

10/29/79 [3]

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Revised:
10/29/79
11:30 a.m.

THE PRESIDENT'S SCHEDULE
Monday - October 29, 1979

- 7:15 Depart South Grounds via Helicopter en route
Andrews Air Force Base and Trip to Rhode Island.
- 12:05 Return to the White House.
- 12:30 Lunch with Vice President Walter F. Mondale.
(60 min.) The Oval Office.
- 1:45 Meeting with House Group/Hospital Cost Containment.
(15 min.) (Mr. Frank Moore) - The Cabinet Room.
- 3:00 Drop-By Briefing on Energy for State Constituent
(15 min.) Groups. (Ms. Anne Wexler) - The East Room.
- 7:00 Buffet Supper for Congressional Group - The State Floor.



ABOARD AIR FORCE ONE

Rhode Island unemployment Rate
Aug '79 (latest State Figures)

5.9%

Dec. '76 9.4%

Providence unemployment Rate
Aug '79 (latest Figures)

6%

Dec '76 10.3%

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THE WHITE HOUSE
WASHINGTON

October 26, 1979

MEMORANDUM TO THE PRESIDENT

FROM: Al McDonald
Chris Matthews *egm*

SUBJECT: Presidential Talking
Points:
Rhode Island Community
Leaders Dropby

Attached is the final draft

Significant Inputs
Weddington

Clearances
Watson
McDonald

THE WHITE HOUSE

WASHINGTON

October 26, 1979

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J

MEMORANDUM FOR THE PRESIDENT

**Electrostatic Copy Made
for Preservation Purposes**

FROM: Al McDonald
Chris Matthews *cjm*

SUBJECT: Presidential Talking Points: Rhode Island Community
Leaders Drop-by

1. I would like to thank Governor Garrahy for organizing this meeting today. It is good to see Senator Pell, Senator Chafee, Congressman St. Germain and Congressman Beard.

2. I would like to give a special welcome to that great son of Cranston, and statesman of Rhode Island, Senator John Pastore. There is one thing I have come to particularly appreciate about Senator Pastore: his ability to get re-elected not just once, but over and over again -- twice as your governor; four times to the United States Senate. Senator, I like your style. You have given re-election a good name. In fact, I feel inspired.

3. You have just watched on television my meeting with the Coalition of Northeastern Governors. As I said to them, we will meet our heating oil targets this winter. We will do so for one reason: because we have held tough on our commitment -- to our country's energy security and to the personal safety of every single American. Let me assure you too that the needy people of this country will receive the financial help they need to pay for this energy.

4. I cannot stress too much the urgency for Congress to pass a strong windfall profits tax. The need for this tax has been demonstrated sharply by the recent oil company profits. If we fail to make appropriate public use of these profits, if we flinch in this national test, we can hardly expect anyone else to protect our country's vital energy security.

5. The central message I would like to leave with you today is this: the need for effective partnership at all levels of government -- federal, state and community.

Let me give you an example. For years, Joe Garrahy has labored to restore economic prosperity to your state's urban areas. Based largely on his efforts, my Administration will support the relocation of the Providence railroad station complex. This relocation to a new site at the base of the State Capitol will help to revitalize downtown Providence. And it was Joe Garrahy, your governor, who brought this project together.

6. This project symbolizes the kind of federal-state-community cooperation that has worked so well these past three years. Nationally we have created more than 8 million new jobs for our country -- 4 million of them for women. Today we have the highest level of employment -- and the highest percentage of our nation's workforce employed -- in history.

7. Nowhere in the country has this spirit of cooperation -- and the progress which results from it -- been more dramatic than here in Rhode Island. Who can forget that just three years ago Rhode Island had the worst unemployment rate in the nation. Through hard work we have been able to turn that around.

8. There is something else we have been working on together -- world peace. Some may argue that world events are of no immediate concern to community, civic and labor leaders. But we have all learned that the human cost of war is paid for by families and by communities. It is the local boy who must go off and fight when world leaders fail in the great work of peace. More often than not, it is the son of the working man and woman who must answer the call when trouble arises.

9. One of the great privileges of my Presidency has been to welcome the White House a man profoundly committed to world peace -- Pope John Paul II. The occasion was unprecedented. His Holiness left us with a goal that I share -- the need to bring the force of our moral beliefs to the work of public life. Working together, I believe we can live up to that standard. We can bring to our public responsibility the high moral commitment that our people need and deserve.

#

Rhode Island, Coalition of NE Governors (Providence) 10/29/79

Coalition of NE Gov's 10-29-79
BYRNE, GRASSO - (WARRANY, THOMAS)
Congratulations - Summit - most vital
Security of U.S. ^{Energy} _{King}

11/73 \$2.10 now > 10x → \$40 Spot

INFL- DRIVING FORCE = 4% = '78, '77

DEPENDENT/^{the}UNDEPENDABLE = ADDICTED/^{the}UNAFFORDABLE

4/77 - LONELY VOICE = YOU SAW DANGERS

7 YEARS - DELAY = NOT TIME FOR SCAPEGOATS

ARTIFICIAL CONTROLS = KEPT OIL #1 US SOLAR, etc.
^{UNPLEASANT}

MUST CONSERVE = NOT A SACRIFICE

CAN → ^{BETTER} STRONGER LIVES, FAMILIES, COMM, U.S.

