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WHITE HOUSE OFFICE OF RECORDS MANAGEMENMT WORKSHEET

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ONDORPTRHED October 5, 1981 5:00 pm

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT'S SCHEDULE Tuesday, October 6, 1981

Em, JB, mko, BUSH, ALLEW, BERGEN 9:10 -+00 am (Baker, Meese, Deaver) (30 min)CONGRESSIONE TIME debails 9:30 am DVAL in-mounime) SENAMOR MATHIAS 9: 40 -10:05 BUSH, FRIEDERS WORK, JB (60 min) SENATOR SIMPSON 10:08-10:32 RUCH, JB, FRISDERS PONE, ALLEN Briefing for Prem Visit -11:07 400, parsons area Oval Office 10:30 am (Richard Allen) //:/0 -//: 28 (60 min) Meeting with Prime Minister Prem Tinsulan-11: 28 Oval Office 11:30 am onda of Thailand Photo opp. -(30 min) (Richard Allen) M:37 (distributed separately) State Dining Room Luncheon for Prime Minister Prem - 1:03 12:00 m (Richard Allen/Peter McCoy) (TAB A) (draft toast attached) (75 min) Personal Staff Time 4:93 pm Oval Office CASSO, WING ALLEN DCF, MKO

CASSO, WINGSON, BUSH — 7 2:20

Phone Call and Quand A with UPI Interna-(15 min) 2:0 Z 1:45 pm Oval Office national Conference of Editors & Publishers (15 min) Study (Lasey Speakes) (TAB B) 2:29 NONTH DONTICO - RE/NE - PRESS ANNOUNCEMENT - SAGAT GAATH Cabinet Room Meeting with Cabinet Council on Natural (60 m) Resources & Environment (Craig Fuller) (TAB C) 9:00 pm Oval Office Personal Staff Time (15 min) BAKER 3:40 - 4:24 Meeting with GOP Members of the Foreign Oval Office (30 min) Relations Committee (Max Friedersdorf) (TAB D) Presentation of Diplomatic Gredentials by Oval Office 3:45 pm (45 min) the Ambassadors designate of Sri Lanka, Guinea Bissau, United Arab Emirates, Argentina, Temen and Hungary (Richard Allen) (TAB E) 4:34-4:58 NSCP6 - RUSH, Sun +8, Ause, mice, HALL, CARLUCLI, CASA, WEINESPECE, 4:30 pm Personal Staff Time & munther bour lands Oval Office (30 min)5:00 pm West Basement Haircut (30 min)The President and Mrs. Reagan join W. H. East Room 5.30 pm Reception for Presidential Transition (JU min) Former on Group (TAB F) (draft remarks attached) (Peter McCoy) Private Quarter

5:35

6:00 pm

To Private Quarters

UNPUBLISHED October 5, 1981 5:00 pm

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT'S SCHEDULE Tuesday, October 6, 1981

	9:00 am (30 min)	Staff Time (Baker, Meese, Deaver)	Residence
	9:30 am (60 min)	Condressional Time (details in morning) -MATHIAS -SIMPSON	
	10:30 am (60 min)	Briefing for Prem Visit (Richard Allen) Briefice	Oval Office
	11:30 am (30 min)	75 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Oval Office ed separately)
	12:00 m		
	(75 min)	Luncheon for Prime Minister Prem (Richard Allen/Peter McCoy) (TAB A)	State Dining Room
	1:30 pm (15 min) 1/18	Personal Staff Time ->DEAURK, GERGEN ALLEN - CONTROL OF STREET ALLEN -	attached) Oval Office
	1:45 pm (15 min)	Phone Call and Q and A with UPI Interna- national Conference of Editors & Publishers (Larry Speakes) (TAB B)	Oval Office Study
	2:00 pm (60 min)	Meeting with Cabinet Council on Natural Resources & Environment (Craig Fuller)	Cabinet Room
j,	3:00 pm / 2000 (15 min)	Personal Staff Time Press - Heupe -	Oval Office
	3:15 pm 3.40	Meeting with GOP Members of the Foreign	Oval Office
	(30 min)9(30	Relations Committee (Max Friedersdorf) Bush Baker anew and (TAB D) Bushaenie Seatar (Manager Acestral Percy	
	3:45 pm (45 min)	Presentation of Diplomatic Credentials by the Ambassadors-designate of Sri Lanka, Guinea-Bissau, United Arab Emirates, Argentina, Yemen and Hungary (Richard Allen) (TAB E)	Oval Office
		(IAD E)	SIT REOM
	4:30 pm (30 min)	Personal Staff Time GRIKEING	Oval Office
	5:00 pm (30 min)	Haircut '	West Basement
	5:30 pm (30 min)	The President and Mrs. Reagan join W. H. Reception for Presidential Transition Foundation Group (Table E)	East Room
	6.00	(Peter McOy) (draft remarks	attached)
	6:00 pm	To Private Quarters	Private Quarters

TODAY THE PEOPLE OF THE U.S. JOIN WITH THE PEOPLE OF EGYPT & ALL THOSE WHO LONG FOR A BETTER WORLD IN MOURNING THE DEATH OF ANWAR SADAT.

