

6/4/79 [1]

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THE PRESIDENT'S SCHEDULE

Monday - June 4, 1979

NOT ISSUED

- 8:15 Dr. Zbigniew Brzezinski - The Oval Office.
- 9:30 Mr. Frank Moore - The Oval Office.
- 11:45 Meeting with His Excellency Jean Francois-Poncet,
(15 min.) Minister of Foreign Affairs of the French Republic.
(Dr. Zbigniew Brzezinski) - The Cabinet Room.
- 12:00 Lunch with Vice President Walter F. Mondale.
(60 min.) The Oval Office.
- 1:30 Drop-By Reception Honoring Armenian-Americans.
The State Floor.
- # 3:00 Meeting of the National Security Council.
(60 min.) (Dr. Zbigniew Brzezinski) - The Cabinet Room.

FOR ACTION
FYI

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION

	VICE PRESIDENT
	JORDAN
	EIZENSTAT
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	RAFSHOON
	WATSON
	WEXLER
	BRZEZINSKI
/	MCINTYRE
	SCHULTZE
	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARONSON
	BUTLER
/	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	HARDEN
	HERNANDEZ
	HUTCHESON
	KAHN
	LINDER
	MARTIN
	MILLER
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SANDERS
	WARREN
	WEDDINGTON
	WISE
	VOORDE
/	ADMIN. CONFIDEN.
	CONFIDENTIAL
	SECRET
/	EYES ONLY

*return to
me to read*

THE WHITE HOUSE
WASHINGTON

6/4/79

The Vice President
Hamilton Jordan
Stu Eizenstat
Frank Moore
Jody Powell
Tim Kraft
Bob Lipshutz
Anne Wexler
Jack Watson
Fred Kahn
Jim McIntyre
Jerry Rafshoon
Hugh Carter

Re: Cabinet Summaries

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

Rick Hutcheson

EYES ONLY

244



Department of Energy
Washington, D.C. 20585

10

June 1, 1979

MEMORANDUM FOR: THE PRESIDENT *JS*
FROM: JIM SCHLESINGER
SUBJECT: Weekly Activity Report
May 26 - June 1, 1979

1. Middle Distillate Set-aside. The Department plans to issue shortly a final rule which would make permanent the existing rule under which states establish set-asides of up to 4 percent of middle distillate supplies so as to permit assignments to marketers and consumers by state energy offices, or if a state energy office declines to administer such a program, by the appropriate DOE regional office.
2. Retail Gasoline Rulemaking. We are in the final stages of considering the issuance of a notice of proposed rulemaking to simplify retail gasoline price controls. Being considered is a pricing scheme that would establish a fixed maximum margin that can be added to the current product costs. The rule would be proposed because it would be simpler to understand and easier to enforce than the present rule. If issued it would be packaged with a proposed strengthening of the entire enforcement program including stronger enforcement covering gasoline jobbers and distributors. *good*
3. Crude Oil Entitlements. The Department this week has requested public comments on a proposed rule to provide for automatic inclusion in the entitlements program of solid municipal waste and solid derivatives thereof used as fuel, the coal component of a slurry of coal and petroleum product, alcohol derived from biomass when mixed with gasoline to produce gasohol, shale oil used for nonrefining purposes, the wood component of mixtures of processed wood and petroleum product and methane derived from municipal sewage of landfills. The proposed amendments would also permit gaseous fuels derived from solid-waste materials, as well as solid fuels derived from nonmunicipal solid-waste derivatives, which currently are eligible on a case-by-case basis for inclusion in the entitlements program.
4. Emergency Building Temperature Restrictions. The Department today issued proposed regulations to implement the Emergency Building Temperature Restriction Plan which you submitted and which was recently approved by the Congress. These regulations could become effective as early as July 1 upon a finding by you that there is a "severe energy supply interruption" or that implementation of the plan is necessary to meet our International Energy Agency obligations.

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THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410

June 1, 1979

MEMORANDUM TO: The President
Attention: Rick Hutcheson, Staff Secretary

Subject: Weekly Report of Major Departmental Activities

Jobs Created At Harbison New Town. Harbison, South Carolina, a new community located near Columbia which was developed with support from HUD's New Community Development Corporation, has sold 23 acres of land to a major bank for \$586,500. The new banking installation will create 1,200 jobs in this thriving new town. Harbison's racially integrated population, which includes 20 percent minority residents, is well on its way toward fulfilling the social goals of the 1970 New Community Title VII legislation. Construction of 200 units of Federally-assisted multi-family housing is scheduled over the next 18 months.

\$15 Million Saved By Office of Inspector General. A report to the Congress on June 1 revealed that through the audit efforts of the Department's Office of Inspector General, cash savings of over \$15 million were realized in FY 1978. Among the initiatives contributing to the savings was a management emphasis on taking immediate action in response to the findings of the OIG audits.

Wrap-Up of Spring Disaster Assistance Activities. The disaster relief, recovery and assistance effort continues to progress in the 13 states hard hit by early spring storms, floods and tornadoes. Nearly 45,000 disaster affected victims have been registered, counseled and referred for some form of assistance at the local Disaster Assistance Center. Fourteen thousand five hundred fifty-one disaster victims have sought temporary housing assistance, which has already been provided to 78.4 percent of the eligibles.


Patricia Roberts Harris

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Office of the Attorney General
Washington, D. C.

9

June 1, 1979

Principal Activities of the Department of Justice
for the Week of May 28 through June 1, 1979

1. Second Circuit Conference

Monday evening the Attorney General addressed the annual meeting of the Judicial Conference for the Second Circuit.

2. Judge Parker's Decision on Wage-Price Guideline Sanctions

Government attorneys have worked out an expedited briefing schedule in the Court of Appeals which will require both sides to complete their briefs by June 18. The Court of Appeals will be urged to hear argument in the week of June 18. There is, of course, no assurance about when the Court of Appeals will rule once argument is held, but they will likely act expeditiously.

3. Gasoline Shortage Investigation

The Justice Department is giving highest priority to the President's May 25 directive to "conduct a comprehensive investigation of the apparent gas shortage situation," in conjunction with the Department of Energy. Both the Attorney General and the Deputy Attorney General will be giving continuing personal attention to this investigation to ensure that everything possible is done and that all deadlines are met or beaten.

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DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

C
/

June 1, 1979

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson
Staff Secretary

SUBJECT: Weekly Report

U.S. CROPS. Planting of major grains and soybeans is now progressing at a near normal pace. Spring wheat seedings, which had been lagging, increased rapidly last week and are now very near the normal level except in Minnesota, North Dakota and Montana. While cool, wet conditions plague cotton in the Delta, winter wheat conditions are excellent and the 30-day outlook indicates warm and wet conditions in the Corn Belt which should provide a good start for the corn crop.

WORLD CROPS. A world weather review indicates Canada is still lagging in spring wheat plantings although the weather outlook favors some catching up. The eastern half of the winter grains area of the USSR has turned very dry in May. Good soil moisture conditions at the beginning of May probably preclude serious damage to crops, but if dry weather persists, the impacts could be very serious.

MEAT IMPORTS. Although suppliers of meat subject to the Meat Import Law agreed to voluntarily restrict exports to the U.S. to a total of 1,570 million pounds in 1979, currently it appears that a reallocation among supplying countries will be necessary in order to reach the 1,570 million pound level. Only Nicaragua and Australia appear to be in a position to supply more meat this year. However, Australia is projecting a significant drop in beef production next year. State Department will carry out the negotiations to reallocate the indicated shortfall for this year.

PRICES. Prices paid to farmers increased by 0.8 percent in May (there was a 0.8 percent decline in April). Prices paid by farmers increased 0.5 percent in May.

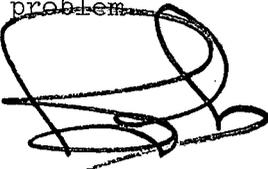
INCOME. Before inventory adjustments, USDA forecasts 1979 farm income will be in the \$31-\$33 billion range. 1978: \$28 billion.

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MEMORANDUM TO THE PRESIDENT

Page 2

FUEL. Lynn Daft will be providing you with a detailed report on the current diesel situation and estimates for the remainder of the year based on our field meetings. It should be noted that states have done -- generally -- a far better job than expected in handling the problem.

A handwritten signature in black ink, appearing to be 'Bob Bergland', written over the end of the paragraph.

BOB BERGLAND



THE SECRETARY OF THE INTERIOR

WASHINGTON

June 1, 1979

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MEMORANDUM TO THE PRESIDENT

From: Secretary of the Interior

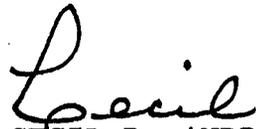
Subject: Major Topics for the Week of May 28

The Harris Neck Refuge problem that we discussed while fishing has turned out to be more smoke than fire. I sent Hamilton a "brief" on the situation, but I suggest we keep it away from the White House.

Although you may not have seen it, you received a letter from a consortium of special environmental groups which gave me and my department the very devil. The major environmental groups such as Wildlife Federation, Association of State Game and Fish Directors, Wildlife Institute and Wilderness Society wanted to send a rebuttal, but I asked them not to. While the Alaska Bill is before Congress, is no time to have them quarreling among themselves. If you have a concern about the letter, I will be happy to explain their problem.

I will meet with Speth and Yarn next week about their proposal for another Environmental Message. I have political reservations about the need for one at this time. If it is a message of generalities, it won't do us much good, and if it is a substantive message it could do us harm with the current feelings of uncertainty about energy needs.

Interior is doing well.


CECIL D. ANDRUS

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THE DEPUTY SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

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June 1, 1979

MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson, Staff Secretary

FROM : Alan A. Butchman *Alan Butchman*

SUBJECT: Significant Issues for the Week of May 28

Diesel Fuel Situation - According to regional reports and information from the National Association of Truck Stop Operators, every State west of the Mississippi is experiencing severe shortages of diesel fuel. For example, truck stops throughout Oklahoma and California experienced 40 to 45 percent shortfalls for May, 1979, compared with May, 1978. A large number of truck stops exhausted their monthly allocation in mid- or late-May, and either closed or purchased fuel at substantially increased prices in the spot markets. The Interstate Commerce Commission reports that diesel prices have risen 28 percent since January of this year, to 81.7 cents per gallon, and that some diesel is being sold at prices as high as \$1.25 per gallon. Diesel is not subject to Federal price controls at the pumps. The independent truckers, angered by price increases, long waiting lines at truck stops, and limits on fuel purchases, are expected to continue demonstrations (blocking Interstates; blocking pumps at truck stops; and shutdowns) to obtain government attention.

Truck Regulatory Reform - We are aiming for June 21 to announce the Administration's trucking reform legislation. Interagency review of the legislation begins on Monday, June 4, and consultations with interest groups are continuing. Fred Kahn, George Eads (Council of Economic Advisers), and I have been briefing shippers, farm groups, businessmen and other groups on the basic provisions of the proposed bill. Consultations with legislators and their staffs will resume early next week.

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U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

June 1, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall *Ray*

SUBJECT: Major Departmental Activities
May 28 - June 1

Reassessment of economic policy. In view of recent adverse economic trends and now the U.S. District Court decision on the wage-price program, my staff and I have accelerated the development of some new economic policy options. Much of this has been coordinated with the EPG. Today, we completed a first draft of a comprehensive White Paper proposing some solutions to our current stagflation. This has been given to the EPG deputies and I hope to have it ready for your review shortly. In addition, the Collective Bargaining Committee met this morning to review our strategy on implementing the wage-price program given the Court decision. It was agreed that we would continue to stress to all parties in collective bargaining our firm commitment to the pay and price standards. Our first public demonstration of this resolve will be the issuance to United Airlines of a letter of probable non-compliance. They are about 5 percent above an acceptable settlement. However, sustaining the credibility of the current program will be difficult and you will need to make some important decisions in the near future.

