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morning

Darman  
Bill Buckley  
on schedule

THE WHITE HOUSE  
WASHINGTON

January 15, 1982

MEMORANDUM FOR: ANTHONY M. DOLAN  
FROM: RICHARD G. DARMAN *rw*  
SUBJECT: Additional State of the Union Materials

The following additional points and materials need to be incorporated in the State of the Union draft at appropriate points:

- (1) A statement concerning funding levels for Minority Business Assistance. This could go in the laundry list of things not being cut. The President will be proposing \$552 million as the "program level" for "minority business assistance." This would allow him to say that he is proposing "over one-half billion dollars for minority business assistance -- in order to assure that these program are not cut from their 1981 levels."
- (2) Clean Air. Somewhere or other we need to include reference to this. Boyden Gray has provided suggested language -- at Tab A. Please feel free to improve upon the language; but the basic desirability of including the thoughts is now largely agreed.
- (3) Reference to the performance of our energy economy in 1981. Marty Anderson and Danny Boggs have pulled together some facts on this subject (Tab B). Marty presented them to the President, who thought that this favorable story on the effect of more market-oriented policy ought to be included in the State of the Union. Obviously, you should not include anything as long as what is at Tab B; but it may help you to extract key points.
- (4) Enterprise Zones. Bob Carlson has provided a memo with a summary of the agreed plan for Enterprise Zones (Tab C). From this you should be able to develop a paragraph or two on the subject of that initiative.
- (5) Federalism. A summary of the possible Federalism initiative is at Tab D. The odds are sufficiently high on this initiative being adopted that I think you should count on having to include about two pages on the subject.

- (6) Caribbean Basin Initiative. At Tab E is suggested NSC language on the Caribbean Basin Initiative. Since this was written, the initiative has taken more clear and interesting shape. I hope to have improved language available for you by the end of the day today.
- (7) Drunk Driving Commission. I have no idea where this could sensibly be worked in. But the President is enthusiastic about the commission. It would deal with what is unquestionably a major problem of life, health, and safety -- and would, several of us think, be a good thing to work in. A description of the initiative by Drew Lewis and suggested language (which is much, much too long) is at Tab F.

If you could get this all worked into a revised draft in some appropriate way, we could then circulate that draft early next week (Monday afternoon?) and could convene a group to discuss it on Tuesday -- without the President. Following that meeting, we could develop an organized presentation for discussion with the President on Wednesday, say.

I will talk with Mike Deaver and Dave Gergen to get some such schedule set up.

Thanks.

cc: "Deaver Group"

OFFICE OF THE VICE PRESIDENT  
WASHINGTON

January 14, 1982

MEMORANDUM TO RICHARD DARMAN

FROM: C. Boyden Gray *CBG*

RE: State of the Union -- Clean Air Act

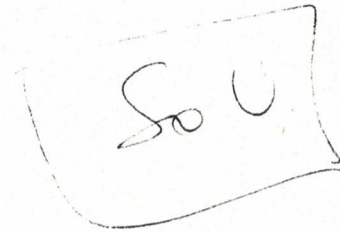
Attached is a draft four-sentence statement on the Clean Air Act set in the context of regulatory relief. The four sentences could perhaps be separated out from the regulatory relief statement if that is to be treated elsewhere, but the context should be either regulatory relief or new jobs. Equally importantly, some reference should be made somewhere to the Laxalt regulatory reform legislation (such as the fourth sentence of the attached paragraph).

This has been verbally checked with Duberstein, Swanson and Risque.

A

The agencies, OMB and the Task Force on Regulatory Relief have made an excellent start in providing relief from red tape, paperwork and other needless bureaucratic burdens. Much more needs to be done, however, to promote job opportunities and lower consumer prices while maintaining protection for the workplace and the environment. We will continue to press for relief in the agencies over the coming year. But we need legislation, such as that now awaiting floor action in both Houses, that would solidify our procedural ability to manage the regulatory process. I would also like to reiterate the high priority we give to improving the Clean Air Act. We must maintain our commitment to cleaner air, but at the same time we must also eliminate the Act's complexities which needlessly contribute to unemployment and slow economic growth. A responsible bipartisan proposal to achieve these goals and to promote new jobs has been introduced in the House, and the Senate Committee has already begun its amendment process. We will work with both parties in both Houses to complete these initiatives on as tight a schedule as possible over the next few months.

## ENERGY SUMMARY - 1981

Opening Caveat:

Official 1981 figures are not available yet, in most cases. However, we know enough that the following figures should be accurate to within a few tenths of a percent or so. Since Ronald Reagan was not President for the entire year, and it takes some time for changes to take effect, these changes cannot all be attributed to our policies, but they do show what the American system can do, when even the prospect of unshackling is presented.

Results:

The actual results in our energy situation in 1981<sup>1</sup> were better than anyone would have dared to predict at the start of the year. However, they were right in line with what we would hope could result from greater freedom to produce and use energy wisely.

- 1) Production. Exploration, especially for oil, increased enormously.
  - 80,000 wells drilled for oil and gas, up 28% from last year.
  - 4530 rigs were drilling at the end of year, up 1100 in 11 months since decontrol.
  - Successful oil wells up 41%; successful gas wells up only 10%.
  - For first time in a decade, oil production in the lower 48 states did not fall. It essentially was constant (measuring all of 1981 against all of 1980). For the last 6 months of 1981, production was up about 1% from the last 6 months of 1980.
  - Despite the coal strike, which knocked out two months of coal production, total production of energy will about equal, or slightly exceed, production for last year.
  
- 2) Consumption. Americans continued to conserve energy in the best sense of the word, using it wisely, without detailed government dictates.
  - Although GNP rose about 2% in 1982, total energy use declined by more than 1%.
  - We produced 3-4% more goods and services (GNP) with each unit of energy.
  - Total oil consumption fell over 1 million barrels per day.
  - Electricity generation rose only .5%, but oil use by utilities fell sharply. In 1981 utilities used 1 million barrels of oil per day, down over 40% in just 3 years. A 10% increase in nuclear power helped in this reduction.

3) Imports. The greatest success story of the year, and one of the least reported.

- Net imports fell by 1.2 million barrels a day, bringing our foreign dependency under 1/3 for the first time since 1972.
- Net imports of all energy provided only about 13% of our consumption, less than any year since 1973, and possibly lower than 1972 as well.
- Despite the coal strike, American coal exports continued to increase, reaching about 100 million tons this year.

4) Prices. The above conservation and production was not called forth by sharply higher prices. Nor did the President's action decontrolling oil in January cause a price explosion. Instead, it dampened it. Representative prices before decontrol, and the latest available data:

<u>Gasoline:</u>	<u>Pre-Decontrol</u>	<u>Latest</u>
<u>Oil &amp; Gas Journal</u> - Pump	128.60¢ (Jan 27)	130.46¢ (12/30)
<u>Oil Daily</u> - Pump ex taxes	112.35¢ (Jan 27)	116.35¢ (1/6/82)
EIA (month) - Pump	126.9¢ (January)	135.9¢ (Nov)

Other Products:

Crude Cost to Refiners	\$34.86 (January)	\$34.07 (Oct)
Wholesale Residual Oil	\$38.00 (Jan 23)	\$29.00 (Dec 24)
Wholesale #2 Heating Oil	\$42.63 (Jan 23)	\$41.48 (Dec 24)
Wholesale Gasoline	\$43.19 (Jan 23)	\$39.50 (Dec 24)


5) National Protection.

- Oil in Strategic Petroleum Reserve more than doubled, 230 million barrels now in storage, up from about 105 at start of year.
- Now equal to 45+ days of all imports, up from 20 days at end of 1980.
- Now is 125 days direct imports from Arab OPEC countries v. 40 days at start of 1981.

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

January 11, 1982

FOR: DICK DARMAN  
FROM: ROBERT CARLESON   
RE: Enterprise Zone Information

- o The objective of the Administration Enterprise Zone Program is to reduce taxes, regulation and other governmental barriers inhibiting entrepreneurial activity in distressed areas, thereby stimulating economic revitalization and creation of jobs for disadvantaged workers.
- o The Program contains three basic elements:
  1. tax relief at the Federal, state and local levels
  2. regulatory relief at the Federal, state and local levels
  3. adequate local services and infrastructure, provided by state and local governments.
- o Because the program is based on the concept of removing government burdens rather than providing government subsidies, it should involve no appropriations, at least at the Federal level.
- o This is a new idea and must be demonstrated in different parts of the country.
- o The key to success depends on the degree of local and state commitment to the zones. The Federal role should be as a complement to state and local action.
- o The Administration commends those states which are acting to create Enterprise Zones on their own.
- o Our proposals are on schedule -- we had to wait until after adoption of the tax cuts to be able to determine what additional tax cut incentives would be available for Enterprise Zones.

cc: Martin Anderson  
Ed Gray

January 7, 1982

The Administration Plan for Enterprise Zones  
Executive Summary

Concept and Purpose. The Enterprise Zone plan is an experimental, free-market program for dealing with some aspects of urban problems in inner cities.

The underlying concept of Enterprise Zones is to create a wide-open, free-market environment in depressed, inner city areas through relief from taxes, regulations and other government burdens, privatization of some city services and involvement of private, neighborhood organizations. Because the program is based on the concept of removing government burdens rather than providing government subsidies, it should involve no appropriations, at least at the Federal level.

The incentives and natural market forces thus unleashed in central cities would then be relied upon to stimulate economic activity within the zones and accomplish the program's objectives. This would be similar to the free trade zones established in other parts of the world, such as Hong Kong, which have been quite successful in stimulating the development of poor areas.

The purpose of the program is twofold. One objective is to create jobs in the nation's depressed, inner city areas, particularly jobs for disadvantaged workers. But another objective is to redevelop and revitalize the geographic zone areas themselves.

The intent behind the program is primarily to stimulate new economic activity within the zones that would not have otherwise occurred at all, anywhere, rather than to encourage existing outside activity to relocate into the zones. In addition, the intent behind the program is not to attempt to stimulate a particular kind of business, but rather to let the market decide what activities should take place in the zones. While the Federal tax incentives are skewed towards labor-intensive businesses and jobs for disadvantaged workers, the program generally is meant to include a relatively balanced set of incentives for a broad range of economic activities and businesses.