PRES. SADAT WAS A COURAGEOUS MAN WHOSE VISION & WISDOM BROUGHT NATIONS & PEOPLE TOGETHER. IN A WORLD FILLED WITH HATRED, HE WAS A MAN OF HOPE. IN A WORLD TRAPPED IN THE ANIMUSITIES OF THE PAST, HE WAS A MAN OF FORESIGHT — A MAN WHO SOUGHT TO IMPROVE A WORLD TORMENTED BY MALICE & PETTINESS.

AS AN EGYPTIAN PATRIOT, HE HELPED CREATE THE REVOLUTIONARY MOVEMENT THAT FREED HIS NATION. AS A POLITICAL LEADER HE SOUGHT TO FREE HIS PEOPLE FROM HATRED & WAR.

AS A SOLDIER HE WAS UNAFRAID TO FIGHT,
BUT -- MOST IMPORTANT -- HE WAS A
HUMANITARIAN UNAFRAID TO MAKE PEACE.

HANDWRITAS FILE

HIS COURAGE & SKILL REAPED A HARVEST OF LIFE FOR HIS NATION & FOR THE WORLD.

ANWAR SADAT WAS ADMIRED & LOVED BY THE PEOPLE OF AMERICA. HIS DEATH TODAY, AN ACT OF INFAMY, FILLS US WITH HORROR.

AMERICA HAS LOST A CLOSE FRIEND -THE WORLD HAS LOST A GREAT STATESMAN, &
MANKIND HAS LOST A CHAMPION OF PEACE.

AND NANCY & I FEEL WE HAVE LOST A DEAR FRIEND.

DEATH OF PRESIDENT SADAT

Today the people of the United States join with the people of Egypt and all those who long for a better world in mourning the death of Anwar Sadat.

President Sadat was a courageous man whose vision and wisdom brought nations and people together. In a world filled with hatred, he was a man of hope. In a world trapped in the animosities of the past, he was a man of foresight — a man who sought to better a world tormented by malice and pettiness.

As an Egyptian patriot, he helped create the revolutionary movement that freed his nation. As a political leader he sought to free his people from hatred and war.

As a soldier he was unafraid to fight, but -- most important -- he was a humanitarian unafraid to make peace. His courage and skill reaped a harvest of life for his nation and for the world.

Anwar Sadat was admired and loved by the people of America. His death today is a thing of horror a thing of infamy, America has lost a close friend -- the world has lost a great statesman, and mankind a champion of peace.

And have a feel me have lost a dear priend.

HANDWRITAG FLE

VISIT OF PRIME MINISTER PREM OF THAILAND

Tuesday, October 6, 1981

11:30 a.m. Meeting with the President

Prime Minister General Prem Tinsulanonda Deputy Prime Minister General Prachuap Suntharangkun Foreign Minister Siddhi Savetsila Ambassador Prok Amaranand (Mr. Krit Garnjnagoonchorn - interpreter)

HALLA

HOLDRINGE

GEORGE

THOMAS

INTER PRESENT

12 noon President's Luncheon

Prime Minister General Prem Tinsulanonda
Deputy Prime Minister General Prachuap Suntharangkun
Foreign Minister Air Chief Marshal Siddhi Savetsila
Ambassador Prok Amaranand
Minister Attached to the Prime Minister's Office
Flying Officer Suri Mahasanthana
Finance Minister Sommai Huntrakun
Agriculture Minister Anat Arbhabrirama

HAIG ALLEN Em Wennseese Horonne Buckieg SCHEDULE OF EVENTS
Luncheon for Prime Minister Prem Tinsulanonda of
Thailand
Tuesday, October 7

FROM:

Muffie Brandon

ruffiz Brandoz

11:50 a.m.

Guests arrive the Diplomatic Reception Room and are led by Social Aides up the back staircase to the State Dining Room.

12:00 Noon

THE PRESIDENT, the Prime Minister of Thailand, and additional guests will proceed from the West Wing, down the Lower Cross Hall, and up the elevator to the State Dining Room for lunch. All will be seated.

12:05 p.m.

Luncheon is served.

1:00 p.m.

Toasts are made

THE PRESIDENT

THE PRIME MINISTER OF THAILAND

1:15 p.m.

THE PRESIDENT escorts the Prime Minister of Thailand to the North Portico for departure, then returns to the West Wing.

The remaining guests depart the North Portico and the Diplomatic Reception Room.

Mr. James Lilley Mr. Richard Armitage

Air Chief Marshal Kantarat

Mr. Richard Allen

HE Suri Mahasanthana

Mr. Edwin Meese

HE Air Chief Marshal Savetsila

The Secretary of STate

HE The Prime Minister of Thailand

THE PRESIDENT

HE General Suntharangkun

The Secretary of Defense

HE The Ambassador of Thailand

Amb. John Gunther Dean

HE Sommai Huntrakun

Mr. James Buckley

Mr. Michael Docrer Mr. John Holdridge

GEORGE THOMAS - NIENDANTOR

CAB. Room BRIERING 11:10-11:28 HAIG

HOLDRIDGE

Mr. James Lilley Mr. Richard Armitage

Air Chief Marshal Kantarat Mr. Richard Allen

HE Suri Mahasanthana Mr. Edwin Meese

HE The Prime Minister of Thailand THE PRESIDENT

HE General Suntharangkun The Secretary of Defense

HE The Ambassador of Thailand Amb. John Gunther Dean

HE Sommai Huntrakun Mr. James Buckley

Mr. Michael Deaver Mr. John Holdridge

Monetary Fund and the World Bank. One of the points I made to that distinguished audience was this:

"The societies which have achieved the most spectacular, broad-based economic progress in the shortest period of time are not the most tightly controlled, not necessarily the biggest in size or the wealthiest in natural resources. No, what unites them all is their willingness to believe in the magic of the marketplace."