WPT = 3RD QTR PROFITS = UNEARNED → PEOPLE

HOUSE, \$151 B/10YRS SEN FIN, 374 B/10YRS ^{NOT} JUSTIFIED
→ TRILLION

CONSERVE = POOR = EXPORT = NEW ENERGY

4/79, \$ → POOR, \$16 → 2% PERMANENT

\$250 M NOW + \$1.5 B
CHEAP, CLEAN, QUICK
CONSERVE → BLDGS RETRO → PRUDHOE BAY

TAX CREDIT, '78, 10% H/MID

240 MBD = HEAT OIL MG GROUP

DOE, NS, EXPORT, CG, COPI = Boston = CARD & GOV'S

FUEL CHEAP/NEVER THOUGHT → SUNNYSIDE / I THINK I
→ ENERGY SECURITY NOTHING ELSE

NOT DIVIDED, DELUDED, DISTRACTED

Rhode Island/Community Leaders 10/29/79

COMMUN. LEADERS, R. I. 10/29/79

SEN PELL, CHAFFEE
GOV GARRAMY - TH ST GERMAIN (DEAD)
SEN PELL, CHAFFEE, CONG ST GERMAIN,
SON OF CRANSTON, STATESMAN OF R I JOHN PASTORE
2X GOV, 4X SEN = RELECTION GOOD NAME

MTG COALITION OF NE GOV'S

HOME MTG OIL = SUPPLY + HELP = FEAR
WPT = PEOPLE VS OIL COMPANIES

NEED EFFECTIVE PARTNERSHIP 4x/5/7ED
BLIZZARD

EXAMPLE - 3YRS RI HIGHEST UNEMPL.
8 1/2 MIL = > 4 MIL WOMEN (HI EMPL
HI % WORK FORCE)

ECON PROSPERITY URBAN AREAS
RELOCATE PROVIDENCE RR STATION COMPLEX
JOE GARRAMY BRUGHT TOGETHER

PEACE

POPE JOHN PAUL II → WITH
MORAL FORCE

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RI 12/76 94 → 59
PROV 103 → 60

THE WHITE HOUSE
WASHINGTON

10/29/79

The Vice President

Stu Eizenstat

Jack Watson

Frank Moore

Jim McIntyre

Jody Powell

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

OCT 26 1979

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MEMORANDUM FOR

FROM:

THE PRESIDENT:

Neil Goldschmidt, Secretary of Transportation

Robert Carswell, Deputy Secretary of Treasury

John P. White, Deputy Director, OMB

SUBJECT:
FOR YOUR INFORMATION:

Federal Financing of Conrail

On November 1, the Administration will be expected to take a position on additional investment in the Consolidated Rail Corporation (Conrail). At that time, the United States Railway Association (USRA) Board of Directors will vote on whether to request from Congress funding for Conrail in excess of the \$3.3 billion authorized. As indicated by you in a previous decision to seek an investment level of \$3.3 billion, the Administration's policy has been to require Conrail to take all necessary actions to reach self-sufficiency within that ceiling. The USRA vote will constitute a test of our commitment to this policy. The purpose of this memorandum is to inform you of the current situation.

Background

The USRA is an independent Government corporation which administers the Federal investment in Conrail. The USRA Board of Directors has 11 members, of whom Secretaries Goldschmidt and Miller are the only Administration representatives. USRA provides funds for Conrail to offset operating losses and undertake capital improvements. This has been accomplished through purchases of Conrail debt (\$1.0 billion) and preferred stock (\$2.3 billion).

At its November 1 meeting, the USRA Board will determine its 1981 budget recommendation to OMB and the Congress. Secretaries Goldschmidt and Miller will be expected to provide the Administration's response. Departure from the previous decision to limit funding of Conrail to \$3.3 billion will be seen as a signal that the Administration is willing to continue to subsidize Conrail and will add to pressures to subsidize other rail operations, especially those in the Midwest.

Discussion

Conrail has indicated that it can become self-sufficient within the existing \$3.3 billion authorization assuming: (1) basic rail regulatory reform

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legislation is enacted and becomes effective by January 1981; (2) it reduces spending for capital improvements below "appropriate" levels in 1980-81 and increases them again in 1982 and thereafter; (3) the currently projected economic downturn for the northeast is not severe; and (4) its projected operating efficiencies are achieved (e.g., improved boxcar utilization). Conrail projects that under these conditions it can stretch the utilization of the authorized \$3.3 billion into 1982, after which it will be self-sufficient.

On the other hand, USRA staff believe that additional FY 1981 Federal funding is necessary because: (1) chances of enactment of "basic" regulatory reform are slim; (2) deferral of capital improvements has the potential of costing Conrail more in the long run and (3) Conrail is unlikely to achieve the level of operating efficiencies projected. USRA's projections show Conrail exhausting the final \$185 million of the \$3.3 billion in the first quarter of 1981 and being \$850 million to \$950 million away from self-sufficiency. In the past, USRA's estimates of Conrail performance have been more accurate than Conrail's.

