

GR 640

CONFIDENTIAL

FM WASHINGTON 180030Z JULY 79

TO PRIORITY FCO

TELEGRAM NUMBER 1971 OF 17 JULY

INFO UKREP BRUSSELS, OECD, PARIS, BONN, TOKYO, ROME

INFO SAVING OTHER EEC POSTS, UKDEL NATO AND ALL U.S. POSTS.

MY 2 IPTS: PRESIDENT CARTER'S SPEECHES.

1. THESE SPEECHES, AT THE CULMINATION OF TEN DAYS OF SOUL-SEARCHING RETREAT, SHOW CARTER'S ALARM AT THE SHARP DECLINE OF HIS POLITICAL STANDING AND HIS FRUSTRATION AT HIS DIMINISHING COMMAND OF PUBLIC ATTENTION ON ENERGY AND RELATED ISSUES, AND AT THE PERSISTENT PARALYSIS IN CONGRESS ON THIS FRONT. UNDERLYING ALL THIS IS HIS GENUINE PRE-OCCUPATION WITH THE DEEPER CRISIS OF POPULAR AND INSTITUTIONAL CONFIDENCE AFFLICTING CONTEMPORARY AMERICA, WHICH HE IDENTIFIED IN HIS 1976 CAMPAIGN AND FROM WHICH HE HAS NOT BEEN ABLE TO LEAD THE COUNTRY.

2. THE WHOLE EXERCISE MARKS A STRONG EFFORT TO REVERSE HIS OWN POLITICAL DECLINE, AND TO RALLY THE COUNTRY AND COMMUNICATE HIS CONCERN AT THE PERILS OF CONTINUING TO DRIFT. THE CAREFULLY ORCHESTRATED BUILD-UP TO HIS TELEVISION ADDRESS ENSURED THAT CARTER CAPTURED PUBLIC ATTENTION, AT LEAST FOR THE TIME BEING (PRELIMINARY FIGURES SUGGEST AN AUDIENCE OF 60 MILLION AS AGAINST 30 MILLION FOR SOME OF HIS PREVIOUS ENERGY SPEECHES). BUT BY RAISING EXPECTATIONS HE ALSO RAISED THE RISK OF FAILING TO FULFIL THEM.

3. NOT A NATURAL ORATOR, CARTER SPOKE STRONGLY, WITH EVIDENT CONVICTION. AT THE SAME TIME, HE RETURNED TO POPULIST THEMES WHICH SERVED HIM WELL IN THE 1976 CAMPAIGN, NOTABLY ATTACKING WASHINGTON FOR ITS REMOTENESS FROM THE ASPIRATIONS OF THE PEOPLE, AND APPEALING TO THE INNATE GOODNESS OF AMERICAN PEOPLE. CARTER'S AUDIENCE, PARTICULARLY MIDDLE AMERICA, MAY BE MORE RECEPTIVE TO SUCH SERMONS THAN EUROPEANS WOULD BE. ENIGMATIC AND ELUSIVE AS CARTER STILL SEEMS TO REMAIN TO MANY AMERICANS, HE RESORTED TO HIS ABILITY TO COMMUNICATE DIRECTLY WITH THE MAN IN THE STREET, THOUGH AT THE EXPENSE OF ADMITTING CRITICISM OF HIS ADMINISTRATION.

4. INITIAL REACTIONS HAVE BEEN MIXED. THE NEW YORK TIMES HAS CRITICAL LEADER TODAY SAYING THAT THE PRESIDENT HAS NOT REALLY TACKLED THE ENERGY PROBLEM: HE HAS NOT ASKED FOR THE IMMEDIATE SACRIFICE THAT THE CRISIS DEMANDS. BUT OTHER EAST COAST EDITORIALS AND COMMENTATORS, INCLUDING THE WASHINGTON POST, HAVE COMMENDED CARTER FOR TRYING TO ADDRESS UNDERLYING CONCERNS OF THE COUNTRY, FOR AT LEAST PARTIALLY AND IMPLICITLY CONCEDED SHORTCOMINGS OF HIS OWN ADMINISTRATION AND FOR SEEKING AGAIN TO RALLY THE COUNTRY BEHIND AN ENERGY POLICY. CONGRESSIONAL REACTIONS HAVE BEEN BROADLY SIMILAR, THOUGH MORE DIVIDED ON PARTISAN LINES. WHILE THERE IS WIDESPREAD AGREEMENT THAT CARTER HAS FLINCHED FROM TOUGH SHORT-TERM DECISIONS, THERE IS SOME DISPOSITION IN EDITORIAL AND POLITICAL COMMENT TO GIVE HIM THE BENEFIT OF THE DOUBT FOR TAKING AT LEAST AN INITIAL STEP OR TWO IN THE DIRECTION OF TACKLING THE LONGER RANGE PROBLEMS.