I could have been speaking about your Thailand, Mr. Prime Minister. You can be very proud of what you, your government and your people have achieved. The American people, in turn, are proud to have contributed, in a small way, to your success. And let me just add that we intend, within our means, to maintain this contribution.

But now a menacing shadow threatens your country. The aggressive actions of the Vietnamese Communists backed by Soviet sponsors, pose a menace to your security, stability and territorial integrity. Supported by your ASEAN partners, you stand on the frontlines of the great ideological struggle of our century -- one between free people who wish to live in peace in societies of law, and totalitarians who despise human freedom and seek to subvert or destroy it everywhere they can.

With the Vietnamese occupation of Cambodia, you and your ASEAN partners buried your differences and joined together to face the common danger. The outcome of the International Conference on Cambodia, the overwhelming vote

to prevent the Vietnamese puppet regime in that country from gaining a U.N. seat, and the continuing efforts to rally the Khmer people against the illegal occupation of their country all prove the remarkable progress of the ASEAN endeavor.

The nations of your region are cooperating to defend their security and the way is open for ultimate success.

I can assure you that America is ready to help you, and ASEAN, maintain your independence against communist aggression. The Manila Pact, and it clarification in our bilateral communique of 1962, is a living document. We will honor the obligations it conveys.

Mr. Prime Minister, the American people join me in conveying warm greetings to the Royal family and the people of Thailand. And Nancy would also like you to convey a message: She looks forward with great pleasure to the visit of Her Magesty Queen Sirikit (See-ree-kit) to the White House on November 5. And now, I ask you all to raise your glasses and join me in a toast to His Majesty King Bhumibol (Poom-ee-pawn) of Thailand, to His Excellency the Prime Minister, to the people of Thailand and to the continuation of close relations between our two countries.

TOAST: PRIME MINISTER PREM TINSULANONDA OF THAILAND

PRIME MINISTER PREM, ON BEHALF OF THE AMERICAN PEOPLE, IT IS A PLEASURE AND AN HONOR TO WELCOME YOU AND YOUR COLLEAGUES TO THE WHITE HOUSE TODAY. I HAVE ENJOYED THIS OPPORTUNITY TO GET TO KNOW YOU. OUR CONVERSATIONS REINFORCED FOR ME THE IMPORTANCE OF MAINTAINING THE SECURITY, STABILITY AND NATIONAL DEVELOPMENT OF THAILAND. LET ME ASSURE YOU THAT WE VALUE YOUR COUNSEL AND VIEWS ON TRENDS AND DEVELOPMENTS IN YOUR REGION.

YOUR COUNTRY, MR. PRIME MINISTER, IS
TRULY NAMED "LAND OF THE FREE." BLESSED
BY NATURE, THE THAI PEOPLE ARE PEACEFUL,
HARDWORKING, AND HAVE NEVER MENACED THEIR
NEIGHBORS. BLESSED EQUALLY BY BRILLIANT,
DYNAMIC LEADERS, YOUR NATION HAS REMAINED
INDEPENDENT FOR MORE THAN 7 CENTURIES.

THAILAND'S RELATIONS WITH MY OWN
COUNTRY DATE BACK MORE THAN 100 YEARS, AND
HAVE BEEN CHARACTERIZED BY WARM FRIENDSHIP
AND CLOSE COOPERATION. OUR SONS AND
DAUGHTERS HAVE STUDIED SIDE BY SIDE IN EACH
OTHER'S SCHOOLS AND UNIVERSITIES, OUR
SOLDIERS HAVE FOUGHT AND DIED TOGETHER IN
2 WARS. WE SHARE A RELATIONSHIP THAT IS
TRULY RARE BETWEEN 2 COUNTRIES, ESPECIALLY
SINCE WE ARE SEPARATED BY 12,000 MILES OF
OCEAN.

MR. PRIME MINISTER, YOUR OPEN SOCIETY AND FREE ENTERPRISE SYSTEM ARE A SHINING MODEL FOR THE REST OF ASIA.

THE OTHER DAY I HAD THE GREAT PRIVILEGE OF ADDRESSING THE 36TH ANNUAL MEETING IN WASHINGTON OF THE INTERNATIONAL MONETARY FUND AND THE WORLD BANK. ONE OF THE POINTS I MADE TO THAT DISTINGUISHED AUDIENCE WAS THIS:

"THE SOCIETIES WHICH HAVE ACHIEVED THE MOST SPECTACULAR, BROAD-BASED ECONOMIC PROGRESS IN THE SHORTEST PERIOD OF TIME ARE NOT THE MOST TIGHTLY CONTROLLED, NOT NECESSARILY THE BIGGEST IN SIZE OR THE WEALTHIEST IN NATURAL RESOURCES. NO, WHAT UNITES THEM ALL IS THEIR WILLINGNESS TO BELIEVE IN THE MAGIC OF THE MARKETPLACE."