DOT, Treasury and OMB recommend that the Administration oppose additional 1981 funding for Conrail at the upcoming USRA Board meeting. This is based on the following assessment:

- J agree* →
- . The ready availability of ongoing Federal assistance could detract from the motivation to accomplish much needed operating improvements on the part of Conrail management, organized labor, and shippers, especially since Conrail says it does not need the aid.
 - . One of the selling points for rail regulatory reform legislation is that it reduces or avoids the need for continued Conrail subsidies. A policy of continuing to subsidize Conrail would significantly reduce pressures for such reform.
 - . There is serious doubt that Conrail will be able to repay the Federal investment already made. More aid, by decreasing incentives for fundamental improvement of the system, would increase the likelihood that this aid would not be repaid.
 - . The reduced level of capital improvements projected for 1980-81 under Conrail's no funding scenario will have minimum long term effects on the railroad's operations and physical plant, if Conrail generates added revenues and reduces expenses according to plan.
 - . Continued assistance to Conrail would be inconsistent with our position on seeking non-Federal solutions in the Midwest including refusal to provide Federal subsidies to maintain operation on the western lines of the Milwaukee.

You should be aware that because of the paucity of Administration votes on the USRA Board, there is no certainty that a "no funding" position will prevail at the November Board meeting. Moreover, it is likely that the USRA staff will recommend a FY 1981 budget for Conrail capital projects in the order of \$400 million. So far we have seen little sentiment in Congress for further funding, but it is recognized that this could change by next spring if rail regulatory reform gets stalled.

There is also the possibility that Conrail operating results could take a dramatic turn for the worse in the next few months if the economic downturn is more severe than expected. In this event, we may wish to reconsider our "no funding" position. By March 20 we will have a better feel for the situation based on fourth quarter results and may wish to recommend a budget amendment prior to May 15. For the November 1 Board meeting, however, we would not indicate a possible reconsideration of the "no-additional-funding" position.

You should be aware that by statute, Conrail will not be able to draw down the final \$345 million now authorized unless it has an Employee Stock Ownership Plan (ESOP) in effect. According to USRA projections, Conrail will need these funds sometime in the spring of 1980. We recommend that support for the no-funding alternative be accompanied by support for implementation of the ESOP by next spring.

Both USRA and FRA staff have done some study work on the alternative of selling parts of the Conrail system (controlled transfer). This alternate approach to achievement of private sector railroading in the Northeast will continue to be developed in anticipation that Conrail may not become self-sustaining.

THE WHITE HOUSE
WASHINGTON
10/29/79

The First Lady

The attached was returned in
the President's outbox today
and is forwarded to you for
your information.

Rick Hutcheson

THE CASE FOR CARTER

THE TESTS

The American people are mature and shrewd. They know how to judge a candidate for President. They know what leadership means. I'm confident that President Carter will meet the tests of the American people -- and win renomination and re-election.

LEADERSHIP MEANS PERFORMANCE

First, it will be asked, Is this man a leader? Is he effective? Is he competent? Can he get things done? Promises and personality are nice; performance is everything.

President Carter meets that test. His record is a stunning series of breakthroughs.

- o After years of negotiation, it was Jimmy Carter who concluded the SALT treaty -- and signed a far better document than the draft he inherited.
- o After 15 years of talks, it was Jimmy Carter who concluded a Panama Canal treaty -- and got it ratified against overwhelming odds.
- o After 40 years of inaction, four decades of haggling between producing and consuming states, it was Jimmy Carter who resolved the natural gas pricing and distribution dilemma.
- o After a generation and more of rhetoric and posturing about government waste, it was Jimmy Carter who said no to the pork-barrels and sacred cows -- and despite all predictions, he made his vetoes stick.
- o Candidates love to talk about fiscal responsibility -- but when the campaign is over, they love their popularity even more. It was Jimmy Carter who inherited the biggest deficit in our history -- and despite the pain, despite the controversy, he cut it in half.

- o Complaints about government inefficiency and intrusiveness have become an election-year institution -- promises are soon forgotten. It was Jimmy Carter who cut paperwork at HEW by 25%...who reduced the Federal payroll by 20,000 people...who eliminated 1000 nit-picking OSHA regulations...who deregulated the airlines...and who got the Congress to pass the first overhaul of the Civil Service System in a century.

The examples go on and on. But don't listen to me on Jimmy Carter's effectiveness.

- o Listen to Forbes, the business magazine, which says, "Shouldn't we credit Carter with fat dividend checks, record high employment, cheaper airline fares, and a general level of economic well-being without parallel in the history of the world?"
- o Listen to Congressional Quarterly. One reporter examined over thirty years of data compiled by that journal, and found that Carter outranks every post-war Republican President; and that his congressional success rate stands shoulder-to-shoulder with the Kennedy-Johnson years, when resources were plentiful, and committee chairmen ruled the Congress.

LEADERSHIP MEANS PROGRESSIVE VALUES

The second question the American people will ask their candidates for President is this: Does he put his leadership in the service of progressive values? Is he committed to the needy, the marginal, and the vulnerable in American society? Does his record carry on our great tradition of compassion, and decency, and social justice?

President Carter meets that test.

- o Where we inherited tragic unemployment, we have created a record-breaking 8 million new jobs.
- o Where we inherited a legacy of vetoes and impoundments, we have secured the largest increase in support for education in American history -- a 60% boost.

