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World News
Institute

April 5, 1982

Dear Morton,

Thank you very much for taking time the other day to meet with Phil and me.

Enclosed is a copy of the prospectus for our World News Institute.

I will keep you informed of our progress from time to time.

Thank you, for now, for your suggestions and assistance.

Sincerely yours,
Dick Bishirian

CONSERVATIVE TELEVISION NEWS?
Questions and Answers That Could Change
the Liberal Dominance of TV News Programs

World News Institute, Inc.
Suite 510
1015 18th Street NW
Washington, DC 20036

202-457-0884

Richard J. Bishirjian, President
Philip Nicolaides, Vice President

Q. What is World News Institute?

A. World News Institute (WNI) is a non-profit educational organization. WNI exists to bring news from around the world into the homes of cable television subscribers and TV viewers in the form of a half-hour weekly international news program. WNI will explore the critical area of foreign and national security affairs through in-depth, on scene reporting and cogent analysis and commentary.

Q. Does that mean news programming like the major television networks?

A. No. This program will present the world picture without the liberal bias so pervasive on network television. Our viewpoint will be conservative.

Q. What will this program be called?

A. We like the name World Journal.

Q. How large is the potential audience for World Journal?

A. The real potential audience is 25 million cable TV homes, of the approximately 81 million TV homes in the country. Additionally, we expect the program to be carried by some commercial TV stations.

Q. How was that figure arrived at?

A. The figure of 25 million is based on recognized TV viewer households as tabulated by the major ratings services---Nielson

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and Audience Research Bureau. They and several other sources, confirm cable penetration at about 25 million households---about 30% of all TV homes, sources agree, have cable. And, of course, the cable television audience will multiply rapidly in the years ahead.

Q. Will this news service be offered to commercial TV stations?

A. Yes. All PBS and several hundred commercial stations now have the capability of picking up our satellite transmissions.

Q. How many PBS and non-network stations are there?

A. There are approximately 1000 TV stations on the air. Of these 263 are public TV stations, 783 are commercial TV stations not owned by the networks. (It is the network-owned stations which we know would not carry our program under any circumstances.)

In addition there are some 3536 cable systems in the country. Virtually all of them have satellite receiving ability.

Q. How many do you think will take your service?

A. Since what we are proposing has never been tried, our guess is only that---a guess. But, with that understood, we believe we could establish a network of 50 or more, possibly as many as 150 over-the-air TV stations to carry World Journal. From our point of view, every commercial or PBS station that agrees to air our program is a bonus because our aim is really to build a cable TV network. On cable, using a variety of satellite distribution routes, we expect to immediately reach a potential audience of between five and ten million TV homes, expanding to more than 20 million within a few weeks of program commencement.

Q. Are people really interested in watching a TV show that deals with international news and national security subjects?

A. It takes a high level of promotional effort and an "entertaining" news program to attract an audience. There is no more powerful means of communicating than television. Nothing else has its impact. It would be foolish to ignore this medium---and also foolish to use it unwisely. That is why we plan to produce a program with a high level of production values. And that is why we are developing an innovative promotional campaign to generate and maintain an audience for World Journal.

Q. Is getting World Journal on cable TV enough?

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A. No. If you put a blockbuster first-run movie on cable TV, you could end up with no viewers. Some systems have as many as 50 channels. Unless your audience knows when we will be on the air or cable, chances are that even a determined viewer may miss our program.

Q. How will you let your potential audience know you exist?

A. That is a public relations problem that we think we can solve. First, we intend to let our friends know we exist and to familiarize them with our objectives. We will make it clear that World Journal is international news with a difference. WNI knows that America and our allies are in a fight with the Soviet Union that requires public awareness of the present danger. Once informed, therefore, about our presentation of the world news, the word will get out.

Second, WNI is in contact with every conservative group in America. Their memberships will soon be alerted as to which cable systems carry our service and which do not. They will also know when World Journal will appear.

Third, on a grassroots level, press releases will be prepared weekly for the local papers that reach people in each cable system's area.