Program Structure. The Federal legislation would establish what areas would be eligible to be declared Enterprise Zones based on criteria concerning poverty, unemployment and economic distress. But this would not be an entitlement program and, consequently, eligible areas would not automatically become Enterprise Zones. Rather, an eligible area would first have to be designated by a state government with local approval or by a local government with state approval. Both the designating and approving governments would then have to apply to the Secretary of HUD for Federal approval.

The Federal approval process would be competitive, with the quality and strength of the incentives to be contributed to the proposed zones by the state and local governments as the primary criteria for selection. Particular emphasis will be given to incentives and contributions consistent with the overall Enterprise Zone theme of creating an open market environment through the removal of government burdens. These contributions would include tax relief, regulatory relief, possible experimentation with private sector providers of public services, and involvement in the program of private sector neighborhood and community groups. But other contributions and factors will also be considered in this competition.

A maximum of 25 zones would be approved in each of the first three years of the program. Each zone would last for the period chosen by the designating state and local governments, with a maximum of 20 years plus a four-year phaseout of Federal participation. HUD will be the agency administering the program.

Federal Tax Incentives. The major features of the Federal tax package are:

- o a nonrefundable investment tax credit for capital investments in an Enterprise Zone, applying to the construction or rehabilitation of commercial, industrial or rental housing structures within a zone, as well as investments in machinery and equipment,
- o a nonrefundable income tax credit to employers for payroll paid to zone employees in excess of payroll paid to such employees in the year prior to zone designation,
- o a special, strengthened, nonrefundable income tax credit for wages paid to zone employees who were disadvantaged individuals when hired,
- o a nonrefundable, income tax credit to zone employees for wages earned in zone employment,
- o the elimination of capital gains taxes within the zones,
- o the designation of suitable Enterprise Zone areas as Foreign Trade Zones, providing relief from tariffs and import duties,
- o the continued availability of Industrial Development Bonds to small businesses in Enterprise Zones even if the availability of such bonds is terminated elsewhere.

The Treasury Department's "worst case" estimates are that the cost of an Enterprise Zone with this tax package would be \$9.8 million to \$13.3 million per year in terms of foregone tax revenue. The cost of 10 to 25 Enterprise Zones in the first year of the program would, therefore, be \$98 million to \$332.5 million.

As a whole, the effect of the above Federal tax package for most Enterprise Zone firms will be to eliminate 75 percent or more of the corporate income tax, eliminate entirely the capital gains tax, provide relief from tariffs and duties, create easier access to start-up capital, and provide income tax relief to the firm's employees.

Federal Regulatory Relief. Under the Administration plan, Federal regulatory bodies (all agencies covered by the Administrative Procedures Act) would be given discretionary authority to relax or eliminate their regulatory requirements within Enterprise Zones, in accordance with standards promulgated by Congress, but only upon the request of the state and local governments.

To utilize this authority, the state and local governments governing each zone would initially ask Federal regulatory bodies to relax or eliminate particular regulations within the zone. The Federal bodies would have the statutory power to grant such requests at their discretion. Congressionally mandated standards would dictate how the agencies were to use this discretion, requiring them to consider and avoid significant detrimental impacts on the public health, safety,

welfare, etc. The standards would include an instruction to each body to weigh the special economic redevelopment purpose of the zones against the other important considerations and to relax or eliminate each particular regulation within a zone when appropriate. A Federal regulatory body would have no authority to take any action without without a prior request from both the state and local governments governing each zone.

The only regulations which would not be affected by this authority are those specifically imposed and spelled out by statute. The authority could be broadened to include such regulations if each such statute was expressly amended by the Enterprise Zone legislation. The Administration proposes that this be done in only one case.

This one case is the applicability of the minimum wage law to teenage employment within Enterprise Zones. Under the Administration plan, the Labor Department would be given discretionary authority to relax or eliminate applicability of the law to such employment. The authority could again be exercised only upon the request of both the state and local government governing each zone. The Department's discretion would also again be delimited by Congressionally mandated standards, requiring the Department to weigh the public health, safety and welfare, and the economic well-being of workers, as well as the creation of jobs and economic activity within Enterprise Zones.

State and Local Government Role. The Enterprise Zone program is not simply a Federal Government effort. To be successful, the program must have substantial contributions from state and local governments. In fact, state and local contributions will probably make the critical difference in whether a zone succeeds or fails.

The initial importance of the state and local contributions is that they will determine what designated zones will be Federally approved. It should be emphasized that the Federal posture towards these contributions will be highly flexible. No particular element of tax relief or regulatory relief, or any other possible contribution, will be required. Failure to include one element in a state and local package of contributions could be offset by greater strength in the other elements. It should be remembered, however, that the state and local contribution packages will be competitively evaluated against each other.

In the area of tax relief, state and local governments could provide reductions in state and local income taxes, property taxes, sales taxes, and other taxes which vary among the jurisdictions. State and local deregulation could be provided in such areas as zoning, occupational licensure laws, rent controls, usury laws, minimum wage laws, other price controls, permit requirements, central planning regulations and building codes. In the area of service improvement, "contracting out" or "privatization" could be one means of achieving the desired result.

To encourage local community involvement, and to assure that the end result of an Enterprise Zone is not merely gentrification-plus-displacement, state and local governments could provide for the creation of "Neighborhood Enterprise Associations" by zone residents. These Associations could undertake the provision of some city services in their areas, help local residents to participate in the economic success of the zones, particularly through mechanisms providing for equity participation by zone residents, and support volunteer, self-help efforts for the zone areas. Participation in the program by other private sector organizations which could perform these functions could also be encouraged by the state and local governments.

→ S.O.V

Directly tied to an economic program that seeks to stimulate the energy and ingenuity of the American people is our new, far-reaching plan for the revival of a creative Federalism in America and to truly turn control of government back to the people.

We will never completely curb the growth of government in Washington until we sort out properly and permanently the roles of the Federal government and the 50 States. The system we have now is a nightmare that is satisfactory to no one.

Washington pays entirely for some things, partly for others, nothing for still others, and all the while seeks to control almost everything done by State and local government.

Today there are nearly 500 Federal grant programs, costing nearly \$100 billion -- 14 times more than two decades ago. There are 36 programs for pollution control, 66 for social services and 90 for education.

As a consequence, our once sovereign and independent State and local governments have increasingly become mere cogs in the vast Federal bureaucratic machine. Their priorities have been distorted, their flexibility eroded, their judgment about the needs of the people shunted aside by mandates and rules from Washington.

I am proposing tonight that we remedy our crippled capacity for self-government with a single bold stroke -- the return of \$60 billion in Federal programs to State and local government, together with the means to finance them and a transition of nearly 10 years to avoid unnecessary dislocation. This long overdue realignment of our top-heavy governmental system is truly a project worthy of a decade of our best efforts. It is the most singular legacy we could leave to future generations from an era dedicated to putting America back on the road to national health and greatness.

My Federalism program has several components:

- o Starting in fiscal year 1984, the Federal government will assume full responsibility for the rapidly growing Medicaid program, to go along with its existing responsibility for Medicare.
- o As part of a financially equal swap, States will simultaneously take full responsibility for the two major components of our welfare system -- aid to families with dependent children and food stamps. Welfare will be both less costly and more responsive to genuine need when it is administered closer to the people.
- o Starting in 1983, the Federal government will increase certain excise taxes and apply the full proceeds from these taxes -- existing and new -- to a Federalism trust fund that will belong, in fair shares, to the 50 States. The total amount flowing into this fund will be more than \$35 billion a year.
- o During a transition period of four years, the States can use this money in either of two ways. If they want to continue receiving Federal grants in such areas as transportation, education and social services, they can use their trust fund money to pay for those grants. Or, to the extent they choose to forego the Federal grant programs, they can use their trust fund money on their own, for those or other purposes. There will be a mandatory pass-through of part of these funds to local governments.
- o After four years, some 50 Federal grant programs will cease to exist and the States will be in complete control of their own priorities.

- o Also after four years, the Federal excise taxes will start to phase out, to disappear four years later. The trust fund will go out of existence on the same schedule. The States will then have the option to preserve or lower these taxes and to fund and manage these programs as they best see fit.

Now let us step back and examine what will be accomplished by this profound change.

- o Fiscally, there will be an even exchange -- no net loss and no net gain. Their savings from Medicaid and their new trust fund will total nearly \$60 billion a year, and Federal grant programs in the same amount will be phased out.
- o There will be an end to the appalling uncertainty over how much Federal funds will be available, when, and for what purpose.
- o There will be a "do-it-yourself" opportunity to be rid of Federal mandates, regulations and controls.
- o There will be renewed opportunity to decide priorities for themselves, as was the case before the proliferation of Federal grants. Most of these functions properly belong at the State and local level, where decisions can be made by officials and legislators much closer to the people concerned.

Finally, this great realignment will restore what Justice Brandeis called America's "laboratory of democracy." (Quote to follow.)

## MEMORANDUM

## NATIONAL SECURITY COUNCIL

INFORMATION

January 8, 1982

MEMORANDUM FOR JAMES W. NANCE

FROM: ROGER W. FONTAINE *RS*

SUBJECT: Caribbean Basin Initiative

Per your request, below are comments on the Caribbean Basin Initiative.

No area is more important to us than the Caribbean Basin. Yet that region today is being torn apart by unprecedented economic and political problems.

To meet these problems, the U.S. has consulted with friends and allies, donor and recipient nations on how best to stimulate economic growth in the region.

For its part, the U.S. is now prepared to say what it will do. In the near future, I will outline in detail a program that integrates aid, trade, and investment to promote self-sustaining growth in this vital region. With your help we can show that growth -- real growth meaning jobs and production -- can take place while democratic institutions are developed and preserved. The United States cannot and will not do it alone -- but it will lead the effort.



The Secretary of Transportation

Washington, D.C. 20590

MEMORANDUM TO: Craig Fuller  
Office of Cabinet Administration

FROM : Drew Lewis *Drew*  
Secretary of Transportation

RE : Presidential Commission on Drunk Driving

This memorandum is in response to your note to develop a plan for creating a Presidential Commission on Drunk Driving. We believe such a Commission, composed entirely of volunteers and leading figures from the private sector, as well as appropriate state and local officials, would be extremely beneficial in focusing national attention on the issue of drunk driving and catalyzing state and local implementation of the most effective programs to curtail this program.