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Community WASHINGTON, D.C. 20506
Services Administration



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June 1, 1979

MEMORANDUM TO THE PRESIDENT

Attention: Rick Hutcheson
Staff Secretary

FROM: raciel (Grace) Olivarez *HO. 6/7/79*
Director
Community Services Administration

SUBJECT: Weekly Report of Significant Agency
Activities (May 28 - June 1, 1979)

National Energy & the Elderly Poor

On June 7, Director Olivarez will be testifying before the Senate Labor & Human Resources Subcommittee on Aging (Chaired by Senator Thomas F. Eagleton) on national energy and the elderly poor.

Support for President's Rhodesian Policies.

At Frank Moore's May 21, 1979 Congressional Liaison meeting, CSA Associate Director Diane Elliott learned of the limited support which had thus far been demonstrated by the Black community for the President's Rhodesian policies. Director Olivarez requested that her Deputy Director, William Allison, convene a meeting of national and regional Black leadership in Atlanta on May 26, 1979 to generate visible support for the President's policies. Approximately 100 federal, state and local officials, and university, civic, business and religious leaders attended the meeting. Ambassador Andrew Young briefed the group on the President's policies. It was agreed by those in attendance that:

- o Each elected official would host a meeting of constituents to inform them regarding Rhodesian issues and request that they contact their representatives in Washington to express support for the President's policies.
- o Those attending the May 26, 1979 meeting would make and solicit contributions for taking advertisements in major Black publications expressing support for the President's policies.

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THE SECRETARY OF COMMERCE
WASHINGTON, D.C. 20230

C

FYI

June 1, 1979

REPORT TO THE PRESIDENT

We have been successful in having most of the Administration's major proposals incorporated in bills reported by House and Senate Committees to renew the Export Administration Act. With only one significant exception, these bills contain the substance of all the provisions contained in the bill submitted by the Administration. This is the statute which constitutes our basic authority for controlling exports for national security and foreign policy purposes as well as for purposes of protecting the economy against shortages. It also contains our antiboycott law. Unless extended, the authority for export controls and antiboycott enforcement under this statute will expire on September 30.

We have also been successful in securing major modifications in the original Senate and House bills to accommodate Administration interests, especially in the national security area. Nonetheless both bills contain provisions objectionable to the Administration, particularly in the foreign policy area, but even here improvements have been made. Both bills reject the Administration's position on exports of North Slope oil. We are continuing our efforts to modify the bills still further.

Both the Senate and House committees which reported these bills believe that they strike the proper balance between our interests in export control and export expansion, although neither industry nor the Governors' Association thinks they go far enough to relax existing controls. On the other hand, certain elements in the Congress believe the bills do not go far enough in restricting exports for national security reasons.

~~Attached~~ is a detailed report on the status of the Export Administration Act renewal legislation. I will be happy to discuss these matters with you in further detail.


Juanita M. Kreps

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THE SECRETARY OF THE TREASURY
WASHINGTON
June 1, 1979

C

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. EPG

The EPG deputies met this week to explore ways to tighten the price standards and initiate discussion on next year's wage guidelines. They also reviewed the consequences of yesterday's court decision.

The Steering Committee will meet ~~Thursday~~^{Tuesday} to discuss these matters and to consider a framework for consultation with business, labor, and other groups, along the lines of Charlie's and my memo to you of May 25.

2. NEW YORK CITY

I met with Mayor Koch in New York on Tuesday and discussed our concern that unless additional cuts were made in the City's FY 1980 operating expenses, it might prove overwhelmingly difficult in FY 1981 and FY 1982 to take cuts which would be necessary in those years to bring the City's budget in balance. He was not immediately receptive, but negotiations are still underway in a constructive atmosphere. Yesterday we entered into an EEO conciliation agreement with the City that eliminates the threat of suspension of payments of general revenue sharing to the City. They are happy with the resolution of that problem.

3. CHINA

The PRC group on U.S.-China economic relations will meet next week to debrief Juanita on her China trip and plot the next steps toward normalization of our economic relations.

Mike

W. Michael Blumenthal

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THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

C

JUN 1 1979

MEMORANDUM FOR THE PRESIDENT

FROM: JOSEPH A. CALIFANO, JR. *JAC*
SUBJECT: Weekly Report of HEW Activities

- o The Cabinet: I think it would be a good idea to have the Cabinet (and your top aides) to Camp David again. My sense is that we are all suffering a little from the two and a half year doldrums and it would be good to have another session similiar to the one you had before. Also, there seems to be little sense of the fact that we are well into the political season, and have an election to win and a record to run on and defend. A night and a day at Camp David, with a pep talk, seems to me a much better environment to get this across than a Cabinet meeting.
- o Medicare/Medicaid Savings: I announced today changes in Medicare and Medicaid payment practices affecting hospitals and other health care facilities which will save approximately \$400 million in program expenditures in calendar year 1980. The changes include a schedule of reimbursement limits for home health care costs and routine hospital operating costs and changes in the amount that we will reimburse for malpractice claims experienced by hospitals.
- o Mental Health: I will meet on Thursday with the First Lady and members of your Commission on Mental Health to discuss the mental health bill and our legislative strategy.

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- o National Health Plan: I have had a breakfast and a couple of long conversations with Jim Corman and I think there is a chance he will join us and sponsor the legislation-- if we have an immediate universal component like maternal and child care, from the first dollar at least through the first year of life. We will keep working with him and bring a recommendation to you.

- o Welfare Reform: Corman has agreed to have a welfare reform hearing on June fifteenth. Moynihan now says he will introduce the Administration's bill and is actively seeking co-sponsors.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

June 1, 1979

THE ADMINISTRATOR

MEMORANDUM TO THE PRESIDENT

FROM: Douglas M. Costle

We and the Department of Energy have agreed to take three major steps to keep catalytic converters from being ruined on a massive scale due to unleaded gasoline shortages:

- Yesterday I announced immediate suspension of enforcement of the ban on the gasoline additive MMT until October 1. This should allow unleaded production to be increased by up to 340,000 barrels a day. It must be a temporary, one-time-only action because MMT itself increases auto emissions. Auto makers (and consumers) would have to make a huge investment in improved pollution controls to meet emission standards if long-term MMT use is allowed. We've recently approved several environmentally acceptable additives which are not available in sufficient quantities now, but should be used rather than MMT in the future.
- On Monday, DOE will propose a revision of price rules to provide incentive for refiners to produce more unleaded gasoline. When finalized, it will be retroactive to today so refiners will increase unleaded production immediately. We expect up to 400,000 barrels a day of increased unleaded from this action.
- On Monday, we will defer for one year the October 1 lead-in gasoline limit of 0.5 gram per gallon for refiners that agree to meet an 0.8 level and make more unleaded gasoline. We have also suspended enforcement of the current lead standard for those refiners that don't already have waivers. This implements the decision you announced in your recent Energy Message.

Unleaded increases should commence within several weeks. The MMT and pricing rule changes will not appreciably affect total gasoline production, but the lead rule change will increase production by about 300,000 barrels a day. The MMT decision was particularly difficult because it involved balancing environmental/health effects from use of MMT against the possibility of greater damages if many catalysts are ruined as a result of unleaded gasoline shortages.

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A handwritten signature in black ink, appearing to be "Douglas M. Costle".

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

June 1, 1979

MEMORANDUM FOR THE PRESIDENT

From: Lyle Gramley *LG*
Subject: CEA Weekly Report

Energy

CEA Members and staff are developing information on the impact of OPEC price increases on the world economy. Ed Fried is coordinating this work in preparation for the Summit.

Miscellaneous

Next week a delegation from the Economic Planning Agency, the Japanese rough equivalent of the CEA, will be here for discussions with the CEA.

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

MEMORANDUM TO: The President

FROM: James T. McIntyre, Jr. 

SUBJECT: Oil and Hazardous Substance Response, Liability,
and Compensation Legislation

Purpose

We seek your concurrence to forward to the Congress proposed legislation that would establish a new program for cleanup and compensation for hazardous substance spills and the cleanup of hazardous dumpsites.

Background

National concern over public health threats from hazardous substances has been growing in two areas:

- spills of hazardous substances from transportation sources (ships, trucks, trains) and stationary sources (refineries, chemical manufacturing plants); and
- releases of hazardous substances from a broad spectrum of dumpsites used as disposal grounds for hazardous substances such as Love Canal in New York.

Two years ago, the focus of public and Congressional concern was primarily on oil spills. At that time, the Administration submitted a cleanup, liability and compensation bill limited to oil.

A bill similar to the Administration's oil liability and compensation proposal is moving ahead in the House, which passed similar legislation in the last Congress. The Congress is now awaiting a comprehensive package from the Administration to address the problems associated with hazardous substances. The Environmental Protection Agency has testified that the Administration will forward a comprehensive proposal, and--working with other agencies--EPA has completed a study of the issues and has drafted legislation.

Unless we act now, we believe Congress will seize the initiative and move ahead without Administration leadership.

The magnitude of the problems generating the need for the legislation is unknown but potentially significant:

- there is no inventory of dumpsites which may present significant threats to public health. We do not know the extent of the real problem;
- the Environmental Protection Agency has made extremely rough "guesstimates" that indicate there may be between 32,000 to 50,000 sites containing some hazardous substances;
- of that total, it is believed that perhaps 1,000 to 2,000 sites may pose significant threats to public health;
- what is certain is that when a hazardous dumpsite is discovered (e.g., Love Canal or Valley of the Drums) and catastrophic public health and safety impacts are perceived, it is virtually impossible to deny the need for immediate corrective and protective action. With increased investigatory resources being devoted to this problem by EPA and the States, we can be sure that many more Love Canals will be found.
- the magnitude of the hazardous substances spill threat is also unknown since spills are generally accidental in nature. However, rough estimates indicate the Federal Government would have to respond to up to 7,000 spills per year.

The costs associated with ameliorating spills and releases from dumpsites of hazardous substances are also unknown but potentially huge:

- the Environmental Protection Agency has estimated that the potential cleanup costs for releases from dumpsites could run from \$4 billion to \$44 billion depending on the ultimate number of such sites discovered and the type of cleanup required;
- cleanup of spills of hazardous materials is estimated to cost from \$10 to \$30 million per year;
- costs associated with any kind of compensation, whether it be property loss, economic loss, or personal injury would be of tremendous magnitude particularly in the dumpsite situation. Such costs could easily match the \$4 to \$44 billion costs associated with cleanup of dumpsites alone.

Current authority for cleanup in these areas is limited and cumbersome, making an immediate response to a critical situation virtually impossible, and the Federal Government pays the entire cost.

The Legislative Proposal

Our governing assumption during design and interagency review of the legislative package was that the existing mechanisms for dealing with oil and hazardous spills, as well as hazardous dumpsites, were insufficient and needed improvement. We recommend that as part of a comprehensive regime to meet these concerns you reemphasize our support for the oil liability and compensation bill already on the Hill and propose:

- a new broad and comprehensive emergency action and containment authority for dumpsites to be financed by general revenue; and
- amendments to the Administration's oil liability and comprehensive bill to include hazardous substance spills.