Fourth, the cable systems themselves in many cases, can be brought into the act. Some will put enclosures about the program with their monthly bills. Others will do writeups in their monthly program guides.

Fifth, depending on WNI budgets, these same cable systems will run WNI paid advertisements as will the local newspapers.

Sixth, on a national level, we will also attempt to generate news stories not only in the conservative media--Human Events, National Review, Conservative Digest, etc.--but also in the major publications such as Forbes, Fortune, The Wall Street Journal, The New York Times, in order to build an awareness that a new, unique program is on TV.

Q. How much will your program cost?

A. WNI intends to begin with a half-hour weekly international news summary and commentary program. Such a program will cost somewhere between \$40,000 and \$55,000 per week. Here's our minimum and optimum budget:

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Editing	\$4000.00	\$6500.00
Graphics	600.00	800.00
Studio	1800.00	3500.00
Anchorman	900.00	1000.00
Producer	900.00	1200.00
Satellite	2500.00	3500.00
Promotion	3000.00	5000.00
Film Service	2000.00	2500.00
DC Crew	3000.00	4000.00
DC Producer	800.00	800.00
DC Bureau	5000.00	5800.00
Foreign Crew	4000.00	4000.00
Foreign Producer	1400.00	1400.00
Foreign Bureau	1200.00	1200.00
Travel	4500.00	7000.00
Telephone/Telex	800.00	800.00
Operations	600.00	1100.00
Research	500.00	1000.00
Commentary	750.00	750.00
News Service	600.00	800.00
Miscellany	900.00	2000.00
	-----	-----
Weekly Total	\$39,750.00	\$54,650.00
Yearly Total	\$2,067,000.00	\$2,841,800.00

These budgets are representative. The minimum reflects the least we would expect to spend to do a program with acceptable production standards. Obviously, we could spend even more than the optimum budget, putting three or even four crews in the field for example.

With \$40,000 a week (\$2.1 million yearly), we could not have extensive coverage involving original shooting. In order to save money, we would use fewer video crews, thus becoming more commentary or interpretation oriented. (But even at this budget level we would not be just a panel discussion or boring interview program.)

Q. Okay. But that still doesn't seem like enough to produce a good program, does it?

A. World Journal will be visually as well as substantively interesting.

Q. How do you intend to do that?

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A. First, there will be a DC and London Bureau that will tap the best conservative talent in America and England. Second, there will be a roving foreign crew based in London. Third, film clips of major news events will be integrated into the program. These clips will be filmed by WNI crews or purchased from existing film services. We intend the visuals to be as good, if not better than those of the networks. Needless to say, in terms of content, WNI will be the best in the business.

Q. How will WNI be the best in terms of content?

A. Every judgment affecting product will be made from conservative premises. Story selection. Commentary selection. The entire assembling of the program from concept through filming, scripting, editing and airing will be under the control of people who look at world events from a highly informed conservative point of view.

Q. You mention commentaries. What role will they play in the total program?

A. Each program will feature two to three two minute commentaries. These commentaries will be used to give an interpretation of the international scene that you can't find on the networks. They will also extend the reach of existing conservative talent and help create new conservative talent.

Q. If you are successful, do you intend to take on the networks?

A. You bet! If we can go from half an hour a week to half an hour every day, seven days a week, WNI will become a real alternative to the liberal pap dished out by the networks. WNI intends to call the networks to account for blatant examples of liberal bias.

Q. Your budget mentions "satellite" costs. What does that mean?

A. Satellites allow us to make the program available at no cost to virtually every cable system and many broadcast stations at a fraction of the cost for long line AT&T video transmission.

Q. When will programming start?

A. We hope to be on the air as early as Labor Day, 1982, and certainly no later than New Years, 1983.

Q. Who runs WNI?

A. The President of WNI is Dr. Richard J. Bishirjian.

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Q. Who's he?