1. Objectives of the Commission. The Commission would not have the responsibility of conducting studies or research on the problem of drunk driving. Comprehensive studies to determine the nature of the problem and effective countermeasures have already been completed. We believe such a Commission should have the following objectives:
  - o To heighten awareness of the drunk driving problem.
  - o To provide Presidentially endorsed contracts with various state/local officials and organizations to gain their support in accepting and implementing the latest techniques and methods to solve the drunk driver problem.
  - o To assist in catalyzing state and local communities into action in an organized and systematic manner.
  - o To assist in educating members of society as to the magnitude of the problem and need for both short and long term solutions.
  
2. Expected Results. The Commission would not be a forum for further study, but rather a public council to heighten public awareness and catalyze action by state and local governments. Commission activities could include:

- o Forums to highlight the magnitude of the drunk driver problem. These could be arranged through communication and interaction with various groups including police, judicial prosecutors, Bar Associations, Legislative Associations, Governors' Association, Mayors' Association, National Association of Counties, National League of Cities, insurance groups, safety associations, State Motor Vehicle Administrators, public media, citizen groups, and civic associations.
  - o Meetings with various state and local officials to create a positive environment and enlist their support for action.
  - o Models of new improved drunk driving statutes in the states, such as driving while intoxicated, implied consent, illegal per se, preliminary breath testing, and vehicular homicide.
  - o Suggestions for interstate coordination in arrest, sanctioning, treatment referral, license suspension through strict use of driver license compact, etc.
  - o "How-to" guides for implementation of comprehensive self-sufficient state/local programs.
  - o "How-to" guides for generating community/citizen support for comprehensive programs.
  - o Model programs to promote use of driver license sanction in addition to referral to treatment.
3. Timing of the Formal Announcement of the Commission. We are enclosing a draft Presidential statement that could be used to announce the creation of the Commission. We believe the announcement should be made prior to Christmas in order to focus public concern on the drunk driving problem over the Christmas and New Year holiday season.
4. Composition of the Commission. In the next few weeks I will send you a list of proposed members for the Commission. For this list we are surveying appropriate individuals associated with the insurance industry, tavern owners, the alcohol beverage industry, Governors and their state officials, Federal elected officials, state/local enforcement agencies, organized labor, private citizens, news media, and other interest groups.

I look forward to working with the Commission by providing the necessary staff support for its activities. The National Highway Traffic Safety Administration is the Agency in the Department of Transportation that has conducted the previous comprehensive studies on drunk driving and will provide the staff responsibilities for the Commission. With this in mind, I have enclosed an overview of the National Highway Traffic Safety Administration's Program Plan for Alcohol Safety in the 80's, which will also be provided to the Commission. I foresee our efforts in the Department as complementary to and supportive of the Commission's activities.

#### 4 Enclosures

- Enclosure 1 - Presidential Statement Announcing Commission
- Enclosure 2 - NHTSA's Alcohol Safety Program Plan for the 80's
- Enclosure 3 - Proposed Schedule of Events for Commission
- Enclosure 4 - Funding Requirements

Statement for the President  
On Drunk Driving

I am deeply concerned about the continued tragic loss of American lives caused by drunk drivers. Drunk driving is one of our nation's most serious public health problems. At present rates, drunk driving will claim 26,000 lives and cause 750,000 injuries over the next 12 months. Every day nearly 70 Americans are killed in drunk driving incidents, a loss of one life every 21 minutes. The economic loss, from medical costs, lost wages, lower productivity, higher taxes, measures in the billions of dollars each year.

Drunk driving is one leading cause of death that can be prevented. We have the means to significantly reduce this threat through concerted law enforcement, effective, responsible action in the courts and in our legislative bodies, and through the cooperative efforts of medical and treatment agencies in communities throughout the nation.

Positive steps are being taken in many States. The Governors of New York, California, Maryland, Pennsylvania, and Washington have created special task forces or commissions to deal with this problem. They are establishing the essential laws and financial support to control drunk driving.

I will soon announce the appointment of a Presidential Commission to build on the progress already being made. I will seek the advice and support of the Congress and the participation of safety leaders and concerned citizens from across the country in focusing national attention on this serious problem. The Commission will work with our States and localities to secure the citizen

support and steps that are necessary to control the drunk driving menace. It is a challenge that can no longer be deferred, a crime we must no longer condone.

I am issuing this statement at this time because this senseless loss of life due to drunk driving often increases during the holiday season. I want to take this opportunity to remind motorists everywhere that driving after heavy drinking is a serious danger to themselves and to others.

- ### -

Suggested Statement for the President  
On Drunk Driving

I am deeply concerned about the continued tragic loss of American lives caused by drunk drivers. Drunk driving is one of our nation's most serious public health problems. Every day nearly 70 Americans are killed in drunk driving incidents, a loss of one life every 21 minutes. The economic loss -- the medical costs, lost wages, lower productivity and higher taxes -- measures in the billions of dollars each year. The grief suffered by families over the loss of loved ones can never be measured.

I am appointing, by executive order, a Presidential Commission to give national direction to the campaign by the states and by concerned citizens throughout the country to halt the drunk driver menace. I have designated \_\_\_\_\_ to serve as Chairman of the Commission.

I am asking the members of this commission to make every effort to focus national attention on this serious problem. The suffering and losses resulting from accidents involving intoxicated drivers is especially appalling when we consider that much of that anguish could be prevented.

In carrying out its work, the Commission will seek the advice and support of the Congress and the participation of safety leaders and concerned citizens from across the country who already have done much to inspire public action. The Commission will work with our States and localities to secure the increased citizen support and to take the steps necessary to control drunk driving. I consider this an issue of great importance. It is a challenge that can no longer be deferred, a crime we must no longer condone.

I have great faith in the ability of our system of justice to deal with this problem, and I have the utmost respect for what an aroused citizenry can achieve. The crusade against drunk driving began where so many of the best efforts of our society originate -- in the voluntary expression of concerned Americans. We could want no better source, or find a stronger resource, as we act together to erase the pain and price we have paid for too long to the drunk driver on our highways.

**MEMORANDUM**

**NATIONAL SECURITY COUNCIL**

January 10, 1983

MEMORANDUM FOR ~~MIKE DEEVER~~  
DICK DARMAN  
CRAIG FULLER  
DAVE GERGEN  
ED HARPER  
MIKE MCMANUS  
RICH WILLIAMSON

*Pat  
pls pull 500  
material together.*

FROM: DENNIS ~~STATE~~ *State*

SUBJECT: State of the Union

Attached is a draft of the national security section of the State of the Union speech. It will require some pruning and recasting to fit in with either of the two drafts which Dave Gergen has circulated, but contains the main ideas we wish to put across.

## America's Mission

For the United States, national security policy transcends simple protection of interests beyond our borders. In every age there is a nation which is called on to advance the ideals on which the progress of humankind is based. In this age, that country is the United States, and those ideals are freedom and democracy.

And this is why, even at a time of great difficulties at home, when too many Americans are out of work, and when there are many serious social problems to be solved in this country, America cannot turn inward. While we work to solve our problems here, we have a responsibility to fashion the sort of international environment in which countries which value individual freedom and democratic forms of government can prosper.

But this responsibility which history has placed on us is also a reward. We Americans benefit in tangible ways from our extensive involvement in world affairs--our economic growth is due in large measure to trade with other countries; our overseas allies add their strength to ours in the defense of common interests; our institutions and culture are continually enriched by contributions from beyond our borders. The United States would be a poorer, weaker and less exciting place if we were to withdraw from an active involvement in world affairs. And the world would be a darker, more oppressed and dangerous place if the United States withdrew from it.

In the forty years since the United States has emerged from the last world war as the preeminent world power, we have kept the peace among the most powerful nations. With no territorial ambitions and no old scores to settle, we have had no strategic master plan except freedom and peace. We have used our power with restraint and responsibility. We have built, operated, and then reduced to scrap entire nuclear weapons systems which never fired a shot in war. We have not added a square inch of territory to our possessions. Americans have been awarded (X) Nobel Peace prizes for their efforts to bring an end to conflicts during this period.

The United States will continue to support a stable world order. We will continue to exercise our responsibility to minimize the danger of war.

Although the United States is the single most powerful country, we are not alone. We are joined by common values, solemn treaties, historical relationships and economic interdependence with other great nations. The countries of the North Atlantic Treaty Organization, our allies and friends in Asia and South and Central America and elsewhere form a bulwark of democratic values, personal freedom and economic accomplishments. There has been a great deal of

attention to differences within the Alliance in recent months. What we see are the healthy signs of an alliance of democratic nations struggling with difficult questions. We will emerge from the current period of bad economic conditions, and of response to the massive Soviet force buildup. We will rediscover that what unites us is far, far more important than what divides us, and we will develop consensus policies on these issues which all our publics and governments can support.

American and Allied strength and resolve have successfully kept the peace among the world's major powers and especially its nuclear powers. However, the use of force and violence continues in many areas of the world. The United States has an obligation and a unique influence to bring fighting to an end; to foster solutions by negotiation and diplomacy.

#### Geopolitical Issues: The Middle East

In the Middle East, historic local animosities, oil resources and proximity to the Soviet Union form a deadly combination which threatens world stability and Western interests. The United States, with strong relationships with both Israel and the Arab states, is uniquely able to bring progress in the search for peace in this region. My administration has been able to take several important steps forward on the road to peace. In , 1981, when the final disengagement of Israeli forces from the Sinai faltered, we kept it on track. In 1982 my special envoy Phil Habib (recognizes Habib in audience) successfully ended the fighting in Lebanon, including the withdrawal of the PLO.

In September 1982, I publicly announced a plan for the completion of the peace process between Israel and its neighbors. That plan remains the best blueprint to return stability to this region. (add latest status of Lebanon negotiations) I remain committed to its fulfillment as a high priority.

#### Southern Africa

In another of the world's trouble spots, the United States is also leading the search for peace--southern Africa. This resource-rich area which desperately needs economic development is racked by civil war and threatened by foreign troops. The United States neither has nor wishes to have troops or bases in this area--our only interest is to bring an end to the conflict, a withdrawal of foreign troops, and independence to the state of Namibia. Since the beginning of my Administration, American diplomats have been conducting intense and quiet negotiations with the governments in the region. Most recently the Vice President made a trip through Africa during which he explained our peace plan and sought further suggestions and support for our efforts. Working with our allies, we will continue to press for peace for this troubled region.

#### Central America

A final area of the world in which the United States has special responsibility is Central America. Long neglected by American policy, this region is both of strategic importance, and is growing in the number and diversity of its ties with

the United States. This administration has developed a policy towards Central America based on political development, economic assistance, and <sup>security assistance</sup> ~~military support~~. Our political development program is based squarely on democracy. One of the most exciting days of the presidency for me was June , 1981 when free elections took place in El Salvador. I know that several of you members of Congress shared that experience as members of a delegation which observed the elections. Despite the predictions of failure, and in the face of ruthless attempts by insurgents to sabotage the elections, the people of El Salvador came to the polling places and cast their votes.