- o To replace despair with hope, and inaction with solutions, we have created an unprecedented \$4 billion youth employment effort.
- o We have saved the Social Security System -- on which 35 million aged and disabled Americans depend -- from imminent bankruptcy.
- o Virtually every Democratic mayor in the country will tell you that we have fashioned the first pro-cities policy in our history.
- o With net income up 35%, American farmers are having one of their best years ever.
- o President Carter has done more than any other American political leader alive today to ensure that our need for energy, food, fiber, timber, minerals, and room to grow will never ride roughshod over our priceless natural heritage and environment.
- o We have returned the government and its intelligence agencies to the rule of law.
- o We have made an all-out commitment to civil rights enforcement -- from cease-and-desist in housing, to support for ERA.
- o We have appointed more women and minorities to top administration positions than any prior President; and we have appointed more women and minority judges than all previous 38 Presidents combined.

LEADERSHIP MEANS STRENGTH

The third question the American people will ask their candidates for President is this: Can he strengthen America? Can he increase our security? Can he add stability to the global community?

President Carter meets that test as well.

- o Our predecessors talked about American strength. But in 7 out of 8 years they let defense spending decline.

It was Jimmy Carter who joined with our NATO allies to produce a 3% real defense increase each year.

- o Our predecessors built grand geopolitical theories. But when they were through, America was supporting colonial powers in Africa; we had practically no relations with Nigeria, one of our major oil suppliers; and around the third world, we were met with harshness and suspicion.

Today we have put American values at the heart of foreign policy. We stand for human rights and majority rule. And in Latin America, in Africa, in Asia and the Pacific, we are reaping the powerful dividends of cooperation and respect.

- o Our predecessors were proud of their diplomatic wizardry and intricate consultations.

But it was Jimmy Carter who won the trust of the parties in the Middle East; who entered the fray against the experts' advice; and who emerged with the sons and daughters of Abraham united for the first time in 2500 years.

- o Our predecessors believed in peace. But they risked American lives for the sake of macho politics, and gave us the Mayaguez disaster.

It is Jimmy Carter who has steered our foreign policy with maturity and restraint. And I am deeply proud to serve with a President who is the first President in 56 years in whose term no American boy has fallen in combat.

LEADERSHIP MEANS A VISION FOR THE FUTURE

A fourth test the American people will ask their candidates for the presidency to meet is this: Does he have a vision of the future? Does he anticipate problems? Can he lead us into the American '80s?

Jimmy Carter meets that test.

- o When they said the energy crisis was a hoax, a conspiracy, who said it was real? When they said we could just cut some deal with another country, who said America had to cut her imports? When they said there had to be some cheap answer, who had the courage to say it would be painful for all of us? The answer is Jimmy Carter.

- o To keep price controls in place might be politically attractive. But it would increase our dependence on OPEC and produce not a single new drop of oil. Is that leadership? To turn windfall profits over to the oil companies would be simple. But it would be utterly without benefit to our future energy security. Is that leadership?
- o When President Carter proposed his energy program, he mapped out a vision for the 1980s. They said that this country would never move on it. Yet today, we have already made dramatic progress toward stand-by rationing; toward an Energy Mobilization Board; a windfall profits tax; an Energy Security Corporation; emergency fuel assistance for the poor; and toward a new Solar Bank. I say that's leadership.

We didn't want a \$67 billion deficit -- but that's what the Republicans gave us. We didn't want the energy problem -- but that's what we inherited. We didn't want to raise social security taxes -- but the impending bankruptcy of that program was the time bomb we found ticking when we arrived. We are dealing with the real problems of the real world in which we live.

You don't measure a President against impossible abstract standards. When you run against the Lord, He always looks better. Instead, you ask, Is the President right on the issues? Is he dealing with them?

You don't measure a President against perfection. In our system, thank God, the President isn't a czar. And our Constitution never once enshrines the goal of efficiency in our legislative process. You measure a President on the record he achieves -- and we're proud of ours.

THE QUESTIONS

To those in either Party who wish to be President, I ask this:

- o When OPEC raised its prices by 60% this year, causing a quarter of the inflation we are enduring today, what would they have done? Pretend the problem wasn't there? Perpetuate forever a creaky controls system that was stifling domestic production and misallocating our petroleum products? Would they have us go to war?
- o Would they champion a huge, irresponsible, across-the-board tax cut -- one that sounds good on the stump, but would be disastrous to our fight against inflation? Would they write a gimmicky balanced-budget amendment into the Constitution -- one that promises a quick fix, but would forever destroy our capacity to ride through tough times in the business cycle?

KENNEDY

Today we face unique political circumstances. No single issue splits our Party. No dominating issue splits our nation. Yet a challenger seeks to take the nomination from an incumbent President.

That challenger is in substantial agreement with us on most of the questions facing the nation -- and he has said as much. He has been one of our strongest supporters in the Senate. Where there have been differences, such as on health insurance, they have been marginal -- disagreements which can easily be accommodated within the Democratic Party's wide-open tradition.

He has not been critical of our economic policy, of our foreign policy, of our domestic initiatives. In nearly three years, he has found little fault with us. It will be interesting to see what he will do now.

