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WHITE HOUSE OFFICE OF RECORDS MANAGEMENT WORKSHEET

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Name of Document: BRIEFING PAPERS FOR PRESIDENT'S SCHEDULED APPOINTMENTS FOR		AN 27	811 P		pject Codes:
) Subject: Weeling with Lanator &	lowar	d Baker a	nd E		009-
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Meeting with House spec	rper s	The House	<u> </u>		
Representative Thomas	- "/15	"O'Thei			
to discuss The Federal D	eht Ce	iling Mer	ease		
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ROUTE TO:		ACTION		DISPO	SITION
Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
RMHENL	RSZ			С	

Referral Note:

WASHINGTON

THE PRESIDENT'S SCHEDULE Tuesday, January 27, 1981

8:45 am (½ hour)	STAFF TIME WITH J. BAKER, E. MEESE, M. DEAVER	Oval	Office
9:15 am (½ hour)	BRIEFING ON DEBT CEILING with Senator Baker, Rep. Michel, Hon. D. Stockman, Secretary Regan, M. Friedersdorf (See Tab 'A')	Ova1	Office
10:00 am (½ hour)	FOREIGN POLICY BRIEFING with Vice President Bush, Secretary Haig, Secretary Regan, Secretary Smith, Richard Allen, Secretary Regan, Masse, Baker, Brandy Museum		Office <i>Vanaca</i>
11:00 am (1 hour)	CABINET MEETING (See Tab 'B')	Cabir	net Room
NOON	LUNCH at residence		
2:50 pm	The President and Mrs. Reagan proceed to the Blue Room to meet Freed Americans (individual introduction	ns)	
3:00 pm	The President and Mrs. Reagan proceed to the South Lawith the Freed Americans for OFFICIAL WELCOMING HOME CEREMONY (See Tab 'C')	awn	
3:05 pm	THE PRESIDENT'S REMARKS (See Tab 'D')		
3:15 pm	Ceremony concludes and party returns to the Blue Room The President presents American flags to the Freed Americans	n	
3:45 pm	The Party proceeds to the Red Room for brief reception with families of the deceased rescue troops	on	
3:55 pm	The Party proceeds to the State Floor to join others at the reception	5	
4:00 pm	THE PRESIDENT'S REMARKS (See Tab 'E')		
4:05 pm	The President concludes and returns to the Oval Office. Mrs. Reagan returns to residence.		
y:30 pm 5:30 pm (½ hour)	Speaker Ormarle (J.Bor EM))val (Office
9:10 pm	The President and Mrs. Reagan join DIPLOMATIC RECEPTED in progress since 9 pm (350 people - receiving line) (See Tab 'F' for briefing memorandum)	ON	

Time of conclusion determined by principles. Return to

residence.

CABINET MEETING AGENDA

January 27, 1981 -- 11:00 AM

1.	Cabinet Procedures	Edwin A. Meese III
2.	Budget Working Groups	David Stockman
3.	Decontrol of Crude Oil Prices	James Edwards
4.	Debt Ceiling	Donald Regan
5.	Inspectors General Update	Peter McPherson
6.	Recision of Bilingual Education Regulations	Terrel Bell
7.	Schedule of Cabinet Meetings	Edwin A. Meese III

WASHINGTON

CABINET MEETING AGENDA

January 27, 1981 -- 11:00 AM

1.	Cabinet Procedures	Ed Meese
2,	Budget Working Groups	David Stockman
3,	Decontrol of Crude Oil Prices	James Edwards
4.	Debt Ceiling	Donald Regan
5.	Inspectors General Update	Peter McPherson and Ed Harper
6.	Regulations/Burden of Proof	Richard Schweiker
7.	Recision of Bilingual Education Regulations	Terrel Bell
8,	Schedule of Cabinet Meetings	Ed Meese

CABINET MEETING PARTICIPANTS

January 27, 1981 -- 11:00 AM

The Cabinet -- All Members

BYCEPT: DONOVAN
PIERCE
CASEY
WEINBERGEN

James A. Baker III Michael K. Deaver Richard V. Allen Martin Anderson Max Friedersdorf James S. Brady Richard Darman Craig Fuller David Gergen Admiral Daniel Murphy

Ken Khachiqian RICHARD DARMAN

Ed Harper Glenn Schleede Paren M- PHENSON Raymond Romatowski PEN JAMES R. Tim McNamar