Major Implications

The legislation we propose has the following major implications of which you should be aware.

° Resource requirements

- In the short run, pending enactment of the legislation, both the Environmental Protection Agency and the Department of Justice have requested additional funds and personnel for 1980 under existing statutes for immediate investigations and response to the problems associated with hazardous substances. We are recommending that the EPA be provided with \$22 million and 70 positions and that Justice be provided with \$1 million and 30 positions. These amendments will be forwarded to you in the next consolidated package to be presented to the Congress.
- In the long run, the Environmental Protection Agency has made very rough estimates of personnel requirements to administer the cleanup and compensation provisions of the legislation. The requirements are dependent on the eventual outcome of the legislative process as well as administrative decisions made at a later time. However, the EPA estimates that roughly 800 to 2,000 positions will be necessary within three years.
- Budget authority of \$150, \$275, and \$400 million will be required in fiscal years 1981, 1982, and 1983. Outlays will be considerably lower during these initial years of the program. As you know, it will be difficult to find room for such a large program in FY 1981. Nevertheless, we believe this is an important program and we should proceed.

° Other

- Any legislative regime in this area runs a risk of exposing Federal and State governments to huge financial commitments beyond cleanup and limited compensation costs contained in the proposal. This could occur if the Congress expands coverage to include economic and/or personal injury compensation for dumpsite releases or adds additional compensation for spills.
- This legislation, for the first time, shifts the principal responsibility for dealing with hazardous dumpsites from States to the Federal Government.

- The proposed legislation, like existing statutes dealing with oil spills, makes companies strictly liable for cleanup costs which means liability regardless of negligence, intent or degree of care; while we believe this is a necessary and justifiable concept, it will be controversial and may have implications in other areas;

- There may be a substantial impact on insurance availability and affordability, particularly for smaller firms in their attempts to insure against the liability limits in the legislation. Companies are exposed up to these limits to suits by injured parties (only for some impacts from spills), and by the Federal Government to recover costs of cleanup.

Although these implications will be controversial during Congressional action, and although there have been disagreement within the Executive Branch in drafting the legislation, there is general agreement that legislation is necessary and that an Administration proposal is essential now. We may need to modify our posture on some elements of the legislation as the Congressional process develops.

Decision

Concur in recommendation to submit the legislative package (OMB, CEA, COWPS, CEQ, EPA, DOT, Justice).

Do not concur.

THE WHITE HOUSE
WASHINGTON

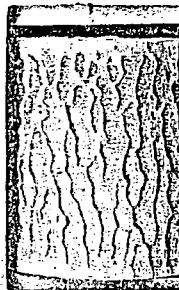
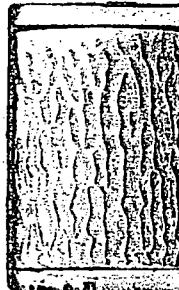
04 June 79

Stu Eizenstat
Jim McIntyre

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

Rick Hutcheson

2406



FOR ACTION
FYI

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION

	VICE PRESIDENT
	JORDAN
✓	EIZENSTAT
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	RAFSHOON
	WATSON
	WEXLER
	BRZEZINSKI
✓	MCINTYRE
	SCHULTZE
	ADAMS
	ANDRUS
	BELL
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	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARONSON
	BUTLER
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	HARDEN
	HERNANDEZ
	HUTCHESON
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	MILLER
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SANDERS
	WARREN
	WEDDINGTON
	WISE
	VOORDE
	ADMIN. CONFIDEN.
	CONFIDENTIAL
	SECRET
	EYES ONLY

Jim & Stu - I don't like this. It could become uncontrollable federal government responsibility and expense - requiring another large bureaucracy.

THE WHITE HOUSE
WASHINGTON
June 4, 1979

MEMORANDUM FOR
FROM
SUBJECT:

THE PRESIDENT
STU EIZENSTAT

Oil and Hazardous Substance Response, Liability, and Compensation Legislation to require *State, local & private*

It must be tightened up drastically
sharing of the problem

The legislation we propose has the following major implications of which you should be aware:

● Resource requirements

- In the short run, pending enactment of the legislation, both the Environmental Protection Agency and the Department of Justice have requested additional funds and personnel for 1980 under existing statutes for immediate investigations and response to the problems associated with hazardous substances. We are recommending that the EPA be provided with \$22 million and 70 positions and that Justice be provided with \$1 million and 30 positions. These amendments will be forwarded to you in the next consolidated package to be presented to the Congress.
- In the long run, the Environmental Protection Agency has made very rough estimates of personnel requirements to administer the cleanup and compensation provisions of the legislation. The requirements are dependent on the eventual outcome of the legislative process as well as administrative decisions made at a later time. However, the EPA estimates that roughly 800 to 2,000 positions will be necessary within three years.
- Budget authority of \$150, \$275, and \$400 million will be required in fiscal years 1981, 1982, and 1983. Outlays will be considerably lower during these initial years of the program. While the budget for 1981 will be tight, we believe this is an important program and should proceed. Jim McIntyre supports this view and his memo is attached.

THE WHITE HOUSE

WASHINGTON

June 1, 1979

*Hold up
until costs in
bureaucracy \$B
are explained
to me
J*

MEMORANDUM FOR

THE PRESIDENT

FROM

STU EIZENSTAT
R. D. FOLSOM

SUBJECT: Oil and Hazardous Substance Response
Liability and Compensation Legislation

The purpose of this memorandum is to obtain your decision on a legislative proposal that establishes a new program for cleanup and compensation for oil and hazardous substance spills and cleanup of hazardous waste dumpsites.

If you agree to the submittal of this legislative proposal we recommend that you personally announce your decision on June 4 at a press briefing with Doug Costle, or have the Vice President do so.

BACKGROUND

In recent months, national attention has focussed on the public health threat caused by abandoned hazardous waste dumpsites and spills of hazardous substances from transportation sources. The most notorious incidents have been the Love Canal in New York, the Valley of the Drums in Kentucky and most recently a highly toxic dumpsite in Jacksonville, Arkansas.

While the extent of the problems presented by hazardous waste dumps is not known nor is there an inventory of sites, EPA estimates that there may be 32,000 to 50,000 sites containing some amount of hazardous materials. However, it is estimated that only 1,000-2,000 sites may pose significant threats to public health.

The hazardous waste dumpsite problem, together with spills of hazardous wastes into the environment, has directed the public's attention to the inability and unwillingness of industry or government at all levels to act. The most obvious failure of response has involved those dumpsites where no responsible person can be found to provide quick cleanup -- "abandoned dumpsites". Oftentimes, this problem is caused by "midnight" dumping on roadsides. The costs of acquiring and maintaining adequate dumpsites

provides an incentive to illegally or improperly dispose of hazardous substances. However, in some cases, viable corporations, individuals, and municipalities have refused to clean up their own sites.

Governmental authority to respond to these public health threats is clearly inadequate. The Clean Water Act provides the basic authority for cleanup of oil and hazardous substance spills. This Act has been very effective with respect to oil spills. EPA has only recently proposed regulations to cover hazardous substance spills under authority of the Act. The Clean Water Act may be used in the future to clean up releases from hazardous substances, but governmental response under this Act is limited by these factors: 1) the pollution must affect releases in navigable waters, 2) the removal authority can only be used when no responsible party is able or willing to take action, and 3) the applicability to hazardous waste dumpsites is untested and will increase the need for additional funds.

While EPA has other broad authorities to enjoin imminent hazards, many dumpsites and spills have no responsible individual, either financially capable or legally reachable, to undertake immediate cleanup. Thus, when quick action is needed to clean up a public health threat, EPA's existing authority is inadequate.

State and local authorities have also proven inadequate to the task of responding immediately to this type of public health threat.

CONGRESSIONAL SITUATION

Two years ago you approved of a comprehensive oil spill liability and compensation bill (Superfund), which provided for cleanup authority, property damages, and limited economic damages. That legislation has not been enacted.

During Congressional deliberations of the Superfund bill, attention began to focus on the potentially more serious threat of hazardous substance releases. The Senate Public Works Committee amended the oil Superfund bill to include hazardous substances, which resulted in the bill

dying without being considered on the Senate floor. At that time, the Administration argued that the issues surrounding hazardous substances were so complex that additional study was needed. The Administration resubmitted its oil spill proposal earlier this year and favorable action in the House is certain.

Strong Congressional interest in hazardous dumpsites and spills also continues and legislation to address the issue would be introduced if the Administration did not act first.

Earlier this year, the Administration undertook an examination of the hazardous substance problem. That study and an intensive interagency review have resulted in this legislative proposal.

PROPOSED LEGISLATION

The legislative proposal amends the Clean Water Act and focuses on three significant public health issues:

- 1) releases from oil spills,
- 2) releases from hazardous substance spills, and
- 3) hazardous waste dumpsites.

The comprehensive proposal provides for:

- o cleanup of oil and hazardous substance spills.
- o a comprehensive emergency response and containment authority for hazardous substance dumpsites of all kinds.
- o compensation for property damage, limited economic damages, and natural resource restoration for spills only.
- o a fee on the oil and chemical industry to pay for oil and hazardous substance spills and a three-year program for dumpsite cleanup paid for by general appropriations.
- o liability limits, with government authority to recover cleanup costs, and compensation from responsible parties based on strict liability.

A number of key policy issues were considered during the interagency review. The most important of those deserve discussion because they are controversial:

Role of the States: There was general agreement in the Administration that States should bear some responsibility to assist in cleaning up dumpsites. States must provide 10% of any costs for containment above \$500,000 under the proposal. Additionally, they must assume all maintenance costs after initial containment work is finished by the Federal government.

Compensation Coverage: The legislation provides compensation for spills for: 1) loss of property; 2) loss of opportunity for fishermen to harvest fish, and 3) injury to, or destruction of, natural resources.

Compensation for personal injury and for hazardous dumpsite releases was not included because of the difficulty in proving causation of diseases and the enormous potential cost associated with personal injuries.

Coverage of Hazardous Dumpsites: In addition to enabling the government to initiate emergency response for cleanup and containment actions for abandoned dumpsites, the proposal provides that the government may respond in situations where a site is clearly owned by viable corporations and municipalities.

The legislation covers the latter category because it was felt that the Federal government must be able to respond quickly in emergency situations even on company or municipally-owned property when they refuse to do so. Otherwise, delay and litigation that would allow the spread of hazardous substances could be injurious to the public health.

Financing Mechanism: Two issues were raised during consideration of the financing mechanism for spills and dumpsites: 1) with respect to spills, whether the funding mechanism is a tax or a fee and 2) whether the fee should cover the abandoned dumpsite situation.

The Administration proposal treats the funding mechanism for spills as a fee. Whether the mechanism is a fee or a tax is largely a political issue and will undoubtedly be raised on the Hill. Industry will object to a fee on hazardous substance spills. While precedent exists (last year's oil Superfund bill) for the Congress to handle the issue as a fee, it is possible that the Senate Finance Committee will ask for jurisdiction over

the legislation claiming that it places a tax on oil and petrochemicals.

There is also general agreement within the Administration that the fee should be imposed on the oil and chemical industry -- as a per barrel fee on oil and chemical feedstocks.

The Administration also agreed that the hazardous dumpsite program should be financed initially by appropriations for a period of three years, rather than by an 80% fee/20% appropriation for eight years. After the three-year period, the program would be evaluated to determine future financing.