The second dimension of our Central American policy is economic development. We submitted to the last Congress a plan called the Caribbean Basin Initiative. This proposed legislation gives tax and import duty advantages to businesses in selected Central American countries. This plan will stimulate the private business development in Central America which will contribute to steady, sustained economic development. Although the legislation was not passed by the previous Congress, we will pursue it as a high priority in the current session.

Finally, the United States is furnishing security assistance to governments under attack in Central America. If political and economic development is to have a chance, then legitimate governments must be able to defend themselves against insurgent forces heavily supplied by the Soviet Union through Cuba. We have and will continue to furnish that assistance as long as it is necessary.

Foreign Assistance

In bringing peace to these important and troubled regions of the world, and in protecting American interests, we must have resources to supplement our national strength and our diplomatic skill. We need the tools of foreign assistance to use in specific regions for specific purposes. We must be able to provide tangible security assistance to reassure the threatened; we must be able to provide economic assistance both to ensure political stability and to provide markets for our own exports; we must be able to create incentives for peace. In recent years our foreign assistance resources have shrunk to a perilously low level, constricting our opportunities and our own security. We are not talking about soft-headed philanthropy--but a critical investment in peace. This is a joint project of the Executive and Legislative branches, and I need your cooperation and statesmanship in providing this essential dimension of our foreign policy.

## The Soviet Union

At the heart of American national security policy is our relationship with the Soviet Union. With a new Soviet leader taking power after 18 years' rule by Leonid Brezhnev, the relationship is at an historic juncture. We need to be very clear about what we expect from the Soviet Union and what it can expect from us.

Our first order of business has been to change fundamentally the trends in the power relationship between the United States and the Soviet Union. In the aftermath of the Vietnam War, and the political and social upheavals of the 1970's, the United States allowed its armed forces to deteriorate along with its <sup>ability to deter conflict</sup> [international self respect] → The Soviet Union steadily increased its military forces and overtook the United States in many key areas. The result was a widespread perception that it was only a matter of time before the Soviet Union <sup>became the arbiter of world events</sup> [displaced the United States completely as the preeminent superpower]. This perception affected the way the United States acted in the world, it affected the way the Soviets acted, and it affected the policies of third countries toward both of us.

With a third year of substantial real progress in the defense budget, my Administration has put in place the program to redeem the neglect of the past decade. It is by now clear to all that Americans will not settle for a decline into <sup>impotence and acquiescence</sup> [inferiority]. Americans will not settle for a future in which we try to strike the best deal we can with our adversaries to slow that decline and to cover it up.

We now have in place the basis for a national security policy which will move imaginatively to support individual freedom, democracy, economic development, and peace.

One measure of the success of our policy has been our arms control relationship with the Soviet Union. We are currently engaged with the Soviets in a broader range of arms control negotiations than at any time in our history - on strategic nuclear weapons, intermediate range nuclear weapons, and conventional forces in Europe. And our approach is beginning to show progress. In all our negotiations, the United States has insisted that the two sides address significant reductions in forces. We have also insisted that the treaties be verifiable. In the face of the overwhelming evidence that the Soviet Union has violated international treaties concerning chemical and biological weapons, we will never again sign a treaty unless we know we can be sure it is being observed. The Soviet Union has accepted both of these principles--significant reductions and verification.

In all three major arms negotiations, the United States, supported by its Allies, has put forward draft treaties incorporating our straightforward and fair principles - significant reductions in similar types of forces to equal and verifiable lower levels. In the case of intermediate-range nuclear forces, we have proposed the complete elimination of the entire class of land-based missiles. The Soviet Union has responded with counterproposals which are encouraging

because they also propose reductions - reductions greater than previous levels the Soviets have been willing to consider. Unfortunately, the Soviet proposals do not cut deeply enough, and, more significantly, they are designed to retain unilateral advantages for the Soviet Union.

We will continue to press the Soviet Union in all these negotiations. The key to our success in this search is American and Allied resolve to maintain adequate defenses with or without agreements. Once the Soviet Union is convinced that its strategy of an arms buildup and unequal arms agreements will not work, it will join us in the search for security at lower weapons levels.

What is it we expect from the Soviet Union? The answer is simple: we expect the Soviet Union to give up its ambition to have as many weapons and forces as the rest of the world put together; we expect the Soviet Union to cease threatening and invading its neighbors, such as Afghanistan and Poland on its border and beyond its borders.

#### The Democratic Initiative

A final crucial aspect of my Administration's national security policy is the democratic initiative. In London last summer I announced that the United States was committed to throw its support behind democratic development throughout the world. Democracy is not an ideology that we seek to impose; it is compatible with many different cultures and political beliefs. What it means is that people have the

right to choose their own leaders and to hold them accountable for their actions. Since that speech, we have moved to take specific steps to develop a policy to support democracy. Under the sponsorship of the Republican and Democratic national committees and with the cooperation of organized labor, business and my administration, a study is now underway. It will recommend practical measures America can take to support moderate, centrist forces committed to democratic processes throughout the world. I look forward to working with the Congress in translating the ideas that emerge from this study into reality.

In October of last year, we held a conference on building democracy in communist countries and in November we held a conference on free elections. Representatives of democracies on seven continents exchanged experiences and ideas on the conduct of free elections as the keystone of democratic development. President Monge of Costa Rica reminded us all that there must be an unbreakable bond between rich and poor democracies, between democracies of the North and of the South.

I intend to pursue this democratic initiative vigorously, and in full cooperation with the Congress and other American institutions. The future belongs not to ideologies and governments which control and oppress their people, but to the forces of personal freedom and self-government. It is America's role to lead this movement, both to inspire by our example and to assist in the development of freedom and democracy in other countries.

THE WHITE HOUSE

WASHINGTON

January 7, 1983

*file*

MEMORANDUM FOR MICHAEL DEEVER  
DAVID GERGEN

FROM: ANTHONY R. DOLAN *AD*  
SUBJECT: State of the Union Address

I know you are very busy with the budget but I wanted to make a point from the technical aspect of speechwriting that I think is vitally important.

Dick Darman tells me that the President probably won't get the speech drafts this weekend because there is a feeling that this would be pointless until certain key budget decisions are made.

If you recall, last year we sent the President a State of the Union draft (which was lengthy and had a range of material in it) which he worked on over New Year's weekend. The draft the President produced was for all intents and purpose the shell of the speech that was delivered later in the month -- even though key decisions on whether to raise taxes or whether to go ahead with the federalism initiative had not been made.

I told Dick that I thought it was vital for the President to be given an opportunity to at least start mulling over in his mind the structure and emphasis he wants in various sections of the speech. This he could do by simply looking over the drafts and give us some feedback even if he doesn't care to actually work on them. Dick seemed to think this was a reasonable suggestion.

This is your decision, of course. But I thought that despite the hustle and bustle you might want to think this over. Many thanks.

THE WHITE HOUSE  
WASHINGTON

January 6, 1983

*file here*

MEMORANDUM FOR MICHAEL DEEVER

FROM: CRAIG L. FULLER *CF*

SUBJECT: SOU Meetings

Just to recap the discussion we had on the President having a few dinner meetings prior to finalizing the State of the Union I have listed some groups and names that might be considered.

As we discussed the format would be a dinner with the President in the residence. The purpose would be for the individuals to give the President their view of the state of the union. The session should be structured only to insure that there is a healthy exchange of ideas among the guests and the President.

Opinion Leaders

- George Will
- Lee Iaccoca
- Irving Kristol
- George Shultz

Labor Leaders

- Jesse Calhoun
- Robert Georgine
- Lane Kirkland
- Ray Donovan

Democratic Leaders

- (from Baker/Duberstein)

Other groups if time permits:

- business/investment leaders
- employment/training leaders
- high technology representatives
- civil rights/minority

*apple computer guy*

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M E M O R A N D U M

TO: President Ronald Reagan

FROM: Richard B. Wirthlin

DATE: December 18, 1981

SUBJECT: State of the Nation Address: Some Miscellaneous Comments

1. The Administration will face its most severe tests in the first months of 1982 which will not only condition the outcome of the fall elections but also expand (if we are successful) or limit (if we are not) our policy options for 1983 and 1984.
2. Hence, your State of the Union address merits even more careful consideration than your inaugural speech.
3. First and foremost, you need to put your Administration's accomplishments in perspective for the American people.
4. This means:
  - A. Your remarks should be inspirational and visionary--not directed to a programmatic review of the past.
  - B. Nevertheless, the past should be reviewed in the frame of reference of the goals you articulated in the inaugural and the Administration's successes and failures of the past year reviewed in that frame.
5. In speaking of the next year, you should address some of the hardships Americans will face--before we can reap the full social and economic payoffs of your Administration in the latter part of the year.
6. The overall tone of your remarks should be hopeful, but realistic, and address specifically the aspirations of the coalition which not only elected you in 1980 but, to a large extent, still provides the foundation of your grass roots support.

## THE WHITE HOUSE

WASHINGTON

December 18, 1981

NOTES BASED ON "DEAVER GROUP" MEETING  
RE STATE-OF-UNION MESSAGE

These notes are based on discussions of the Deaver State-of-the-Union/Long-Range-Scheduling-and-Communications Group (the "Deaver Group"). They reflect a consensus among the group and address:

- general guidelines re the character of the Message; and
- the structure and arguments of the Message (draft).

GENERAL GUIDELINES

Agreed general guidelines are as follows:

- The Message should be highly personalized. The personal perspective should be carried throughout the Message -- with liberal use of anecdotes, personal recollections/reflections, etc. To the extent that this means speaking more directly to the general viewing audience at home, and less to the assembled Congress -- fine.
- The personal perspective should be that of an outsider to government (out there, on the side of "the people") -- but one who has now had a year's experience inside, and whose reflections are the considered reactions of one who continues to struggle to restore government to its proper role.
- The topical emphasis -- apart from personal reflections, etc. -- should be 30-40% foreign and 60-70% domestic. That is to say, both foreign and domestic policy should be treated, with somewhat greater emphasis on the latter.
- The Message should touch on '81 accomplishments. But these should not be a major theme or emphasis of the speech. They should comprise perhaps 10% of the speech (including related personal reactions).
- Key elements of Presidential character/image to emphasize are:
  - clarity and hopefulness of vision;
  - identification with non-governmental people;
  - consistency;
  - confidence;
  - sensitivity/understanding re poor;
  - sophistication/coherence re foreign policy;
  - capacity both to challenge and to work with Congress (avoiding excessive criticism of Congress and appearance of excessive rigidity);
  - capacity for initiative.