I COULD HAVE BEEN SPEAKING ABOUT YOUR THAILAND, MR. PRIME MINISTER. YOU CAN BE VERY PROUD OF WHAT YOU, YOUR GOVERNMENT AND YOUR PEOPLE HAVE ACHIEVED. THE AMERICAN PEOPLE, IN TURN, ARE PROUD TO HAVE CONTRIBUTED, IN A SMALL WAY, TO YOUR SUCCESS. AND LET ME JUST ADD THAT WE INTEND, WITHIN OUR MEANS, TO MAINTAIN THIS CONTRIBUTION.

BUT NOW A MENACING SHADOW THREATENS
YOUR COUNTRY. THE AGGRESSIVE ACTIONS OF
THE VIETNAMESE COMMUNISTS BACKED BY SOVIET
SPONSORS, POSE A MENACE TO YOUR SECURITY,
STABILITY AND TERRITORIAL INTEGRITY.
SUPPORTED BY YOUR ASEAN PARTNERS, YOU
STAND ON THE FRONTLINES OF THE GREAT
IDEOLOGICAL STRUGGLE OF OUR CENTURY
ONE BETWEEN FREE PEOPLE WHO WISH TO LIVE
IN PEACE IN SOCIETIES OF LAW, AND
TOTALITARIANS WHO DESPISE HUMAN FREEDOM
AND SEEK TO SUBVERT OR DESTROY IT
EVERYWHERE THEY CAN.

WITH THE VIETNAMESE OCCUPATION OF CAMBODIA, YOU AND YOUR ASEAN PARTNERS BURIED YOUR DIFFERENCES AND JOINED TOGETHER TO FACE THE COMMON DANGER. THE OUTCOME OF THE INTERNATIONAL CONFERENCE ON CAMBODIA, THE OVERWHELMING VOTE TO

PREVENT THE VIETNAMESE PUPPET REGIME
IN THAT COUNTRY FROM GAINING A U.N. SEAT,
AND THE CONTINUING EFFORTS TO RALLY THE
KHMER PEOPLE AGAINST THE ILLEGAL
OCCUPATION OF THEIR COUNTRY ALL PROVE THE
REMARKABLE PROGRESS OF THE ASEAN ENDEAVOR.
THE NATIONS OF YOUR REGION ARE COOPERATING
TO DEFEND THEIR SECURITY AND THE WAY IS
OPEN FOR ULTIMATE SUCCESS.

I CAN ASSURE YOU THAT AMERICA IS
READY TO HELP YOU, AND ASEAN, MAINTAIN
YOUR INDEPENDENCE AGAINST COMMUNIST
AGGRESSION. THE MANILA PACT, AND ITS
CLARIFICATION IN OUR BILATERAL COMMUNIQUE
OF 1962, IS A LIVING DOCUMENT. WE WILL
HONOR THE OBLIGATIONS IT CONVEYS.

MR. PRIME MINISTER, THE AMERICAN
PEOPLE JOIN ME IN CONVEYING WARM GREETINGS
TO THE ROYAL FAMILY AND THE PEOPLE OF
THAILAND, AND NANCY WOULD ALSO LIKE

The man part

YOU TO CONVEY A MESSAGE: SHE LOOKS
FORWARD WITH GREAT PLEASURE TO THE VISIT
OF HER MAJESTY QUEEN SEE-REE-KIT TO THE
WHITE HOUSE ON NOVEMBER 5. AND NOW, I
ASK YOU ALL TO RAISE YOUR GLASSES AND
JOIN ME IN A TOAST TO HIS MAJESTY KING
POOM-EE-PAWN OF THAILAND, TO HIS EXCELLENCY
THE PRIME MINISTER, TO THE PEOPLE OF
THAILAND AND TO THE CONTINUATION OF CLOSE
RELATIONS BETWEEN OUR 2 COUNTRIES.

WASHINGTON

October 5, 1981

MEETING WITH UPI CORRESPONDENTS
October 6, 1981
Oval Office
1:50 p.m.

FROM: DAVID R. GERGEN

I. PURPOSE

15-20 minute Question and Answer by phone with UPI editors.

II. BACKGROUND

The UPI editors are gathered for their annual conference in New York City. Larry Speakes will be talking with the editors in person just before your call.

III. TOPICS OF DISCUSSION

Note: This will be an exclusive for UPI. UPI is having financial difficulties and may be bought by Reuters. Suggest that you take the first question from Helen Thomas.

INTRODUCTION: QUESTION AND ANSWER CALL TO UPI EDITORS OCTOBER 6, 1981

Well good afternoon to all of you. I know you're having a very good conference in New York and I want to thank you for making this time available to me. I guess I should thank Dave Stockman too. This is the first occasion since the new fiscal year began that Dave's permitted me to make a long distance call. I have a hunch he thought it would be collect.

I know we don't have too much time so I'd better open up the floor to you now. Please go ahead and begin with your questions.

C

WASHINGTON

October 5, 1981

MEETING WITH THE CABINET COUNCIL ON NATURAL RESOURCES & ENVIRONMENT

DATE:

October 6, 1981

LOCATION:

Cabinet Room

TIME:

2:00 p.m. (60 minutes)

FROM:

CRAIG L. FULLER

I. PURPOSE

The Cabinet Council is meeting on a Nuclear Power Statement and on a Natural Gas Decontrol plan.