This position is based on the generally acknowledged view that little is known about the seriousness or magnitude of the dumpsite problem. It is better public policy, especially if the dumpsite problem is of such public importance, to fund it through direct appropriations for a limited time in order to obtain a better understanding of the problem. A general appropriation will receive more intensive review by the Administration and Congress, thus the government will have more control over expenditures. Because hazardous dumpsites have resulted from past practices, where causation and liability are very unclear, it would be inequitable to assess fees on industry for situations they may not have caused. This approach does not restrain the government from recovering funds that are expended when a responsible party is found. However, where liability cannot be established, the problem would be treated as a general social problem.

RECOMMENDATION

We recommend your approval of this legislative proposal. This is one of the most important environmental and

public health issues. It will be EPA's most important legislative proposal for this Congress. The public attention and fear that has been generated by hazardous waste releases into the environment clearly warrants the Federal government's attention. Present laws are inadequate to deal with the problem that exists. You can take the initiative on this important issue before the Congress is sure to act. We believe that it is essential to demonstrate this Administration's concern about this issue before further serious incidents occur.

The authority provided in this legislation will enable the Federal government to take prompt action in those high priority public health situations in which present Federal authority to act is limited. This proposal will begin the process of cleaning up dangerous dumpsites, compensating spill victims, restoring natural resources, and containing the further spread of hazardous substances into the environment.

You should know, however, that this legislation will be controversial. Many Members of Congress will applaud this initiative but there are many unanswered questions about the issues involved in hazardous waste spills and abandoned dumpsites. The oil and chemical industries are likely to oppose the hazardous spills aspect of the legislation. Industry will argue that it is inequitable to impose a fee on them for hazardous spills that they may not have caused -- and causation will be difficult to prove. On the other hand, objections will arise that the taxpayer should not have to pay for the cleanup of abandoned hazardous dumpsites. The tax writing committees in Congress are likely to request jurisdiction over the legislation, claiming that the fee is actually a tax. States will be opposed to the requirement that they pay part of the costs of containment and maintenance. At best, the legislation will not be enacted until late next year.

The proposed legislation represents a reasonable approach to the handling of this top priority public health issue. All of your advisers and the agencies involved recommend your approval.

DECISION

_____ Approve of submitting the legislative
proposal (OMB, DPS, CEA, COWPS, DOC,
DOT, CEQ and EPA) Congressional Liaison

_____ Disapprove

*What is estimate
of cost to taxpayers?
J*

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for Preservation Purposes**

TALKING POINTS (if you
choose to announce)

THE WHITE HOUSE
WASHINGTON

June 2, 1979

NOTE TO THE PRESIDENT

FROM: STU EIZENSTAT

Stu

SUBJECT: Oil, Hazardous Substances,
and Hazardous Waste Response,
Liability, and Compensation
Act of 1979

Should you decide to make an appearance
with Doug Costle on Monday, here are
suggested talking points.

STATEMENT OF THE PRESIDENT
ON OIL, HAZARDOUS SUBSTANCES, AND HAZARDOUS WASTE
RESPONSE, LIABILITY, AND COMPENSATION ACT OF 1979

A rash of recent incidents resulting from improper disposal of hazardous wastes has made it tragically clear that faulty hazardous waste management practices, both past and current, present a grave threat to public health and to the environment. Hazardous wastes, if not properly disposed of, are capable of causing death, acute poisoning, cancer, miscarriages, and birth defects and polluting our environment. At this time, no one can estimate with certainty the full extent of the problem, although a recent Environmental Protection Agency study indicates that thousands of abandoned sites and billions of dollars in remedial costs may be involved.

Spills of hazardous substances and oil can have harmful results similar to those produced by improper management of hazardous wastes, and they require similar or related treatment in terms of emergency response and clean-up methods. Currently, although there are various laws dealing with different aspects of hazardous waste site and spill problems, the effect is a confusing patchwork which does not serve the

public interest. Accordingly, we are proposing to the Congress a comprehensive piece of legislation, which will fill the gaps in existing law and provide a uniform approach to the problems of inactive and abandoned hazardous waste disposal sites and spills of oil and hazardous substances.

The legislation will establish a unified framework for notification, emergency governmental response, enforcement, liability, and compensation for incidents involving spills and abandoned sites. It will establish a funding mechanism to finance governmental response actions and, in spill incidents, to provide limited compensation for property and economic damages to third parties. Where possible, the costs of response and compensation will be recovered by the Government from the responsible parties.

Response and compensation in spill incidents will be funded by fees of up to three cents a barrel on domestic, exported and imported oil and up to one dollar per pound on frequently spilled non-petroleum-based hazardous substances which are produced in large volume.

The funds required to respond to the problem of abandoned sites will be provided through appropriations. Within three years the legislation will be carefully analyzed to see if the funding and financing provisions have proved to be adequate and effective.

In addition to proposing new legislation, I have directed the Administration to make all possible efforts within the limits of existing law, and I am also requesting that \$45,000,000 be immediately provided by the Congress, so that the Environmental Protection Agency can attack the abandoned site problem at once. I am also seeking \$1.2 million and 30 positions for the Department of Justice, so that it can intensify its efforts in the hazardous site area. The most critical issue now, however, is the need for the legislation. The Administrator will forward it to the Congress in the very near future, and I hope that it will be promptly considered and speedily enacted. In a matter so critical to the public health and to the environment, we cannot afford delay.

THE WHITE HOUSE
WASHINGTON

6/4/79

Bob Lipshutz

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

Rick Hutcheson

FOR ACTION
FYI

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION

	VICE PRESIDENT
	JORDAN
	EIZENSTAT
	KRAFT
/	LIPSHUTZ
	MOORE
	POWELL
	RAF SHOON
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARONSON
	BUTLER
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	HARDEN
	HERNANDEZ
	HUTCHESON
	KAHN
	LINDER
	MARTIN
	MILLER
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SANDERS
	WARREN
	WEDDINGTON
	WISE
	VOORDE
	ADMIN. CONFIDEN.
	CONFIDENTIAL
	SECRET
	EYES ONLY

THE WHITE HOUSE

WASHINGTON

May 29, 1979

J

MEMORANDUM FOR THE PRESIDENT

FROM: BOB LIPSHUTZ

BJ

One week from Saturday, June 9, I am giving the commencement address at the New England School of Law in Boston. I was encouraged to accept this invitation by both the Speaker's Office and by Democratic Representative Joe Moakley, of Massachusetts, who along with me will be given an honorary degree.

If by that date you should have made a decision to appoint Archibald Cox to the Circuit Court of Appeals, I would like to make the announcement on your behalf at that particular time and place. Should this be your decision, I would hope that we could keep it from being "leaked" either at the Department of Justice or elsewhere, in order to have the major impact in the Massachusetts and New England area.

I will await your advice.

_____ approve ✓ disapprove

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THE WHITE HOUSE
WASHINGTON

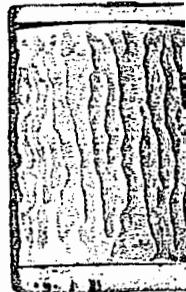
04 Jun 79

Frank Moore

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

Rick Hutcheson

The First Lady
Phil Wise
Fran Voorde



FOR ACTION
FYI

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION

VICE PRESIDENT

JORDAN

EIZENSTAT

KRAFT

LIPSHUTZ

/ MOORE

POWELL

RAFSHOON

WATSON

WEXLER

BRZEZINSKI

MCINTYRE

SCHULTZE

ADAMS

ANDRUS

BELL

BERGLAND

BLUMENTHAL

BROWN

CALIFANO

HARRIS

KREPS

MARSHALL

SCHLESINGER

STRAUSS

VANCE

ARONSON

BUTLER

H. CARTER

CLOUGH

CRUIKSHANK

/ FIRST LADY

HARDEN

HERNANDEZ

HUTCHESON

KAHN

LINDER

MARTIN

MILLER

MOE

PETERSON

PETTIGREW

PRESS

SANDERS

WARREN

WEDDINGTON

/ WISE

/ VOORDE

ADMIN. CONFIDEN.

CONFIDENTIAL

SECRET

EYES ONLY

THE WHITE HOUSE
WASHINGTON

6/1/79

Mr. President:

Mrs. Carter plans to discuss
this with you this evening,
according to Madeline MacBean.

Phil Wise has no comment..

Rick

THE WHITE HOUSE

WASHINGTON

May 30, 1979

C
/

MEMORANDUM FOR THE PRESIDENT and MRS. CARTER

FROM: FRANK MOORE *F.M. / pd.*

I would like to recommend that once again this summer you host an all-Congress social event.

Based upon discussions with Members over the past year, I would like to recommend the following scenario. If you approve the concept, my office will work with Gretchen on the details and with Fran on a date.

EVENT: *For Gretchen & Rosalynn to decide* Show/after-theatre supper. Musical (Broadway-type) show on south lawn followed by crepe/omlet/champagne supper set-up inside the White House and utilizing the balconies.

TIMING: *ok in me* After the Summit but before the August recess. Preferably a Tuesday evening so as not to interfere with late votes or weekend travel. We would schedule one evening with a rain date.

PARTICIPANTS: *ok* All Members of Congress and spouses. (We would like this to be an "adult" event and pick-up the family events at Christmas and summer '80.) Cabinet and selected senior staff.

APPROVE _____

DISAPPROVE _____

v *But subject to first lady making final decisions*

ID 792332

THE WHITE HOUSE

WASHINGTON

DATE: 30 MAY 79

FOR ACTION: THE FIRST LADY

PHIL WISE *NC*

FRAN VOORDE *NC*

INFO ONLY: HAMILTON JORDAN

JODY POWELL

JERRY RAFSHOON

SUBJECT: MOORE MEMO RE ALL CONGRESS SOCIAL EVENT

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1200 PM SATURDAY 02 JUN 79 +
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

ID 792332

THE WHITE HOUSE

WASHINGTON

DATE: 30 MAY 79

FOR ACTION: THE FIRST LADY

✓ PHIL WISE

FRAN VOORDE

INFO ONLY: HAMILTON JORDAN

JODY POWELL

JERRY RAFSHOON

SUBJECT: MOORE MEMO RE ALL CONGRESS SOCIAL EVENT

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 1200 PM SATURDAY 02 JUN 79 +

+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. (X) NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

ID 792332

THE WHITE HOUSE

WASHINGTON

DATE: 30 MAY 79

FOR ACTION: THE FIRST LADY

PHIL WISE

✓ FRAN VOORDE

INFO ONLY: HAMILTON JORDAN

JODY POWELL

JERRY RAFSHOON

SUBJECT: MOORE MEMO RE ALL CONGRESS SOCIAL EVENT

+++++ +++++ +++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 1200 PM SATURDAY 02 JUN 79 +

+++++ +++++ +++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. *✓* () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

fran

PRESIDENT JIMMY CARTER
JEFFERSON-JACKSON DAY DINNER
INDIANAPOLIS, INDIANA
JUNE 2, 1979

- 1 -

SEN BAYN. CONG BRADENAS, SHARP,
FITHIAN, JACOBS, EVANS, CHMN MICHAEL

IT IS A PLEASURE TO BE BACK HOME IN INDIANA -- IT'S LIKE
COMING HOME BECAUSE OF ALL THE WONDERFUL DEMOCRATIC FRIENDS MY
FAMILY AND I MADE HERE. YOU GAVE US A WARM HOOSIER WELCOME WHEN
WE WERE STILL STRANGERS KNOCKING AT YOUR DOORS.