A. Dr. Bishirjian is a well-known and respected conservative. Most recently he was team leader of the National Endowment for the Humanities Transition Team in the Office of the President-Elect. Dr. Bishirjian also served as assistant to the director of the United States International Communication Agency, and is special assistant to Sen. Alfonse M. D'Amato (Con/R-NY). Dr. Bishirjian was also manager of the Conservative Book Club, and a senior editor of Arlington House Publishers. He is a trustee of the prestigious Philadelphia Society and the author and editor of two books and numerous articles and reviews.

Q. Are there others?

A. Yes. Philip Nicolaides, vice president of WNI, was most recently "Deputy Director for Commentary and Analysis" at the Voice of America. He is an award-winning TV writer-producer; contributor to National Review, Human Events, the Washington Inquirer, and contributing editor of Conservative Digest. He was former PR Director for the Mutual Broadcasting System; veteran campaign communications strategist for conservative political candidates and a philosophy instructor at Fordham University.

Q. Does WNI have a national advisory board?

A. WNI's advisory board is in formation.

Q. Okay. I like the idea. There is definitely a crying need for a conservative international news TV program, but can you guarantee that this program will be technically sophisticated? Who will handle production?

A. World Journal itself, of course, will be produced under the editorial control of WNI. The producer of World Journal will be an individual who shares our philosophical beliefs and is also very experienced in television news production.

He will be supported by a production unit that is well versed in producing television programming. We have also lined up distribution and placement specialists. There are many people highly experienced in television production techniques who also are conservative. Now, with World Journal, they will have an opportunity to use their skills to help us put the week's news in its proper perspective.

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Q. If it will cost \$2.1 million to produce a half hour weekly program, how much would it cost to go on the air seven nights a week?

A. Not seven times as much. That is our long term goal. But first, we want to walk...then run. Depending on staffing, we believe a daily show could be done for between \$8 and \$14 million a year.

Q. Isn't Ted Turner doing this already?

A. Ted Turner is offering a news alternative to the networks. Often his reporting is more objective. It is never conservative.

Q. How much does WNI need to get started?

A. Just to get started, meaning just to get set to raise the funds necessary to go on the air, WNI needs \$200,000. To go on the air for fifteen weeks will require another \$600,000. To stay on the tube for one year means that WNI must raise a total of \$2.3 million.

Q. Can you sustain that level of contributions over the long haul?

A. Well, first of all, there will be advertising revenue through sale of advertising time. There will also be a large direct-mail program and the use of direct response TV solicitations for World Journal, much as your local PBS station raises money. So far, only religious broadcasters have relied on over the air requests for donations to keep them going. But they have been very successful. Their "seed" money got them on the air. Their contributions from viewers kept them going, giving enough money to build multi million dollar facilities. We believe there is a desperate need for our kind of TV news reporting and analysis. For far too long we conservatives have sat back and cried---shouted sometimes---even taken out newspaper ads. But no one has said. "If they won't do it, then I'll do it myself." We are saying that. Will we succeed? No, not unless we can raise the funds to get on the air. We believe people do want to hear the truth about El Salvador. About the defense needs of this country. About what the Soviets are really doing. If we can give them that---and we can---the money will roll in.

Q. Where should checks be sent?

A. Contributions made out to "World News Institute, Inc." or "WNI" should be mailed to WNI, Suite 510, 1015 18th St. NW, Washington, DC 20036.

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Q. Are these contributions tax exempt?

A. WNI has applied to the IRS for tax exempt status.

Q. Isn't this a bad time to try and raise \$2.3 million?

A. In any recession, it's tough trying to raise money. It's especially tough for conservative organizations to raise money when a conservative is President of the United States. People think that all our problems are solved. They aren't. The task of public education is certainly enhanced by a conservative President, but he can't do it all by himself. He needs your help and ours, especially in this way.

World News Institute, Inc.
Suite 510
1015 18th Street NW
Washington, DC 20036

I agree that something must be done to provide a truthful presentation of international news for America's TV audience. Enclosed is my contribution in the amount of:

_____ \$ 5,000	_____ \$ 7,500	_____ \$10,000
_____ \$25,000	_____ \$50,000	_____ Other

Telephone
(optional)

(NAME)

(SIGNATURE)

(STREET)

(CITY) (STATE) (ZIP)

M. Schorr

THE WHITE HOUSE

WASHINGTON

May 8, 1982

Dear Mr. Schorr:

Thank you for your message. I appreciate your frankness and your willingness to take a stand based on principle. We have attempted in every way possible to construct an economic recovery program that is balanced and fair, and we don't think it's too much to expect the same qualities from our friends in the media.