FRESO EHEDOVRI

BONDEN TRAY WANTER STORESSEL

CABINET MEETING PARTICIPANTS

January 27, 1981 -- 11:00 AM

The Cabinet -- All Members

James A. Baker III
Michael K. Deaver
Richard V. Allen
Martin Anderson
Max Friedersdorf
James S. Brady
Richard Darman
Craig Fuller
David Gergen
Daniel Murphy
Ken Khachigian
Walter Stoessel

For Presentations:

Ed Harper
Glenn Schleede
Peter McPherson
Raymond Romatowski
Pen James
R. Tim McNamar
Fred Khedouri
Boyden Gray

For Distribution:
All Cabinet Attendees
Dave Fischer
Helene von Damm

Revised: 1/27/81 9:30 am

WASHINGTON

January 27, 1981

MEMORANDUM FOR: ALL CABINET MEMBERS

FROM: Craig L. Fuller, Director

Office of Cabinet Administration

SUBJECT: Cabinet Procedures

A set of procedures is being introduced to facilitate effective Cabinet deliberations.

Your review of the procedures and format for presenting information in Cabinet meetings would be appreciated. Questions or concerns can be raised directly with me.

We would like to utilize the system at next week's Cabinet meetings, with modifications being made as required.

Cabinet Matters

The system is designed to identify every item or issue directed to the Cabinet as a <u>Cabinet Matter</u>. Since a computer will be utilized, each <u>Cabinet Matter</u> (CM) will be given a "CM" number when it "enters" the system. A Cabinet Matter may be a major policy issue or a request for information.

"CM" Format

Items submitted to the Cabinet should be presented to the Office of Cabinet Administration in a standard format. A sample format is attached. It consists of seven parts:

I Subject

II Originator

III Action Forcing Event

IV Statement of the Issue

V Analysis

VI Recommendation

VII Decision

Circulation for Views

Once the Office of Cabinet Administration receives a Cabinet Matter, it will be circulated for views. All other Cabinet members and members of the Senior White House Staff will receive the item with a request for initial views. Views

will be returned to Cabinet Administration for preparation of the Cabinet Meeting binders.

Cabinet Meeting Binders

Each Cabinet member will have a binder prepared at least one day prior to every Cabinet meeting. Items not received in time for inclusion in the binder will not be placed on the written agenda.

The binders will consist of the meeting's agenda and an issue summary for each Cabinet Matter. A one page summary of all initial views will also be included. Backup materials will follow these two initial one page summaries.

Cabinet Matter Tracking

A major objective of the Cabinet Matter System is to accurately record and easily retrieve important information about Cabinet Matters. A computer assisted tracking system has been developed which will allow us to ask the computer for complete information about any Cabinet Matter by any one of the following identifiers:

- 1) CM number
- 2) issue
- 3) originator
- 4) where action is
- 5) due date
- 6) date set for Cabinet
- 7) actual date in Cabinet
- 8) who has final action
- 9) date report is due
- 10) Special Planning and Evaluation Code

Time Frame

This system requires some advance notice on Cabinet issues. It is anticipated that items will by necessity need to be rushed. National Security matters will have limited exposure for views.

The time frame for processing Cabinet Matters reflects the normal handling of an issue requiring prompt (but not immediate) attention:

Act	ivity	Days before Cabinet meeting
1.	Cabinet Matter sent to OCA	3
2.	Sent out of OCA for views	3
3.	Views developed	2

(Act	ivity)	Cabinet meeting)
4.	Returned to OCA	1
5.	Sent by OCA to Cabinet members and attendees	1
6.	Cabinet meeting	0

Your reactions to this program are welcome. We are hopeful that it will provide more complete and more advance information to each Cabinet member prior to meetings of the full Cabinet.

ISSUE:			/
ORIGINAT	OR:		

	RCING EVENT OF THE ISSUE
TION FOR	RCING EVENT
ATEMENT	OF THE ISSUE
ALYSIS:	Outline history, current status, possible actions and impacts—financial, constituent or other public policy considerations.
	•
COMMENDA	ATION: Indicate single recommendation or list option
CISION	
approv	reapprove as amendedreject no act:
	 CISION

