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memo	From Young to The President (one page) re: Weekly Activities of US Mission to the UN <i>REMOVED 4/3/02</i>	4/6/79	A

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TO: President Carter
THROUGH: Rick Hutcheson
FROM: Ambassador Young
SUBJECT: U.S. Mission to the UN Weekly Summary
March 30 - April 6

Middle East - Extension of UNEF Mandate

The U.S. Mission has conducted a series of briefings of Security Council Members and other key delegations on the contents of the Egyptian-Israeli Peace Treaty and its implications for the future of the UN Emergency Force (UNEF) in the Sinai. The responses we received, of course, have been mixed. We have been struck, however, by the positive attitudes taken initially by such key delegations as Kuwait, the Chinese and some other non-aligned nations.

South Africa

On April 5 the Security Council unanimously approved a declaration, read out by the Security Council President, appealing to the South African Government to spare the life of Solomon Mahlangu and others facing the same fate in South Africa. This appeal, along with appeals by you and other world leaders, was to no avail as Mahlangu was hanged this morning in South Africa.

Meeting with Shimon Peres

I met with Shimon Peres (leader of the Israeli Labor Party) on April 1 at his request. The meeting was an attempt by Peres to develop direct contacts with Black Americans. We discussed the Egyptian-Israeli Treaty, involvement with Palestinians, the UN, and Israeli relations with Black Africa.

House Takes First Step to Repeal Helms Amendment

The House decided on April 5 to repeal the Helms Amendment. There was no recorded vote because supporters of the Helms language clearly did not have the support and did not press for a vote. We must now focus our efforts on the Senate, so that we can once again be in compliance with our financial obligations at the UN.

Speaking Engagements

3/30 - Georgia Association of Educators; I explained the Administration's domestic and foreign policy. 4/1 - Doxology commemorating the 20th anniversary of Archbishop Iakovos' investiture as Primate of Greek Orthodox Church of North and South America. 4/2 - Hollings Senate Subcommittee on State Appropriations; testified on UN funding.

CONFIDENTIAL

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MR. MLYC-06-096
PER 8/14/07 STATE LETTER
BY Q NARS, DATE 3/29/08

THE WHITE HOUSE
WASHINGTON
09 Apr 79

Frank Moore

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the President's outbox today
and is forwarded to you for
appropriate handling.

Rick Hutcheson

The Vice President
Stu Eizenstat
Hamilton Jordan
Jack Watson

Administratively Confidential

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THE WHITE HOUSE
WASHINGTON

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April 7, 1979

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: Weekly Legislative Report

I. DOMESTIC POLICY ISSUES

1. Budget -- The House Committee completed mark-up on Thursday. The Senate Committee is still working on their first of two rounds of mark-up.

House

The following summarizes the House Committee's work on the third Budget Resolution for 1979 and the first Resolution for 1980:

(in billions of dollars)

	1979		1980	
	Admin	3rd Resol.	Admin	1st Resol.
Receipts	461.8	458.5	503.9	507.8
Outlays	<u>495.0</u>	<u>493.0</u>	<u>532.3</u>	<u>532.7</u>
Deficit	-33.2	-34.5	-28.4	-24.9
Budget Authority	557.6	555.8	615.0	608.4

1979 Supplementals -- The outlay total is \$2 billion below the Administration's March estimate. The reduction includes a \$1 billion decrease in estimates for the petroleum reserve, as well as \$1.1 billion for deletion of the Defense supplementals. The Committee also deleted amounts for the SBA disaster loan supplemental and a number of other pending supplementals (offset by estimating increases).

The Resolution total does include the Administration request for funding related to the Mideast peace treaty, as well as refugee assistance.

1980 - First Budget Resolution

Defense -- After a Mattox amendment to restore \$1.1 billion, the 1980 BA total is still about \$3 billion below the Administration request.

Real Wage Insurance -- By a vote of 14 to 11, agreed to eliminate funding for the Real Wage Insurance proposal. Six Democrats -- Holtzman, Simon, Mattox, Brodhead, Wirth and Panetta -- joined the eight Republicans.

Consumer Co-op Bank -- by a vote of 12 to 13, defeated a Mattox amendment to delete funds for the Co-op Bank.

Revenue Sharing -- By a voice vote eliminated States' share. The Resolution provides for counter-cyclical assistance in 1980. (The 1979 3rd Resolution does not include counter-cyclical.)

Education, training, employment, and social services -- BA total for this function is \$1.6 billion above our budget. The Committee accepts the Administration's request for public service jobs, but assumes significant increases for other programs in this function.

Health -- \$300 million above our budget for discretionary increases.

Housing Programs -- Deleted \$700 million for the new rural housing assistance initiative. Increased subsidized housing by \$2.2 billion without changing the Administration's plan for 300,000 units.

Community and Regional Development -- The Committee's BA total for the function is \$3 billion below our March update. Provides for \$775 million in BA for the HUD and EDA portions of the successor to the National Development Bank proposal. (\$500 million of this amount was restored by a vote of 14-11; the Committee had originally voted to delete the entire EDA portion of the Bank.)

Foreign Economic Aid -- Bilateral assistance is held to the 1979 level and some appropriations for International Financial Institutions were deferred. This results in a cut of \$600 million.

Senate

Mark-up will continue on First Budget Resolution Monday. The following tentative actions were taken last week:

1979 Supplementals -- Approved \$1.4 billion in Mid-East request.

Defense -- OMB reports that Senator Hollings played a strong role. The Administration's request is likely to be accepted by the Committee essentially as presented.

Foreign Assistance -- Approved a policy cut of about \$1 billion. A Chiles amendment won by one vote preventing an additional billion dollar cut.

Rural Housing Initiative -- Our budget proposal for rural home ownership assistance was defeated as part of a vote on the housing and mortgage credit function.

Transportation -- There was some support on the Committee to add \$100 million in BA and outlays to the transportation function to allow for possible increases for Amtrak subsidies later in the year, but this effort failed. The Committee approved the Chiles motion to stay with your budget, modified by a CBO outlay reestimate.

Law Enforcement -- The Committee voted to reduce LEAA approximately \$150 million below our budget.

Community and Regional Development -- With strong support by Senator Moynihan, the Committee included funding for our EDA/HUD economic development initiative.

CETA -- After numerous votes, the Committee voted to cut our 1980 CETA request by \$1.7 billion in BA and \$700 million in outlays. Senator Bellmon's proposal to delete all 1980 funding for CETA was defeated.

2. Reorganization

Department of Education -- As you know, Helms attached his prayer in schools amendment to the bill. WHCL is working with Senators Ribicoff, Kennedy and Byrd, and the NEA to win the vote on a motion to reconsider. We have a better than 50-50 chance of success as many Members who voted for the amendment on Thursday were completely unaware of its true effect. If Byrd is able to get an agreement to call up

Senator DeConcini's Supreme Court jurisdiction bill immediately following the education bill we will prevail. Many Senators would agree to switch Helms' amendment to the latter bill which is a more germane vehicle.

The House Government Operations subcommittee will mark-up our bill Monday. Our latest count shows support at 6-3. With Congressman Moorhead's vote we would get 7-2. Your call to Moorhead on Monday is crucial to our locking him into place for the full committee vote in two weeks.

We have still not reached a compromise with Congressman Fuqua on the NSF transfers. While an amendment will be offered to delete the DOD schools transfers, we should prevail in Subcommittee. The DOD issue in full committee is in somewhat greater doubt.

Department of Natural Resources -- The DNR Task Force met Friday afternoon and made preparations to execute the instructions you gave at lunch Friday. A group of the Task Force has been assigned to prepare a proposal for your consideration.

3. MTN -- Senator Ribicoff was displeased with Treasury's limited concessions in the tax area due to the elimination of the wine-gallon method of assessing excise taxes and import duties. Rumors are circulating that this will enhance his enthusiasm for a Department of Trade.

As you know, MTN could encounter substantial opposition in Congress. One step that could be taken to diffuse much of the opposition is the announcement of a new aggressive export policy, according to Senators who are interested in trade policy and supportive of MTN.

4. Alaska National Interest Lands -- The full House Merchant Marine and Fisheries Committee will mark-up the Alaska legislation on Monday. The pro-development forces on the Committee, led by Representatives John Breaux and John Dingell, will attempt to rubber-stamp the Breaux substitute proposal reported from Subcommittee on March 29. Pro-Administration forces, led by Representative Gerry Studds, will move to substitute last year's House-passed bill. At this writing, the vote count appears to be about 23-17 in Breaux's favor, though we hope to narrow the gap. Chairman John Murphy, who was proxied against us in Subcommittee, is the key.

5. Clinch River Breeder Reactor -- A White House Task Force has met to begin early strategy on the House floor fight.

6. Hospital Cost Containment -- The Senate Finance Committee is expected to resume its mark-up of the Talmadge Medicare/Medicaid bill and HCC Tuesday. Wednesday has also been reserved for mark-up, but it is uncertain whether they will be able to complete the mark-up before the Easter recess.

7. Davis-Bacon Act -- In return for Senator Williams' promise to hold hearings on the subject no attempt was made to attach Davis-Bacon repeal to the COWPs re-authorization bill.

DOL is now concerned that the hearings will not provide an adequate vent for the building pressure in the Senate. They cite the release by the National Chamber of Commerce of a report on the inflationary consequences of Davis-Bacon application as part of a campaign aimed at getting Senate action. (The report was drawn largely from a GAO draft which DOL feels is inaccurate.)

Even though we are likely to have a fight on this in the Senate, prospects for acceptance of Davis-Bacon repeal by the House are very remote.

II. FOREIGN POLICY ISSUES

1. Panama

House Cuts Development Aid -- Thursday the House of Representatives approved an amendment by Representative Robert Bauman (R-Md.) to strike all development assistance to Panama. The vote was 246-150. We had anticipated the amendment and had worked for two days to line up opposition. We obtained the support of some liberal human rights advocates, but this was not enough to overcome the emotional antipathy for anything which smacks of assistance for Panama.