-- The general theme should be "American Renewal" (following from "A New Beginning"). The programmatic support of this general theme should be conceived in relation to four sub-themes:

- economic recovery;
- private/voluntary sector revitalization;
- restoration of creative federalism;
- international re-stabilization, realism, and reform...

along with:

- a renewal of the American spirit.

-- In elaborating upon these themes, the Message should avoid parochial Departmental initiatives or parochial appeals to special interest groups.

-- The Message should include programmatic discussion -- but should be weighted somewhat more heavily toward goals/vision/reflection.

-- In any case, the laundry list approach should be avoided. And the programmatic discussion should seem intellectually coherent, principled, and sophisticated (even if simple).

-- A draft outline of the message, consistent with the Deaver group discussion, is attached.

DRAFT SOU OUTLINE --  
 "AMERICAN RENEWAL"  
 (A personal perspective)

I. INTRODUCTION

- A year ago, in Inaugural Address, promised "A New Beginning." We have made that new beginning -- and tonight, want to talk about the American Renewal that lies ahead.
- But want to do so from the personal perspective of one who has lived through most of America's twentieth-century rise to world power and world responsibility.

II. REAGAN RETROSPECTIVE

- [When I was a boy ...]
- Work in references to:
  - ancestors leaving hardship for this land of opportunity -- tie to America, "nation of immigrants," "land of opportunity," "beacon of hope;"
  - disappointment, hardship of Depression; [enchantment with Roosevelt] -- tie to sense that government and community, together, have an affirmative obligation toward the truly needy; and sense that key to healthy society is an economy able to provide jobs on a growing and sustainable basis.
  - tragedy of two World Wars (and several lesser conflicts) -- tie to inescapable responsibility for strong defense and defense industry;
  - interference with domestic civil liberties by Communist organizers -- tie to need for realism in assessment of threats to our precious freedoms;
  - reactions to 70's:
    - growth of excessive government;
    - mistaken sense that U.S. had lost self-confidence -- and must shrink from its responsibilities;
    - mistaken sense that fear of Communism was "inordinate";
    - mistaken sense that "stagflation" had to be endured....
- All of which led to real and perceived need for "A New Beginning"...

### III. THE NEW BEGINNING

- In past year, have in fact delivered on promise of a "New Beginning".
- With bi-partisan Congressional support have charted a course toward American Renewal:
  - strengthened defense (elab. re strategic force modernization, RDF, etc.)
  - 4-part program for economic recovery:
    - monetary growth stabilization, through Fed.;
    - historic tax reduction; (personal aside)
    - historic budget reduction (personal aside)
    - historic regulatory reduction (personal aside).
- Yes, there are difficulties -- particularly unemployment and prospect of unacceptably high deficits. But these are the result of past policy failures (explain).
- Solutions not to try to balance the budget on the back of the taxpayer...
- Indeed, the worst thing now would be to fall back upon the bankrupt policies of the past.

### IV. THE AMERICAN RENEWAL

- For we are on the verge of a great American Renewal....
- Our 4-part Economic Recovery Program is sound.
  - interest rates down from inherited highs;
  - inflation down from inherited highs;
  - growth of gov't spending has been slowed significantly; and
  - most importantly, tax and regulatory relief have provided the basis for strong and sustained economic recovery.
  - Real growth -- and jobs, jobs, jobs -- will rise strongly in second half of this year, and will continue to rise thereafter.
- Our efforts to help Revitalize the Private Voluntary Sector are:
  - right philosophically (explain); and
  - already showing remarkable signs of progress (example).

NOTE: This area of initiative should not be conceived merely as a budget gap-filler. This is an inescapably important and desirable approach to problem-solving for any society that would intend to preserve the meaning and values of private action.

-- Our efforts to restabilize the international political environment -- to preserve peace and freedom to the maximum extend possible -- are:

- rooted in realism:

- Note: Afghanistan/Poland (who now can speak responsibly of "an inordinate fear of Communism")

- Note: Soviet buildup/adventurism generally

- prudent and responsible:

- importance of defense build-up and allied cooperation, given Soviet pattern;

- equal importance of efforts at arms reduction (note historic initiative ....)

[Here reaffirm appropriate declaratory policy committing to resist terrorism, oppose external intervention, etc.]

-- At the same time as we seek to stabilize the military and political environment -- protecting the most basic human freedoms -- we must also seek to improve the quality of life for the billions of disadvantaged people in the developing world. Again, our approach must be rooted not only in the finest tradition of American idealism, but in a realistic assessment of the development experience:

- America itself was a developing country...

- Link to restatement of proven development principles from Philadelphia/Cancun.

-- While we seek an international community of nation-states that is capable of peaceful pluralistic development, we still have much to do at home to restore the creativity of the American federal system:

- As we shrink the growth of central government, we must strengthen the capacity of state and local government -- government closer to the people.

- Therefore: [Big Federalist Initiative -- with \$50 billion turn-back of programs and taxes, and with \$2 billion "Fund for Federalist Innovation"].

## V. CONCLUSION

-- Highlight how all of this comes together as a vision and a plan for "American Renewal"...

-- It is all made possible by a "Renewed American Spirit". And it is all essential for the preservation and fulfillment of the potential and mission of an American spirit that can be continually renewed. [Include a little city-on-the-hill stuff -- and finish].

MEMORANDUM

*[Handwritten signature]*

→ Mike Deaver <sup>3</sup>

THE WHITE HOUSE  
WASHINGTON

STRATEGIC PLANNING MEMORANDUM #3

TO: Edwin Meese  
James Baker  
Michael Deaver

*Set-up  
state of the  
union file*

*D. Darnon  
have you  
seen?*

FROM: Richard S. Beal

SUBJECT: The 1982 State of the Union Message

DATE: September 25, 1981

*Yes! Thank  
you!  
Dick D.*

This Strategic Planning Memorandum contains twenty-four recommendations on the 1982 State of the Union message. The recommendations are based on the President's election mandate, an extensive analysis of previous messages (see Strategic Evaluation Memorandum #3), an evaluation of the President's initiatives in the first year, plans for Phases IV and V of the President's Strategic Plan, and an assessment of the political focus that will be required during 1982.

The first seven recommendations pertain to the proposed form of delivery, the date of delivery, and preparation of the 1982 message. Recommendations #8, #9, and #10 cover the proposed three major goals of the message:

- To assure and inspire the American people about the President's understanding of their problems, his visions for the future, and his leadership goals;
- To enhance the coalition-building needed for the 1982 political processes; and
- To set the tone and pace for the policy focus of the President's Strategic Plan.

Recommendations #11 through #22 contain more specific thoughts on how these goals of the message might be accomplished. The final two recommendations concern the general communications strategy and the overall commitment needed to make the President's first global address in a year one of his very best yet.

THE STATE OF THE UNION MESSAGE

The Constitution states: "[The President] shall from time to time give to the Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient". Past presidents have employed several means for carrying out this responsibility. Basically, the President has these options:

- Transmit a written message;
- Deliver an oral address; or
- Communicate both a written message and an oral address.

Following 112 years of written delivery of messages, President Woodrow Wilson renewed the personal address used by Presidents Washington and Adams. Since Wilson's address in 1913, the personal delivery has become the dominant method used in this century. The State of the Union message is one of the most important opportunities for the President to talk to the American people and their Congressional representatives simultaneously. The people need to see and hear the President as he delivers his leadership message.

1  
r

Recommendation #1: For the above reasons, and because this is an excellent opportunity for the President to employ his outstanding communication skills, it is recommended that the President deliver an oral address, and permit the Fiscal Year 1983 budget message and subsequent legislative proposals to serve as the written, accompanying information.

The 1982 State of the Union message comes at the beginning of the President's second year in office, which is also a critical year of elections. The message also initiates Phase IV of the President's Strategic Plan. It is of vital importance therefore, that the message be a "top-down", global speech that recognizes each of the above facts. It must be "top-down" in the sense that it continues the style of leadership and programs initiated at the top by the President thus far.

The speech must contain major statesmanship quotes which will be remembered. It should be a direct, understandable, and persuasive presentation of the President's philosophy and views, which will solidify his popular support. It must be the President's view of the nation and where he truly believes we are going. It should not simply be a compilation of statements about programs put together by the various units of the Executive Branch and floated up to speechwriters in the White House. Nor, can it be a potpourri of material presented in the styles of Presidents Johnson, Nixon, and Carter. Rather, it should be part of a sequence of leadership actions by the President, cues to which would have begun in the Fall of 1981, and which will carry over into the 1982 political activities.

1

Recommendation #2: It is recommended that the address be a sterling, visionary speech containing impactful statements which will be remembered historically, and that 1) inspire support for the goals the President has set for the nation during his Presidency, and 2) encourage the coalition-building and policy focus urgently needed for the 1982 political processes.

Date of the Message

Recommendation #3: It is recommended that the message be presented on Wednesday, January 20, 1982, the anniversary of the inauguration and a mid week day less likely to compete with other national events.

what if  
Congress not  
back - as O'Neill  
intends!

Preparation of the Message

Preparation of the message is of high priority, and will require concerted efforts by the White House Staff. Absolutely the best person to prepare the speech must be selected. That person must have direct knowledge of the interests and style of the President, and be given ample time and support to compile the necessary information, ensuring that all persons who might be able to contribute to the speech are consulted. The President must be involved from the very beginning, and be given adequate time prior to the date of the speech for final polishing and practice.

Recommendation #4: A competent person who has the confidence of the President should be selected to write the speech. The individual selected should begin work no later than October 1, 1981, be free from other commitments, and be allowed complete access to individuals whose contributions are required.

why not!

Recommendation #5: The President should be the first person consulted about the content of what he wishes to convey to the American people.

!

Recommendation #6: Key members of the Republican leadership, Cabinet members, and others of equal stature should be consulted on their ideas for the speech.

Thoughtful

Recommendation #7: The President should receive a draft copy of the address no later than January 1, 1982. He should have at least three consecutive, uninterrupted days prior to the speech, preferably away from the White House, to provide time for reflection and to make final preparations.

good idea!  
what!