Department of Energy

Department of Treasury

Office of Intergovernmental Relations

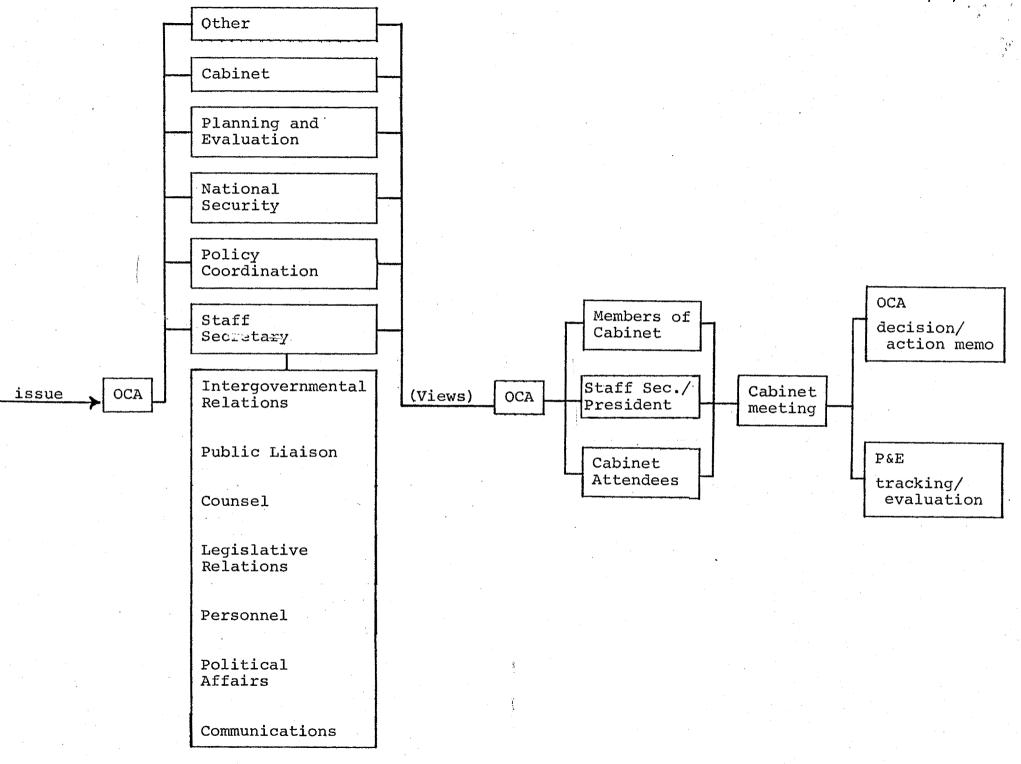
Office of Legislative Relations

Office of Public Liaison

US Chamber of Commerce

National Manufacturers Association

Additional background material is on the following pages.



Office of the Press Secretary

For Immediate Release

January 27, 1981

STATEMENT BY THE PRESIDENT

I am ordering -- effective immediately -- the elimination of remaining Federal controls on U.S. oil production and marketing.

For more than nine years, restrictive price controls have held U.S. oil production below its potential, artifically boosted energy consumption, aggravated our balance of payments problems and stifled technological breakthroughs. Price controls have also made us more energy-dependent on the OPEC nations -- a development that has jeopardized our economic security and undermined price stability at home.

Fears that the planned phase-out of controls would not be carried out for political reasons have also hampered production. Ending these controls now will erase this uncertainty.

This step will also stimulate energy conservation. At the same time, the elimination of price controls will end the entitlements system, which has been, in reality, a subsidy for the importation of foreign oil.

This order also ends the gasoline allocation regulations which the De epartments of Energy and Justice cite as important causes of the gas lines and shortages which have plagued American consumers on and off since 1974.

Ending price controls is a positive first step towards a balanced energy program -- a program free of arbitrary and counterproductive constraints -- one designed to promote prudent conservation and vigorous domestic production.

#

THE WHITE HOUSE Office of the Press Secretary

For Immediate Release

January 27, 1981

FACT SHEET

Decontrol of U.S. Oil Production and Marketing

<u>Summary:</u> President Reagan announced today that he is eliminating the remaining controls on U.S. oil production and marketing effective immediately.

Background:

- -- Controls on U.S. petroleum production date back to 1971, when domestic crude oil prices and profit margins on petroleum products were controlled under the wage price freeze. Controls were subsequently locked into law under the Emergency Petroleum Allocation Act (EPAA) of 1973.
- -- In 1975, mandatory controls were extended by the Energy Policy and Conservation Act (EPCA) until 1979, when they became discretionary. The EPCA originally contemplated that controls would be phased out in 1979.
- -- In April 1979, President Carter determined that controls should be extended but that they should be phased out through September 30, 1981, when all discretionary control authority expires.

THE PRESIDENT'S ACTIONS

The President signed today an Executive order which eliminates all controls on crude oil and on petroleum products still subject to controls (gasoline and propane). The Executive order is effective immediately.)