II. BACKGROUND

The Nuclear Power Statement has been developed by the Department of Energy, Jay Keyworth, your science adviser, and Joe Palladino, Chairman, Nuclear Regulatory Commission. All will be present at the meeting. The Cabinet Council has reviewed this statement in a working session and it has no known opposition.

The Natural Gas Decontrol was reviewed with you a few weeks ago. Since that meeting representatives of the Department of Energy have been reviewing the issue with Congress. The option of phased decontrol is widely supported by your advisers; however there remains a question as to when the policy should be addressed — some favor immediately, some wish to defer until next year.

III. PARTICIPANTS

(To be determined)

IV. PRESS PLAN

(White House only)

V. SEQUENCE OF EVENTS

Secretary Watt serves as the Chairman Pro Tempore of the Cabinet Council. Once the group is assembled, Jim Watt can be called upon. Both issues are ones for which Secretary Jim Edwards has the lead.

WASHINGTON

CABINET COUNCIL ON NATURAL RESOURCES AND ENVIRONMENT

October 6, 1981

2:00 PM

Cabinet Room

AGENDA

- Nuclear Power Statement (CM#78)
- Natural Gas Decontrol (CM#53)

WASHINGTON

October 5, 1981

MEMORANDUM FOR THE PRESIDENT

FROM: CABINET COUNCIL ON NATURAL RESOURCES AND ENVIRONMENT

JAMES G. WATT, CHAIRMAN PRO TEMPORE

ISSUE: Should the Administration support legislation to

accelerate the decontrol of production and use of

natural gas?

BACKGROUND

In 1978, Congress adopted the Natural Gas Policy Act (NGPA), which controls the price of all gas under a wide variety of categories and prices. Those prices are allowed to escalate at or slightly above the rate of inflation. Under the law some gas (about half of all production in 1985), would be deregulated on 1/1/85, while the remainder would remain under controls forever.

The current controlled prices are well below any likely market price, and are rising only very slowly, in real terms. This means that if the current law is not changed, natural gas prices will probably rise enormously at the time of decontrol in 1985, making it very likely that there will be a strong effort to prevent even that partial decontrol. The gas market has also been distorted by energy laws preventing or penalizing the use of natural gas in certain areas.

The NGPA has generally retarded gas drilling efforts. The current rapid increase in drilling rigs (a 40% annual rate of increase for the last two years; 900 new rigs added since the President ordered full oil decontrol) has primarily been for oil. Oil well completions have increased at a 40% annual rate; gas well completions at only about a 6% annual rate.

DISCUSSION

The Department of Energy estimates that any policy leading to complete decontrol of natural gas will provide substantial benefits to the economy over the next few years in greater production of gas, more conservation, reduced imports and greater economic efficiency. The more immediate and complete the decontrol, the greater the benefits, but also the greater the immediate impact on consumers, and the more rapidly the economy must adjust to the new situation.

The Cabinet Council recommends a phase-out of price controls by allowing prices to rise smoothly from 1/1/82 levels toward an oil equivalent price on 1/1/85 when complete decontrol would occur. The Council also recommends that some category of "new" gas be allowed to rise immediately to the oil equivalent price, so as to create a greater immediate incentive for increased production. Finally, the Council recommends that all demand restraints on natural gas (Fuel Use Act and incremental pricing) be repealed.

The Council also agreed that there should be an Administration announcement of general policy, followed by consultation with Congressional supporters and affected groups on the exact details of a bill for presentation.

The Council considered a wide range of other options, including immediate decontrol of all gas, decontrol of "new" gas only, and other phasing options. These were rejected as either politically infeasible, or causing greater market distortions during the decontrol period.

ADVANTAGES:

- 1. Energy Independence. Will move the United States toward greater energy independence. Decontrol will stimulate greater production and increased conservation. DOE estimates up to 500,000 bbl/day in import reduction through 1985. This will also put downward pressure on world oil prices, as happened with oil decontrol.
- 2. Cleaner Environment. Greater production and more efficient use of natural gas will reduce pollution. Gas is almost totally clean-burning, and can also be used to "average down" coal emissions, thus allowing more coal use within environmental standards.

^{† &}quot;Oil equivalent price" means a wellhead price for gas that will make it competitve with residual fuel oil in final markets. This price (excluding taxes) would be about 70% of the equivalent price of crude oil to refiners.

- 3. <u>Increase Revenues</u>. May increase government revenues. Methodological disputes remain, but full decontrol could raise revenues by up to \$3-10 billion under present tax structure.
- 4. Economic Efficiency. Will increase efficiency of the economy, as users and producers are freed from controls. This is why major industrial users of gas (chemicals, plastics, GM, etc.) virtually all support decontrol.
- 5. Stimulate Alternatives. Will stimulate production and use of alternate energy sources (coal, solar, conservation) that cannot compete with subsidized gas prices in current markets.
- 6. Stop Extension of Controls. Prevents likely extension of total control system beyond 1985.
- 7. <u>Foreign Relations</u>. Will help foreign relations, because removes our subsidized competition for foreign energy supplies, improving energy prospects for friendly countries.