Committee Reports Implementing Legislation -- The Merchant Marine and Fisheries Committee has reported a bill on Panama treaty implementation which poses a number of problems. As reported from the Committee, "Treaty costs" which go beyond operating costs as foreseen in the treaty must be paid before Panama receives any "contingency payment." Furthermore, the bill seeks to solve the property transfer issue in ways which are not satisfactory to us or the Senate.

Chairman Murphy says that any further compromise with the Administration will produce a bill that will lose on the floor. After the loss on aid for Panama, we are in a poor position to argue. We probably will have to support the House bill, emphasizing that we hope for redress in the Senate.

Meanwhile, the bill will be subject to intra-House negotiations. Three committees other than Merchant Marine considered portions of the bill, and all three have ideas of their own. All the committees must present their reports by April 10, and the Rules Committee will decide what to report to the floor. The bill should come to the floor in early May. We expect Rules to report the Administration's Panama bill. Murphy will move immediately on the floor to substitute his bill which, although flawed as indicated above, clears up problems added to the Administration bill by the Post Office and Judiciary Committees. We will support the Murphy motion. George Hansen (R-Idaho) will then move to substitute his totally unacceptable bill for the Murphy bill. This will be our first tough vote. Hansen has 150 co-sponsors for his bill. It is probable that the Senate will consider a bill after the House acts. Secretaries Vance and Brown will meet with Stennis to seek rescue.

2. Middle East Peace Package -- Interest in the Egypt/Israel peace treaty and the follow-up process remains high in Congress. The greatest immediate concern is the cost to the U.S. taxpayers. Members strongly support the treaty, but their mail is running overwhelmingly against U.S. expenditures. We have indications that there will be no effort to extend "forgiveness" on FMS payments to Israel.

The sooner we can get the whole package to the Hill, the easier it will be to answer the many questions. We are already, however, hearing sighs of relief that the package is not \$5 billion in new budget obligations but rather a little less than \$1.5 billion. Both Budget Committees have approved our request for \$1.4 billion in supplemental funds for the package in a third budget resolution for FY 79. Both the HFAC and the SFRC have scheduled hearings for the special Mideast Authorizing legislation. Our only problem appears to be some reluctance on the part of Jamie Whitten (D-Miss.) to report the supplemental as an "urgent" request apart from other supplemental requests. John White will respond to Whitten by letter on Monday.

In the meantime, on the House floor the only serious challenge to Middle East money seems to be mounted against the Foreign Affairs Committee's recommendation of \$45 million for Syria.

3. State Department Authorization -- The State Department Authorization bill looms as the vehicle which Administration opponents will use to attach unwelcome foreign policy-related amendments. The Senate plans to mark-up the State Department Authorization bill on Tuesday, April 10; the same bill may be on the House floor later that day. In the Senate we expect Helms to bring forth an amendment to lift Rhodesian sanctions. There will also be an amendment to overturn the recent Supreme Court decision supporting State Department mandatory retirement. In a helpful development, Senator Church has agreed to introduce language to repeal the Helms Amendment on UN technical assistance. On the House floor we expect a variety of unwelcome amendments. A Wolff amendment is already in the bill to cut contributions to the UN by whatever sum is voted to the Palestinians (and it will be important to avoid a companion amendment in the Senate). A Rhodesian sanctions amendment is also a possibility.

4. Foreign Aid Authorization -- The House of Representatives began consideration of H.R. 3325, the foreign aid authorization bill, on Wednesday afternoon and will resume consideration of the bill next Monday. The remaining sections to be dealt with involve Security Supporting Assistance, the Institute for Scientific and Technological Cooperation (ISTC) and the Peace Corps. No cuts have been made in AID development assistance accounts, and the only possible threat remaining in that regard is an across-the-board cut at the end of the bill. Thus far, significant amendments adopted include the Bauman amendment prohibiting development aid to Panama and a Quayle amendment to limit the bill to a one-year authorization which passed 239-157.

There are a number of possible amendments still to be offered, the most significant of which are an across-the-board cut, a prohibition on indirect aid to specific countries, a cut in the Syria program, a motion to strike the ISTC, and on the establishment of an independent Peace Corps.

5. Supplemental Budget Request -- Congressional action on the DOD FY 79 Supplemental Budget request picked up significantly this week. The Senate Armed Services Committee cut the F-16 aircraft and several other smaller programs to provide authorization for the remaining two destroyers previously scheduled for Iran. They also allowed the full request for MX and MX basing, but tied it to modified restrictive language which we mentioned in last week's report. The Senate bill also includes a SLEP provision to force the SARATOGA SLEP to be accomplished at Newport News rather than Philadelphia.

The House Armed Services Committee also completed their mark-up on Tuesday. The House cut the F-16 aircraft along with several other smaller programs but did not include the two additional destroyers. They also authorized the full MX request and included directive language with respect to the basing mode. Representative Tribble did not introduce his SLEP amendment, so that issue must be resolved in the conference. Both Committees expect to report their bills out prior to the Easter recess. We do not expect any floor action until after the recess period.

III. MISCELLANEOUS

-- Mood of the Senate -- We will continue to hear the Majority Leader's entreaties that we not send up controversial or substantial amounts of new legislation. He is abandoning Friday Senate sessions in an effort to allow the 24 Democrats up for re-election additional campaign time. He sees the possibility that several of them, including some of our best supporters, will have stiff opposition. We are already feeling the effects of election year jitters on the part of several of these vulnerable Democrats; the difficulty we had on the Taiwan legislation and the adoption of the school prayers amendment to the Department of Education bill are examples of our losing or almost losing on issues which we would have won fairly handily in the last Congress.

-- Our Energy Policy has received mixed reviews in the Senate. Most see themselves on the defensive whether they be for immediate decontrol with no tax or for rolling back energy prices. There are 20+ Senators who are adamantly opposed to decontrol; yet these 20 can be counted as strong proponents of the windfall profits tax. A plowback feature will be proposed as an alternative by Senators from oil-producing states. We must be very aggressive in three respects: (1) we should emphasize that you alone are taking the political heat for decontrol and they are simply charged with the responsibility of enacting a tax to prevent oil company rip-offs; and (2) we must educate the Congress better than we did with respect to COET. The importance of the latter point cannot be overemphasized. Finally (3) we must organize early and convince Senators that Russell Long is not invincible.

-- Congressmen Marvin Leath and Phil Gramm, conservative Texas Democrats, held a joint press conference praising your energy policy.

Not true →
 -- Chairman Perkins has been telling Members and staff that he thinks the White House would approve funding for the Yatesville project, as long as the other five "hit-list" projects were not funded. The staff reaction is that if Yatesville is approved it will be impossible to keep out the other projects -- such as Bennett Johnston's Bayou Bodcau.

-- The House Budget Committee intends to fulfill the requirements of the Long amendment to the debt ceiling by having the staff file a report with a series of "mechanistic" projections presenting alternative ways to balance the budget. Although Leon Panetta and others objected to using a staff report to meet this requirement, Chairman Giaimo has indicated that it will have to be done that way since Members will not be around to review it on April 15.

-- WHCL and Treasury will be working together to see if there is a way to retrieve fiscal assistance for 1979.

The program for the House of Representatives for the week of April 9, 1979, is as follows:

Monday, April 9

House meets at noon.
District (no bills).
Suspensions (one bill).

1. H.R. 2471 -- Trade Commission and Customs Service, FY '80 Authorizations

H.R. 1543 -- Trade Adjustment Assistance Program Improvements (Subject to a rule being granted)

H.R. 1301 -- International Shipment of Lottery Materials (open rule, one hour)

Tuesday, April 10

House meets at noon.
Suspensions (no bills).

1. H.R. 3363 -- State Department Authorizations (subject to a rule being granted)

At the close of business on Tuesday, the House will adjourn until Monday, April 23, 1979, for the Easter District work period.

THE WHITE HOUSE
WASHINGTON

4/9/79

Hamilton Jordan

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the President's outbox today
and is forwarded to you for
your information.

Rick Hutcheson

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

9
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April 6, 1979

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CLS*
Subject: A small ray of sunshine

The overall increase in the March producer price index (PPI) released yesterday was not good news. The index of finished goods prices rose 1 percent, the same as in February. Even if food is excluded, the increase was large -- 0.9 percent in March, following on 0.9 percent in February.

As you know, we have been very disturbed that price increases early this year were not confined to food and energy, but were very widespread. In March, however, the bad news about finished goods prices was confined to food and energy. On average, the rate of price increase elsewhere slowed sharply:

(percent increase; annual rate)

PPI	January	February	March
Total, finished goods	17.2	13.0	12.2
Total, excluding food	18.9	10.2	10.8
→ Total, excluding food and energy	11.5	8.2	4.9
Energy	36.9	22.6	51.2

Outside of food and energy, the annual rate of inflation in producer prices fell from 11-1/2 percent in January to 8-1/4 percent in February to 5 percent in March.

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I don't want to make too much of this for two reasons:

1. The month of April starts the second six-month period under our price standards, and some firms will be taking their allowable increases in April -- e.g., autos.
2. The rate of price increase in producer prices for intermediate goods, outside of energy (processed materials, parts, components, etc.) did not slow significantly in March. These are the kinds of goods most likely to have been affected by the overheating in the industrial sector of the economy that has been going on since late last fall.

Nevertheless, the deceleration of price increases for a broad range of finished goods is a tiny ray of sunshine.

Barry Bosworth's shop will shortly finish a detailed analysis of price behavior over the first six months of the program. Already, enough has been done to yield some important conclusions on what has been going on. As soon as it is done we will get it to you.

THE WHITE HOUSE
WASHINGTON

4/9/79

Jerry Rafshoon

The attached was returned in
the President's outbox today
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your information.

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

April 6, 1979

MEMORANDUM TO THE PRESIDENT

FROM: ACHSAH NESMITH
WALTER SHAPIRO

SUBJECT: Virginia and subsequent
Jefferson-Jackson Speeches

*Jerry -
The Richmond
speech turned out
ok. There were no
applause lines. I added
some. Let's hone it
down - keep it flexible
& use it for J-J
type occasions
J*

If you mention 1980 in any way that can be construed as applying to your election these trips will be considered a part of your campaign, we'll have to pay for them and they will count on 1980 totals. Ford had to do this for several speeches because of one-line references to things like "we will go into every primary". For this reason the Virginia references to close elections do not refer to 1976 directly or say anything about a little more effort and we can do it in 1980, but instead carefully tie the references to better organization and the chance to win those close ones in the future to state and local races. As long as we are party building, the state parties and DNC can pick up the tab.