The burden of proof falls on this challenger. We invite scrutiny -- for in three years, we have compiled a record of which any Democratic President could be proud.

The more our record is debated, the better it looks. It stands up to the test of leadership. We have performed. We have been true to progressive values. We have build America's strength. And we have a vision for the future. If that isn't leadership, then what is? Emotion? Inspiration? Will inspiration pull down OPEC prices? Will inspiration create new barrels of oil? Will inspiration stall inflation?

We are confident. We look forward to a tough and open fight. We will go the distance.

And we are encouraged by what we see all over the country.

- o In Florida, we won a 2-to-1 victory, even in counties where we frankly didn't think we'd do so well.
- o Democratic county chairman were polled -- and we're leading Kennedy 2-to-1.
- o In national polls, we've gained ground in recent weeks. And besides, if opinion polls were right, Tom McIntyre and Mike Dukakis were going to win, and Brendan Byrne, Ella Grasso, Hugh Carey, and Hugh Gallen might as well have thrown in the towel.
- o The support I saw at the Carter dinner in Washington from a broad cross-section of Senators, Congressmen, Governors, mayors, county commissioners, civil rights and labor and religious leaders -- that support is encouraging, and it's growing.

o Everywhere I travel around the country I'm discovering a broad and deep regard for the President.

I'm convinced that the American people will weigh their votes carefully and act in the country's interest. That's why I'm confident that they'll renominate and re-elect President Carter.

THE WHITE HOUSE
WASHINGTON

October 26, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: AL MCDONALD *AM*

SUBJECT: Presidential Speeches:
11/8 Prime Minister Lynch
visit (2 items)
11/9 Canadian Parliament
address
11/13 Pennsylvania Fundraiser*
11/15 AFL/CIO Convention
address

Attached for your approval or further guidance are the above communications strategies developed at a speech planning meeting this week.

*This may be replaced by the new standard stump speech which the speech-writing unit will have early next week. A session is scheduled for Tuesday between the speechwriter's unit and Jody and Hamilton to finalize this one. We can then simplify most fundraising appearances by using this standard format supplemented by local talking points and some timely shifts in emphasis.

AM

THE WHITE HOUSE

WASHINGTON

10/29/79

Al McDonald
Rick Hertzberg

The attached was returned in
the President's outbox today
and is forwarded to you for
appropriate handling.

Rick Hutcheson

4751

PRESIDENTIAL SPEECH COMMUNICATIONS STRATEGY

<u>Prime Minister Lynch Arrival Remarks</u> (Event)	<u>Thursday</u> <u>11/8</u> (Date)	<u>WH (South Lawn)</u> (Place)	<u>10:00 a.m.</u> (Time)
--	--	-----------------------------------	-----------------------------

Official delegations, EOP, Agency Staff
(Audience)

ok
J

1. Aims:

-- Extend Welcome

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2. Themes/Messages:

- 1) Historic ties between two nations
- 2) Irish-American contributions to this country
- 3) Importance of peace in Northern Ireland
- 4) Support for Council of Europe

3. Illustrations, Examples:

- 1) Benjamin Franklin's mission at time of American Revolution
- 2) Key Irish-Americans
- 3) Lynch opposition to violence
- 4) Enhanced US-Irish trade

4. Tone: Formal, Warm.

5. Desired Audience Response:

-- Appreciation of US-Irish friendship and Administration support
for increasing such ties.

6. Desired Length: 5 minutes.

PRESIDENTIAL SPEECH COMMUNICATIONS STRATEGY

<u>Prime Minister Lynch Dinner-Toast</u> (Event)	<u>Nov.8</u> (Date)	<u>State Dining Room</u> (Place)	<u>(Time)</u>
<u>Diplomats, Irish-Americans</u> (Audience)		<i>Blood kinship with Ireland</i>	<i>ok J</i>

1. Aims: To show our friendship and understanding of Ireland's accomplishments and our concern for peace and sympathy with suffering
2. Themes/Messages: We are committed to peace and reconciliation, opposed to actions that condone or encourage terrorism. We sympathize with the suffering and commend Lynch's efforts to bring about peace (based on Ambassador Shannon's draft)
3. Illustrations, Examples: Stress on Ireland's development, accomplishments, place in European Community and world
Ties with America - music, heroes, immigration
Pope's statements on causes of war, human rights
Tie to needs for forgiveness and compassion
4. Tone: Graceful, friendly, moments of great seriousness
5. Desired Audience Response: Feeling of kinship, agreement with overall aims
6. Desired Length: 5 minutes

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PRESIDENTIAL SPEECH COMMUNICATIONS STRATEGY

<u>AFL-CIO Convention</u> (Event)	<u>Nov. 15</u> (Date)	<u>DC Hilton</u> (Place)	<u>1st day</u> <u>2:30 p.m.</u> (Time)
<u>900 Delegates, 1500-2000 people</u> (Audience)			ok J