DISADVANTAGES:

The major disadvantage of any decontrol proposal is political opposition to allowing consumer price increases. Under current law, residential prices have been rising 8-10% annually, above the rate of inflation, and there will be a massive, instantaneous jump in prices in 1985. Even so, if this proposal is adopted, many will blame all price increases on the new law. Recognizing the deficiencies of any forecasting process, here are some of the projected effects of the Cabinet Council recommendation.

- 1. <u>Higher Consumer Prices</u>. Residential gas prices may rise by about 15% annually above inflation, through 1985. Thereafter prices should be about the same as under current law.
- 2. <u>Higher Heating Bills</u>. National average residential heating bills for those using gas could rise by \$50-100 each year through 1985.
- 3. Inflation and GNP Effects. It will be argued that inflation and unemployment will increase and GNP will decrease. Our analysis indicates that this need not occur, even in the first year or two, if proper monetary and fiscal policy are followed. The long-run effect of decontrol on all these indicators is clearly positive.
- 4. Wealth Transfer. There wil be a significant transfer of wealth from current consumers of natural gas to producers, perhaps \$40-50 billion in net present value (1980\$).

	Council	recommendation:

A	Diagramana	D. 2	£ 4. 1	
Approve	Disapprove	Discuss	Iurther	
1 1		_		

PRESIDENTIAL STATEMENT ON NUCLEAR POWER

A more abundant, affordable, and secure energy future for all Americans is a critical element of this Administration's economic recovery program. While homeowners and business firms have shown remarkable ingenuity and resourcefulness in meeting their energy needs at lower cost through conservation, it is evident that sustained economic growth over the decades ahead will require additional energy supplies. This is particularly true of electricity, which will supply an increasing share of our energy.

If we are to meet this need for new energy supplies, we must move rapidly to eliminate unnecessary government barriers to efficient utilization of our abundant, economical resources of coal and uranium. It is equally vital that the utilities -- investor-owned, public, and co-ops -- be able to develop new generating capacity that will permit them to supply their customers at the lowest cost, be it coal, nuclear, hydro, or new technologies such as fuel cells.

One of the best potential sources of new electrical energy supplies in the coming decades is nuclear power. The U.S. has developed a strong technological base in the production of electricity from nuclear energy. Unfortunately, the Federal Government has created a regulatory environment that is forcing many utilities to rule out nuclear power as a source of new generating capacity, even when their consumers may face unnecessarily high electric rates as a result. Nuclear power has become entangled in a morass of regulations that do not enhance safety but that do cause extensive licensing delays and economic uncertainty. Government has also failed in meeting its responsibility to work with industry to develop an acceptable system for commercial waste disposal, which has further hampered nuclear power development.

To correct present government deficiencies and to enable nuclear power to make its essential contribution to our future energy needs, I am announcing today a series of policy initiatives:

(1) I am directing the Secretary of Energy, monitored by the Task Force on Regulatory Relief, to give immediate priority attention to recommending improvements in the nuclear regulatory and licensing process. I anticipate that the Chairman of the Nuclear Regulatory Commission will take steps to facilitate the licensing of plants under construction and those awaiting licenses. Consistent with public health and safety, we must remove unnecessary obstacles to deployment of the current generation of nuclear power reactors. The time involved to proceed from the planning stage to an operating license for new nuclear power plants has more than doubled since the mid-1970s and is presently some 10-14 years. This process must be streamlined, with the objective of shortening the time involved to 6-8 years, as is typical in some other countries.

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(2) I am directing that government agencies proceed with the demonstration of breeder reactor technology, including completion of the Clinch River Breeder Reactor. This is essential to ensure our preparedness for longer-term nuclear power needs.

- (3) I am lifting the indefinite ban which previous Administrations placed on commercial reprocessing activities in the United States. In addition, we will pursue consistent, long-term policies concerning reprocessing of spent fuel from nuclear power reactors and eliminate regulatory impediments to commercial interest in this technology, while ensuring adequate safeguards.
- It is important that the private sector take the lead in developing commercial reprocessing services. Thus I am also requesting the Director of the Office of Science and Technology Policy, working with the Secretary of Energy, to undertake a study of the feasibility of obtaining economical plutonium supplies for the Department of Energy by means of a competitive procurement. By encouraging private firms to supply fuel for the breeder program at a cost that does not exceed that of government-produced plutonium, we may be able to provide a stable market for private sector reprocessing, and simultaneously reduce the funding needs of the U.S. breeder demonstration program.
- (4) I am instructing the Secretary of Energy, working closely with industry and state governments, to proceed swiftly toward deployment of means of storing and disposing of commercial high-level radioactive waste. We must take steps now to accomplish this objective and demonstrate to the public that problems associated with management of nuclear waste can be resolved.

Eliminating the regulatory problems that have burdened nuclear power will be of little use if the utility sector cannot raise the capital necessary to fund construction of new generating facilities. We have already taken significant steps to improve the climate for capital formation with the passage of my program for economic recovery. The tax bill contains substantial incentives designed to attract new capital into industry.

Safe, commercial nuclear power can help meet America's future energy needs. The policies and actions that I am announcing today will permit a revitalization of U.S. industry's efforts to develop nuclear power. In this way, native American genius — not arbitrary federal policy — will be free to provide for our energy future.