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BUDGET

This budget is a clear message that, with the help of you and the American people, I am determined, as President to bring inflation under control.

The 1980 budget provides enough spending restraint to begin unwinding inflation, but enough support for our country to keep American workers productive and to encourage the investments that provide new jobs. We will continue to mobilize our Nation's resources, to reduce our trade deficit substantially this year, and to maintain the strength of the American dollar.

We have demonstrated in this restrained budget that we can build on the gains of the past two years to provide additional support to educate disadvantaged children, to care for the elderly, to provide nutrition and legal services for the poor, and to strengthen the economic base of our urban communities and also our rural areas.

The key to effective Federal leadership against inflation, unemployment and poverty lies in more effective allocation and management of available resources. We must reduce the growth of total Federal spending while protecting the security of our Nation and the well-being of the American people.

This budget provides the necessary discipline over Federal spending by:

- eliminating programs that are unworkable;
- improving programs to make them more effective;
- focusing assistance on the disadvantaged and the poor; and
- reorganizing and consolidating Federal activities to improve efficiency and avoid waste, abuse or mismanagement.

I believe this discipline represents an opportunity to reassess and build strong foundations for future Government activity, and opportunity to change Government for the better. It is my firm intention to continue these policies in future years, to reduce the size of the deficit, and to achieve a balanced budget as soon as economic conditions permit.

DEFENSE
GENERAL, NATO, BUDGET

Ever since the end of the Second World War, the United States has been the leader in moving our world closer to a stable peace and genuine security. We have the world's strongest economy; we have the world's strongest military forces; and we share burdens of mutual defense with friends abroad whose security and prosperity are as vital to us as to themselves.

With our strong allies, we have succeeded in preventing a global war for more than one-third of a century -- the longest period of general peace in modern times.

And as President of the United States, I am determined to keep our Nation at peace. (Applause)

America's military power is a major force for security and stability in the world. We must maintain our strategic capability and continue the progress of the last two years with our NATO allies, with whom we have increased our readiness, modernized our equipment, and strengthened our defense forces in Europe.

As we face this immediate series of crises, we also look constantly to the broader needs of security. If we are to meet our responsibilities, we must continue to maintain the military forces we need for our defense and to contribute to the defense of our allies. This year, I have proposed a substantial real increase in the defense budget. The events of recent weeks underscore the responsibility of the Congress to appropriate these funds in full.

There must be no doubt that the people of the United States are fully prepared to meet our commitments and to back up those commitments with military strength. (Applause)

Too often the only voices they hear are those of special interests, supporting their own narrow cause. If you want government officials to cut inflation, you have to make sure that they hear your voice.

I have heard you with unmistakable clarity.

Nearly 40 years ago, when the world watched to see whether his nation would survive, Winston Churchill defied those who thought Britain would fall to the Nazi threat. Churchill replied by asking his countrymen, "What kind of people do they think we are?"

There are those today who say that a free economy cannot cope with inflation, and that we have lost our ability to act as a nation rather than as a collection of special interests. And I reply, "What kind of people do they think we are?"

I believe that our people, our economic system, and our government are equal to this task. I hope that you will prove me right.

ENERGY: CONSERVATION

Our Nation's energy problem is very serious -- and it is getting worse. We are wasting too much energy, we are buying far too much oil from foreign countries, and we are not producing enough oil, gas or coal in the United States.

We are dangerously dependent on uncertain and expensive sources of foreign oil.

Just ten years ago we imported hardly any oil. Today, we buy about half of the oil we use from foreign countries.

We are by far the largest customer for OPEC oil, buying one-fourth of that foreign cartel's total production. This year, we Americans will pay out \$50 billion for imported oil--about \$650 for every household in the United States.

We simply must conserve more energy. Conservation is our cheapest and cleanest energy source. It helps to control inflation, and every barrel of oil we save is a barrel we don't have to import.

I have asked Congress to grant me standby authority to require that thermostats in all commercial buildings be set no higher than 65 degrees in winter and now lower than 80 degrees in summer. As soon as I get that authority, I will use it.

I will set targets for our 50 states to reduce gasoline consumption, and ask each state to meet its target. The timetable will be strict. If states fail to meet their targets when gasoline shortages exist, then I will order mandatory steps to achieve the needed savings, including the weekend closing of service stations.

In addition, I ask each of you to take an important action on behalf of our Nation. I ask you to drive 15 miles a week fewer than you do now. One way to do this is not to drive your own car to work every day. At least once a week take the bus, go by carpool -- or, if you work close enough to home, walk.

This action can make a significant difference for our country. For each day that we do this, we can save hundreds of thousands of barrels of oil. This will help to hold down the price of fuel, and you obviously will save money you otherwise would have spent on gasoline.

ENERGY: DECONTROL

Federal Government price controls now hold down our own production and they encourage waste and increasing dependence on foreign oil.

Present law requires that these Federal Government controls on oil be removed by September 1981, and the law gives me the authority at the end of next month to carry out this decontrol process.

In order to minimize sudden economic shock, I decided that phased decontrol of oil prices will begin on June 1st and continue at a fairly uniform rate over the next 28 months. The immediate effect of this action will be to increase production of oil and gas in our own country.

Phased decontrol will gradually increase the price of petroleum products. In the short run, it will add a small amount to our rate of inflation, but that is the cost we must pay to reduce our dependence on the foreign oil cartel.

In the longer run, the actions I am announcing tonight will help us to fight inflation. Other nations will join and support us as we cut down our use of oil and increase our own production of energy.

The foreign oil cartel will then find it harder to raise their prices. The dollar will grow stronger and the prices we pay for many imported goods will be less. This will strengthen our economy and reduce inflation in future years.

ENERGY: ENERGY SECURITY FUND

Some of the funds from the windfall profits tax will create an Energy Security Fund which will let us pursue a sound strategy of energy research and development.

We are already investing some \$3.5 million each year to develop the new energy supplies we will need for the future. But we must step up this effort. Just as we harnessed American dedication and brainpower to put men on the moon, we will make the same kind of massive, purposeful effort to achieve the goal of national energy security through technology. We must begin now so that we can regain control over our energy future.

In years to come, we can then design automobiles, buildings, appliances and engines that serve us better and use less energy.

We can improve mass transit and make our entire transportation system cleaner, faster, and more efficient. We can broaden the use of our huge coal deposits by turning coal into clean gas, liquid, and solid fuels.

We can learn how to use our immense reserves of oil shale.

From the products of our forests and croplands, we can produce more gasohol, already being used to replace gasoline in several Midwestern States. We can promote the use of small-scale hydroelectric plants, powered by the flow of ordinary streams, without the need for big dams.

And we can turn increasingly towards the ultimate source of our energy -- the sun.

There are, of course, already solar techniques that are economical right now. With existing tax credits and with our new Energy Security Fund, we can encourage even more rapid development and more use of solar power.

The Energy Security Fund derived from the windfall profits tax will pay for these exciting new energy programs.

ENERGY: WINDFALL PROFITS

But decontrol could also further inflate the already enormous profits of oil companies. Part of this excessive new profit will be totally unearned -- what is called a "windfall" profit.

That is why we must have a new windfall profits tax to recover the unearned billions of dollars and to ensure that you, the American people, are treated fairly.

I want to emphasize that this windfall profits tax is not a tax on the American people. It is purely and simply a tax on the new profits of the oil producers which they will receive but not earn. Even with the windfall profits tax in place, our oil producers will get substantial new income -- enough to provide plenty of incentive for increased domestic production.

First, as surely as the sun will rise tomorrow, the oil companies can be expected to fight to keep the profits which they have not earned. Unless you speak out, they will have more influence on the Congress than you do.

FOREIGN POLICY PRIORITIES

When I took office two years ago this month, I was convinced that America has to pursue a changed course in a world which was itself undergoing vast change.

In the midst of this accelerating change, America's choice lies between facing chaos or building with others a new foundation for a true world community. Our foreign policy accepts the latter responsibility both because of our basic belief, and because of America's critical role in the world.

To this end, we must have four broad objectives;

- to buttress American power on which global security and stability depend;
- to strengthen our relations with other nations throughout the world in order to widen the spirit of international cooperation;
- to deal constructively with pressing world problems which otherwise will disrupt and even destroy the world community we seek;
- to assert our traditional commitment to human rights, rejoining a rising tide of belief in the dignity of the individual.

The first thing that I wanted to do was to maintain the strength of our Nation around the world, and particularly to align toward mutual concepts our European allies and Japan.

We have had a very good evolutionary process going on now which is still continuing and I think the basic western democracies, including Japan in that stretched definition, is kind of core of the sense of democracy, commitment, freedom, idealism and a beneficent influence that needs to be both strengthened and expanded.

The second thing, obviously, that is important for us is to deal with changing times. We can't control change. We don't want to prevent change. But we have to understand it and accommodate it and try to use it in an evolutionary way toward the goals and the ideals, the aspirations, the principles of our own country. We also have to identify newly emerging leaders and try to make sure that our own relationships with them in key parts of the world are sound and strong and that there is a mutual benefit to be derived. Countries like Indonesia, or Brazil, or Venezuela, Nigeria, or India, obviously, are strong, vibrant nations, some of them very firmly committed to democracy. In the past many of them have not been friends of ours at all and we have tried to change that circumstance.

Four or five years ago, for instance, when the Secretary of State wanted to visit Nigeria, he was not permitted to come into the country. Now Nigeria, which is the strongest, most vigorous, most populous, wealthiest black nation in Africa is one of our soundest and most valued friends.

Another thing that we tried to do in this first few months is to strengthen our ties and our understanding with the developing nations of the world. There are people who have an average per capita income of only \$90 or \$95 or \$100 a year. And the burgeoning sense of realization and aspirations on their part is and can be an overwhelming worldwide trend. Just in the last -- in our -- generation we have had a hundred new nations formed. They go through a traumatic experience when they shake off colonialism or establish their own government.