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1. Aims:
 - Demonstrate solidarity with labor movement's historic goals
 - Show leadership in understanding and explaining the inflation/energy agenda
 - Translate Accord into concrete themes
 - Win labor's support for tasks ahead
2. Themes/Messages:
 - Tribute to Meany and his vision; welcome to Kirkland
 - Tell a story: the America Carter saw when he campaigned (GOP legacy); what we've accomplished (thematically, not as a list); what we need to do now; the American '80s we can build
 - Some things change (today, inflation as #1 social program); some things never change (goals - social justice, security peace)
3. Illustrations, Examples:
 - Accord
 - Labor-oriented accomplishments
4. Tone:
 - Eloquent
 - Start with humor, graciousness, stem-winding, applause lines
 - Inflation section: sober
 - Then soar: patriotic, upbeat, let's-get-going
5. Desired Audience Response:
 - Realize that President shares labor's dreams and is working to win them
 - See that his understanding of the right way to fight inflation demonstrates his commitment to the Party's progressive tradition
6. Desired Length: 15 to 20 minutes; as short as possible

NOTES:

- (1) Need a clear and forceful articulation from Administration on inflation/unemployment question to avoid San Diego reaction; will require meeting (Treas, CEA, Stu, others)
- (2) Track economic and labor developments prior to speech (e.g., VP meets Kirkland 10/24; unemployment announcements)
- (3) Treat event not only as labor, but also as largest group of Democrats the President will address before the convention

THE WHITE HOUSE
WASHINGTON
10/29/79

The First Lady

The attached was returned in
the President's outbox today
and is forwarded to you for
appropriate handling.

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

*has
J*

October 26, 1979

MEMORANDUM FOR THE PRESIDENT

**Electrostatic Copy Made
for Preservation Purposes**

FROM: ANNE WEXLER
BOB MADDOX

*AW
BM*

SUBJECT: Dinner with Billy Graham

Dr. Billy Graham has accepted your invitation to dinner on Thursday evening, November 1. Mrs. Graham will be in Mayo Clinic for tests and will be unable to accompany him to the White House.

Prior to the dinner you might want to look at Jeremy Rifkin's book, "The Emerging Order". This book speaks to the developing power and energy of the conservative evangelical movement in the country. Conversation on the basis of this book should be most stimulating. A copy of the book is enclosed.

Dr. Graham will be out of the country about three weeks beginning November 5. It would be helpful to get a new statement from Dr. Graham endorsing SALT. You might want to raise this possibility with him.

THE WHITE HOUSE

WASHINGTON

October 29, 1979

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ENERGY BRIEFING FOR MEMBERS OF THE HOUSE

Monday, October 29, 1979

6:30 p.m. (2 hours)

State Dining Room & East Room

From: Stu Eizenstat
Frank Moore

Stu

I. PURPOSE

To bring Members of the House up to date on our energy initiatives

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: The House is scheduled to vote this week on the Energy Mobilization Board, and will probably take up the Senate on the Energy Security Corporation bill the week of November 13, assuming Senate action during the week of November 5. This briefing is designed to bring key House members up to date on the Administration's recommendations and positions on these initiatives.

Members will congregate in the cross hall of the residence at 6:30 for wine and cheese. A buffet dinner will be served at 7:00. As members are seated, it would be appropriate for you to circulate to each table for photographs. After dinner, the formal briefing will begin in the East Room.

You will open the briefing with a short set of remarks, talking points for which follow. Secretary Duncan will then elaborate further on the details of your program. The floor will then be open for questions. Secretary Miller will also be present to help with questions.

- B. Participants: See attached list for members of Congress
Secretary Duncan
Secretary Miller
Gene Godley
- C. Press Plan: White House photographer only

SCENARIO

We had originally invited the Members for a dinner beginning at 6:30 p.m. Because we felt that it was rude to call back and reinvite for 7:00 p.m., the members will arrive at 6:30 p.m. and we will be serving wine on the cross hall between the East Room and State Dining Room until 7:00 p.m.

We would like to get a photograph of the President with each member who attends. When you arrive in the State Dining Room and before you sit down to eat, could you circulate to each table so that we can get photographs.

PARTICIPANTS

C

Secretaries Charles Duncan and G. William Miller

Gene Godley, Assistant Secretary of Treasury for
Legislative Affairs

The following members of the House of Representatives:

Jerry Ambro	Henry B. Gonzalez
Frank Annunzio	Albert Gore
Beryl Anthony	Bill Gradison
Bill Archer	Phil Gramm
Lud Ashley	Frank Guarini
Les AuCoin	Lamar Gudger
Skip Bafalis	Kent Hance
Ed Bethune	George Hansen
Jim Blanchard	Jim Howard
John Brademas	Carroll Hubbard
Bill Brodhead	Jim Johnson
Clarence Brown	Bob Kastenmeier
George Brown	Chick Kazen
Jim Broyhill	Richard Kelly
Carroll Campbell	Ray Kogovsek
William Carney	Peter Kostmayer
Bob Carr	Robert Lagomarsino
Tim Lee Carter	Del Latta
Dick Cheney	Gary Lee
Don Clausen	Norman Lent
James Collins	Tom Loeffler
Barber Conable	Trent Lott
Tom Corcoran	Manuel Lujan
Jim Corman	Tom Luken
Baltasar Corrada	Stan Lundine
Norm D'Amours	Ed Madigan
Robert Davis	Andy Maguire
Sam Devine	Ed Markey
John Dingell	Ron Marlenee
Robert Dornan	Dan Marriott
Tom Downey	Jim Martin
Jack Duncan	Norm Mineta
Jack Edwards	W. Henson Moore
Mickey Edwards	Carlos Moorhead
Allen Ertel	Bill Moorhead
Dave Evans	Autsin Murphy
Walter Fauntroy	Jack Murphy
Hamilton Fish	Bill Nelson
Joe Fisher	Dick Ottinger
Tom Foley	Leon Panetta
Harold Ford	Ron Paul
Bill Frenzel	Don Pease
Bob Garcia	J.J. Pickle
Bob Giaimo	Rich Preyer
Sam Gibbons	Charlie Rangel
Dan Glickman	Ralph Regula