Messages like yours encourage me to stay on course. We're not working just for now and for you and me, but for a better future for all Americans.

With heartfelt appreciation,

Sincerely,

Ronald Reagan

Mr. James L. Schorr
President, Hotel Group
Holiday Inns, Incorporated
3742 Lamar Avenue
Memphis, Tennessee 38118

Holiday Inns Is Saying It Won't Pay for TV Ad

By a WALL STREET JOURNAL Staff Reporter

MEMPHIS, Tenn.—Holiday Inns Inc. said it is refusing to pay for a commercial that aired on CBS-TV's controversial news special, "People Like Us."

The hotel chain said the show, hosted by Bill Moyers in April, "wasn't news," but "propaganda." It said it won't pay for its 30-second spot on the program, but will pay for another commercial on the CBS Inc. unit as a replacement ad.

A spokesman for CBS Broadcast Group said Holiday Inns already paid for the "People Like Us" commercial in paying off its April account. Holiday Inns denies it has paid for the commercial.

The news special, which alleged that the Reagan administration's economic policies have hurt many poor people, also was attacked by White House officials, who called it unfair and demanded equal time for a rebuttal. CBS denied the charges.

Holiday Inns said its advertising agency, Young & Rubicam Inc., was shown a written summary of the special before it ran. But the company said the summary was misleading in indicating that the show was a "balanced report on the Reagan administration's policy."

West Faces Dilemma on Polish Debt

Bankruptcy Could Cause Worldwide Repercussions

By Dan Morgan
Washington Post Staff Writer

In the early 1970s, western governments began strongly encouraging banks and business firms to supply credit, commodities and technology to Eastern Europe on a scale unknown since the end of World War II.

The assumption was that economic détente would provide the West with a measure of political influence inside the borders of the Soviet empire.

That assumption has now been strongly challenged by the Polish military's Dec. 13 crackdown on the Solidarity trade union. In the aftermath two sets of western interests have emerged.

The Reagan administration wants to use whatever leverage it has to force a removal of martial law and a return to the political revolution that was under way.

But western banks and government lending institutions want to avoid a financial crisis that would spread beyond Poland.

To hard-line anti-communists in the West, American policy options seem simple.

If the Polish military does not give in to western political demands, it should be made to get the money from the Russians to pay its debts to the western nations, or be forced into a default. In this view, the leverage is with the West, which hard-liners believe has the power to make the Soviet Union pay dearly for the crisis or face a cutoff of credit and commodities to itself and its allies.

On Saturday, a Polish official in Warsaw acknowledged the severe financial problems facing his country when he said it would need \$1.5 billion in western credits every three months in 1982 to restore the economy.

But western bankers and more moderate U.S. government officials citing a total Polish debt of \$26.5 billion, warn that a policy that

flirts with the possibility of a Polish bankruptcy risks of worldwide repercussions.

While western politicians tend to view Polish economic problems in the context of East-West political relations, bankers tend to see Poland as just another part of a sensitive, interconnected international financial system in which debt re-scheduling programs and refinancing plans are preferable to defaults in dealing with countries in need of financial rescue.

Some bankers say there are already disturbing signs that the impact of the Polish crisis is being felt beyond Poland.

In an unusual move last month, western banks refused a Romanian request to refinance some short term loans. A source in New York City said the bankers were concerned that stockholders would sue them for negligence if they increased their banks' exposure to a member of the communist economic bloc.

Romanian officials then dipped into credits from the International Monetary Fund to pay their western lenders. But, according to two sources, this had repercussions with the IMF, which decided to delay making a new credit to Romania until the situation is clarified.

Banking sources say even nonaligned communist Yugoslavia, which has good credit ratings, has run into problems covering short term obligations.