Quite often they turn to the Soviet Union or some other ready suppliers of weapons in the revolutionary times, but eventually they turn to a more stable interrelationship and they become more nationalistic in spirit, but they still have enormous, almost indecipherable problems in the low quality of life of people. And they are reaching out to us for technology, for trade, and, quite often, we overlook them. We try to treat them as a homogenous mass of people. We say the people of South America -- when the countries of South America are just as individualistic, perhaps even more so, obviously, than the countries, say, in Europe or in Asia -- we have tried to treat those countries with respect, with decency as equals, which they are, and as individuals.

One of the major goals that I espoused when I was running for Governor was eventually to have normal relations with the People's Republic of China and to deal fairly and simultaneously with the people of Taiwan.

We have been very careful in establishing this new relationship, not to sever our good relationships with the people of Taiwan. I think we will benefit in both those ways.

Another thing, obviously, that we try to do is to stamp out disharmony, combat, confrontation in troubled areas of the world, ^{such as} In Namibia, Rhodesia, Cyprus, ^{and} the Mideast,

I would say the most important single responsibility on my shoulders is to have peace and improved understanding, consultation, communication with the Soviet Union, because on the super powers shoulders rest the responsibility for peace throughout the world.

We

have strengthened NATO and we have had a nationwide commitment to reducing armaments, not only with the SALT negotiations, but also in other ways -- the sale of conventional armaments and the promotion of the Treaty of Tlatelolco, which was evolved in Mexico before I became President which absolutely bans any placement or transportation of or development of nuclear explosives in this southern hemisphere.

And this is the kind of thing that we are trying to do. Test ban treaties are being negotiated and I hope that this will be an effort that will be successful in the future. And, of course, we have tried to raise the banner of human rights throughout the world.

But we have been sometimes criticized for this because the very concept of human rights which seems to us kind of a hazy, but admirable, concept in some countries is like a razor. It slashes through the obfuscation and the confusion to the very bone of people's sensitivities and aspirations and has caused governments to change. It has caused attitudes to change. It has created differences sometimes between us and our potential adversaries or our friends, but I feel that our Nation ought to stand firmly for the protection of the individual human being and basic concepts of human rights as was espoused and promulgated when our own Nation was founded.

GOVERNMENT REFORM - Reorganization, Civil Service Reform, Ethics

...it is not enough to have created a lot of government programs. Now we must make the good programs more effective, and improve or weed out those which are wasteful or unnecessary.

...we have begun to reorganize and to get control of the bureaucracy. We are reforming the Civil Service system, so that we can recognize and reward those who do a good job and correct or remove those who do not.

This year, we must extend major reorganization efforts to education, to economic development, and to the management of our natural resources. We need to enact a sunshine law that when government programs have outlived their value, they will automatically be terminated.

There is no such thing as an effective and a non-controversial reorganization and reform. But we know that honest, effective government is essential to restore public faith in our public action.

Too many Americans feel powerless against the influence of private lobbying groups, and the unbelievable flood of private campaign money which threatens our electoral process. ...we must regain the public's faith by requiring limited financial funds from public funds, for Congressional election campaigns.

REGULATION

We must begin to scrutinize the overall effect of regulation in our economy. Through deregulation of the airline industry we have increased profits, cut prices for all Americans, and begun for one of the few times in the history of our Nation to actually dismantle a major Federal bureaucracy. This year we must begin the effort to reform our regulatory processes for the railroad, bus and trucking industries.

Our challenge is to pursue the legitimate goals of regulation in ways that are rational, predictable, and effective. For far too long, we have acted as if we could throw another law and another rule at every problem in our society without thinking seriously about the consequences. When I came to Washington I found a regulatory assembly line which churned out new rules, paperwork, regulations and forms without plan, without direction, and seemingly without control.

Our society's resources are vast, but they are not infinite. Americans are willing to spend a fair share of those resources to achieve social goals through regulation, but they want their money's worth. They will not support -- and I will not permit -- needless rules, excessive costs, duplication, overlap and waste.

TRUST

In recent years, . . . , we lost a great reservoir of trust and natural interrelationship between the people of our country and our own government.

One of the major responsibilities of us Democrats, . . . , has been to restore that element of trust with openness of government, the passage of strict ethics legislation, more direct communication with the press, restoring the structural federalism so that country, city, State and Federal officials can work in harmony, and not at odds

ETHICS

We have passed a sound ethics bill to bring to the Congress extremely high standards of performance and also to apply those same standards in the Executive Branch of government and in the judiciary. . . . for the first time now we have a law to restrain the abuse of public office.

HOSPITAL COST CONTAINMENT

As you know, for the last ten years, inflation has been an ever-present problem for me and my predecessors, and for you and those who work with you.

It is hard to detect specific things that can be done. There is no way that I can affect the price of aluminum or wheat or lumber.

Hospital treatment, medical treatment, is an exception to the rule.

The laws of supply and demand, the free enterprise system principles don't work because neither hospital owners or administrators or doctors or patients have a built-in incentive to try to control prices. Ninety percent of all the hospital bills are paid either by insurers or by the Government. And quite often, if a family

has paid hospital insurance for five or six years and nobody gets sick, and someone does feel ill, their natural human inclination is to go to the hospital and get their money back, and in the process, obviously be treated for a real or imagined illness.

The rate of increase of prices for hospital care has been extraordinarily high in the last number of years, twice as great as the excessive inflation rate for society as a whole.

This indicates that something ought to be done. As you well know, the hospital costs have been, and are now, doubling every five years. Quite often the price of hospital care doesn't show up just because a family has someone go for medical care personally. When you buy an automobile, on the average, \$120 of the price of that car that you pay goes to buy hospital insurance for the workers who made the car. So it feeds back into society and shows up in the consumer price index, and therefore is compounded in its adverse effect on us all.

I don't want you to interpret my remarks as condemning hospital administrators, or owners, or doctors, or patients, or insurance companies. I think the fact is that we are all in it together. Many of the hospital administrators and medical doctors support this program enthusiastically. Many have already accomplished even more than the legislation envisions.

In New England, for instance, last year hospital costs went up about 8-1/2 percent. We now have nine states, as you know, that have mandatory cost containment legislation on the books. It is being administered well; it has worked well.

The hospitals still prosper. Of course, the patients and the medical care system have not suffered at all. We have received extraordinarily broad support for this legislation; business, labor, consumers, local officials, state officials, the elderly. But we have a formidable lobbying group marshaled against us.

Their concentrated effort on individual Members of Congress, in the Commerce Committee and otherwise, who have a special interest and a long-time friendship and allegiance -- at least a knowledge of the lobbyists -- is a very difficult obstacle to overcome. We were successful last year in the Senate. We were almost successful in the House.

We have redoubled our efforts, but the opposition has also redoubled their efforts. The outcome of the struggle is certainly still in doubt.

Every one of you is a leader in your own right. Many people will listen to your voice. You can help to shape public opinion at home. And more importantly, you can marshal, I would say, benevolent influence on the Members of Congress to let them know how much you care.

We have a partnership, whether we like it or not. I personally like it. I hope you do as well. We are partners in continuing an inflationary spiral that robs us all. Or we can be partners in doing a tangible thing to help abbreviate the rate of increase of inflation, and perhaps level it off and begin to bring it down.

I know you have received all the specific information about the legislation that you need -- perhaps more than you want. But still I hope that you will carry from here not just the knowledge that you have derived, but also a personal commitment to help by doing something about it.

I might close by saying this will save an awful lot of money -- in the next five years, \$53 billion; in the very stringent 1980 fiscal year budget, \$1.4 billion.

I might point out that this does not create any new agencies. It does not create any additional costly reporting whatsoever. It is phased in in a very careful way by someone -- your President -- who is deeply committed to the principles of the American free enterprise system.

HUMAN RIGHTS

Our human rights policy is not a decoration. It is not something we have adopted to polish up our image abroad or to put a fresh coat of moral paint on the discredited policies of the past.

Our pursuit of human rights is part of a broad effort to use our great power and our tremendous influence in the service of creating a better world -- a world in which human beings can live in peace, in freedom, and with their basic needs adequately met.

Human rights is the soul of our foreign policy.

As a people we come from every country and every corner of the earth. We are of many religions and many creeds. We are of every race, every color, every ethnic and cultural background. We are right to be proud of these things and of the richness that lend to the texture of our national life. But they are not the things which unite us as a single people.

What unites us -- what makes us Americans -- is a common belief in peace, in a free society, and a common devotion to the liberties enshrined in our Constitution. That belief and that devotion are the sources of our sense of national community. Uniquely, ours is a nation founded on an idea of human rights. From our own history we know how powerful that idea can be.

The effectiveness of our human rights policy is now an established fact. It has contributed to an atmosphere of change -- sometimes disturbing -- but which has encouraged progress in many ways and in many places. In some countries, political prisoners have been released by the hundreds, even thousands. In others, the brutality of repression has been lessened. In still others there is a movement toward democratic institutions or the rule of law when these movements were not previously detectable.

To those who doubt the wisdom of our dedication, I say this: Ask the victims. Ask the exiles. Ask the governments which continue to practice repression. Whether in Cambodia or Chile, in Uganda, or South Africa, in Nicaragua, Ethiopia or the Soviet Union, governments know that we in the United States care-- and not a single one of those who is actually taking risks or suffering from human rights. (Applause) From the prisoners, from the camps, from the enforced exiles, we receive one message -- speak up, persevere, let the voice of freedom be heard. (Applause)

I am very proud that our Nation stands for more than military might or political might. It stands for ideals that have their reflection in the aspirations of peasants in Latin America, workers in Eastern Europe, students in Africa and farmers in Asia.

INFLATION - GENERAL

... we face equally grave tasks here at home. And the most difficult of these responsibilities is to control the persistent high inflation which threatens the health of our economy and the economic well-being of our people; and as President I pledge to you that I am determined to bring inflation under control.

The importance of this task is hard to over-emphasize. We must grapple with inflation in a context that is far different from the expansive free-spending days of the 1960's.