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WASHINGTON

October 5, 1981

MEETING WITH FIVE REPUBLICAN MEMBERS OF THE SENATE

FOREIGN RELATIONS COMMITTEE

DATE: October 6, 1981

LOCATION: The Oval Office

TIME: 3:15 - 3:45 p.m. (30 minutes)

FROM: Max Friedersdorf M./2.

I. PURPOSE

To discuss the proposed sale of the air defense enhancement package (AWACS) to Saudi Arabia.

BACKGROUND II.

The Senate Foreign Relations Committee will vote shortly on the Packwood resolution to disapprove the Saudi AWACS sale. Although it is likely that the vote will not occur until after the Senate recess which ends October 14, it is important that we firm up our support on this crucial committee as soon as possible.

The five Senators whom you will be meeting with today (Hayakawa, Pressler, Lugar, Baker and Percy) all serve on the Foreign Relations Committee. It is anticipated that Senators Baker, Percy, Lugar and Hayakawa will probably support us. Senator Pressler is opposed at this time. The Committee is composed of 9 Republicans and 8 Democrats. If we lose all Democrats, as anticipated, we can still lose one Republican (Senator Boschwitz) and defeat the measure on a tie vote. It is crucial, therefore, to obtain the support of every Republican who will be attending this meeting and also Senator Mathias who was unable to come today.

III. PARTICIPANTS

The President The Vice President Senator Howard Baker (R-Tennessee) Senator S.I. Hayakawa (R-California) Senator Larry Pressler (R-S. Dakota) Senator Richard Lugar (R-Indiana) Senator Charles Percy (R-Illinois)

REGRET

Senator Charles Mathias (R-MD

Staff

Ed Meese Jim Baker Dick Allen Max Friedersdorf

IV. PRESS PLAN

No press.

V. SEQUENCE OF EVENTS

Senators to enter through the Northwest Gate and be escorted to the Oval Office for a 30-minute meeting with the President.

Attachment: Talking Points

SUGGESTED TALKING POINTS FOR MEETING WITH FIVE REPUBLICAN MEMBERS OF THE SENATE FOREIGN RELATIONS COMMITTEE

- I appreciate your coming down here for the second time today on the Saudi AWACS sale. I know we all have busy schedules, but this issue is very important to me, and I intend to devote as much time to it as necessary.
- -- I understand that the Senate Foreign Relations Committee will vote soon on the resolution of disapproval, and I wanted to have an opportunity to meet with you before this crucial vote.
- -- Secretary Haig and others in my Administration have already outlined the details of our package, including the assurances we have received from the Saudis. If you have any further questions on these, we would be happy to answer them now.

 (You might mention some of the more important aspects of the assurances which underscore the progress we have made with the Saudis.)
- There is another aspect of this sale that I think you on the Foreign Relations Committee will appreciate and that is the impact it will have on our ability to conduct foreign policy (mention that this is the first major foreign policy issue before this Congress; that it will have significant impact on our future efforts to negotiate a lasting peace in the Middle East; and that it also has potential ramifications for other long-range foreign policy matters such as the arms control talks).
- -- Ask them to support you when the Foreign Relations Committee votes and when this matter comes before the full Senate.

Talking Points

President's Meeting with Republican Senators

- -- Thank you for joining with me today to discuss an issue of vital importance to our national security: the sale to Saudi Arabia of AWACS aircraft and F-15 enhancement items.
- -- This sale serves our national security interests in two important ways: 1) It strengthens our strategic posture in that vital part of the world; and 2) it provides the cornerstone for initiatives designed to bring Saudi Arabia and other moderate Arab states into the peace process.
- -- In 1978, a Democratic Senate, with significant Republican support, approved the sale to Saudi Arabia of much more sophisticated aircraft -- the F-15s -- at a time when that country did not face the threat occasioned by the Soviet invasion and occupation of Afghanistan, the Iran-Iraq war and Iranian stability, and Soviet advances in Ethiopia, Libya, Chad, and the Yemens.
- -- I find it inconceivable that a Republican Senate might now disapprove a less-sophisticated package at a time of greater threat to Saudi Arabia and its vital oil facilities.
- -- The only reasons I could see for this negative action would be if the package presents a risk to Israel or an unacceptable risk of technology compromise. This package presents neither risk.
- -- As I told Prime Minister Begin, and the American public, I remain firmly committed to Israel's security. I would not have approved this package if it adversely affected Israel's qualitative edge.
- -- To ensure against misuse and technology compromise, we negotiated with the Saudis a very detailed series of arrangements providing for full US participation in the program, safeguards against sharing data with third countries, and the most detailed security plan ever developed in connection with an arms sale.
- -- These negotiations were conducted after we had received from Senator Baker and others of you your concerns about this sale. Thus, I believe we have been fully responsive to the Congress, especially the Senate, and that we have gone as far with the Saudis as we can and should go.
- -- I intend to win this battle and am prepared to use all the means available to me to do so. Success is important both to our Mideast policy and to my goal of reestablishing a bipartisan foreign policy consensus. The first step, however, is ensuring that we of the Republican Party speak with one voice.

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October 5, 1981

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Staff

Ed Meese Jim Baker Dick Allen Max Friedersdorf Personale Maria CASEY Manual

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SCHEDULE OF EVENTS
Reception for the Presidential
Trandition Foundation
Tuesday, October 6
5:00 p.m.