THE WEEK I'VE
HAD IN WASH

ONE OF THE FIRST PEOPLE TO INVITE US IN AND OFFER HIS
SUPPORT WAS ANDY JACOBS -- I'LL NEVER FORGET THAT, ANDY, AND
I THANK YOU.

DURING MY CAMPAIGN FOR PRESIDENT I USED TO WONDER WHY
NO MATTER WHERE I STARTED OUT, I ALWAYS ENDED UP IN INDIANA.
THEN I REALIZED THE INDIANA MAFIA ON MY STAFF WAS DOING IT.

SOMETIMES IT SEEMS THAT WE HAVE MORE PEOPLE IN THE
WHITE HOUSE FROM INDIANA THAN WE DO FROM GEORGIA. I CAN
UNDERSTAND YOUR PRIDE IN TIM AND TERRY AND FRAN. BUT I HOPE
THESE HONORS DON'T GO TO THEIR HEADS AND MAKE THEM ASK FOR
PAY RAISES.

-- WE DON'T JUST HAVE HOOSIERS.....

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WE DON'T JUST HAVE HOOSIERS IN THE WHITE HOUSE.
I APPOINTED BILL SCHREIBER TO THE U.S.-CANADA BOUNDARY
COMMISSION AND HE'S DOING A GOOD JOB. WE HAVE ONLY CEDED
A SMALL PORTION OF OUR TERRITORY TO CANADA DURING HIS TENURE.

& PATTY EVANS ARE
BACK HERE IN INDIANA DON MICHAEL, ~~IS~~ BUILDING UP THE
PARTY FROM THE PRECINCT LEVEL. YOU HAVE A STRONG GROUP OF
MAYORAL CANDIDATES THAT CAN WIN THIS ~~YEAR~~ ^{YEAR,} AND NEXT YEAR
YOU CAN ELECT A DEMOCRATIC GOVERNOR IN THE TRADITION OF
GOVERNORS HENRY SCHRICKER, ROGER BRANIGIN, AND MATT WELSH.

NEXT YEAR, TOO, I WANT YOU TO REMEMBER WHEN IT COMES
TO ELECTING DEMOCRATS TO THE U.S. HOUSE OF REPRESENTATIVES,
THAT SEVEN IS NOT AS GOOD AS ELEVEN. *WE CAN WIN THOSE*
OTHER SEATS

WITH THE SUPPORT OF STALWART DEMOCRATS LIKE
DALLAS SELLS (UAW), AND WILLIS ZAGROVICH (AFL-CIO) --
AND ALL OF YOU HERE, -- ~~YOU CAN ELECT ELEVEN INDIANA DEMOCRATS~~
~~TO JOIN BIRCH BAYH IN WASHINGTON.~~

INDIANA ALREADY HAS AN OUTSTANDING DEMOCRATIC
CONGRESSIONAL DELEGATION: LEE HAMILTON'S SUPPORT HAS BEEN
A KEY FACTOR IN CRUCIAL VOTES ON FOREIGN AFFAIRS.

PHIL SHARP IS MAKING SURE OUR ENERGY RESOURCES ARE FAIRLY
SHARED; FLOYD FITHIAN KNOWS WHAT FARMERS NEED; AND ANDY JACOBS

& ADAM BENJAMIN HELPED US KEEP THE BUDGET DEFICIT DOWN.

(JIM JOSEPH & LEO KRULITZ IN THE
INTERIOR DEPT, AND BOB MCKINNEY AT
THE FEDERAL HOME LOAN BANK BOARD
)

THE REPUBLICANS SPENT A LOT OF MONEY TO PUT A THIRD
CRANE IN CONGRESS, BUT THE PEOPLE OF INDIANA WISELY DECIDED
TO KEEP DAVID EVANS.

AS DEMOCRATIC WHIP, JOHN BRADEMAS HAS SHOWN THE KIND
OF LEADERSHIP THAT CAUSES THE AMERICAN PEOPLE TO KEEP A SOLID
DEMOCRATIC MAJORITY IN BOTH HOUSES OF CONGRESS.

IN THREE TERMS BIRCH BAYH HAS COME TO SYMBOLIZE THE
KIND OF COURAGEOUS ACTION WHICH MOLDS THE DIRECTION OF THE
UNITED STATES SENATE.

RECENT PERSONAL
WE ALL SHARE IN HIS LOSS. MARVELLA BAYH'S SPIRIT AND
COURAGE WERE AN INSPIRATION TO THE NATION. SHE WAS ABLE
IN A WONDERFUL WAY TO SHARE HER FAITH AND TO INSTILL SOME
OF HER COURAGE IN THE LIVES OF OTHERS WHO SUFFER. WE MISS
HER RADIANT PRESENCE.

* * *
THE LAST TIME I WAS IN INDIANA I SPOKE AT NOTRE DAME
ABOUT OUR FOREIGN POLICY AIMS AND OUR INTENTION TO SUPPORT
HUMAN RIGHTS THROUGHOUT THE WORLD.

IN THE TWO YEARS SINCE THEN, MUCH HAS HAPPENED. IT HAS
BEEN A TIME OF REBUILDING. WE HAVE ACCOMPLISHED A GREAT DEAL.
WE HAVE MUCH MORE TO DO.

-- WHEN THEY WRITE THE HISTORY.....

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

I WANT THEM TO SAY THAT WE HAVE MADE AMERICA PROSPEROUS AGAIN, THAT WE BELIEVE -- AS DEMOCRATS -- IN HARD WORK AND THAT WE HAVE PUT OUR PEOPLE BACK TO WORK.

I WANT THEM TO SAY THAT WE WERE NOT AFRAID TO TACKLE DIFFICULT AND CONTROVERSIAL ISSUES, ...AND THAT, ABOVE THE SHORT-TERM POLITICAL ADVANTAGES WE MIGHT HAVE GOTTEN, WE ALWAYS PLACED ^{FIRST} THE LONG-TERM GOOD OF OUR NATION.

I WANT THEM TO SAY WE RESTORED THE TRUST AND CONFIDENCE OF THE AMERICAN PEOPLE IN OUR OWN GOVERNMENT.

MOST OF ALL, I WANT THEM TO BE ABLE TO SAY THAT AMERICA HAS BEEN AT PEACE, AND THAT WE HELPED TO LEAD THE WORLD AWAY FROM WAR.

IF WE CAN BUILD ON THIS NEW FOUNDATION OF PEACE, TRUST AND PROSPERITY, WE WILL HAVE KEPT FAITH WITH OUR PARTY AND WITH THE AMERICAN PEOPLE.

WE WILL ENTER THE 1980s AS A PROUD, CONFIDENT, STRONG AND UNIFIED NATION.

WE WILL BRING OUR NATION -- AND THE WORLD -- CLOSER
TO A TIME WHEN WAR, HUNGER, POVERTY, INJUSTICE AND OPPRESSION
WILL BE NO MORE.

THIS IS WHAT YOU AND I CAN DO. THIS IS WHAT YOU AND
I WILL DO -- TOGETHER.

IT IS SOBERING TO REMEMBER THE CYNICISM AND DISTRUST
OF THOSE IN POWER A FEW YEARS AGO, TO REMEMBER THE DISAPPOINTMENT
AND SENSE OF BETRAYAL THAT CLOUDED OUR LAND.

GREAT CHANGES HAVE TAKEN PLACE. WE HAVE DEMANDED A
GOVERNMENT THAT DOES NOT NEED TO COVER UP, THAT DESERVES THE
LOYALTY AND TRUST OF THE PEOPLE.

THERE ARE NO MORE GOVERNMENT LIES, NO MORE ENEMIES LISTS,
NO MORE SELL-OUTS *x TO SPECIAL INTERESTS*.

PRESIDENT ANDREW JACKSON SUMMED UP MY OWN BELIEFS
WHEN HE SAID, "THERE ARE NO NECESSARY EVILS IN GOVERNMENT.
ITS EVILS EXIST ONLY IN ITS ABUSES."

~~ONE WAY WE END THE ABUSES IS TO PUT GOOD PEOPLE IN
GOVERNMENT, LIKE JIM JOSEPH AND LEO KRULITZ AT THE INTERIOR
DEPARTMENT, AND BOB MCKINNEY AT THE FEDERAL HOME LOAN BANK BOARD.~~

~~-- WHEN I TOOK OFFICE IN JANUARY 1977 --~~

*WE ARE ELIMINATING ABUSES &
MEETING PROBLEMS HEAD ON -*

UNEMPLOYMENT WAS
OUR #1 PROBLEM.

WHEN I TOOK OFFICE IN JANUARY 1977, MORE THAN ONE WORKER
IN TEN IN GARY WAS OUT OF A JOB. REPUBLICAN ECONOMICS SAID
WE HAD TO TIGHTEN OUR BELTS, AND YOU KNOW WHOSE BELT GOT
TIGHTENED.

DEMOCRATIC ECONOMICS HAVE TAKEN PEOPLE OFF THE
UNEMPLOYMENT ROLLS BY GIVING THEM JOBS -- MORE THAN 8 MILLION
NEW JOBS SINCE I TOOK OFFICE.

REPUBLICANS TALK ABOUT THE DIGNITY OF WORK -- DEMOCRATS
CREATE JOBS SO PEOPLE CAN WORK.

REPUBLICANS ALSO TALK A LOT ABOUT BALANCED BUDGETS,
BUT IN THE EIGHT YEARS THEY WERE IN THE WHITE HOUSE THE
BUDGET DEFICITS WERE GREATER THAN THE TOTAL FOR ALL THE
OTHER 192 YEARS OF OUR NATION'S HISTORY COMBINED.

REPUBLICANS TALK ABOUT CUTTING DEFICITS --
DEMOCRATS CUT THEM.

BY 1980 WE WILL HAVE ^{SLASHED} CUT THE DEFICIT BY MORE THAN HALF.
AT THE SAME TIME WE HAVE SUBSTANTIALLY INCREASED AID TO THE
OLD, THE SICK AND THE POOR.

WE HAVE MADE UNPRECEDENTED COMMITMENTS TO TEACH
YOUNGSTERS BASIC SKILLS AND TO ENABLE YOUNG PEOPLE TO GET
A COLLEGE EDUCATION.

FARM FAMILIES HAVE BEEN STRENGTHENED, NET FARM INCOME
RAISED, AND AGRICULTURAL EXPORTS SET NEW RECORDS EVERY YEAR.
YOU HAVE CERTAINLY NOT SEEN ANY GRAIN EMBARGOES DURING THIS
ADMINISTRATION!

WE HAVE ACCOMPLISHED A LOT, BUT CRUCIAL QUESTIONS
STILL FACE US -- ON ENERGY, ON INFLATION, ON KEEPING THE
PEACE IN A DANGEROUS WORLD.

RECENTLY ^{GAYLORD NELSON} *SAID*
A SENATOR *JOKINGLY SAID A WHILE BACK THAT I HAD
TACKLED EVERY UNPOPULAR ISSUE THAT WAS BEFORE OUR NATION
AND WHEN THERE WERE NONE LEFT, I WENT OUT AND LOOKED FOR ONE.
THERE HAVE ALWAYS BEEN SOME LEFT.

I DID NOT GO OUT AND LOOK FOR TOUGH ISSUES -- THEY
WERE AROUND LONG BEFORE I GOT HERE, BUT THE REPUBLICANS
BEFORE ME WERE TOO BUSY DOING OTHER THINGS TO TACKLE THEM.