EFFECT OF THE PRESIDENT'S ACTIONS

Decontrol of U.S. oil production and marketing will have the following effects:

- -- A longstanding, fundamental defect in U.S. energy pricing policy will be eliminated. For over eight years, Federal regulation of U.S. oil production has decreased incentives for domestic energy production, encouraged energy consumption, aggravated balance of payment problems and discouraged use of alternative fuels and needed technological change.
- -- Immediate decontrol will further stimulate domestic energy production and conservation, compared to phasing out controls through September 30, 1981, by removing any uncertainty that decontrol will be completed successfully. The previous gradual decontrol schedule has spurred a large increase in drilling activity. Rigs in use exceeded 3,300 in recent weeks, compared to less than 2,000 in mid-1979. New oil well completions were up 40 percent in the first nine months of 1980, compared to the first nine months of 1979. On the conservation side, Department of Energy analyses predict some 50 to 100,000 barrels per day in reduced energy consumption as a result of accelerated decontrol.

- -- Decontrol terminates a regulatory program which has burdened the private sector with reporting requirements which have been particularly onerous on the smaller members of the industry.
- The crude oil entitlements program will be ended. This program, administered by the Department of Energy, required refineries using price controlled domestic crude oil to pay refiners using imported oil a subsidy, such that all domestic refiners, on average, paid below world market prices for crude oil. This was a clear cut oil import subsidy, in direct opposition to stated objectives of energy policy to reduce imports. Decontrol ends the subsidy of oil imports, consistent with our commitments to our allies.
- Allocation controls remaining on gasoline and propane will be abolished. These controls helped cause the gasoline lines and shortages which have periodically plagued the country since 1974. Studies by the Department of Energy, the Justice Department and others support this conclusion. The product controls required suppliers, when markets got tight, to allocate controlled products on the basis of historic use. But the historic based system is likely to have no relationship to market demand at the time supplies grow tight. The predictable result, if product controls were left in place, is product shortages in some areas, while products are plentiful in others. Decontrol will allow suppliers to send products to where they are needed most, instead of sending them were DOE regulations require.
- At present, only 15 percent of the crude oil processed by U.S. refineries is still subject to price controls. This 15 percent is equal to about 25 percent of the crude oil produced in the U.S. and was previously scheduled for decontrol through September 1981. Thus immediate decontrol is not expected to have a major effect on the prices faced by U.S. consumers. While immediate decontrol may change the timing of that effect, it should be emphasized that not all of the costs resulting from decontrol will necessarily be passed through to consumers. This is the case because price ceilings for gasoline are currently well above actual selling prices by more than might be added by decontrol. In addition, elimination of DOE regulations at the retail level is expected to increase competition in the industry.
- In order to provide for the orderly termination of petroleum controls, certain provisions will not end until March 31, 1981. Thus State governments will be permitted to allocate small amounts of distillate through that date. Refiners h nefiting from the "buy/sell program" (which assures their crude supplies) will continue to benefit from that program through that date. The President has directed the Secretary of Energy to eliminate or modify current reporting or record keeping requirements associated with controls as quickly as possible.

#

SUBJECT: Standards for Factual and Legal Conclusions Supporting Proposed Regulations for Possible Inclusion in Executive Order on Regulations

BACKGROUND

One of the issues included in prior regulatory reform debates has been the applicable standards for factual and legal determinations underlying regulations. This has usually been framed in the context of standards for judicial review of regulations. Under existing law and judicial precedents, agency legal interpretations are given an assumption of validity, in effect giving the challenger the burden of proof that the regulations exceed the agency's legal authority. Also, agency factual conclusions (such as regarding the nature of the problem addressed by the regulations) are generally accepted without much scrutiny of the evidence submitted. Higher judicial review standards to scrutinize both the agency's legal authority and its factual conclusions have been proposed, such as in the Bumpers Amendment (passed by the Senate in 1980) and in a new Bumpers/Laxalt bill this year.

POSSIBLE STANDARD FOR INCLUSION IN EXECUTIVE ORDER

Before approving any proposed regulation, the Department or agency head must:

- (1) make a specific finding, supported by a memorandum of law, that the regulation is clearly within the authority delegated by law and consistent with Congressional intent; and
- (2) make a specific finding that factual conclusions upon which the regulation is based are supported by substantial evidence in the agency record taken as a whole, including comments submitted by the public, particularly members of the public required to comply with the regulations.

