and that the independent TV stations in the marketplace will be virtually eliminated.

Since 1975, we have grown from 10 people to more than 30, and we would like to believe that we have given the public a choice, opened new ground, and served some good with a wide variety of shows and special event programming of which we are justifiably proud: The Nixon/Frost Interviews in 1977, Sammy & Company (a late-night show starring Sammy Davis) in 1975; the Mike Douglas Show in 1980; and 32 hours of live television from Moscow, the pre-Moscow Olympics Spartakiade Games in 1979. In addition, in 1979, we were chosen by the Reagan For President Committee, which included Mike Deaver on the screening panel, to nationally broadcast via syndication then Governor Reagan's announcement of candidacy for the Presidency of the United States. The networks had refused to handle this political issue, and the only way the President could reach America was through independent syndication. Our honor at being chosen was exceeded only by our pleasure at eventually seeing him win.

What this all boils down to is that if the networks are allowed their selfish and monopolistic expansion unchecked, hundreds of small alternative-programming sources and forms of public service, such as ours, will be forced out of business; and many independent stations across the country will possibly fold in these troubled money times.

I would be pleased to amplify on the above in committee or in private. I trust that you will consider this pivotal matter very carefully, and keep the good of all in mind.

Very truly yours,

Leonard V. Koch
President

LVK:vvd

cc: ~~President Ronald Reagan~~
~~Mr. Michael Deaver~~

A QUOTATION FROM Grant Tinker, now President of the National Broadcasting Company, but on December 27, 1977 when this quotation appeared in the Wall Street Journal, he was the President of MTM Enterprises, an independent television programmer:

"Syndication is where the money is made, if any money is made at all," by a producer on a TV series, says Grant Tinker, president of MTM Enterprises, producer of the "Mary Tyler Moore Show", and other shows.

"Very few shows make a profit on network, and many including ours, don't break even. You pile up increasing deficits," said Tinker.

Just file :

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

JACK VALENTI
PRESIDENT
AND
CHIEF EXECUTIVE OFFICER

October 16, 1987

Dear Jim

I don't want to be a pest, so be tolerant of my paranoia. However, it is said that the definition of a paranoid is a fellow in possession of all the facts!

I have read over the Trade Agreement text as it was released, and it does scare me more than a tad.

Under "Cultural Industries," it reads:

"1. Cultural industries as defined in Annex A are exempt from the provisions of this agreement.

2. Notwithstanding any other provision of this agreement, a party may take measures of equivalent commercial effect in response to actions that would have been inconsistent with this Agreement but for paragraph 1."

What this means, Jim, is this: If we are unable to conclude a reasonable deal with the Canadians because they want to squeeze us more than we can bear or survive, they are, under the terms of the Agreement, able to still move forward with the lamentable McDonald proposal. Moreover, even if we made a deal on the McDonald plan, they could still pass other forms of restrictive legislation. We then could ask our government to 'retaliate' <u>only</u> to the extent of our proven losses in Canada. But we could not bring into the equation our certain losses in other countries eager to duplicate the Canadian grab of American revenues. Whatever we lose in

Canada would be a pittance to the Canadian government for they would be arming and nourishing their native distribution companies at the expense of the Americans, without serious trade loss to them.

I am attaching a memorandum sent me by Myron Karlin, the chief operating officer of the Motion Picture Export Association, the foreign arm of the MPAA. He recites a dreary beginning of what I call "the contagion effect" of Canada's bold move.

So, Jim, to summarize my bleak catalogue of woes, even if we make a deal on the McDonald proposal nothing in the Trade Agreement, as it is now written, forbids them from designing another barrier, inserting it and then laying back, quite willing to sustain whatever minor trade hit is involved, even though we bleed as a result on other continents.

In all honesty, I must tell you that the Free Trade Agreement, as it is now written, is insufficient to the long range trade future of our industry, and the nation's, since we provide over $1 billion annually in surplus balance of trade. Therefore, is it possible to revise the Cultural Industries section of the Agreement, to certify that neither nation under this Agreement would be able to pass legislation inimical to either nation's cultural sector?

I am somewhat gloomy at this time. If the Canadians press us too hard, if we are not protected in the future as all other industries within the Agreement will be so guarded, am I not left with no other alternative than to try to persuade all our friends in the Congress we cannot be left twisting slowly in the trade winds that will blow? (Not exactly the most appealing metaphor, and surely not the most attractive alternative.)

We will do our damndest to close a deal with the Canadians; we will go the outer limits. But after that, what?

Forgive this dreary note. Meanwhile I am so very grateful to you, to Howard Baker, Frank Carlucci, Clayton Yeutter for all your unflagging support. I thank you, for without your advocacy we would be truly in the soup.

Sincerely,

And in friendship

The Honorable James Baker III
Secretary of the Treasury
Department of the Treasury
Pennsylvania Avenue at 15th Street
Washington, D.C. 20220

cc: The Honorable Howard Baker
The Honorable Frank Carlucci
The Honorable Clayton Yeutter

MOTION PICTURE EXPORT ASSOCIATION OF AMERICA, INC.
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MYRON D. KARLIN
PRESIDENT
&
CHIEF OPERATING OFFICER

PHONE: 213/280-1150
TELEX: 670232
TELECOPIER: 213/280-1154

15 October, 1987

Mr. Jack Valenti
Chairman
Motion Picture Association of America, Inc.
1600 Eye Street, N.W.
Washington, D.C. 20006

Re: KOREA

Dear Jack,

We are starting to receive ominous news from Korea about which we are deeply concerned. Legislation is being drafted at the present time which is obviously a page taken out of the book of Flora MacDonald of Canada.

Two areas are being discussed:

1. The authorization to distribute in Korea only those films which have been produced by the respective company or a subsidiary (this, for example, would prevent one of our member companies having another member company distribute its product in Korea).

2. Some Type of requirement for local production in order to import and distribute foreign (i.e. American) films.

We are resisting this as strongly as possible and shall keep you closely informed.

I think there is no doubt at all that if the Canadians should succeed in getting the Flora MacDonald film law through in spite of a Free Trade Agreement with the United States, the first country that will fall in line with Canada will be Korea and from then on many others will follow.

Best regards,

Sincerely,

Myron

Myron D. Karlin

Dec 15 1987

JACK VALENTI

Dear Tom

a million thanks to you for your timely intervention which brought me an invitation to the meeting with Gorbachev. It was most productive.

So I am terribly grateful to you.

Warmly Jack

MAIL
... SECURITY
1987 DEC 16 PM 1:02

Personal – By Hand

The Honorable Tom Griscom
The White House
Rm. 45
Old Executive Office Building
17th & Pennsylvania Avenue N.W.
Washington D.C.

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