THE DEMOCRATIC PARTY IS THE PARTY OF THE PEOPLE
BECAUSE THE PEOPLE TRUST US TO MAKE THE HARD CHOICES ON
THESE QUESTIONS FOR THE GOOD OF THE WHOLE NATION. ~~[AND ALL~~
LTS PEOPLE.]

-- THEY GAVE US A MAJORITY IN.....

(* Gaylord Nelson at Obey fundraiser in Wisconsin)

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THEY GAVE US A MAJORITY IN BOTH HOUSES OF CONGRESS
SO WE COULD FIND POSITIVE SOLUTIONS.

THEY DID NOT GIVE US MAJORITIES SO WE COULD VOTE DOWN
EVERY SOLUTION OFFERED, COMPLAINING THAT THEY WERE NOT PERFECT.

THERE ARE NO PERFECT SOLUTIONS,...BUT I BELIEVE THE
PEOPLE ARE WILLING TO ^{SUPPORT} FOLLOW US IF WE MEET OUR RESPONSIBILITIES
AND DEVISE THE BEST SOLUTIONS WE CAN.

ONE OF THE MOST IMMOBILIZING FEARS IN OUR NATION TODAY
IS THE FEAR OF BEING MISLED AND CHEATED. AS MUCH AS ANYTHING
ELSE, THIS KEEPS OUR PEOPLE FROM CONSERVING ENERGY AND DOING
OUR PART TO HOLD DOWN INFLATION.

I BELIEVE AMERICANS ARE WILLING TO DO THEIR PART ON ENERGY
AS LONG AS THEY FEEL EVERYONE ELSE WILL. WHEN GOVERNORS
AND CONGRESSMEN AND LOCAL LEADERS DEMAND SPECIAL TREATMENT
FOR THEIR CONSTITUENTS, THEY DO THEM NO FAVORS. INSTEAD,
THEY BREED AN ATTITUDE OF "ME FIRST -- OTHERS LAST."

IN THE LONG RUN WE WILL ALL SUFFER IF WE DELAY ~~AND WITH~~
~~DAILY IN~~ THE MISTAKEN BELIEF THAT OUR PROBLEMS WILL MIRACULOUSLY
DISAPPEAR. THE CHOICE IS BETWEEN TEMPORARY INCONVENIENCE NOW
OR REAL HARDSHIP LATER.

THERE ARE NO MAGIC CURES. WE CAN'T PLAN AND HARVEST OUR CROPS WITH MULES. WE CAN'T FUEL OUR FACTORIES WITH FIREPLACES.

THE TIMES REQUIRE PLAIN TALK AND POLITICAL COURAGE -- FROM DEMOCRATS. THE PEOPLE HAVE ENTRUSTED DEMOCRATS WITH GOVERNING THIS COUNTRY. ^{IN 1980} THEY WILL AGAIN ENTRUST DEMOCRATS WITH GOVERNING INDIANA -- IF WE WHO ARE IN OFFICE DO A GOOD JOB.
~~BUT I DON'T BELIEVE THEY WILL AGAIN ACCEPT LAME EXCUSES FROM ANYONE WHO SAYS THAT "THIS IS A NO WIN SITUATION, SO WE WON'T PLAY."~~

~~THAT IS A COP-OUT, AND~~ WE ^{ARE} ~~WERE~~ NOT ELECTED TO HIDE OR WITHDRAW FROM A FIGHT.

THERE WILL BE STRONG PRESSURES IN THE COMING WEEKS TO CONTINUE GOVERNMENT CONTROLS ON OIL. AS YOU KNOW, THE CONTROLS ARE NOT WORKING. YOU HAVE SEEN WHAT HAS HAPPENED TO PRICES.

THESE CONTROLS ENCOURAGE WASTE, DISCOURAGE PRODUCTION OF OIL IN THE UNITED STATES, AND SUBSIDIZE OIL IMPORTS.

~~WE ARE IN THIS MESS TODAY IN PART BECAUSE WE INSISTED TOO LONG ON THAT COURSE.~~ WE MUST CUT OUR DEPENDENCE ON FOREIGN OIL. OUR O.P.E.C. SUPPLIERS WARN THAT WE MUST CONSERVE. OUR ALLIES WARN THAT WE MUST CONSERVE.

-- THE MESSAGE MUST BE CLEAR.....

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THE MESSAGE MUST BE CLEAR TO ALL AMERICANS -- WE CANNOT CONTINUE TO INCREASE OUR USE OF OIL AND GASOLINE IN THE FACE OF REDUCED SUPPLIES.

THE WINDFALL PROFITS TAX WILL LET THE OIL COMPANIES KEEP 29 CENTS OF EACH DOLLAR WHICH SHOULD INCREASE EXPLORATION AND PRODUCTION OF DOMESTIC OIL. WE ESTIMATE THAT THROUGH INCREASED PRODUCTION AND CONSERVATION, DECONTROL WILL REDUCE IMPORTS BY ONE MILLION BARRELS OF OIL PER DAY.

THE TAX WILL FINANCE A NEW ENERGY SECURITY FUND WHICH WILL EASE THE BURDEN ON THOSE LEAST ABLE TO PAY HIGHER FUEL COSTS, AND WILL PAY FOR IMPROVED MASS TRANSPORTATION AND ADDITIONAL RESEARCH AND DEVELOPMENT OF ALTERNATIVE ENERGY SOURCES SUCH AS GASAHOL AND THE POWER OF THE WIND AND SUN.

IT WILL MEAN THAT SUCH CONCEPTS AS COAL LIQUEFACTION AND GASIFICATION WILL BECOME REALITIES, SO WE CAN MAKE USE OF MORE INDIANA COAL.

MEMBERS
EARLY NEXT WEEK I WILL APPOINT A COMMISSION TO STUDY THE POTENTIAL FOR ALCOHOL FUELS MADE FROM SUCH THINGS AS AGRICULTURAL PRODUCTS, FOREST WASTES, GARBAGE AND COAL. SPONSORED THE LEGISLATION. HE WILL BE ALSO BIRCH BAYH IS CHAIRMAN OF THAT COMMISSION AND I WILL APPOINT PHILIP FRENCH OF THE INDIANA FARM BUREAU, ALONG WITH AND JAMES B. CREAL OF THE AMERICAN AUTOMOBILE ASSOCIATION, AND CHARLENE BLOCK OF THE UNITED AUTO WORKERS. GASAHOL HAS REAL POTENTIAL FOR OUR COUNTRY.

LET ME TELL YOU
SOMETHING:

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WE HAVE A GREAT NATION WHICH CAN MEET ANY CHALLENGE
IF WE WORK TOGETHER.

WE CAN SOLVE THE ENERGY PROBLEM WITH THE SAME COURAGE AND
PIONEER SPIRIT, AND A SENSE OF PARTNERSHIP, WHICH IS EXEMPLIFIED
BY THE PEOPLE OF INDIANA.

OUR ECONOMIC, MILITARY AND POLITICAL STRENGTH ARE
UNSURPASSED BY ANY OTHER NATION ON EARTH. [↑] ~~WE ARE AT PEACE.~~
THE UNITED STATES IS

THE FOUNDER OF OUR PARTY, THOMAS JEFFERSON, LOOKED BACK
ON HIS LONG YEARS OF SERVICE TO THE NATION AND SAID 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 NOT A SINGLE DROP OF AMERICAN BLOOD
HAS BEEN SHED IN WAR DURING MY OWN ADMINISTRATION, AND I PRAY
TO GOD EVERY DAY THAT WHEN MY YEARS AS PRESIDENT ARE OVER I CAN
STILL SHARE JEFFERSON'S ACHIEVEMENT.

THE S.A.L.T. II TREATY IS PART OF OUR EFFORTS TO WAGE
PEACE.

THERE IS NO DOUBT IN MY MIND THAT THE ^{SALT} TREATY ENHANCES
OUR NATION'S SECURITY AND THE PROSPECTS FOR SUSTAINED WORLD PEACE.

THERE IS NO DOUBT THAT THE TREATY, WHEN RATIFIED, WILL
CONTRIBUTE TO CONTINUED DETENTE AND WILL GREATLY REDUCE THE
POSSIBILITY OF NUCLEAR WAR.

-- THERE IS NO DOUBT THAT THE.....

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THERE IS NO DOUBT THAT THE TREATY WILL CONTRIBUTE TO INCREASED CONTROL OVER THE FUTURE DEVELOPMENT AND DEPLOYMENT OF NUCLEAR WEAPONS.

THERE IS NO DOUBT THAT IT WILL IMPROVE OUR CHANCES OF GETTING OTHER NATIONS TO RESTRAIN THE PROLIFERATION OF NUCLEAR WEAPONS CAPABILITIES IF THE UNITED STATES AND THE SOVIET UNION CAN DEMONSTRATE THAT WE CAN CONSTRAIN OURSELVES.

S.A.L.T. II IS PART OF A PROCESS THAT BEGAN WHEN EISENHOWER WAS PRESIDENT. HE SAID THE GREATEST DISAPPOINTMENT OF HIS PRESIDENCY WAS THAT MORE PROGRESS WAS NOT MADE TOWARD NUCLEAR ARMS LIMITATIONS.

IF S.A.L.T. II IS NOT RATIFIED -- IF, AFTER SEVEN YEARS OF NEGOTIATIONS UNDER THREE PRESIDENTS, A CAREFULLY-BALANCED AGREEMENT IN OUR OWN COUNTRY'S INTERESTS IS REJECTED -- THE PROCESS OF CONTROLLING NUCLEAR WEAPONS WOULD BE DIFFICULT TO RESURRECT.

THIS TREATY DOES NOT DEPEND ON TRUST ^{OF} ~~IN~~ THE SOVIET UNION. WE CAN VERIFY IT. OUR NATIONAL SECURITY IS ENHANCED, NOT ENDANGERED BY S.A.L.T. II.

FAILURE TO RATIFY THIS TREATY WOULD NOT ONLY ADD UNNECESSARY BILLIONS TO OUR DEFENSE BUDGET -- IT WOULD ADD TO GLOBAL INSTABILITY AND THE THREAT OF A CATASTROPHIC WAR.

* * *

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DURING MY CAMPAIGN I PROMISED YOU HERE IN INDIANA THAT WE COULD HAVE A GOVERNMENT AS GOOD AS OUR PEOPLE.

SOME CRITICS DISMISSED THIS AS EMPTY RHETORIC, ... BUT YOU UNDERSTOOD WHAT I WAS SAYING.

OUR FOREIGN POLICY IS AS GOOD AS OUR PEOPLE WHEN WE SPEAK OUT FOR HUMAN RIGHTS AROUND THE WORLD -- AND WE WILL CONTINUE TO PROTECT HUMAN RIGHTS AS LONG AS I AM PRESIDENT.

OUR FOREIGN POLICY IS AS GOOD AS THE AMERICAN PEOPLE WHEN WE WORK TO BRING PEACE NOT ONLY TO OUR OWN SHORES, BUT TO ANCIENT ENEMIES. WE WILL CONTINUE TO WORK FOR PEACE AROUND THE WORLD.

WE WON A VICTORY OF THIS KIND WHEN A PEACE TREATY WAS SIGNED TWO MONTHS AGO BETWEEN EGYPT AND ISRAEL. WE SAW THE FIRST FRUITS OF THAT WHEN ISRAELI SHIPS SAILED THROUGH THE SUEZ CANAL, AND WHEN OCCUPIED TERRITORY WAS RETURNED TO EGYPT AND THE BORDERS BETWEEN ISRAEL AND EGYPT WERE OPENED LAST WEEKEND.