When I became President, I inherited both a huge budget deficit and an economy wracked by stagflation. We had the worst unemployment rate since the Great Depression. And at the same time, inflation for the three years before I became President had averaged over eight percent. We have moved forward firmly and strongly to tackle these problems. We have created in less than two years more than seven million net new jobs, and we have cut the unemployment rate down already by more than 25 percent.

We have set forth now an anti-inflation program that recognizes the basic causes of inflation and attacks this problem on a broad front.

Some of the causes of inflation, frankly, are beyond the control of the Federal Government.

We cannot erase the fiscal excesses of the 1960's and the early 70's, but we can act ourselves and by planning wisely we can mitigate the adverse effect of these uncontrollable factors.

The budget I proposed to the Congress cuts the Federal deficit. In fiscal year 1980, if my budget is adopted, and I expect it will be, in its overall commitment, the deficit will be \$36 billion lower than it was when I was running for President; we have already cut the deficit more than 55 percent.

My budget also reduces the proportion of the total Nation's income that is collected and spent by the Federal Government to the lowest level it has been in over seven years. And although in the past that trend was upward, we have turned that around and the trend is now in the right direction. It is falling.

I set forth a goal in my campaign and I am using the powers of my office to move our Nation toward it, the goal of a balanced Federal budget. (Applause)

We can achieve this goal by sensible, sensitive and well-considered public policy which will at the same time protect the strength of the American economy.

We must, of course, also meet the other needs of our Nation, such as those of the poor and the elderly. But there is a clear limit on the ability of the American people to pay higher and higher taxes to finance more and more new programs. That is why our efforts to cut waste, to eliminate fraud and to end mismanagement of public funds is so important.

This is the time for restraint. Expenditures must be controlled. The deficit must be reduced. The Federal Government must set an example. But this kind of restraint is difficult. It asks each of us to serve the general good by accepting less than we want in our own specific area.

I have sent to the Congress a budget that is tight and fair. But as in every other year, the inevitable pressures to spend just a little more here or just a little more there, for someone's pet project, or for someone's favorite interest group, have already begun.

I am determined to fight these pressures. I am determined to stand firm. I am determined to use the full powers and resources of my office to hold the line on the Federal budget. (Applause)

I believe the people of this country are ready to build a new foundation for the 1980s, to regain control of our economy and our destiny as a nation.

From our earliest days, students of American democracy have warned that our freedom and our prosperity might tempt our citizens to get so caught up in their own personal pursuit of happiness and wealth that they would neglect the public business.

The challenge for us today is to put aside temporary gratifications for the sake of the long-term public good. The job will not be glamorous, and the results will not come quickly or easily and may not always even be detectable. But I believe that we will succeed. And when we have, the monuments to our efforts will be a vital, healthy economy -- sustaining the needs and hopes and dreams of all people.

And we will have, you and I, working together, an even greater United States of America..

INFLATION - GUIDELINES

Inflation is our most serious domestic problem. Inflation can threaten all the economic gains we have made, and it can stand in the way of what we want to achieve in the future.

For the last ten years, the annual inflation rate in the United States has averaged 6-1/2 percent, and during the three years before my inauguration, it had increased to an average of 8 percent.

Inflation has, therefore, been a serious problem for me ever since I became President.

If inflation gets worse, several things will happen. Your purchasing power will continue to decline, and most of the burden will fall on those who can least afford it. Our national productivity will suffer. The value of our dollar will continue to fall in world trade.

In the last ten years, in our attempts to protect ourselves from inflation, we have developed attitudes and habits that actually keep inflation going once it has begun. Most companies raise their prices because they expect costs to rise.

Unions call for large wage settlements because they expect inflation to continue. Because we expect it to happen, it does happen, and once it is started, wages and prices chase each other up and up.

It is like a crowd standing at a football stadium. No one can see any better than when everyone is sitting down -- but no one is willing to be the first to sit down.

Except for our lowest paid workers, the guidelines limit total wage increases to a maximum of 7 percent per year. Every contract signed and every pay raise granted should meet this standard.

My price limitation is equally strict. Our basic target for economy-wide price increases is 5-3/4 percent. The guidelines require that each firm in the Nation hold its price increases at least one-half of one percentage point below what they averaged during 1976 and 1977.

But this price standard is much lower than this year's inflation rate -- and more important, it is less than the standard for wage increases. That difference is accounted for by rising productivity -- and it will allow the income of America's workers to stay ahead of inflation.

This is a standard for everyone to follow -- everyone. As far as I am concerned, every business, every union, every professional group, every individual in this country, has no excuse not to adhere to these standards. If we meet these standards, the real buying power of your paycheck will rise.

Because this is not a mandatory control plan, I cannot stop an irresponsible corporation from raising its prices, or a selfish group of employees from using its power to demand excessive wages. But then if that happens, the Government will respond -- using the tools of Government authority and public opinion.

We will make sure that no part of our economy is able to use its special privilege or its concentrated power to victimize the rest of us.

This approach I have outlined will not end inflation. It simply improves our chances of making it better rather than worse.

These steps can work, but that will take time, and you are the ones who can give them that time. If there is one thing I am asking of every American tonight, it is to give this plan a chance to work -- a chance to work for us.

NEW FOUNDATION

The challenge to us is to build a new and firmer foundation for the future, for a sound economy, for a more effective government, for more political trust, and for a stable peace, so that the America our children inherit will be even stronger and even better than it is today.

A strong economy and an effective government will restore confidence in America. But the path of the future must be charted in peace. We must continue to build a new and a firm foundation for a stable world community.

We are building that new foundation from a position of national strength -- the strength of our own defenses, the strength of our friendships with other nations, and of our oldest American ideals.

The new foundation of international cooperation that we seek excludes no foundation. Cooperation with the Soviet Union serves the cause of peace, for in this nuclear age, world peace must include peace between the super powers -- and it must mean the control of nuclear arms.

...we in America need not fear change. The values on which our Nation was founded -- individual liberty, self-determination, the potential for human fulfillment in freedom -- all of these endure.

NEW FOUNDATION

The new foundation I have discussed tonight can help us build a nation and a world where every child is nurtured and can look to the future with hope -- where the resources now wasted on war can be turned towards meeting human needs -- where all people have enough to eat, a decent home, and protection against disease.

It can help us build a Nation and a world where all people are free to seek the truth and to add to human understanding, so that all of us may live our lives in peace.

SALT: U.S.-SOVIET RELATIONS

Turmoil and crisis also underscore the vital needs to work wherever possible, to stabilize and to reduce competition in strategic nuclear weapons.

This effort has the same ultimate goals as does our strong defense: the goals of security, stability and peace. In pursuit of these goals, our Nation faces no more important task this year than the successful conclusion of a Strategic Arms Limitation Agreement. (Applause)

The first SALT agreement was concluded in 1972. And since then, during six years of negotiation -- by both Republican and Democratic leaders -- nearly all issues of SALT II have been resolved. If the Soviet Union continues to negotiate in good faith, a responsible SALT agreement will be reached.

It is important that the American people understand the nature of the SALT process.

SALT II is not based on sentiment. It is based on self-interest -- of the United States and of the Soviet Union. Both nations share a powerful common interest in reducing the threat of a nuclear war. I will sign no agreement which does not enhance our national security. (Applause)

SALT II does not rely on trust. It will be verifiable. We have very sophisticated, proven means -- including our satellites -- to determine for ourselves whether or not the Soviet Union is meeting its treaty obligations. I will sign no agreement which cannot be verified.

The American nuclear deterrent will remain strong after SALT II.

The emerging agreement will establish for the first time equal numbers of strategic arms for both sides.

The SALT II agreement will also provide negotiated limits on building new types of weapons and limits on the improvement of existing ones -- the so-called qualitative arms race can be controlled.

The agreement will also permit us and our allies to pursue all the defense programs that we believe might eventually be needed -- the M-X missile; the Trident submarine and its missiles; air, ground and sea-launched cruise missiles; cruise missile carrier aircraft; and a new penetrating bomber. These would be permitted.

Thus SALT II would allow our own prudent programs to move ahead and also will place important limits on what the Soviets might otherwise do. And this SALT II agreement will be a basis for further negotiations for additional substantial cuts in the level of nuclear armaments.

SALT II will specifically forbid any interference that would impede our ability to verify compliance with the treaty. Any effort on the part of the Soviet Union to interfere with our verification activities would be a detectable violation of the agreement itself, and an early signal of any possible cheating.

Finally, let me put this agreement in the context of our overall relations with the Soviet Union, and the turbulence that exists in many parts of the world. The question is not when SALT can be divorced from this complicated context. It cannot. As I have often said, our relationship with the Soviet Union is a mixture of cooperation and competition. And as President of the United States, I have no more difficult and delicate task than to balance these two. I cannot and I will not let the pressures of inevitable competition overwhelm possibilities for cooperation -- (Applause) -- any more than I will let cooperation blind us to the realities of competition, which we are fully prepared to meet.

Because this carefully negotiated and responsible arms control agreement will make the world safer and more secure, it is in our national interest to pursue it, even as we continue competition with the Soviet Union elsewhere in the world.

Therefore, I will seek both to conclude this new SALT agreement and to respond to any Soviet behavior which adversely affects our interests.

To reject SALT II would mean that the inevitable competition in strategic nuclear arms would grow even more dangerous. Each crisis, each confrontation, each point of friction -- as serious as it may be in its own right -- would take on an added measure of significance and an added dimension of danger. For it would occur in an atmosphere of unbridled strategic competition and deteriorating strategic stability.

It is precisely because we have fundamental differences with the Soviet Union that we are determined to bring this dangerous dimension of our military competition under control.

In today's world, it is vital to match the pursuit of ideals with the responsible use of force, and of power. The United States is a source of both -- ideals and power. Our ideals have inspired the world for more than two centuries; and for three generations, since World War II, our power has helped other nations to realize their own ideals.

The determination and strength of purpose of the American people are crucial for stability in a turbulent world. If we stand together in maintaining a steady course, America can protect its principles and interests and also be a force for peace.

Americans have always accepted the challenge of leadership. And I am confident that we will do so now.