5. CARTER THEREFORE SEEMS TO HAVE MADE AT LEAST A SHORT-TERM AND MODEST RECOVERY IN HIS GENERAL PUBLIC STANDING (THE INSTANT OPINION POLLS RECORD A 9 POINT RISE, ADMITTEDLY FROM THE PERILOUS BASE LINE OF THE LOW 20S). BUT BRINGING THIS PROGRAMME TO FULFILMENT WILL REQUIRE SUSTAINED FOLLOW-THROUGH WHICH, ON PAST FORM, THE ADMINISTRATION WILL FIND EXTREMELY DIFFICULT. SO IT IS TOO EARLY TO SAY WHETHER CARTER CAN TRANSLATE THE MODEST IMMEDIATE POLITICAL GAINS OF HIS PUBLIC APPEARANCES THIS WEEK INTO EFFECTIVE CONTROL OF THE LEVERS OF POWER WHICH HE HIMSELF VIRTUALLY CONCEDES HAS ELUDED HIM UP TO NOW.

FCO PASS SAVING BRUSSELS COPENHAGEN DUBLIN LUXEMBOURG
THE HAGUE UKDEL NATO.

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IN THE UNITED STATES.

PRESIDENT CARTER'S SPEECHES.

1. IN HIS NATION-WIDE TELEVISION ADDRESS ON 15 JULY AND IN SPEECHES IN KANSAS CITY AND DETROIT NEXT DAY, PRESIDENT CARTER SPOKE OF THE POLITICAL AND SPIRITUAL MALAISE AFFLICTING THE NATION, A CRISIS OF CONFIDENCE WHICH, HE SAID, POSED A FUNDAMENTAL THREAT TO AMERICAN DEMOCRACY. MY TWO IFT'S SUMMARISE HIS ENERGY POLICY AND COMMENT ON INITIAL REACTIONS HERE TO THESE SPEECHES.

2. ILLUSTRATING HIS THEME WITH COMMENTS MADE BY VISITORS TO CAMP DAVID, CARTER SAID THAT TRADITIONAL AMERICAN VALUES AND IDEALS WERE GIVING WAY TO THE WORSHIP OF SELFINDULGENCE AND CONSUMPTION. FOR THE FIRST TIME, A MAJORITY OF AMERICANS WERE PESSIMISTIC ABOUT THE FUTURE: THEIR WILLINGNESS TO SAVE WAS THE LOWEST IN THE WEST: THEIR PRODUCTIVITY WAS DECLINING: TWO THIRDS OF THEM DID NOT EVEN VOTE: AND THERE WAS GROWING DISRESPECT FOR GOVERNMENT AND OTHER INSTITUTIONS. THE WOUNDS OPENED BY THE KENNEDY AND KING ASSASSINATIONS, VIETNAM, WATERGATE, THE FALL OF THE DOLLAR AND THE RISE OF OPEC HAD NOT HEALED. THE GOVERNMENT WAS ISOLATED FROM THE PEOPLE AND THE PEOPLE ALIENATED FROM IT. CONGRESS WAS PULLED IN DIFFERENT DIRECTIONS BY INTENSE PRESSURE GROUPS. AMERICA WAS FUNDAMENTALLY STRONG, BUT WAS AT A TURNING POINT IN ITS HISTORY. QUOTING CRITICISM BY VISITORS TO CAMP DAVID OF HIMSELF (QUOTE MR PRESIDENT, YOU'RE NOT LEADING THIS NATION - YOU'RE JUST MANAGING THE GOVERNMENT UNQUOTE) AND OF HIS ADMINISTRATION (QUOTE SOME OF YOUR CABINET MINISTERS DON'T SEEM LOYAL. THERE IS NOT ENOUGH DISCIPLINE AMONG YOUR DISCIPLES UNQUOTE), CARTER ADMITTED THAT HIS LEGISLATIVE PROPOSALS HAD RECEIVED ONLY MIXED SUCCESS. HE DECLARED HIS INTENTION TO ACT FIRMLY AND TO PROVIDE MORE DETERMINED LEADERSHIP IN FUTURE.

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Prime Minister

3 useful telegrams.

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3. CARTER CALLED FOR THE REVIVAL OF AMERICAN IDEALS THROUGH A UNITED EFFORT TO TACKLE THE ENERGY CRISIS, QUOTE A CLEAR AND PRESENT DANGER TO OUR NATION UNQUOTE. NATIONAL DETERMINATION TO OVERCOME AMERICA'S QUOTE INTOLERABLE UNQUOTE DEPENDENCE ON FOREIGN OIL WOULD BE THE IMMEDIATE TEST OF THE COUNTRY'S ABILITY TO REUNITE AND RESTORE A SENSE OF CONFIDENCE AND PURPOSE. WHILE THERE WERE NO EASY OR SHORT TERM SOLUTIONS, HE WAS CONFIDENT THE COUNTRY WOULD RALLY BEHIND STRONG LEADERSHIP AND SOLVE ITS LONG RANGE PROBLEMS. QUOTE I WILL LISTEN AND I WILL ACT. WE WILL ACT TOGETHER UNQUOTE.

4. IN KANSAS CITY AND DETROIT CARTER DEVELOPED THESE THEMES, GIVING SOME ADDITIONAL DETAILS OF HIS ENERGY PROPOSALS IN KANSAS CITY

5. SEE M.I.F.T.

FCO PASS SAVING BRUSSELS, COPENHAGEN, DUBLIN, LUXEMBOURG AND THE HAGUE.

HENDERSON

[REPEATED AS REQUESTED]

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