OVERALL GOALS FOR THE ADDRESS

The President is viewed by most people as a strong individualist, who is pursuing conservative policies that have been absent from a major leader in a position of power for many years. People feel pretty good about the President thus far, for a variety of reasons, but this relationship may be fragile and continually needs to be solidified. That is why people should get from the State of the Union message answers to questions they may have about "why they trust Ronald Reagan." They should hear the views about the condition of the country he expressed in his campaign - but now as the President would express them. They should hear some of the promises he made in the campaign - but now as the President would make them.

People must react to the speech by saying "I hadn't really looked at it that way before, but the President has hit squarely on the nose what has happened to this country. His views of our society are quite accurate, thus I will presume that what follows (visions and leadership actions) will be equally correct and insightful." This is

a lot to hope for, since an analysis of the news coverage of past speeches has shown that State of the Union messages have had little impact on public opinion. But it is very important to gain the confidence of those people on the fence, and to reassure those who have believed in the President but not known quite why. More will be said about this in a later section.

Recommendation #8: It is recommended that the first major goal of the speech be to express, in terms the American people can understand and accept, ~~inspiration and assurances~~ about the President sharing their views of the current conditions in the country, visions of where the country should go, and his proposed leadership actions.

While it has not in the past had a measurable impact on public opinion, the State of the Union message can and should be a valuable political tool.

The message must be carefully tailored to appeal to various groups important to preserving and extending the coalitions needed for further implementation of the economic recovery program and national security strengthening. The cooperative spirit of Congress during the first year must be warmly acknowledged. Subtle messages should be sent to all parts of the country that the President understands their problems and that his visions and leadership cover those problems.

We have an extraordinary political situation in Congress. This is the first time since 1931 that control of Congress is split. (It also occurred in 1911, the only other time in the 20th century, ten times in the 19th century, and once in the 18th century.) Also, this is the first time the Republicans have controlled either House since the 83rd Congress (1953-54), 27 years ago. These facts might be pointed out as reminders to confused voters. More will be said in a later section about the political nature of the address.

Recommendation #9: It is recommended that the second goal of the State of the Union address be to set in motion the political focus which must occur in support of coalition-building needed for the 1982 political processes. (The press will say that it is a partisan political speech, anyway.)

Oh, so savvy!

The State of the Union message initiates Phase IV of the President's Strategic Plan. Phase IV concludes on May 15, 1982, the final date for submitting Fiscal Year 1983 authorizing legislation to Congress. During this period there will be a great deal of interaction between the Administration and Congress, through introduction of the President's legislative proposals, testimony at Congressional hearings, and general attempts to build coalitions and influence one another. (Since these interactions will continue through the Summer of 1982, Phase V (May 16 - September 30, 1982) will be treated with Phase IV for planning purposes.)

In the message, the President's agenda should be outlined, and the entire "team" of White House staff, Cabinet members, and agency executives should be poised to follow up through assigned roles. They should be prepared to interact with Congressional committees and subcommittees and important constituent groups, e.g. mayors, business leaders, labor leaders, professional associations, and to provide management direction to their respective departments and agencies. Following the speech and throughout the year, the President must be able to spend the bulk of his time on the agenda outlined in the speech, and not be drawn into issues and items not contained in the message. Members of the "team" should handle as many of these as possible.

Recommendation #10: It is recommended that the third goal of the State of the Union message be to set the tone and pace for the policy focus needed in Phases IV and V of the President's Strategic Plan for management of economic recovery and national security strengthening. It is also recommended that the speech provide the overall guidance and direction for the interactions between the Administration and Congress.

The following sections contain further recommendations and comments on how the above three goals might be achieved.

GOAL NO.1 - TO ASSURE AND INSPIRE THE AMERICAN PEOPLE ABOUT THE PRESIDENT'S UNDERSTANDING, VISIONS, AND LEADERSHIP

Tradition of the State of the Union Message

There are some important traditions attached to the message that the President should observe. Perhaps the most important is reference to the relationship between the President and Congress, and the President's view of that alliance. He might wish to acknowledge belief in the separation of powers, but should point out that there is a mutuality of responsibility for governing that must be shared by all three branches, and indeed by all levels of government: Federal, State, and local.

There is usually some mention during the speech of the two-party system. This might be particularly appropriate to mention in 1982 because, as previously mentioned, for the first time in 27 years Republicans are in the majority in one of the Houses of Congress. The point might also be made about the importance of transcending party or partisanship in the national interest, another theme which has occasionally appeared in the messages of the last 70 years.

A review of past messages shows that in their first annual message, most presidents describe a long list of national and international problems inherited from preceding Administrations. This is usually followed in future messages by reports of success in meeting those

problems, or blame on Congress for failing to act on presidential initiatives. This may be a "tradition" that President Reagan should not choose to respect.

Recommendation #11: It is recommended that the President warmly thank the Members of Congress for their hard work and bi-partisan efforts on behalf of his major goals, that he stress the difficult decisions and sacrifices that are still ahead, and that he appeal to Congress, to the judiciary and to States and local governments to make government work better for the the American people and at much less cost, in other words "less government - better governance".

#### The President's Views - National Heritage

While the more important parts of the State of the Union message will be those which emphasize the President's visions and leadership for the future, there must be some important reminders of America's heritage. This is especially timely with the various 200th anniversaries occurring during the President's term(s) of office. In fact, the 200th anniversary of the ratification of the Constitution may be as important, if not more important, as that of the Declaration of Independence. The Constitution, it might be pointed out, is actually the instrument that makes us a Union and that has kept us a Union throughout some very turbulent times. And, it is the continued life of that instrument which will shape the future of the Union and the directions we take.

America's religious heritage should also be mentioned. While some care must be exercised in the exact choices of words, various messages can be communicated to specific groups as well as to the general population. Phrases can be liturgical or cultural in character without offending.

Recommendation #12: It is recommended that the President stress the importance of remembrance, and indeed celebration of our heritage, through reference to some of the more noteworthy 200th anniversaries that will occur during his term(s) of office.

#### The President's Views - National Conditions

The President must frankly and honestly present his views on the problems the country now faces, and the solutions which he believes are the right ones. The views must be those of a citizen, a patriot, and a President. The views must offer hope, but not paint over difficulties.

Since Ronald Reagan may be seen as "different" from recent presidents, in whatever respect and for whatever reasons, the State of the Union message should perhaps be "different" from those given in recent years. That is, rather than single out issues, major and minor, the President might take a more global approach and truly describe how he sees our "205-years young" country. His view should

not be a 20th-century version of de Tocqueville's visit to America. Rather, it can and should be a contemporary description of what the United States of America has become.

The purpose is, as stated before, to give people confidence that the President indeed has a correct perspective of modern America. And, he should make clear that his policies and actions are based on this contemporary view. All of this should be aimed at overcoming whatever concerns people have that the President is wedded to the past, and not in touch with current conditions and life styles.

Throughout the discussion of his views on national conditions, the President must stress his continued belief that we are and will continue to be a Union, despite the fact that we are a much different Union than that which existed 200 years ago, or 100 years ago, or even 10 years ago. He should point out that we must constantly look at ourselves in the mirror of honesty to be sure of what we have become, since what we have become is the real foundation on which changes and solutions can be based.

With the above in mind, the President's analysis of "the state of the Union" should be kept relatively simple, but still different from that of his predecessors. A sociological (not social) assessment of the country might accomplish this.

In fact, this part of the address might be in two parts: 1) a look at the people who constitute the "Union", the individual citizens who reside in all parts of the country; and, 2) a look at the "uniting" that has taken place, in terms of the many organizations and interest-groups that people have joined for all the many reasons. Thus, the "state of the people", and the "state of their associations" equate to the "state of the Union."

In discussing the people who make up the Union, the President must be careful not to simply present a census briefing. However, he should stress some of the important points about where people live, how they live, their divergent behaviors, their hopes, fears, wishes, concerns, and what all of this really means, i.e. a country in which values are multiplying rather than becoming more uniform, and one in which government is less able to meet the diverse individual demands, hopes, and expectations of its people.

This part of the speech can send subtle messages to all parts of the country by covering conditions in each - east, west, south, and north; or, Northeast, Southeast, Midwest, North Central, Southwest, Far West, Northwest. Areas need not necessarily be mentioned by name for people to know which is being addressed. This type of coverage might be valuable in the appeal for coalitions needed for citizen-based, private-focused, governmental or political initiatives to follow. It would also show an awareness by the President of conditions in all parts of the country and how they vary. (For a detailed listing of the primary issues of concern to various regions of the country, see Table 1 on the following page.)

TABLE 1: REGIONAL ISSUES AND CONCERNS

For the ultimate purpose of providing a political analysis of the State of the Union message, the primary issues of concern to each region of the country are listed.

NEW ENGLAND - Energy Costs, Social Security, Enterprise Zones, Nuclear Power, Catholic Issues, Defense Spending

MID ATLANTIC - Crime, Unemployment, Enterprise Zones, Railroads, Coal, Steel, Shipping (International Trade), Catholic Issues, Dairy, Nuclear Power, Energy Costs, Minority Issues, Auto Industry, Foreign Policy

SOUTH ATLANTIC - Defense Spending, Federal Workers Issues, Shipping (International Trade), Cotton, Tobacco, Peanuts, Government Regulation of Industry, Minority Issues, Fundamentalist Issues

FLORIDA - Crime, Immigration, Drugs, Defense Spending, Social Security, Hispanic Issues, Interstate Citrus Problems, Shipping (International Trade), Minority Issues

DEEP SOUTH - Defense Spending, Shipping (International Trade), Sugar, Cotton, Minority Issues, Unemployment, Coal, Steel, Oil, Housing/Lumber, Fundamentalist Issues

TEXAS-OKLAHOMA - Oil, Gas, Shipping (International Trade), Immigration, Defense Spending, Interstate Citrus Problems, Hispanic Issues, Cotton

GREAT LAKES - Unemployment, Auto Industry, Steel, General Farm Issues, Dairy, Catholic Issues, Coal, Energy Costs, Minority Issues, Nuclear Power

FARM BELT - General Farm Issues, Land and Water Rights, Indian Issues, Social Security

SOUTHWEST - Immigration, Hispanic Issues, Land and Water Rights, Indian Issues, Social Security

ROCKY MOUNTAIN - Railroads, Coal, Oil, Synfuels, Land and Water Rights, Environmental Issues

PACIFIC NORTHWEST - Defense Spending, Housing/Lumber, Environmental Issues, Nuclear Power, Unemployment, Shipping (International Trade)

CALIFORNIA - Defense Spending, General Farm Issues, Oil, Environmental Issues, Nuclear Power, Shipping (International Trade), Hispanic Issues, Foreign Policy, Interstate Citrus Problems

ALASKA AND HAWAII - Shipping (International Trade), Defense Spending, Land and Water Rights, Oil, Environmental Issues

In reviewing the "uniting", or the phenomenon of people joining organizations, social groups, professional associations, clubs, committees, and for hundreds of purposes, the President must analyze thoughtfully what this "organizational society" we have become means for the concept of "Union". He must not simply describe this phenomenon. He must point out that it means that people are most likely turning to these special interest organizations because they are more nearly satisfying the many needs people have that are not being met by big government. And, rather than discouraging this trend toward joining, it is encouraged as a means for ensuring that local conditions are developed and maintained by and for the people who will benefit from them and have a stake in them, not from strangers in Washington.