THE WHITE HOUSE
WASHINGTON

4/9/79

Jerry Rafshoon

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

Rick Hutcheson

JEFFERSON-JACKSON DAY DINNER
RICHMOND, VIRGINIA
SATURDAY, APRIL 7, 1979

CONG SATTERFIELD, DANIEL
HARRIS, FISHER.
Henry Howell
DICK

LT. GOVERNOR ROBB, ANDY MILLER, CHAIRMAN, DAVIS,

SPEAKER COOKE: FUTURE VICTORIOUS VA. DEMOCRATS

Name
JC -
JEFFERSON
HOTEL

SINCE 1966
NO GOV, SEN,
PRES ELECTORS
ONLY SOUTH
OR BORDER X JC

Shock - Democ
va - not always
agree

COOLIDGE - "PREFER MAINE"

I HAVE A LOT OF WARM FEELINGS ABOUT VIRGINIA.

ANCESTORS - FIRST SON - BIRTHPLACE OF NATION - HOME
OF FATHER OF DEMO PARTY

73 Henry Howell
20,000/1.1 mil
76 JC
20,000/1.6 mil
78 A MILLER
24800/1.4 mil

THE PAST DECADE HAS BEEN AN ERA OF DISSENSION AND
DISAPPOINTMENT FOR VIRGINIA DEMOCRATS. THERE HAVE BEEN TOO MANY
AGONIZINGLY CLOSE DEFEATS. THERE HAVE BEEN TOO MANY TIMES WHEN
VIRGINIA DEMOCRATS HAVE USED THEIR HEAVIEST AMMUNITION AGAINST
EACH OTHER, INSTEAD OF AGAINST THE REPUBLICANS.

THAT'S ALL BEHIND US NOW. YOU WON THE LIEUTENANT GOVERNOR'S
RACE WITH CHUCK ROBB -- AND I KNOW THAT CHUCK'S CAREER WON'T
STOP THERE. THE FUTURE OF THE VIRGINIA DEMOCRATIC PARTY IS
BRIGHT. OTHERS WILL JOIN HIM IN FUTURE VICTORIES.

TONIGHT, ALL SEGMENTS OF THE PARTY ARE HERE. I WISH
THAT I COULD CLAIM CREDIT FOR THE TURNOUT, BUT I KNOW THE REAL
DRAWING CARD IS JOHN WARREN COOKE. HE WAS HONORED AS NATIONAL
LEGISLATOR OF THE YEAR IN 1975 FOR HIS LONG AND OUTSTANDING
SERVICE, ...AND HE WILL BE HONORED AGAIN BY YOU TONIGHT.

-- THE NEXT 2-1/2 YEARS.....

THE NEXT TWO-AND-ONE-HALF YEARS WILL BE A TIME OF TESTING FOR VIRGINIA DEMOCRATS. YOU WILL HAVE THE OPPORTUNITY TO ELECT DEMOCRATS TO ALMOST EVERY STATE AND LOCAL OFFICE.

TODAY YOU HAVE THE ORGANIZATION, THE UNITY, THE FINANCES, AND THE DETERMINATION TO REGAIN YOUR RIGHTFUL PLACE OF LEADERSHIP IN THE STATE WHERE AMERICAN DEMOCRACY WAS BORN.

DEMOCRATS CAN WIN IN VIRGINIA -- AND DEMOCRATS WILL WIN IN VIRGINIA!

*YOU AND I - SHARED COMMON PROBLEMS/FUTURE
OUR PARTY'S ^{ANCIENT} PRINCIPLES/MODERN PROGRAMS - MAINSTREAM
OF AMERICA/VIRGINIA*

*WE INHERITED A ^{REPUBLICAN} MESS IN WASHINGTON, BUT
WE DEMOCRATS - FORMED A GOOD PARTNERSHIP FOR PROGRESS*

THE TWO YEARS SINCE I BECAME PRESIDENT HAVE BEEN A TIME OF REBUILDING. I'M PROUD OF WHAT WE'VE ACCOMPLISHED,.... BUT OUR WORK IS FAR FROM DONE.

WHEN THEY WRITE THE HISTORY OF THESE YEARS, I HOPE THEY WILL SAY FOUR THINGS ABOUT WHAT WE HAVE DONE TOGETHER.

-- I WANT THEM TO SAY THAT WE ^{WERE NOT AFRAID TO} TACKLED TOUGH PROBLEMS SUCH AS ENERGY -- AND THAT WE PLACED THE LONG-TERM GOOD OF THE COUNTRY OVER PETTY POLITICAL CONSIDERATIONS ADVANTAGE.

-- I WANT THEM TO SAY THAT WE HAVE RESTORED THE TRUST AND FAITH OF OUR PEOPLE IN THEIR GOVERNMENT.

-- I WANT THEM TO SAY THAT WE HAVE MADE AMERICA PROSPEROUS
AGAIN, *AND PUT OUR PEOPLE BACK TO WORK.*

-- MOST IMPORTANT, I WANT THEM TO SAY THAT AMERICA HAS BEEN
AT PEACE -- AND THAT WE HAVE CONTRIBUTED TO A WORLD WITHOUT WAR.

CONTINUE TO

IF WE CAN BUILD A NEW FOUNDATION FOR PEACE, TRUST, AND
PROSPERITY, ... WE WILL HAVE KEPT FAITH WITH OUR PARTY AND OUR
PEOPLE. *COUNTRY*

ON TELEVISION

TWO NIGHTS AGO I SPOKE *ON TELEVISION* TO THE AMERICAN PEOPLE ABOUT OUR
NATION'S SERIOUS ENERGY PROBLEM.

OUR ENERGY PROBLEM IS, ABOVE ALL, AN OIL PROBLEM.

WE USE TOO MUCH OIL. ... WE WASTE TOO MUCH OIL. ...
WE DON'T PRODUCE ENOUGH OIL. ... OUR PROGRESS IN DEVELOPING
ALTERNATIVES TO OIL IS TOO SLOW.

AS A RESULT, WE ARE IMPORTING OIL TO THE TUNE OF \$50 BILLION
THIS YEAR -- THAT IS ^{\$225} \$650 FOR EVERY ^{MAN, WOMAN & CHILD} HOUSEHOLD IN AMERICA.

SO OUR ECONOMY, AND OUR SECURITY, ARE DANGEROUSLY SUBJECT
TO THE WHIMS OF A FOREIGN OIL CARTEL.

TWO YEARS AGO, I INTRODUCED A COMPREHENSIVE PLAN TO DEAL
WITH THIS PROBLEM.

-- AFTER A YEAR-AND-A-HALF OF

AFTER A YEAR-AND-A-HALF OF DEBATE AND SPECIAL PLEADING,
CONGRESS FINALLY PASSED A PROGRAM THAT WAS A GOOD BEGINNING.
BUT THAT PROGRAM FAILED TO DEAL WITH THE OIL PROBLEM.
SO WE STILL FACE THE BASIC REALITY ABOUT AMERICA'S USE OF
OIL: WE MUST USE LESS, AND PAY MORE FOR WHAT WE USE.

THAT IS NOT A PLEASANT MESSAGE FOR ANY OF US, ... BUT IT IS
THE TRUTH. AND THE AMERICAN PEOPLE HAVE SHOWN TIME AND AGAIN
THAT THEY WILL RESPOND IF THEY ARE TOLD THE TRUTH.

I DID NOT MAKE THIS DECISION BECAUSE I EXPECTED IT TO BE
PLEASANT. I MADE IT BECAUSE IT WAS RIGHT, AND NECESSARY,
AND IN THE BEST INTERESTS OF OUR NATION.

BUT I WILL NOT ALLOW THIS PAINFUL, BUT NECESSARY STEP
TO BECOME AN EXCUSE FOR A ^{MASSIVE} RIP-OFF. THAT IS WHY I WILL FIGHT
FOR A WINDFALL PROFITS TAX ON THE UNEARNED, EXCESS PROFITS
OF THE OIL COMPANIES.

OF THE AMERICAN PEOPLE.

WITH THE REVENUES FROM THIS TAX, WE WILL ESTABLISH AN
ENERGY SECURITY FUND.

WE WILL EASE THE FINANCIAL BURDEN OF HIGHER OIL PRICES
ON THOSE WHO CAN LEAST AFFORD IT.

WE WILL DEVELOP BETTER MASS TRANSPORTATION.

WE WILL FINANCE AN ALL-OUT EFFORT BY AMERICAN SCIENCE
AND TECHNOLOGY TO MEET OUR LONG-TERM ENERGY NEEDS -- WITH
EVERYTHING FROM GASIFICATION OF COAL, TO HARNESSING THE POWER
OF THE SUN.

BUT WE MUST FACE FACTS. THE OIL LOBBY DOES NOT LIKE THE IDEA OF THIS ENERGY SECURITY FUND FOR THE AMERICAN PEOPLE. THE OIL LOBBY IS GOING TO BE ALL OVER CAPITOL HILL LIKE A CHICKEN ON A JUNE BUG. WE ARE ALREADY BEING TOLD THAT WE SHOULD JUST TURN ALL THE MONEY OVER TO THEM -- EVERY LAST DIME!

I DON'T QUESTION THEIR SINCERITY,^{OR THEIR ENORMOUS POLITICAL INFLUENCE.} BUT ~~I THINK~~ THEY ARE WRONG. THE AMERICAN PEOPLE ^{KNOW} ~~THEY~~ THEY ARE WRONG.

AND I REFUSE TO BELIEVE THAT THE CONGRESS OF THE UNITED STATES WILL VOTE TO MAKE A FEW ALREADY-RICH-COMPANIES BILLIONS OF DOLLARS RICHER, OFF THE NECESSARY SACRIFICES OF ORDINARY AMERICANS,^{WHO ARE STRUGGLING TO MAKE ENDS MEET.}

^{PEOPLE} SOME ARE ALREADY, ^{WRINGING THEIR HANDS AND} SAYING THAT THIS WINDFALL PROFITS TAX AND ENERGY SECURITY FUND WILL NEVER PASS. THEY SAY THAT THE OIL LOBBY HAS MORE INFLUENCE ON THE CONGRESS THAN THE AMERICAN PEOPLE.