WASHINGTON

January 27, 1981

MEMORANDUM FOR:

THE PRESIDENT

FROM:

Max L. Friedersdorf V V
Assistant to the President
for Legislative Affairs

SUBJECT:

Meeting with House Speaker
Thomas P. "Tip" O'Neill, Jr. (D-Mass.)

TIME:

4:30 P.M. (15 minutes) Tuesday, January 27, 1981

PLACE:

The Oval Office

PRESS COVERAGE:

None

PURPOSE:

To discuss with the Speaker his views on Congressional handling of the President's imminent request for an increase in the Federal Debt Limit.

PARTICIPANTS:

Speaker O'Neill

STAFF:

None

BACKGROUND:

The President's advisers have now reached a concensus that the request for an increase in the Federal Debt Limit should be in the amount of \$985 billion which would likely carry the spending requirements of the Federal Government through the end of fiscal 1981 (October 1, 1981).

The Republican Leaders, Senator Howard Baker and Representative Bob Michel are uncertain how the Democratic leadership will approach this issue and whether or not they will be supportive on this initial legislative test for the President.

Page Two
January 27, 1981

Speaker O'Neill, 68, has been in the House for 28 years and is serving his fifth year as Speaker. He is, of course, a liberal Congressman from Boston and was in the Massachusetts legislature before coming to Congress. Everyone calls him "Tip." He is affectionate, shrewd and the unchallenged boss of the House Democrats.

TALKING POINTS:

- 1. First, express concern and ask about the health of the Speaker's wife, Millie, who has been ill with the flu. You and Mrs. Reagan invited the Speaker and his wife to dinner last Friday evening, but the Speaker had to decline because of his wife's illness.
- 2. Indicate that estimates now show that the Federal Government will run out of money by February 18-20 at the current rate of spending, unless the Federal Debt Ceiling is raised.
- 3. Explain that your advisers have recommended you seek an increase from the present Debt Limit of \$935 billion to a figure of \$985 billion which would likely carry Federal spending through the end of fiscal 1981.
- 4. Express your regret to the Speaker for having to seek this increase, but it is necessary because of the fiscal and economic situation.
- 5. Advise the Speaker that you will be presenting by some time in mid-February your comprehensive economic package which will contain requests for heavy spending cuts---a proposal that, if enacted, will help ease the fiscal strain on the Federal budget.
- 6. Enlist the Speaker's support for your Debt Limit Increase request, and urge he push for the earliest possible House passage.

WASHINGTON

January 26, 1981

MEMORANDUM FOR:

THE PRESIDENT

FROM:

Max L. Friedersdorf M.h.

SUBJECT:

Meeting with Senator Howard Baker (R-Tenn) and Representative Bob Michel (R-Ill)

9:15 A.M. to 9:45 A.M. (30 minutes)

January 27, 1981

PLACE:

TIME:

The Oval Office

PRESS COVERAGE:

None

PURPOSE:

To discuss with the Republican Leaders the various options for legislative strategy involved in the imminent Federal Debt

Ceiling increase request. VILL PRIS. BUSH Senator Baker

PARTICIPANTS:

Representative Michel

Secretary of Treasury Regan

STAFF:

Dave Stockman

Max Friedersdorf

Baker

BACKGROUND:

The present debt ceiling of \$935 billion, approved on December 19, 1980, by the Congress, will be insufficient by mid-February at the current rate of spending. Secretary of Treasury Regan has proposed the President request a new ceiling of \$990 billion which would carry Federal spending demands through the end of fiscal 1981 (October 1, 1981).

Senator Baker recommends the President go for an even higher figure in excess of a trillion dollars. Senator Baker believes the President should take the "biggest bite possible, as soon as possible." Senator Baker also recommends the President meet later today with himself, Representative Michel, the Speaker and Senate Minority Leader Byrd to ascertain the Democratic Leader's attitude on the issue and make a decision today, send the legislation up and seek passage as early as next week.

Page Two January 26, 1981

Representative Michel is less firm in his recommendations but generally supports the views of Majority Leader Baker. Michel said we might as well "take it all in one gulp" and subject our Republicans to only one vote on the issue. Michel has schedule a 10:00 A.M. conference of all House Republicans today and may want to withhold final judgment before talking with Representative Barber Conable (R-N.Y.), and other key Republicans.