The western dilemma in responding economically to the Polish military's actions is evident in discussions taking place inside the Reagan administration's national security apparatus.

Technically, Poland is already in default on interest and principal due in 1981 on the \$1.8 billion owed to the U.S. government's Export-Import Bank and to private banks with guarantees from the Commodity Credit Corp.

In December, the Export-Import Bank cabled the Polish central bank, Bank Handlowy, advising it of the amount still owed for 1981.

The bank did not receive an acknowledgement until Friday, when Handlowy indicated it intended to pay.

Under a Polish-American agreement last year, the U.S. government allowed Poland to repay only 10 percent of the interest and principal it owed government agencies between April and December, with the remainder repayable under new terms beginning in 1986.

This agreement provides for the debt re-scheduling to be set aside in case of "exceptional circumstances."

However, Reagan administration officials say there has been little or no support for invoking the provision, nicknamed the "Soviet tank clause," because officials fear that a formal declaration of default would absolve Poland of any responsibility to pay and would remove whatever leverage the administration now has.

Instead, top diplomatic, treasury and intelligence officials have been meeting to discuss what, if any, formal political conditions to seek when the United States and other western governments meet in Paris later this month to discuss reched-

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Dilemma Over Polish Debt

Complicating these deliberations is the fact that, as one official put it, the Polish debt to the West is a "house of cards."

If any of the governments or the more than 500 private banks owed money by Poland declared a default and attempted to seize Polish assets in the West, others would follow suit and the intricate system of loans would become unravelled.

Banking sources say there would be no winners since Polish funds and other liquid assets in western banks probably amount to no more than \$200 million.

Western bankers have long assumed that the Soviet Union would step in to pay the debts of its East European allies rather than risk a default that could destroy the credit worthiness of all the communist nations.

But there has been no indication that Moscow has been doing anything to ease the Polish government's difficulties.

About half of Poland's total debt is owed to private banks, with West German and American banks, the largest lenders, owed \$1.3 billion and \$2.6 billion, respectively.

When martial law was declared last month, Poland had not paid some \$350 million of the \$1 billion in interest owed to all private western banks for the year. According to an analysis prepared by one New York City banker, it has since paid some \$100 million, including \$19 million owed to a banking syndicate headed by Bank of America.

However, other major U.S. banks such as Chase, Morgan Guaranty, Bankers Trust of New York and First National Bank of Chicago reported at the end of last week that they were still owed interest from 1981.

Several banking sources said there were unconfirmed reports that Poland was up to date on interest payments to a number of West German banks, prompting speculation that the Polish government was attempting to divide the western banking community.

Although analysts say no western bank could be

bankrupted by a Polish default, a number of West German banks are heavily exposed and are expected to work hard to keep the prospects of eventual repayment alive.

This has created the conditions for a drawn-out, unprecedented war of nerves between the Polish government and western banks.

Which side has the leverage in this situation is a matter of debate among bankers. A 23-member committee of major private creditors has informed the Poles that they will not provide new loans or refinancing in 1982 until 1981 interest is paid.

However, several bankers said last week that beyond that threat they have no guarantees of getting their money back.

Meanwhile the Soviet Union has not shown what its stand will be.

"I think the Soviets are desperately afraid of the effect on their own credit," said a senior banker.

But in other respects Moscow appears to have positioned itself carefully for the crisis.

It is the least indebted to the West of any East European country. Only 7 percent of its export earnings go to cover this debt, compared with a staggering 87 percent for Poland, according to Wharton Econometric Forecasting Associates.

Meanwhile, the Soviet Union has obtained sources of food imports other than the United States in the last three years, which makes its economy somewhat less vulnerable to a unilateral American grain embargo.

In the first six months of 1981, it also withdrew an estimated \$5 billion from banks abroad, thereby taking the money out of the reach of governments or creditors who might try to seize it in case of an international emergency.

Western bankers also speculate that recent heavy Soviet borrowing in short term credit markets may have been aimed at increasing the exposure of private banks and encouraging them to keep the East-West credit lines open despite a deteriorating political relationship between the two blocs.

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