This part of the speech is quite tricky, in that there are still many who are suspicious of and frightened by groups, no matter what their purpose. Therefore, it must be treated as a fact of life and another way in which the "Union" is changing. And, it is one that has numerous implications for leadership in all parts of the nation.

Recommendation #13: It is recommended that the President's views on national conditions be a major part of the State of the Union message, and that it lay the foundation for the President's visions for the future of the country.

#### The President's Visions and Leadership Actions

The President should present strong, statesman-like views when recounting his visions for where the country should be headed and the leadership he intends to provide. These sterling, visionary statements should be the rationale for the legislative agenda that he can promise will follow. In keeping with his personal principles, the President should perhaps recall that in the campaign he asked the question "Are you better off now than you were four years ago?" He should stress that he has not forgotten that statement, he has not forgotten what the condition of the economy was, he has not forgotten the sad shape of our defense capabilities, he has not forgotten that people were frustrated and without leadership and direction, and he has not forgotten that he promised to do something about this if elected.

Here he might also present some of the fundamental values he holds for America, and that indeed have held up throughout the values explosion that occurred in recent decades, i.e. the sixties and seventies. The two most prominent values that all Americans can and should relate to are 1) dignity of the person, and 2) the rule of law. The President should reference the deep body of literature and his study of government that has shaped a strong belief that "less government, but better governance", is the way to ensure greater individual freedom and control over the pursuit of happiness, treatment with dignity and adherence to laws.

He should not simply roll out and recount program after program that will address all the nation's ills. Instead, he should embellish the principles he stood for during the campaign with the Presidential cloak of confidence and the authoritative ring of concern. These principles should include, but not be limited to the following: shifting much of the responsibility for personal, social and economic objectives to private individuals, organizations, and the free enterprise system; encouraging a feeling of confidence and security among all Americans; reducing the involvement of the federal government in people's lives; making Presidential decisions on the basis of what is good for the country rather than for political expediency; not permitting long-term policy goals to be foreclosed by short-term interests or events; not raising expectations beyond what is reasonably achievable; trusting in the values of American society; and expending minimum amounts of dollars to achieve maximum levels of innovation in fulfilling priority policy goals.

While much of what should be in this part of the speech is well-known and very personal to the President, the caution might still be heeded of not roaming too far and wide from reality. Just as people should believe the President has a correct view of the country today, so too must they believe at the end of the address that he has a balance of realism to go with the all-important idealism they expect of him. In other words, people must also say "By golly, the President has a down-to-earth view of things, and is not as caught up in the world of his wealthy friends as I thought he was. He seems to really remember what the small-town, regular working person hopes and wishes for and is concerned about and fears."

Recommendation #14: It is recommended that the President include in the State of the Union message his visions for the country that were stated in the campaign, and which he has had time to refine following the real experiences of his first year in office. It is also recommended that he clearly describe the leadership actions he personally will take during his time at the helm to achieve "less government - better governance", while holding to the two fundamental American values of 1) dignity of the person and 2) the rule of law.

GOAL NO.2 - TO ENHANCE COALITION-BUILDING AS A NECESSARY POLITICAL PROCESS THROUGHOUT 1982 AND WHICH IS ESSENTIAL TO MAINTAIN THE REAGAN POLICY AGENDA TO THE END OF THE TERM IN 1984

The State of the Union message should be the vehicle which sets in motion the focusing of political issues which are critical to the important democratic processes that will occur in 1982. It should sound the themes and set the tone for those endeavors. In January, 1982, State elections will be well-underway. The party control situation in Congress has already been noted as a somewhat unique, or at least quite rare, one. It has also been pointed out that the need for coalitions with Congress are crucial to achievement of the President's visions, leadership, and legislative proposals. Not stressed

as much, but of equal importance, are the public coalitions to which the President can appeal, and has appealed, to win support for his initiatives. These two different, but very important, political coalitions must be treated in the message.

### The Electoral Coalitions

First and foremost, electoral coalitions deserve credit for the President winning the office. Thus, the speech must be carefully tailored to appeal to the various individuals and groups in these coalitions. And, these coalitions must be thought of in terms of geography as well as individual and group identity. (The major issues of interest and concern in different geographical sections of the country were listed in Table 1.)

In appealing to citizens and citizens' groups comprising the Reagan coalitions, two approaches can be taken. The first is to appeal to the Reagan supporter as an individual who identifies with the President's aspirations and goals. This type of appeal must be made to appear inclusive rather than exclusive. That is, these individuals must feel that they are a part of the majority rather than a special, exclusive minority supporter. Second, the speech can be tailored to appeal to the various groups of Reagan supporters. In this approach the message cannot simply list proposals aimed at every group in the country, such as Nixon and Carter offered. On the contrary, it should be a precisely defined appeal that will serve to unite and increase the intensity and numbers of like coalitions. The news media will notice any omission of major population groups, such as Blacks. Even though this group is not a major part of Reagan coalitions, it may be necessary to reference their concerns.

To draw into the coalitions those who voted against Carter, the following strategy might be employed. If the country is doing well, we must draw comparisons to the Carter Administration performance. If the country is not doing well, we must speak in broader terms and of ultimate goals. We must stress the deep-seated problems of the past 20 years, and emphasize permanent solutions to problems. We must also indicate a longer time frame needed to accomplish goals, and stress, to a certain extent, social issues and moral ideals.

Recommendation #15: It is recommended that the State of the Union message be directed to Eleanor and Joe Q. Public. They are the audience, and the ultimate members of the coalitions the President will need to accomplish his goals and visions.

### The Congressional Coalitions

Currently, many segments of the American public may be confused as to which party controls the House. There is a general feeling, according to the polls, that Congress is doing a better job than it was, perhaps partly due to Republican control. However, it would be politically astute to mention in the speech that the Senate is controlled by the Republican Party and the House by the Democratic Party.

For Congress generally, preserving and extending coalitions is a question of appealing to mostly conservatives and mostly Southerners. Seventeen of the 20 who supported the President on all four roll calls on budget and tax legislation were from the South, as were 9 of 11 who voted with us three of the four and 13 of 16 who voted with us two of the four times.

Great care must be taken not to offend any Democratic members of our House coalitions. This could be difficult in a time when we are sounding the battle cry for the 1982 elections. On the other hand, the bulk of our Democratic support comes from the South, and most of the "boll weevils" are from safe Democratic districts. About half of these Southern Democrats are from Democratic districts and can easily do as they please, while the other half represent potential Republican districts. Thus, there is the two-fold dilemma of not appearing too partisan for the "backwoods boll weevils" from Democratic districts, while determining whether or not to contest a strong supporter's district. The prospect cannot be discounted, no matter how slim, of persuading a few conservative Democrats to switch parties.

In the drive to gain control over the House, there has been much ado over the 17 shifting seats. These alone will not get us even half-way toward control; in fact, the absolute best we can hope for among these seats is a net gain of 12. A gain of 8 to 10 is more realistic, perhaps. Almost all of these seats will be predetermined for one party or the other, anyway.

The real political focus for the State of the Union message should be on the industrial states of the East and Great Lakes areas. In these states are found the vast majority of seats which have a realistic potential of changing hands. Most of the vulnerable Republicans are there, and they must be defended if we are to register even modest gains, let alone control. Most importantly, the bulk of Democrats who represent Republican districts, and who did not support the President, are there. It is in this group that GOP hopes for control lay. These are mostly urban or suburban seats with high percentages of Catholics, ethnics, working people, and unemployed.

In a state such as New York, due to momentous reapportionment, as many as 12 seats are capable of switching parties. In similar states, the numbers are also high: New Jersey - 9, Pennsylvania - 9, Ohio - 7, and Michigan - 7. This is not to say that there are not other significant battle grounds. However, most are in the nature of side shows.

Clearly, center stage belongs to the old industrial states if we are to register significant gains in the House. Thus, the speech must not only be a statement of the President's beliefs and programs, it must also be tailored to these older industrial states.

Recommendation #16: It is recommended that the political focus in the State of the Union message be certain to appeal to the industrial States of the East and Midwest, since these areas possess the greatest potential for preserving

and expanding needed coalitions by defending vulnerable Republicans, and for winning Democratic-held seats. It is further recommended that care be taken not to destroy coalitions developed during 1981.

GOAL NO.3 - TO SET THE TONE AND PACE FOR POLICY FOCUS AND STRATEGY OF THE PRESIDENT'S LEGISLATIVE PROPOSALS AND STRATEGIC PLAN

To complement his visionary remarks on the "state and future of the Union", the President should set forth a limited number of relatively specific recommendations that link the coming year to his actions during the first year in office. The tone should be that of a leader providing the guidance and direction appropriate for coordinating the efforts of many individuals, groups, and activities. There must be toughness for those who better respond to this type of direction. There must be understanding and compassion for those who need this from a leader. There must be analytic thoughtfulness and logic for those who require these in leadership dicta. And, there must be political reasoning and focus for those who expect, and even demand it.

Recommendation #17: It is recommended that the pace proposed by the President be one of continued intensity in working on the major Administration policy areas and goals of economic recovery and national security strengthening. It is also recommended that he propose increasing the activity on adjusting the Administration policy areas and goals impacted by the many changes in the size and scope of the Federal government initiated during 1981. The message must communicate to the public, Congress, Federal, State and local government officials that the President and his team will manage the major changes in government they have initiated.