TALKING POINTS:

- Indicate that estimates now show that the Federal Government will run out of money by February 18-20 at the current rate of spending, unless the Federal Debt Ceiling is raised.
- 2. Express your distaste for a debt limit increase, but explain that you have no choice due to the terrible economic legacy you have inherited.
- 3. Describe your options:
 - a. Go for a \$965 billion ceiling--good through April 1.
 - b. Go for a \$975 billion ceiling-good through July 31.
 - c. Go for a \$990 billion ceiling--good through October 1 and recommended by Secretary Regan.
- 4. Express your inclination to go to the people and talk about a trillion dollar ceiling which is necessitated by the mess you inherited and would dramatize the Nation's economic predicament. This message would also protect the Administration from asking for a trillion dollar limit later on which would be deemed a "Reagan" debt increase.
- 5. Seek the Leaders advice.

WASHINGTON

CABINET MEETING AGENDA

January 27, 1981 -- 11:00 AM

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6.	Recision of Bilingual Education Regulations	Terrel Bell
7.	Schedule of Cabinet Meetings	Edwin A. Meese III

CABINET MEETING PARTICIPANTS

January 27, 1981 -- 11:00 AM

The Cabinet -- All Members

BYCEPT: DONOUAN
PIERCE
CASEY
WEINBERGER

James A. Baker III Michael K. Deaver Richard V. Allen Martin Anderson Max Friedersdorf James S. Brady Richard Darman Craig Fuller David Gergen Admiral Daniel Murphy Ken Khachigian

RICHARD DARMAN

Ed Harper Glenn Schleede Parm M-PHENSON Raymond Romatowski PEN JAMES R. Tim McNamar

FRED EHEDOURI
BOMDEN THRAY
WASSER STUESSEL

WASHINGTON

January 26, 1981

MEMORANDUM FOR:

MIKE DEAVER

FROM:

PETER McCOY

SUBJECT:

SCENARIO - Reception for Hostages and Families following Military Ceremony, Tuesday, January 27.

3:15 p.m.

THE PRESIDENT AND MRS. REAGAN, and the Vice Presidesnt and Mrs. Bush, at conclusion of military ceremony, escort the Freed Americans to the Blue Room, using Left Balcony Staircase.

Note: The families of the deceased rescue troops are escorted to the Red Room via the Left Balcony Staircase.

Other guests of the Reception will be escorted through the Diplomatic Entrance to the State Floor.

THE PRESIDENT presents a gift to each of the Freed Americans.

Note: The Marine Band String Ensemble will be playing in the foyer, and food and beverages will be served in the East Room.

THE PRESIDENT, MRS. REAGAN, The Vice President, and Mrs. Bush, proceed to the Red Room for a brief reception with the families of the deceased rescue troops.

Note: The Freed Americans will be escorted from the Blue Room to the Cross Hall and into the East Room.

The families of the deceased rescue troops will be escorted to the East Room.

3:45 P.M.

3:53 P.M.

Page 2 SCENARIO Reception for Hostages 1/27/81

3:55 P.M.

THE PRESIDENT AND MRS. REAGAN, and The Vice President and Mrs. Bush, are escorted from the Red Room into the Cross Hall and into the East Room.

Note: They are announced.

THE PRESIDENT then makes brief remarks in the East Room.

THE PRESIDENT concludes.

THE PRESIDENT AND MRS. REAGAN depart the East Room and return to the Residence.

The Vice President and Mrs. Bush depart the East Room and the White House via the West Basement entrance.

All invited guests depart the Residence via the North and South Porticos.

4:05 P.M.

TAB A

RETURNEES

AHERN, Thomas L. BARNES, Clair BELK, William F. BLUCKER, Robert COOKE, Donald J. DAUGHÉRTY, William J. ENGLEMANN, Robert A. GALLEGOS, William A. GILLETTE, Duane L. GERMAN, Bruce W. GOLACINSKI, Alan B. GRAVES, John E. HALL, Joseph M. HERMENING, Kevin J. HOHMAN, Don R. HOLLAND, Leland HOWLAND, Michael H. JONES, Charles, Jr. KALP, Malcolm KENNEDY, Moorhead KEOUGH, William, Jr. KIRTLEY, Steven W. KOOB, Kate L. KUPKE, Frederick L. LAINGEN, L. Bruce LAUTERBACH, Steven M. LEE, Gary E. LEWIS, Paul E. LIMBERT, John W. LOPEZ, James M. McKEEL, John D. METRINKO, Michael J. MIELE, Jerry J. MOELLER, Michael E. MOORE, Bert C. MOREFIELD, Richard H. NEEDHAM, Paul ODE, Robert PERSINGER, Gregory A. PLOTKIN, Jerry QUEEN, Richard I. RAGAN, Regis ROEDER, David ROSEN, Barry M.
ROYER, William B., Jr. SCHAEFER, Thomas E. SCOTT, Charles SHARER, Don Allen SICKMAN, Rodney V. SUBIC, Joseph SWIFT, Elizabeth A. TOMSETH, Victor L. WARD, Phillip