Don Ritter
Robert Røe
Toby Roth
John Rousselot
Bill Royer
Eldon Rudd
Marty Russo
David Satterfield
Jim Scheuer
Dick Schulze
Keith Sebelius
John Seiberling
Jim Shannon
Phil Sharp
Dick Shelby
Paul Simon
Steve Solarz
Gladys Spellman
Harley Staggers
Lou Stokes
Al Swift
Steve Symms
Al Ullman
Charlie Vanik
Doug Walgren
Bob Walker
Wes Watkins
Henry Waxman
Jim Weaver
Dick White
Larry Winn
Tim Wirth
Howard Wolpe
Tony Won Pat
Jim Wright
Jack Wydler
Chalmers Wylie
Don Young

III. TALKING POINTS

1. It has been several months since we have gotten together to talk about energy, and about what we must do if we are to begin to regain control over our nation's energy future. Throughout my Administration, the House has responded firmly and promptly to the proposals which I have put forward to deal with our energy problem. You did so, for example, earlier this year in acting quickly and courageously on the windfall profits tax. You have done so recently in approving a standby rationing and conservation plan which will provide me with the authority I need to protect our country in the event of a severe energy supply interruption. I deeply appreciate your support, and hope that you will continue as a strong partner as we move to complete action on the initiatives I outlined last July.
2. While the gasoline lines of last spring and early summer have abated, and we have now reached our very important goal of assuring adequate supplies of home heating oil for the coming winter, the energy problem is still with us. Over the last several weeks we have seen continued upward pressures on the world oil price -- this coming on top of the more than 60% increase in the price OPEC charges for its oil since last December. Many of the OPEC nations continue to talk about cuts in production as they seek to extend their oil reserves and learn that they can earn the same foreign exchange by keeping prices high through tight supplies. As long as our almost 50% dependence on imported oil continues, so will the vulnerability of our economy to the shocks of skyrocketing oil prices. The strength of America's voice around the world, the strength of our currency, the health of our economy and our ability to lick inflation depend in large part of whether we are able to overcome our dangerous dependence on imported foreign oil. For example, if we exclude energy costs from the inflation rate for this year, the CPI would be almost 1/3 lower -- or close to the 1978 level. Skyrocketing world oil costs are in large part responsible for the inflation we now face.
3. The program which I outlined last July 16 in Kansas City is a program designed to cut this cord of dependence on foreign supplies of oil. We have enormous natural and human resources. The United States has the largest coal reserves in the free world. We have the equivalent of another Alaskan north slope if we act to retrofit

our homes and buildings. We have a workforce whose skill and dedication is unmatched anywhere else in the world. And we have that enormous technical genius and inventive capacity which has led all other nations in the modern era. Harnessing these forces, and pulling together to cut our foreign oil dependence will require major new investments in America's energy future -- investments which are unparalleled in peacetime. We will need a strong windfall profits tax such as the House has already passed to pay for these investments. You have my word that I will fight hard to see that the windfall tax bill which the Senate sends to Conference with the House is as strong as possible. During Conference, your Conferees will have my full support in crafting a strong bill which will recoup for the American public the billions of unearned profits which would otherwise flow to the oil industry. The enormous, record breaking profits the oil industry has registered in the most recent quarter show more dramatically than any words I can craft the need for a strong windfall tax.

4. I would like to focus our discussion tonight on two other proposals which I consider to be critical to our goal of cutting U.S. dependence on imported oil in half by 1990 -- the Energy Mobilization Board and the Energy Security Corporation.
5. The Energy Mobilization Board will be coming before the House tomorrow. This is critically important legislation and I want to thank both John Dingell and Mo Udall for their prompt work in bringing the bill to the floor. Both chairmen have worked hard . . . in fact the first time I heard about the concept of a fast track bill was from Mo Udall at a leadership breakfast. If we are to build the major energy projects we need over the next 10 years we must have a process to guarantee that permitting decisions will in fact be made. We lost the Sohio pipeline through delay. We had to have special legislation to build the Alaskan oil pipeline. And a synthetic fuel plant or major pipeline now face a labyrinth of permitting agencies and court appeals that can easily take a decade or more to complete. My own position is clear. I need a bill which permits a real fast-track for cutting through procedural roadblocks, without excessive judicial review. I do not seek any authority for substantive waiver.