I SAY: LET'S PROVE THEM WRONG!

I SAY: LET'S PROVE THAT THE GOVERNMENT OF THE UNITED STATES BELONGS TO THE AMERICAN PEOPLE!

I AM NOT LOOKING FOR A FIGHT -- I HAVE ENOUGH TO KEEP ME BUSY. BUT I WILL PROMISE YOU THIS: I AM PREPARED FOR A FIGHT IF THAT IS WHAT IT TAKES,...AND WITH YOUR HELP, I DO NOT INTEND TO LOSE!

-- THE ENERGY SECURITY FUND.....

THE ENERGY SECURITY FUND WILL ALLOW US TO DEVELOP ^{NEW} ~~QUICKLY~~ ^{ALTERNATIVE} SOURCES OF ENERGY -- AT AFFORDABLE PRICES.

~~WE WILL DO EVERYTHING FROM HARNESSING THE ENERGY OF THE SUN, TO LIGHTING OUR HOMES AND HEATING OUR OFFICES, TO TRANSFORMING COAL AND OIL SHALE INTO CLEANER FUELS WITH NEW USES.~~

COAL, WHICH IS ONE OF OUR NATION'S -- AND VIRGINIA'S -- MOST ABUNDANT RESOURCES, IS A SIGNIFICANT PART OF OUR PLANS.

WE ARE ^{ALREADY} RESTORING THE HEALTH AND VITALITY OF THE COAL INDUSTRY, AND VIRGINIA IS SHARING IN THIS RENEWED PROSPERITY.

~~IT IS NOT THE ENTIRE ANSWER,~~ ^{THEN CAN} BUT WE WILL RELY ON COAL ^{LIQUEFACTION} AND COAL GASIFICATION TO LIGHT THE WAY TOWARD A MORE SELF-RELIANT FUTURE.

* * * * *
WHAT KIND OF GOVERNMENT DO WE NEED ^{IN WASHINGTON}?

THOMAS JEFFERSON DECLARED IN HIS FIRST INAUGURAL ADDRESS THAT, "A WISE AND FRUGAL GOVERNMENT, WHICH SHALL RESTRAIN MEN FROM INJURING ONE ANOTHER, WHICH SHALL LEAVE THEM OTHERWISE FREE TO REGULATE THEIR OWN PURSUITS OF INDUSTRY AND IMPROVEMENT, ... AND SHALL NOT TAKE FROM THE MOUTH OF LABOR THE BREAD IT HAS EARNED. THIS IS THE SUM OF GOVERNMENT."

I KNOW THAT YOU IN VIRGINIA WILL BE ESPECIALLY TO GIVE ME YOUR HELP.

WHEN I CAMPAIGNED FOR THE PRESIDENCY, EVERYWHERE I WENT I HEARD HOW SICK AND TIRED THE AMERICAN PEOPLE WERE OF BUREAUCRACY, RED-TAPE, AND GOVERNMENT INEFFICIENCY.

SINCE TAKING OFFICE, I'VE WORKED HARD TO DO SOMETHING ABOUT IT.

WE HAVE RESTORED OUR SYSTEM OF FEDERALISM.

WE PASSED A LANDMARK CIVIL SERVICE REFORM BILL THAT WILL REWARD ACCOMPLISHMENT, ...NOT MEDIOCRITY.

YOU'LL SEE THE DIFFERENCE WHEN YOU CALL A GOVERNMENT AGENCY OR PARTICIPATE IN A FEDERAL PROGRAM. WE CAN MAKE GOVERNMENT WORK FOR YOU.

THE AMERICAN PEOPLE COMPLAINED ABOUT THE REGULATORY NIGHTMARE -- AND WE HEARD THEIR VOICES.

OUR REFORMS HAVE ALREADY SAVED CONSUMERS \$2.5 BILLION IN REDUCED AIRLINE FARES. WE'VE ELIMINATED 1,000 UNNECESSARY O.S.H.A. RULES THAT HARASSED EMPLOYERS WITHOUT PROTECTING WORKER HEALTH AND SAFETY. OUR NEW REGULATORY REFORM BILL WILL BRING MUCH-NEEDED RATIONALITY TO THE ENTIRE REGULATORY PROCESS.

WE CAN PROTECT THE HEALTH AND SAFETY OF OUR PEOPLE AND THE ENVIRONMENT. AND WE CAN LIFT THE UNNECESSARY BURDEN OF MEDDLESOME REGULATIONS THAT THREATEN TO SMOTHER OUR PEOPLE IN A MOUNTAIN OF PAPERWORK.

-- I FOUND IN WASHINGTON.....

GOOD FEDERAL EMPLOYEES CONCERNED
ABOUT

I FOUND IN WASHINGTON, A BUREAUCRACY WHERE WASTE AND FRAUD WERE SO COMMON THAT OFTEN INVESTIGATORS AND AUDITORS COULD NOT EVEN ESTIMATE ITS EXTENT. WE HAVE GIVEN THE PEOPLE HONEST AND COMPETENT GOVERNMENT.

IN CLEANING UP THE G.S.A. SCANDALS, IN CRACKING DOWN ON FRAUD IN H.E.W. AND OTHER DEPARTMENTS, IN APPOINTING INSPECTORS GENERAL IN MAJOR AGENCIES, ... WE HAVE BEEN FOLLOWING ANDREWS JACKSON'S CREDO.

HE SAID IN 1832, "THERE ARE NO NECESSARY EVILS IN GOVERNMENT. ITS EVILS EXIST ONLY IN ITS ABUSES."

IT'S NOT ENOUGH FOR OUR GOVERNMENT TO WORK. OUR ECONOMY MUST WORK ALSO. THE AMERICAN PEOPLE EXPECT STABLE PRICES AND JOBS FOR ALL WHO SEEK THEM. AS PRESIDENT, I INTEND TO SEE THAT WE HAVE BOTH.

WE ARE IN THE MIDST OF THE LONGEST ECONOMIC BOOM IN OUR HISTORY. WE HAVE TENDED RECENTLY TO BECOME DEPRESSED OVER EVERY NEW PIECE OF ECONOMIC NEWS. THAT KIND OF PESSIMISM IS UNWARRANTED, AND SHOULD NOT DETRACT FROM OUR ACCOMPLISHMENTS.

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↑ WE HAVE REDUCED UNEMPLOYMENT BY 25 PERCENT IN OUR NATION
~~AS A WHOLE~~ IN TWO YEARS

TODAY, ALMOST 100 MILLION AMERICANS HAVE JOBS.

A NET ADDITION OF
WE HAVE CREATED A MORE THAN 7.5 MILLION OF THESE JOBS
SINCE I TOOK OFFICE. EVERY ONE OF THESE JOBS MEANS THAT ANOTHER
AMERICAN IS CONTRIBUTING TO OUR PRODUCTIVE ECONOMY.

WE HAVE PUT AMERICA BACK TO WORK!

BUSINESS HAS SHARED IN THESE GOOD TIMES. PROFITS HAVE
GROWN BY MORE THAN 34 PERCENT SINCE JANUARY, 1977.

LAST YEAR, NET FARM INCOME WENT UP 30 PERCENT.

BUT OUR ECONOMY WILL NOT BE TRULY HEALTHY UNTIL WE BRING
INFLATION UNDER CONTROL.

FIVE MONTHS AGO, I ANNOUNCED A TOUGH PROGRAM OF VOLUNTARY
STANDARDS TO SLOW THE RATE OF INFLATION. I CAUTIONED THEN
THAT IT WAS A LONG-TERM PROGRAM WHICH WOULD NOT PROVIDE INSTANT
RESULTS OR IMMEDIATE GRATIFICATION.

WE HAVE HAD SOME IMPORTANT SUCCESSES. IT IS UNFORTUNATE
THAT THEY HAVE BEEN OBSCURED BY INFLATIONARY FORCES BEYOND OUR
CONTROL -- SUCH AS O.P.E.C. OIL PRICES, AND THE SEVERE WINTER
WEATHER.
↑ VERY SMALL CATTLE HERDS

-- MOST OF OUR NATION'S.....

MOST OF OUR NATION'S LARGEST CORPORATIONS HAVE PROMISED
TO ABIDE BY OUR GUIDELINES -- AND THEY ARE KEEPING THEIR WORD.

WE HAVE HAD PROBLEMS WITH SOME SMALLER COMPANIES. BUT WE
ARE GREATLY INCREASING OUR PRICE-MONITORING EFFORT TO MAKE SURE
THAT THEY DO THEIR SHARE.

WITHOUT FANFARE OR HEADLINES, THE WORKING PEOPLE OF THIS
COUNTRY ARE SHARING IN THE FIGHT AGAINST HIGHER PRICES.

AS OF MID-MARCH, CONTRACTS THAT MEET THE GUIDELINES HAVE BEEN
NEGOTIATED BY UNIONS COVERING 325,000 WORKERS.

~~I KNOW THAT~~ INFLATION IS STILL A PROBLEM. OUR GUIDELINES
ARE VOLUNTARY -- AND THERE ARE TIMES WHEN THEY WILL BE VIOLATED.

BUT, IN ALMOST EVERY CASE, WAGE OR PRICE INCREASES THAT
EXCEED THE STANDARDS WILL STILL BE SIGNIFICANTLY LOWER THAN IF
WE HAD CHOSEN TO DO NOTHING.

WE WILL FIGHT TO MAKE THE GUIDELINES MORE AND MORE
EFFECTIVE, WEEK BY WEEK.

HOSPITAL COSTS

IF WE ARE TO CURB INFLATION, THE FEDERAL BUDGET MUST SET
AN EXAMPLE OF RESTRAINT.