FROM:

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4:45 p.m.

Guests begin to enter the Diplomatic Reception Room and, at a time indicated by the Social Office, are led up the Main Staircase onto the State Floor where drinks and hors d'oeuvres are served in the State Dining Room and the East Room.

5:20 p.m.

Social Aides begin to assemble the guests into the East Room to prepare for the entrance of THE PRESIDENT AND MRS. REAGAN.

5:30 p.m.

THE PRESIDENT AND MRS. REAGAN proceed to the State Floor via the elevator and are announced into the East Room. THE PRESIDENT makes brief remarks.

Following his remarks, THE PRESIDENT AND MRS. REAGAN mix and mingle with the guests as they proceed out of the East Room, down the Cross Hall, and to the elevator for the Residence.

6:00 p.m.

All guests depart.

WASHINGTON

THE PRESIDENT'S SCHEDULE Tuesday, October 6, 1981

	1	
9:00 am (30 min)	Staff Time (Baker, Meese, Deaver)	Residence
9:30 am (60 min)	Congressional Time (details in morning)	
10:30 am (60 min)	Briefing for Prem Visit (Richard Allen)	Oval Office
11:30 am (30 min)	Meeting with Prime Minister Prem Tinsulan- onda of Thailand (Richard Allen) (distribut	Oval Office ed separately)
12:00 m (75 min)	Luncheon for Prime Minister Prem (Richard Allen/Peter McCoy) (TAB A) (draft toast	State Dining Room
1:30 pm (15 min)	Personal Staff Time	Oval Office
1:45 pm (15 min)	national Conference of Editors & Publishers (Larry Speakes) (TAB B)	Oval Office Study
2:00 pm (60 min)	Meeting with Cabinet Council on Natural Resource & Environment (Craig Fuller)	Cabinet Room
3:00 pm (15 min)	Personal Staff Time (TAB C)	Oval Office
3:15 pm (30 min)	Meeting with GOP Members of the Foreign Relations Committee (Max Friedersdorf) (TAB D)	Oval Office
3:45 pm (45 min)	Presentation of Diplomatic Credentials by the Ambassadors-designate of Sri Lanka, Guinea-Bissau, United Arab Emirates, Argentina, Yemen and Hungary (Richard Allen) (TAB E)	Oval Office
4:30 pm (30 min)	Personal Staff Time	Oval Office
5:00 pm (30 min)	Haircut	West Basement
5:30 pm (30 min)	The President and Mrs. Reagan join M. H. Reception for fresidential fransition Foundation Group (Peter McCoy) (draft remarks)	East-Pass
6:00 pm	To Private Quarters (draft remarks	attached) Private Quarters

RECEPTION: PRESIDENTIAL TRANSITION FOUNDATION GROUP OCTOBER 6, 1981

Good afternoon. Nancy and I are delighted to welcome all of you to the White House.

I know you've been hearing an awful lot of talk about our economic problems lately, so I'm going to promise not to bother you with them today.

I'm not going to tell you that we inherited a tremendous budget deficit from the previous administration. I won't remind you that we're looking for ways to reduce that deficit right now. And I certainly don't intend to suggest that if some of you would just step forward . . .

No, if I may twist a line from "Julius Caesar," I invited you here today to honor and praise you, not to bankrupt you. We want to express our very deep appreciation for what you did at a critical moment during the transition. As you may know, more than 400 people participated in the transition process and our people, anticipating like true generals, had already begun setting up shop several months prior to the election.

Developing a plan conceived by Ed Meese and under the fine leadership of Pen James, this Administration set up a computerized process to keep records of literally thousands upon thousands of resumes. All in an effort to find the best qualified people for the most important Government positions at all levels.

I've always believed that the people we need most in Government are those who are willing to step down to serve,

rather than those who consider a Government job the greatest promotion they will ever enjoy. And we were doing just fine, attracting exceptional people, but we soon found we were running out of money.

I know we weren't overspending. It's just that we couldn't get going after doing only a little dusting here or rearranging some furniture over there. We had to give Washington the biggest housecleaning it's ever had. And we're still at it.

Anyway, about our financial problem. We did what would be expected from this Administration. We went to private sources for help. Ed Meese, Drew Lewis, Bill Casey and Verne Orr brought in a very reliable helper, Dan Terra. Within a few hours Dan and his able assistant, Michele Archambault (ar-sham-bo), set up the organization for you the people we are honoring today -- the Fellows of the Presidential Transition Foundation.

Dan wrote a letter and made some phone calls and before you know it, our budget goal was reached -- in just 10 days.

Incidentally, while I'm mentioning Dan, I should tell you that he's always been there to serve since he came on board 2 years ago. I think we both logged more miles on the campaign than anyone else, and we were usually the first up in the morning too, even though some of the joggers may dispute me on that.

But Dan has told me how promptly and generously you all responded when he asked for your help. We are delighted to

tell you that not only did you provide the funds to help carry on the important work of the transition team, but there was enough left over to defray the cost of this reception. Not one penny of taxpayers' money is being spent.

So again, because you the Fellows of the Presidential Transition Foundation were so generous and gracious in your response, the entire transition team and all the members of our Administration join Nancy and me in saluting you and thanking you.

And now, if you don't mind I'm going to stop talking long enough to get down from here and shake some of your hands.