THAT TREATY WAS POSSIBLE BECAUSE OF TWO COURAGEOUS LEADERS -- PRESIDENT SADAT AND PRIME MINISTER BEGIN.

WE WERE ABLE TO HELP AT A CRUCIAL POINT BECAUSE OF THE MORAL STRENGTH, THE MORAL LEADERSHIP OF OUR NATION.

-- THAT TREATY WAS NOT A PERSONAL.....

THAT TREATY WAS NOT A PERSONAL ACCOMPLISHMENT, THOUGH I WAS PROUD AND GRATEFUL TO BE A PART OF IT. WHATEVER I WAS ABLE TO CONTRIBUTE WAS POSSIBLE ONLY BECAUSE THOSE TWO NATIONS RECOGNIZE THAT THE AMERICAN PEOPLE -- NOT JUST ONE PARTICULAR AMERICAN PRESIDENT, BUT THE AMERICAN PEOPLE -- WILL ALWAYS SUPPORT THOSE WHO SEEK FREEDOM AND JUSTICE AND PEACE.

THAT IS WHAT THE UNITED STATES GOVERNMENT MUST STAND FOR IN THE WORLD -- NOT JUST DURING ONE ADMINISTRATION, BUT FOR AS LONG AS WE CALL OURSELVES A FREE PEOPLE.

FREEDOM, JUSTICE AND PEACE -- THESE ARE THE SOURCES OF OUR TRUE POWER ON WHICH ALL ELSE MUST REST. THESE ARE THE PRINCIPLES WHICH HAVE MADE AMERICA GREAT.

ONE OF OUR FINEST BLESSINGS AS AMERICANS IS THAT WE HAVE THE RIGHT TO SPEAK OUR MINDS, TO COMPLAIN AND DEBATE AND RESOLVE ISSUES IN THE POLITICAL ARENA.

IN OUR EAGERNESS TO DO THAT, SOMETIMES WE FORGET HOW MUCH WE HAVE ACCOMPLISHED, THE EXTENT OF OUR MATERIAL ABUNDANCE, AND THE WONDERFUL TREASURE OF OUR FREEDOM.

WE CANNOT AFFORD TO FORGET OUR BLESSINGS. TO LOSE SIGHT OF OUR BASIC STRENGTH WOULD BE EVEN MORE UNREALISTIC THAN TO IGNORE OUR PRESENT PROBLEMS.

OUR LAND IS BROAD, OUR PEOPLE DIVERSE, AND MANY ARE FRIGHTENED BY A FUTURE THEY SEE AS VERY DIFFERENT FROM THE PAST WE HAVE KNOWN.

IT WILL BE VERY DIFFERENT, JUST AS OUR WORLD IS VERY DIFFERENT FROM THAT OF OUR ANCESTORS,...BUT THIS SHOULD NOT BE A CAUSE OF FEAR.

THE PROBLEMS ARE REAL AND THEY ARE SERIOUS, BUT THEY ARE MANAGEABLE IF WE HAVE THE COURAGE AND THE WILL TO FACE THEM TOGETHER.

THERE IS NO DOUBT THAT WE HAVE THE STRENGTH.

WE HAVE A DEGREE OF FREEDOM AND RESPECT FOR THE INDIVIDUAL -- AND A COMMITMENT TO PROVIDING THE GREATEST POSSIBLE OPPORTUNITY FOR ALL OF OUR PEOPLE -- THAT IS UNMATCHED THROUGH ~~MOST OF~~ HUMAN HISTORY.

WE DO INDEED LIVE IN THE STRONGEST COUNTRY ON EARTH.

WE CANNOT LET ALL THAT STRENGTH, ALL THE INNATE POWER OF OUR NATURAL AND HUMAN RESOURCES, BE FRITTERED AWAY IN FEAR AND FUTILITY.

FRANKLIN ROOSEVELT UNDERSTOOD HOW FEAR CAN IMMOBILIZE PEOPLE, AND IN A MUCH MORE DESPERATE MOMENT HE WARNED US OF THE POWER OF FEAR TO DESTROY.

-- WE CANNOT LET FEAR OF.....

WE CANNOT LET FEAR OF CHANGE, OF UNCERTAINTY, OR
THE FEAR OF SOME MANAGEABLE LIMITS ON MATERIAL GOODS
IMMOBILIZE OUR MIGHTY NATION.

I AM VERY PROUD TO BE A PART OF YOU, PROUD TO BE
THE LEADER OF OUR PARTY AND OF OUR NATION. IN DIFFICULT
PERIODS WE DEMOCRATS HAVE ALWAYS SEEN -- NOT DOUBT, BUT HOPE;...
NOT DIVISIVENESS, BUT UNITY -- GROWING OUT OF A RESPECT AND
UNDERSTANDING OF OUR DIVERSITY AND OUR HUMAN STRENGTH.

WE HAVE NEVER FAILED OUR COUNTRY, AND WE WILL NOT
FAIL IT NOW.

WE DO HAVE PROBLEMS.

WE CAN SOLVE THESE PROBLEMS.

WE CAN BE STRONG AND AT PEACE.

WE CAN MAKE OUR ECONOMY WORK, BUT WE CANNOT DO IT
WITH SLOGANS OR GIMMICKS OR MAGIC.

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AMERICA MUST SOLVE HER PROBLEMS THE SAME WAY EACH
OF US SOLVES OUR OWN PROBLEMS -- WITH HARD WORK AND
PERSISTENCE, AND OCCASIONALLY, SOME PAIN AND SACRIFICE.

WE MUST NOT CONFUSE DIFFICULTY WITH DEFEAT.

THE ACTIONS WE TAKE TO GET THROUGH OUR CURRENT
PROBLEMS WILL ENHANCE OUR STRENGTH FOR A FUTURE THAT WILL BE
EVEN BRIGHTER THAN OUR PAST.

I LOOK FORWARD TO THOSE YEARS -- NEXT YEAR, THE
NEXT DECADE, THE NEXT CENTURY -- BECAUSE I KNOW OUR PEOPLE
HAVE THE WILL AND THE STRENGTH OF CHARACTER TO MAKE THEM
BETTER.

#

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THE WHITE HOUSE
WASHINGTON

~~SSC~~

ACHSAH NESMITH CALLED.
STU EIZENSTAT IS VERY
ANXIOUS TO HAVE THE
ALCOHOL FUEL COMMISSION
MENTIONED IN THE INDIANAPOLIS
SPEECH.

NELL
9:50 a.m.

THE WHITE HOUSE

WASHINGTON

May 31, 1979

MEMORANDUM TO THE PRESIDENT

FROM: ACHSAH NESMITH *AK*

SUBJECT: Indianapolis Speech

Stu Eizenstat suggested we add the bracketed sentence on page 12 on increased domestic oil production. The other bracketed section was included in case you wish to mention the Alcohol Fuel Commission.

Mr. President -

I disagree with Stu's suggestions. We do not need this kind of stuff in a stump speech. Let Stu or Fitz or Cathy Schurmer or an EPS grand announce this stuff.

Jerry

JEFFERSON-JACKSON DAY DINNER, INDIANAPOLIS, 6/2/79

(Salutation to come)

It is a pleasure to be back home in Indiana -- it's
like coming home because of all the wonderful Democratic
friends Rosalynn and ^{my family} ~~and~~ ~~and our sons~~ made here. ^{We} ~~I remember~~
~~well the kind of warm welcome we then received.~~ ^{you} You gave
us a warm Hoosier welcome when we were still strangers
knocking at your doors.

One of the first people to invite us in and offer his
support was Andy Jacobs -- I'll never forget that, Andy,
and I thank you.

During my campaign for President I used to wonder why
no matter where I started out, I always ended up in Indiana.
Then I realized the Indiana mafia on my staff was doing it. Some-

times ~~now~~ ^{that} it seems ~~like~~ we have more people in the White House from Indiana than we do from Georgia. I can understand your pride in Tim and Terry and Fran. But I hope these honors don't go to their heads and make them ask for *pay* raises.

We don't just have Hoosiers in the White House. I appointed Bill Schreiber to the U.S.-Canada Boundary Commission and he's doing a good job. We have only ceded a small portion of our territory to Canada during his tenure, ~~and we~~ have high hopes of keeping all that remains.

Back here in Indiana Don Michael is building up the party from the precinct level. You have a strong group of mayoral candidates that can win this fall, and next year you can elect a Democratic governor in the tradition of Governors Henry Schricker, Roger Branigin and Matt Welsh.

Next year, too, I want you to remember when it comes to electing Democrats to the U.S. House of Representatives,

that seven is not as good as eleven. With the support of stalwart Democrats like Dallas Sells (UAW) and Willis Zagrovich (AFL-CIO) -- and all of you here -- you can elect 11 Indiana Democrats to join Birch Bayh in Washington.

Indiana already has an outstanding Democratic Congressional delegation: Lee Hamilton's support has been a key factor in crucial votes on foreign affairs. Phil Sharp is making sure our energy resources are fairly shared, Floyd Fithian knows what farmers need and Adam Benjamin helped us keep the budget deficit down.

The Republicans spent a lot of money to put a third Crane in Congress, but the people of Indiana wisely decided to keep David Evans.

John Brademas has shown the kind of leadership ~~as~~
As Democratic whip that causes the American people to ~~give us~~ ^{keep}
a solid Democratic majority in both houses of Congress.

In three terms Birch Bayh has come to symbolize the
kind of ~~forthright stands Democrats expect from the handful~~
of men and women whose character and decisions mold the
direction of the United States Senate.

We all share in his loss. Marvella Bayh's ^{spirit and} courage
^(ev) was an inspiration to the nation. She was able in a
wonderful way to share her faith and ^{to} instill some of her
courage in ^{the lives of} others who suffered, ~~and their families.~~ We
miss her radiant presence.

The last time I was in Indiana I spoke at Notre Dame
about our foreign policy aims and our intention to support
human rights throughout the world. In the two years since
then, much has happened. It has been a time of rebuilding.
We have accomplished a great deal. We have ^{much} ~~a great deal~~
^{do.} more to accomplish.

When they write the history of these years, I hope

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~~that~~ they will say four things about what you and I have done together.

I want them to say that we have made America prosperous again, that we believe -- as Democrats -- in hard work and that we have put our people back to work.

I want them to say that we were not afraid to tackle difficult and controversial issues and that ^{always} we placed the long-term good of our nation above the short-term political advantages we might have gotten.

I want them to say we restored the trust and confidence of the American people in our own government.

Most of all, I want them to be able to say that America has been at peace, ^{and} that we helped to lead the world away from war.

If we can build on this New Foundation of peace, trust and prosperity, we will have kept faith with our party

and with the American people. We will enter the 1980s as a proud, confident, strong and unified nation. We will bring our nation -- and the world -- closer to a time when war, hunger, poverty, injustice and oppression will be no more. This is what you and I can do. This is what you and I will do -- together.

It is sobering to remember the cynicism and distrust of those in power a few years ago, to remember the disappointment and sense of betrayal that clouded our land. Great changes have taken place. We have demanded a government that does not need to cover up, that deserves the loyalty and trust of the people.

There are no more government lies, no more enemies lists, no more sell-outs.

President Andrew Jackson summed up my own beliefs when he said, "There are no necessary evils in government.