6. Since the two committees (Commerce and Interior) first reported their bills both Representative Udall and Representative Dingell have moved a long way toward the Administration's position -- and both the Udall-Wirth substitute and the Santini amendment (to which Mr. Dingell agrees) reflect this movement. Udall-Wirth still has, however, two opportunities for judicial review beyond what the Administration proposed. Therefore I will support the Dingell-Santini measure as closest to my position. However the Dingell-Santini measure would permit the President to override certain substantive federal laws with the approval of the two Houses of Congress. I do not support substantive waiver in even this modified form, and will therefore support Bob Eckhardt's amendment to strike the substantive waiver from Dingell-Santini. Mo Udall, John Dingell, Tim Wirth, the Majority Leader and many others have done excellent work and I am confident that a strong bill will be on my desk soon.
7. An independent Energy Security Corporation will also be essential to our success in reducing our import dependence. While we must redouble our efforts to improve conservation and energy efficiency, and while we must provide reasonable incentives to our energy industry for production of conventional oil and natural gas resources, we also need an aggressive synthetic fuels program to improve our supplies of liquid fuels over the long run. In the past, synfuels programs have been dismissed as futuristic and uneconomic -- something for the very long run -- but that is precisely why we must get started now. A complex new industry cannot spring up overnight. It will take a concentrated effort of this nation's technology, management, manpower and ingenuity. It is a challenge, but that is not the issue. We are a people which triumph over challenge. The issue is timing. We need to start now if we want results by the 1990's. The Energy Security Corporation, which has been reported by the Senate Energy Committee provides that beginning.

8. There's been a lot of concern over the funding for the Corporation -- and I think a lot of misunderstanding. I support a first phase of \$20 billion. In order to get projects underway now, the Corporation has to make commitments now. No money will be paid out, but contracts have to be signed. Actual spending occurs later, over a 20-year time period, when production begins and the purchase agreements or price guarantees come due. How much of the \$20 billion will be spent depends on future world oil prices and actual project costs. \$20 billion is the maximum liability of the Corporation under the legislation which will be coming to you from the Senate.

The amount spent on synfuels is not at the expense of conservation. I have aggressively pushed conservation from the start. Tax credits already in place will cost roughly \$3.4 billion by 1985. My program for low income weatherization and grants for schools and hospitals provides another \$3 billion for conservation. And this Administration has been working with the Congress to enact another \$6 billion for the retrofit of residential buildings. If we include the \$16.5 billion for increasing the efficiency of our transportation system through carpooling and mass transit, then this Administration has made a total commitment to conservation of \$29.2 billion. Note that on a spending, that is, an annual basis, the \$6 billion I have proposed for residential conservation is more than the funding for the synfuel program.

9. Let's touch on another point: the need for an independent entity to accomplish the synfuels production targets. This is critical -- we just can't create another DOE office to get tangled up in restrictions, requirements and red tape and expect it to get the job done in time. The Corporation has to have the flexibility to make decisions and the freedom to attract high quality personnel. And it has to be independent of yearly appropriations. It takes time and up to millions of dollars to put together a proposal for a commercial scale facility. Private industry won't make that investment unless it is sure that the Corporation will be there. The House synthetic fuels bill, passed during those frustrating weeks of gas lines, was an important first step. But, this approach must be strengthened. We need an aggressive synfuels effort to increase our liquid fuel supply. We need an independent financing mechanism to promote this new synfuels industry. And, we need to commit \$20 billion of obligational authority to the Corporation - now - if the Corporation is to succeed at its task.

10. As the Congress completes its work this session, I also hope to see strong measures for residential conservation and for solar energy. A national Solar and Conservation Bank -- such as that developed by Representatives Dingell, Ashley, Ottinger and others in the House leadership -- is critical. So is swift action on our program to assist the least fortunate in our society in meeting their heating bills this winter and the winters after this. The work you have done on each of these programs is bringing our nation a step closer to a real and lasting energy policy which will reduce our dependence on foreign oil.
11. I would like to introduce to you Secretary of Energy Charles Duncan who will fill in some of the details of our energy program. After his remarks, Secretary of the Treasury Bill Miller will be available with Secretary Duncan and me to answer your questions.

NOTE: Attached at Tab A is a brief description of our Congressional Strategy for the Energy Security Corporation.

TAB A

TAB A

Congressional Strategy on the
Energy Security Corporation

The House Moorhead bill is the vehicle for the Senate actions on synfuels. Both the Senate Energy and Banking synfuels bills are amendments to Moorhead and can go directly to Conference after a vote on the Senate floor.

There has been concern voiced by the House over their lack of input in shaping the current synfuels approach. Dingell and the Commerce Committee are now working on their own bill.

However, due to the urgency of passing this legislation in this session, you continue to support the use of the Moorhead bill. You expect that thorough participation by the House is insured through the selection of a full and complete conference committee.

THE WHITE HOUSE
WASHINGTON

Wall here
last night
Oct 29

THE WHITE HOUSE
WASHINGTON

Mr. President:

While in Chicago did you invite Jim Wall to overnight soon at the White House? He called me to follow up and I need some direction.

Phil

Yes
J
ck *ε* *Ros*

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CQ

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Limiting Arms

Verification issue still unresolved (2387)

Choosing Judges

Effects of judicial merit selection (2418)

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Ted Kennedy

Long delayed quest begins

(2397)