As previously recommended, the Fiscal Year 1983 budget message and subsequent legislative proposals (in February or March) should serve as the detailed written references for the State of the Union message. Thus, in this part of the speech the President should really only outline his agenda. The topics included should be those the President sincerely believes must be attended to by Congress and the Administration. This is the part of the speech in which visual aids would be quite impactful, except the logistics may be too difficult to arrange.

a. Economic Recovery - This policy area must be explained first, and should include a review and brief status report of each of the major goals i.e. budget reduction, tax cuts, regulatory relief, stability of monetary policy, and waste and fraud elimination. The President might hit hard on why this is needed at this time, recalling how bad things were a year ago, and why any additional delay only makes it more difficult and the nation more vulnerable. Some reflection on the "Dunkirk" analogy might be appropriate. The management aspects of economic recovery should also be stressed, since the Fall, 1981

initiatives in this area may have had some impact. Regardless, the President must provide some evaluation of the results, and make reference to more hopeful and realistic economic expectations. Evaluation of the President's initiatives and policies in connection with the economic recovery program will most likely be based on a wide-range of judgements about issues and events. However, there are several basic indicators which are fundamental reference points and which could be adopted for general evaluation purposes, both internally and externally. The following are suggested as those the Administration should propose to monitor more closely than others, and which the President might use in the State of the Union message:

1. Overall Economic Recovery
  - Growth of national income (GNP in real terms)
  - Total number of persons employed (a goal of 13 million new jobs)
  - Level of inflation (both CPI and deflator)
  - Annual housing starts and domestic auto sales
  - Rate of increase in productivity
2. Reduction of the Growth of Government
  - Quarterly estimate of deficit in national income terms
  - Total federal civilian employment
  - Annual rate of the budget deficit
3. Regulatory Relief
  - Level of paperwork burden
  - Savings in regulatory costs
  - Imposition of new regulations
4. Monetary Policy
  - Growth of money supply
  - Level of interest on federal borrowing
  - Housing interest rates

It is important to have a base period for these measures.

Recommendation #18: It is recommended that the President review the major goals of the economic recovery program, that he make strong arguments as to why his actions in this program are needed now, that he explain in layman's terms what the budget reduction and tax cut legislation really mean, that he report on selected economic indicators, and again in understandable terms describe what they mean, and that he list with very brief explanations the further economic steps that are necessary in 1982.

b. Foreign Policy and National Security - These topics can be mentioned separately or together. The President must stress that the state of our Union is closely linked to the state of the larger Union - the World. And, he must point out that in this larger context, we still stand first and foremost for PEACE. Unless there are significant international problems that confront us, concentration should be on the President's establishment of positive relationships with our

true international friends and allies. Special mention should be made of North American neighbors Canada and Mexico.

Defense initiatives and budgets, and their relationships to economic recovery, must not be skirted, but should be met head-on. If Congressional support is pending on any defense decisions or policies, these might be mentioned. On foreign policy, he should emphasize the twin themes of Peace and Respect. Peace is important because of the importance of the issue among women voters. Trouble spots might be listed if they can show that we have preserved the peace and gained or held respect.

Recommendation #19: It is recommended that the President remind the audience that our country stands for peace, and stress the positive aspects of our relationships with friendly nations, purposely omitting any other specific policy than being a good partner to those countries that respect us and our ways.

Recommendation #20: It is recommended that the President explain in direct terms the major initiatives aimed at strengthening the nation's defenses, especially those with high price tags. The major stress should be that they are needed for peace, not war. Care should be exercised in using comparisons with the Soviet Union military strength.

c. Social Renewal - This major policy area of the President's Strategic Plan should also be linked to economic recovery. It should be stressed that social programs are not being overlooked so much as they are being re-examined. And, since the President does not wish to appear insensitive to social concerns, he will ensure that the policies and goals adopted are those which will provide the right protection for the most people.

Social security, housing and health care must still be financed; however, the responsibilities should be refocused away from the idea that there is an unlimited federal government bank account from which to draw. Unemployment and welfare are still issues we must all work at, speak out on, and do something about; but the Federal government cannot provide all the solutions. Federalism and voluntarism, shifting the scene of the truly innovative public action programs to States and local governments and private individuals and institutions, must occur. The improvement of personal safety and confidence in the future of the social fabric of the nation must be reinstilled, and these should not be the responsibility of only a few. And, the development and respect for American values must persist as we continue struggling with our own future - we can't stop the world to get off.

Recommendation #21: It is recommended that the President stress that the Administration is still laboring at restructuring the social programs that are for the truly needy, but that help is needed from other levels of government and private individuals and organizations. He should also link

the success of this reexamination of social renewal to the success of economic recovery.

d. National Resources - The enhancement and management of our national resources - the labor force, natural resources, business and industry, and government - is vital to the success of economic recovery. This major policy area should also be cited as one in which some refocusing will occur. Especially in the areas of improving the work force, by stressing that people become more proficient and skilled with each passing generation; increasing the availability of the needed natural resources such as food and energy supplies; modernizing our business and industry, so that people are again satisfied that our places of work are indeed worthy of the workers who spend great parts of their lives there; and, of much importance, ensuring that with less government there is better governance, and that government management is improved to the point that it again gains the confidence of the people who support it through taxes.

Recommendation #22: It is recommended that the President make brief mention of goals for enhancement of national resources, and that it be pointed out that they are directly linked to economic recovery as both beneficiaries and determinants.

Some care must be exercised in these latter two areas, c. and d. above, that the speech does not begin to sound like a listing of something for everyone. This is not in keeping with the President's intent of less government - better governance.

#### POST-ADDRESS ACTIVITY

For media purposes, some attention should be given to the time slot. All four time zones should view the speech in either prime time, access, or news. We should encourage greater coverage by cable and radio, plus major independents, so as to provide a better chance of blocking other programs. We must not pre-empt a highly-rated show, or an on-going show such as a movie or sporting event, if possible.

We should not go much over 30 minutes. Some networks will cut back to regular programming quickly, while others will not. The time frame should be close to the half-hour so that a network has the option of not pre-empting the next time slot.

We might consider a delayed broadcast for Alaska and Hawaii, otherwise the speech will be at 4:00 p.m. for some. We might consider greater foreign coverage if the world situation justifies it.

An analysis of newspaper coverage of past State of the Union addresses indicates that newspaper coverage lags after one or two days unless special effort is made to keep one or more issues alive. Some advance information might be provided columnists and analysts, so that they have ample time to prepare their more thorough and thoughtful commentaries.

Comments by Republicans afterwards must be carefully orchestrated. We must be ready immediately to respond to Democratic criticism. Thus, the White House must monitor the instant Democratic rebuttals, and have responses ready by 11 p.m. EST news broadcasts. This means press availability of Baker, Michel, and others half an hour after the speech is completed.

We must expect some press criticism. However, press reaction will die down after only a day, except for the little-read editorial page. It may be possible to orchestrate an extra day's coverage by having prominent people (supporters) continue to comment on it for a few days.

Recommendation #23: It is recommended that the communications package be prepared sufficiently in advance so that the media are most effectively able to provide detailed, specific coverage of the speech, and that post-address activities are well coordinated.

#### COMMITMENT

As a concluding comment, if there is not sufficient support for the notion that in January, 1982 the country will need and should receive from the President the most inspirational and assuring message possible, then it would be unwise to expend more than minimum resources in preparation of the State of the Union message. In fact, a lead might be taken from President Truman in which he, in one year, delivered only a written message, which included the budget with his state of the Union message. These were read by the clerk, as is the custom, to a very uninterested and ill-attended session.

On the other hand, if we wish to leave a sustained and lingering aftereffect that would be of historical significance for President Ronald Reagan, the wherewithal should be applied to putting together a first-class bit of staff work and speechwriting. That notwithstanding, the task of turning the ship of state around, and applying power in a different direction has proceeded so rapidly through a very complex set of political and procedural stages that one could not excuse even the most enlightened citizen of needing a box score on what has occurred. And of most importance is, that they deserve that it come from their "communicator-in-chief", whom they must grow more to trust and respect every day.

Recommendation #24: It is strongly recommended that the President's 1982 State of the Union Message be a statesman-like, inspirational message which receives first-rate attention because of its national, political significance, or that it be simply a written message compiled by OMB and sent forward without waste of the President's precious time.

What!?

*peep*

THE NEXT 90 DAYS  
(til State of Union)

1) PROBLEMS

- Continued high interest rates and financial market troubles, with possibility of public and Congressional erosion of support for economic program;
- The need to identify and propose major domestic program cuts--beyond those previously contemplated--with possibility of accusations ranging from bad faith to bad forecasting to bad policy;
- Recession;
- The continuing uncertainty re social security;
- The potential loss of "focus"--as postponed issues move forward, as patience with "the economic issue" declines, as foreign visits and visitors come and go, etc.;
- The potential loss of the appearance of Presidential power if AWACS Congressional situation is not reversed;
- The likely erosion of the uniformity of support among moderate Republicans in the Congress, as election year nears;
- The potential loss of the uniformity of support among Cabinet officials, as deeper cuts are required and as they become "captive" or interested in moving into new areas of visibility or both;
- The likely press effort to make trouble with some combination of Presidential style, troika style, relative distribution of power and influence within troika and between troika and others;
- The potential erosion of public support for the President as the Carter contrast is further behind, as the "honeymoon" passes, as the economic situation fails to improve, as the "social safety net" may seem threatened, as good luck may not persist....;
- The likely rise of internal and some external tensions due to all the above--along with the media's tendency to highlight and compound such tensions; and
- (Others....)

2) ELEMENTS OF THE SOLUTION (in part)

--The appearance of order and control--hence the need for themes and a 90 day "plan," to be discussed here today;

--Continued effective development of legislative strategy (especially for "Fall offensive," Social Security, AWACS, Missile-Bomber, Clean Air);

--Troika solidarity;

--Presidential briefing sessions per prior discussion;

--Small group, off-the-record Presidential press get togethers;

3) ISSUES RE THE 90-DAY PLAN

## a) What themes?

--economic recovery phase II ("fall offensive")

--private initiative??

--what re "social renewal"??

--what re foreign policy

o given Cancun

o given visits

o given legislative issues

## b) What to show continued humane concern, vision--what surprise equivalent to "social safety net"?

--handicapped?

--bio-medical research?

--long-term environmental/health research?

--space?

## c) What to show fairness?

--defense cuts

--WH cuts

--others largely cross-board 'cept for new sacred cows?

d) What defensive tactics necessary for, e.g.,

--September 19

--El Salvador/Central America

--abortion, etc.

--loss of governors' support (?)

--other...