Wisconsin Virginia Washington Arkansas Ohio New York Texas Colorado Pennsylvania Pennsylvania Maryland Virginia Oregon Wisconsin California Illinois Pennsylvania Michigan Virginia District of Columia Massachusetts Arkansas Iowa Indiana Minnesota Ohio Virginia Illinois District of Columia Arizona Texas Pennsylvania Pennsylvania Nebraska Ohio California Nebraska Arizona Delaware New York Maine Pennsylvania Wisconsin New York Texas New York Pennsylvania Indiana Maryland Michigan District of Columia Oregon Virginia

CEREMONY ATTENDEES

Families and Extended Families	400*
White House Senior Staff (no spouses)	15
Congress (no spouses)	625
Cabinet (no spouses)	20
Rescue Force	35*
Next of Kin	35*
Previous Returnees	19*
DOD/ICA/State Special Guests	250
Freed Americans	53*
Distinguished Guests	25*
DOD	2500
State Department	2000
ICA	500

^{*} attend inside reception

TAB C

PLATFORM GUESTS

The First Lady

The Vice President

Mrs. Barbara Bush

Secretary of State Alexander Haig

Secretary of Defense Caspar Weinberger

Senate President Pro-Tem Strom Thurmond

Senate Majority Leader Howard H. Baker

Senate Minority Leader Robert Byrd

House Speaker Thomas P. O'Neill, Jr.

House Majority Leader James Wright

House Minority Leader Robert H. Michel

His Excellency Peter M. Towe, Ambassador of Canada

His Excellency Redha Malek, Ambassador of the Democratic and Populist Republic of Algeria

His Excellency Peter Hermes, Ambassador of the Federal Republic of Germany

His Excellency Anton Hegner, Ambassador of Switzerland

Mr. Kenneth Taylor, Canadian Council General of New York

His Excellency Sir Nicholas Henderson, British Ambassador

General E. C. Meyer, Army

Admiral Thomas B. Hayward, Navy

General Lew Allen, Jr., Air Force

General Robert H. Barrow, Marine Corp

General David C. Jones, Air Force (Chairman)

Acting Director Joc Shirley, I.C.A.

President Bleakly, A.F.S.A.

Chief Justice of the United States Warren Burger

*** NOTE: Mrs. Haig, Mrs. Weinberger, Mrs. Shirley,
Mrs. Bleakly, and any other wives, will join
the Cabinet members in the Preferred Standing
area.

WASHINGTON

January 26, 1981

MEMORANDUM FOR THE PRESIDENT

FROM:

Ken Khachigian

SUBJECT:

Remarks to Freed Americans

Instead of submitting a "reading copy" to you, I thought you might like to review the draft before it went into final copy and have the opportunity to make changes.

After you've had an opportunity to review and revise as necessary we will put it onto the same kind of cards you used for the Inaugural Address.

In the meantime, I am also passing this by the State Department and the NSC to get substantive clearance.

Suggested Remarks: Return of Freed Americans 1/27/81

I can think of no better way to let you know how Nancy and
I feel about your presence here today than to say on behalf of us
and each of our fellow citizens these simple words: Welcome Home.

You are home. And, believe me, you are welcome.

You've returned to a Nation grateful for your service. You've come home to a people who, for 444 days, felt your pain, suffered your imprisonment, prayed for your safety and stood steadfastly with you in support. And, most importantly, you must know that the American people shared your determination that the spirit of free men and women is not a fit subject for barter.

The hearts of America have poured out for you not only for your performance under great stress but also because you have represented the highest traditions of public service. Your conduct under the most difficult of situations is symbolic of the millions of professional diplomats, military personnel and others who have rendered service to their country.

We are all aware now of the conditions under which you were imprisoned. Though now is not the time to review every abhorrent detail of your cruel confinement, believe me, we know what happened. Truth may be a rare commodity today in Iran, but it is alive and well in America.

By no choice of your own, you have entered the ranks of those who, throughout our history, have undergone the ordeals of imprisonment -- those who were prisoners of war in Korea and

Vietnam; those imprisoned in two world wars; and, not long ago, the crew of the Pueblo.

Like those others, you, too, are special to us. But I think you will agree that the greatest testimony to your conduct is that you did what is commonplace for those who serve America: you fulfilled your duty as you saw it. And now, like the others, you are home.