REPUBLICANS TALK ABOUT BALANCED BUDGETS,...BUT IT TAKES
DEMOCRATS TO REDUCE THE DEFICIT. *FY 1976 > 66 80 (-) 55%*

OUR 1980 BUDGET WILL GET US MORE THAN HALFWAY TOWARDS OUR
GOAL OF A BALANCED BUDGET. WE HAVE TRIMMED THE FAT IN OUR
BUDGET, WITHOUT JEOPARDIZING THE PROGRAMS THAT HELP THE POOR,
THE DISADVANTAGED, AND THE UNEMPLOYED, *AND GIVE OUR NATION*
PROSPERITY = A STRONG DEFENSE. WE KNOW THAT

~~BUT~~ PROSPERITY AT HOME ~~ALSO~~ DEPENDS ON OUR MILITARY
STRENGTH AND OUR COMMITMENT TO PEACE.

AS THOMAS JEFFERSON WROTE TO ANDREW JACKSON IN 1806,
AMERICANS MUST "CONVINCE THE WORLD THAT WE ARE JUST FRIENDS
AND BRAVE ENEMIES." THIS IS STILL AN EXCELLENT SUMMARY OF THE
GOALS OF AMERICAN FOREIGN POLICY.

THE PURPOSE OF AMERICA'S MILITARY FORCES IS NOT TO WAGE
WAR,...BUT TO PRESERVE PEACE.

TO DO THAT, WE MUST MAKE SURE THAT NO NATION SERIOUSLY
AND OUR WILL
DOUBTS OUR ABILITY TO MEET ANY CHALLENGE. WE MUST CONTINUE TO
IMPROVE OUR ABILITY TO RESPOND QUICKLY AND EFFECTIVELY TO
MILITARY THREATS.

-- In 1818, LOOKING BACK

IN 1818, LOOKING BACK ON HIS LONG YEARS OF SERVICE TO THE NATION, JEFFERSON NOTED WITH PRIDE, "DURING THE PERIOD OF MY ADMINISTRATION, NOT A DROP OF THE BLOOD OF A SINGLE FELLOW CITIZEN WAS SHED BY THE SWORD OF WAR."

I AM ALSO PROUD THAT

A NO DROP OF AMERICAN BLOOD HAS BEEN SHED IN WAR ~~SO FAR~~ DURING MY ADMINISTRATION, AND I PRAY THAT WHEN MY YEARS AS PRESIDENT ARE OVER, I CAN STILL SHARE JEFFERSON'S ACHIEVEMENT OF PEACE.

JEFFERSON PREDICTED THAT WE WOULD ONE DAY HAVE GREATER POWER THAN THE EUROPEAN EMPIRES OF HIS DAY. BUT HE ALSO CAUTIONED, "I HOPE OUR WISDOM WILL GROW WITH OUR POWER AND TEACH US THAT THE LESS WE USE OUR POWER, THE GREATER IT WILL BE."

OUR MILITARY ^{*STRENGTH*} ~~POWER~~ AND OUR NATIONAL WILL ARE ABUNDANTLY CLEAR TO ALL NATIONS. WE DO NOT NEED TO PROVE OUR STRENGTH THROUGH RASH AND RECKLESS MILITARY ADVENTURES. RATHER, OUR MILITARY CAPACITY GIVES US A RARE OPPORTUNITY TO LEAD THE WORLD TOWARD PEACE.

I PROMISED THE AMERICAN PEOPLE WHEN I TOOK OFFICE THAT I WOULD MAKE OUR FOREIGN POLICY REFLECT OUR OWN HIGHEST IDEALS AND STANDARDS.

HERE IN THE HOME OF GEORGE WASHINGTON AND PATRICK HENRY,
IT IS WELL TO REMEMBER WHO WE ARE.

HERE THE AGE-OLD DREAMS OF MANKIND GREW INTO THE IDEAS
THAT HAVE MADE OUR DECLARATION OF INDEPENDENCE A STATEMENT --
NOT JUST OF OUR GOALS AND BELIEFS AS A NATION -- BUT OF THE
HOPES AND DREAMS OF ALL THE WORLD'S PEOPLE.

WHEN I PROMISED THIS COUNTRY A GOVERNMENT AS GOOD AS
OUR PEOPLE, SOME CRITICS DISMISSED IT AS MEANINGLESS RHETORIC.

THEY MISSED WHAT I WAS REALLY TALKING ABOUT. BUT I GUESS
A MAJORITY OF THE VOTERS MUST HAVE UNDERSTOOD.

OUR FOREIGN POLICY IS AS GOOD AS OUR PEOPLE WHEN WE
SPEAK OUT FOR HUMAN RIGHTS AROUND THE WORLD. -- AND WE WILL!

IT IS AS GOOD AS OUR PEOPLE WHEN WE WORK TO BRING PEACE
TO ANCIENT ENEMIES. -- AND WE HAVE DONE SO!

THE PEACE TREATY, ^{WAS} SIGNED, LAST WEEK BY EGYPT AND ISRAEL!
~~WAS~~ A VICTORY FOR THIS KIND OF FOREIGN POLICY, WAS WON WHEN

THE UNITED STATES WAS ABLE TO PERFORM A CRUCIAL ROLE AT
A CRITICAL POINT TO HELP MAKE THAT POSSIBLE.

BUT THAT TREATY WAS NOT ^{A PERSONAL} ~~MY~~ ACCOMPLISHMENT, THOUGH
I WAS PROUD AND GRATEFUL TO BE A PART OF IT.

-- THAT TREATY WAS A.....

A TRIBUTE TO TWO COURAGEOUS MEN, AND ALSO

THAT TREATY WAS A TRIUMPH OF THE MORAL STRENGTH AND LEADERSHIP OF OUR NATION.

WHATEVER I AM ABLE TO DO IN EASING THE TENSIONS OF OUR WORLD IS BASED ON THE STRENGTH OF THE AMERICAN PEOPLE, AND THE POWER OF THE PRINCIPLES ON WHICH OUR NATION WAS FOUNDED.

IF WE CAN HELP THE NATIONS OF THE MIDDLE EAST EVENTUALLY TO WORK OUT A PERMANENT PEACE, IT WILL NOT BE BECAUSE THEY TRUST ONE AMERICAN PRESIDENT, ... BUT BECAUSE THEY RECOGNIZE THAT THE AMERICAN PEOPLE LEND SUPPORT TO THOSE WHO SEARCH FOR PEACE AND JUSTICE.

THIS IS TRUE NOT JUST IN ONE ADMINISTRATION, BUT FROM THE MOMENT OF OUR BIRTH AS A NATION THROUGH ALL TIMES -- AS LONG AS WE CALL OURSELVES A FREE PEOPLE.

THIS IS THE SOURCE OF OUR TRUE POWER, ON WHICH ALL ELSE MUST REST.

OUR NEXT MAJOR GOAL IS A S.A.L.T. TREATY, TO CURB THE HORRIBLE THREAT OF NUCLEAR DESTRUCTION.

ANY TREATY THAT I SIGN WILL BE NEGOTIATED CAREFULLY. IT WILL ENHANCE THE SAFETY AND SECURITY OF OUR NATION, AND IT WILL BE ADEQUATELY VERIFIABLE.

I WILL NEED YOUR STRONG SUPPORT IN THE RATIFICATION
OF THIS NECESSARY STEP TOWARD PEACE THROUGH STRENGTH.

" AND PROSPERITY
PEACE THROUGH STRENGTH. - - - "

NATION'S
THIS IS THE SOURCE OF OUR TRUE POWER,
ON WHICH ALL ELSE MUST REST.

THIS IS THE ~~BAS~~ FOUNDATION FOR GOOD
LEADERSHIP.

AT ALL LEVELS OF GOVERNMENT, WE
DEMOCRATS OFFER THIS KIND OF LEADERSHIP.

THIS IS WHY THE FUTURE OF ^{THIS} OUR
PARTY, THIS STATE AND THIS NATION ~~IS~~ IS
SO BRIGHT.

THE WHITE HOUSE
WASHINGTON

11 April 1979

Patti--

You may already have this. If not,
this copy is for your files.

Bailey handed his letter to the
President at the meeting with
freshmen members the other day.

Terry Straub hand carried the
P.'s response to the Hill.

Ev

THE WHITE HOUSE

WASHINGTON

4-9-79

To Don Bailey

Thanks for your letter.

My words were carefully
chosen and accurate. Unless
the people of the country are
assured to protect their
interests, we will not have
a tax on the windfall profits
of the oil companies. You will
witness the massive struggle
about to take place. I do
not, of course, impugn the inte-
grity of your fellow members
of Congress.

Jimmy



CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

April 6, 1979

DON BAILEY
21ST DISTRICT, PENNSYLVANIA

Dear Mr. President:

I hope that you can accept the sincerity and forgive the intensity with which this letter is written. I was very much impressed with some of the remarks you made in your energy speech last night. I was also very much disappointed.

I am one Congressman who will be very happy to give you a vote for the energy security fund, but I also want to say this, and I hope you don't feel that I mean to be disrespectful. Your remarks to the effect that oil companies will have more influence on the Congress than the people, unless the people speak out, is both an insult and a disservice to our nation.

I take a great deal of pride in what I do. I also have a great deal of self-respect, but I would be the last person to second-guess the subjective motives that guide my fellow Members in their voting. Much less would I present to the public the idea that unless my fellow Members vote with me on any particular issue, that they are then somehow evil, wrongly influenced, or less principled than I.

In short, this nation already suffers too much from divisive insinuations, abundant in the press, that also flow from the pens and mouths of fellow politicians. I suppose now that every

Congressman who does not vote to support you on this particular point is supposedly to be viewed by the public as some type of champion for the big oil companies, or susceptible to being bought-off, or anti-consumer, but in any event somehow dishonest and fundamentally wrong.

In sum, I want you to know that I agree with what you said. I think your approach makes sense; I think the windfall profits tax is a good idea. But I think your characterizations of those Members of Congress who will not support your plan is not only wrong, but in the final analysis, principle and pride aside, is very poor politics. It is not, however, for me to give you advice. It is rather my responsibility to forward to you my sincere and heartfelt opinions.

With deepest and most sincere respect, I am

Sincerely,

Don Bailey
DON BAILEY, M.C.

The President
The White House
Washington, D.C.

Freshman Demos 4-9-79
Dan Mica

Energy - tax

Hosp costs

D-2

CRBR

Panama

Dept of Ed

meetign with freshman
~~demxxx~~ members of the
house 4/9/79

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