I know that there will be countless stories of personal courage that come out of this experience. I heard another kind of story that I want to share with all of you. I'm told that Sergeant Lopez here put up a sign in his cell. Now, normally this kind of sign would have been torn down. But this one was written in Spanish, and his guards ignored it because they didn't know its meaning. That sign said: "Viva la roja, blanco y azul." Long live the red, white and blue.

They may not understand what that means in Iran, but there's not an American who ever forgets its meaning.

Two days ago, Nancy and I met with your families here at the White House. I just want to let you on this platform know that though you were lonely during that dreadful period of captivity, you were never alone. Here in this country were your wives and children, your mothers and dads, your brothers and sisters — they were so full of prayers and love and yearning for you that no force on this earth could possibly overcome.

So if you'll excuse me just for this moment -- please allow me to speak on your behalf to say to your families how much they are admired in this Nation. Their courage, endurance and strength were of heroic measure.

Just so there is no question about your personal futures, I probably ought to warn you that you will probably have less time to rest than you would like. While you were on your way to Germany, I signed a hiring freeze in the Federal Government, and your bosses are already saying that they've got to have you back on the job. So let's be clear about it: we need you and your country needs you.

As we now bring this terrible episode to a close, let me leave you and every American two pledges:

First, I want all who serve their country, whether in the foreign service, in the military, or as a private citizen, to know that the United States of America truly views its freedom as indivisible. Your freedom and your individual dignity is much cherished. You can be confident that in the representation of your Nation you will be accorded every means of protection that America can muster.

My next message is to the terrorists of this world and their sympathizers. Please listen carefully:

- -- The unrelieved seizure of U.S. diplomatic missions and representatives will be regarded as a belligerent act to which the United States will be free to respond accordingly. When the rules of international behavior are violated, our policy will be one of swift and effective retribution.
- -- We will regard the failure of a host government to gain the prompt and safe release of Americans seized by terrorists as an act of grave hostility.
- -- We will not negotiate with terrorists, whether officially or privately, and we shall never extend even a shred of legitimacy to them.

No terrorist group shall be permitted to benefit from its wanton violations of international norms. We hear it said that we live in an era of limits to our power. But let it also be understood that there are limits to our patience.

Yesterday, I signed a resolution of thanksgiving giving thanks to God for your safe return. Now, won't you all join me in another prayer. We give thanks to God that this ordeal has ended. We pray for wisdom and determination that it will soon be a distant memory for us all and that we shall prevent it from ever happening again. And we give special thanks to those eight courageous soldiers who died in a mission of mercy seeking to free their fellow citizens from their imprisonment. We also give thanks to those who returned some of them wounded. We pray now that God will apply his special healing to those who have so suffered in this period and find special ways to comfort those whose sacrifice was the greatest.

TO BE PROVIDED LATER

WASHINGTON

January 26, 1981

MEMORANDUM FOR:

MIKE DEAVER

FROM:

PETER McCOY

SUBJECT:

SCENARIO - RECEPTION FOR DIPLOMATIC CORPS JANUARY 27, 1981 9:00 P.M. (revised)

9:00 P.M.

Guests arrive Southwest Gate and proceed to East Room via Diplomatic Reception Room.

(String ensemble playing in East Room, String Quartet playing in Red Room.)

(Champagne, biscuits secs, thinly-sliced sandwiches with mushroom pate, others with cucumber and cream cheese, cheese straws, and petits fours.)

The Vice President and Mrs. Bush and the Secretary of State and Mrs. Haig arrive the Northwest Gate and proceed to the State Floor via North Portico.

(Social Aides will escort them.)

9:10 P.M.

The Vice President and Mrs. Bush and the Secretary of State and Mrs. Haig are escorted to positions in the Green Room for receiving line.

9:10 P.M.

THE PRESIDENT AND MRS. REAGAN arrive State Floor and are escorted to Blue Room for receiving line.

9:20 P.M.

Diplomats are escorted out of East Room, down Cross Hall through Dining Room, into Red Room, then into the Blue Room to be introduced to THE PRESIDENT AND MRS. REAGAN; then through the Green Room to be introduced to the Vice President and Mrs. Bush and the Secretary of State and Mrs. Haig, then back into East Room.

(Food and champagne will continue to be served in East Room.)

Page 2 SUGGESTED SCENARIO Reception for Diplomatic Corps January 27, 1981 - 9 p.m.

11:00 P.M.

THE PRESIDENT AND MRS. REAGAN depart the State Floor.

11:30 P.M.

Guests depart Residence.

cc: Helene Von Damm