Its evils exist only in its abuses."

One way we end the abuses is to put good people in government, like Jim Joseph and Leo Krulitz at the Interior Department and Bob McKinney at the Federal Home Loan Bank Board.

When I took office in January 1977 more than one worker in ten in Gary was out of a job. Republican economics said we had to tighten our belts, and you know whose belt got tightened. Democratic economics have taken people off the unemployment rolls by giving them jobs -- more than 8 million new jobs since I took office.

Republicans talk about the dignity of work -- Democrats create jobs so people can work.

Republicans also talk a lot about balanced budgets, but in the eight years they were in the White House the budget deficits were greater than the total for all the

other 192 years of our nation's history combined.

Republicans talk about cutting deficits -- Democrats cut them. By 1980 we will have cut the deficit by more than half. At the same time we have ^{substantially} ~~actually~~ increased aid to the old, the sick and the poor. We have ^{made} ~~provided~~ unprecedented ^{commitments} ~~amounts~~ to teach youngsters basic skills and to enable young people to get a college education.

Farm families have been strengthened and net farm income raised, and agricultural exports set new records every year. you have certainly not seen any grain embargoes during this administration!

We have accomplished a lot, but crucial questions still face us -- on energy, on inflation, on keeping the peace in a dangerous world.

A Senator* jokingly said awhile back that I had tackled every unpopular issue that was before our nation and when there were none left, I went out and looked for one. *There have always been some left.*

I did not go out and look for ^{tough} ~~these~~ issues -- they were around long before I got here, but the Republicans

*Gaylord Nelson at Obey fundraiser in Wisconsin

before me were too busy doing other things to tackle them.

The Democratic Party is the party of the people because the people trust us to make the hard choices on these questions for the good of the whole nation and all its people.

They gave us a majority in both houses of Congress so we could find positive solutions. They did not give us majorities so we could vote down every solution offered, complaining that they were not perfect. There are no perfect solutions, but I believe the people are willing to follow us if we meet our responsibilities and devise the best solutions we can.

One of the most immobilizing fears in our nation today is the fear of being ^{*mised and cheated.*} ~~duped~~. As much as anything else, ~~it~~ ^{*this*} keeps our people from conserving energy and doing ~~their~~ ^{*our*} part to hold down inflation. I believe ^{*Americans*} ~~they~~ are willing to do their part as long as they feel everyone else will.

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When governors and Congressmen and local leaders demand

special treatment for their constituents, they do them

no favors. Instead, they *breed an attitude of* ~~convince everyone that they~~
"Me first -- others last."
~~will be duped if they do what must be done.~~

~~But~~ *I* In the long run we will all ~~be duped and our~~
~~country will~~ suffer if we delay and dally in the mistaken
belief that our problems will ~~all~~ miraculously disappear.
The choice is between temporary inconvenience now or real
hardship later.

There are no magic cures. We can't plan and harvest
our crops with mules. We can't fuel our factories with
fireplaces.

The times require plain talk and political courage -
from Democrats. The people have entrusted Democrats with
governing this country. ~~I believe~~ *T*hey will again entrust
Democrats with governing Indiana. But I don't believe they
will again accept lame excuses from anyone who says that
"this is a no-win situation, so we won't play."

That is a cop-out, and we were not elected to ^{hide} ~~cop out~~
or withdraw from a fight.

There will be strong pressures in the coming weeks to
continue government controls on oil. As you know, the
controls are not working. ^{You have seen what has happened to prices.} ~~They~~ encourage waste, discourage
^{These controls} production of oil in the United States and subsidize oil
imports. We are in this mess today in part because we
insisted too long on that course. We must cut our dependence
on foreign oil. Our OPEC suppliers warn that we must con-
serve. Our Allies warn that we must conserve. The message
must be clear to all Americans - we cannot ^{continue to} increase our
^{use of oil and gasoline} ~~driving~~ in the face of reduced supplies.

~~That's why I ordered a phased de-control of domestic
oil prices. Not because it is popular, but because it needs
to be done.~~

The windfall profits tax will let the oil companies
keep 29 cents of each dollar which should increase exploration

and production of domestic oil. ~~We~~ We estimate that through increased production and conservation, de^{control} will *reduce imports by* *save* 1 million barrels of oil per day. ~~The~~ ^{PR} The tax will finance a new Energy Security Fund which will ease the burden on those least able to pay higher fuel costs and will pay for improved mass transportation and additional research and development of alternative energy sources such as gasohol and the power of the wind and sun. It will mean that such concepts as coal liquefaction and gasification will become realities, so we can make use of more Indiana coal.

leave in brackets

[Early next week I will appoint a ~~National Alcohol Fuels~~ Commission to study the ~~long and short range~~ potential for alcohol fuels made from such things as agricultural products, forest wastes, garbage and coal. Birch Bayh is chairman of that commission and I will appoint Philip French of the Indiana Farm Bureau ~~Cooperative Association~~, along with James B. Creal of the American Automobile Association and

Charlene Block of the United Auto Workers.]

We have a great nation which can meet any challenge if we work together. We can solve the energy problem with the same courage and pioneer spirit, *and a sense of partnership* which is exemplified by the people of Indiana.

Our economic, military and political strength are unsurpassed by any other nation on earth. We are at peace.

The founder of our party, Thomas Jefferson, looked back on his long years of service to the nation and said 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 not a single drop of American blood has been shed in war during my own Administration, and I pray to God every day that when my years as President are over I can still share Jefferson's achievement.

The SALT II Treaty is part of our efforts to wage peace.

There is no doubt in my mind that the treaty enhances *our nation's security and* the prospects for sustained world peace. There is no doubt ~~in my mind~~ that the treaty, when ratified, will contribute to continued detente and will greatly reduce the possibility of nuclear war.

There is no doubt ~~in my mind~~ that the treaty will contribute to increased control over the future development and deployment of nuclear weapons. There is no doubt ~~in my mind~~ that it will improve our chances of getting other nations to restrain the proliferation of nuclear weapons capabilities if the United States and the Soviet Union can demonstrate that we can ~~agree to~~ constrain ourselves.

SALT II is part of a process that began when Eisenhower

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was President. He said the greatest disappointment of his Presidency was that more progress was not made toward nuclear arms limitations. If SALT II is not ratified -- if, after seven years of negotiations under three Presidents, a carefully balanced agreement in our own country's interests is rejected -- *the* *of controlling nuclear weapons* ~~that~~ process, would be difficult to resurrect.

This treaty does not depend on trust in the Soviet Union. We can verify it. Our national security is enhanced, not endangered by SALT II.

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Failure to ratify this treaty would not only add unnecessary billions to our defense budget -- it would add to global instability and the threat of a catastrophic war.

During my campaign I promised you here in Indiana that we could have a government as good as our people. Some critics dismissed this as empty rhetoric, but you understood what I was saying.

Our foreign policy is as good as our people when we speak out for human rights around the world -- and we will continue to protect human rights as long as I am President.

Our foreign policy is as good as the American people when we work to bring peace not only to our own shores, but to ancient enemies. We will continue to work for peace around the world.

We won a victory of this kind when a peace treaty was signed two months ago between Egypt and Israel. We saw

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the first fruits of that when ~~an~~ Israeli ship sailed through the Suez Canal and when occupied territory was returned to Egypt and the borders between Israel and Egypt were opened last weekend.

That treaty was possible because of two courageous leaders, President Sadat and Prime Minister Begin. We were able to help at a crucial point because of the moral strength, the moral leadership of our nation. That treaty was not a personal accomplishment, though I was proud and grateful to be a part of it. Whatever I was able to contribute was possible only because those two nations recognize that the American people -- not just one particular American President, but the American people -- will always support those who seek freedom and justice and peace.

That is what the United States government must stand for in the world -- not just ^{during} ~~for~~ one Administration, but for as long as we call ourselves a free people.

Freedom, justice and peace -- these are the sources
of our true power on which all else must rest. These are
The principles which have
~~what has~~ made America great.

One of our ~~greatest~~ *finest* blessings as Americans is that we
have the right to speak our minds, to complain and debate
and resolve issues in ~~a~~ *the* political ~~context.~~ *arena.*

In our eagerness to do that, sometimes we forget how
much we have accomplished *and the wonderful treasure of*
~~how great~~ our freedom is, and
~~even~~ the extent of our material abundance. We cannot afford
forget our blessings.
to ~~do that.~~ To lose sight of our basic strength would be
even more unrealistic than to ignore our present problems.

Our land is ~~so~~ broad, our people ~~so~~ diverse, and many
are frightened by a future they see as very different from
the past ~~they~~ *we* have known. It will be very different just as
our world is very different from that of our ancestors,
but ~~that~~ *this* should not be a cause of fear. The problems ~~we~~
~~face~~ are real and they are serious, but they are manageable

Courage and the ~~face them together. There~~ *is no doubt that we*
if we have the ^{will} to ~~do it.~~ We have the strength.

We have a degree of freedom and respect for the individual -- and a commitment to providing the greatest possible opportunity for all of our people -- that is unmatched through most of human history. ^{do indeed} We live in the strongest country on earth.

We can not let all that strength, all the innate power of our natural and human resources, be frittered away in fear and futility. Franklin Roosevelt understood how fear can immobilize people, and in a much more desperate moment he warned us of ^{the} ~~its~~ ^{of fear to} power to destroy. We can not ~~change~~ ^{change, of uncertainty, of some manageable} ~~let fear of untried paths, fear of our neighbors' needs,~~ ^{on material goods} ~~or the fear~~ ^{mighty} ~~fear of making minimal adjustments immobilize our nation.~~

I am very proud to be a part of you, proud to be the leader of our party, ^{and of our nation.} In difficult periods, ^{we} Democrats have always seen -- not ^{doubt,} ~~not fear,~~ but hope, not divisiveness, but ^{unity -- growing} ~~the unity that grows~~ out of a respect and understanding of

and our human strength.

our diversity, We have never failed our country and we

will
~~must~~ not fail it now.

We do have problems.

We can solve ^{*these*} ~~our~~ problems. We can be strong and at peace. We can make our economy work, but we ^{*can not*} ~~can't~~ do it with slogans or gimmicks or magic.

America must solve her problems the same way each of us solve, ^{*our*} ~~our~~ problems -- with hard work and persistence, and occasionally, some pain and sacrifice.

We must not confuse difficulty with defeat.

~~I believe~~ ^{*The*} The actions we take to get through our current problems will enhance our strength for a future that will be even brighter than our past. I look forward to ^{*those*} ~~that~~ ^{*years*} ~~future~~ -- next year, the next decade, the next century -- because I know our people have the will and the strength of character to make them better.

#

THE WHITE HOUSE
WASHINGTON

Achsah.

a) Abbreviate first Indiana
part. Keeping the key names
in

b) Review my own final
words in New Hampshire, etc.,
etc., and in recent W.H. SALT
briefings and try to stick
with the way I say
things. Abbreviation is ok.

c) Return this afternoon

J

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JEFFERSON-JACKSON DAY DINNER, INDIANAPOLIS, 6/2/79

(Salutation to come)

It is a pleasure to be back home in Indiana. Coming to Indiana is like coming home because of all the wonderful Democratic friends Rosalynn and I and our sons made here. I am told that "Hoosier" comes from the early days of Indiana's settlement when newcomers -- many of them from the South -- knocked on cabin doors they were greeted with "Who's here?" I know the kind of warm welcome they then received, because you gave us that kind of welcome when we were still strangers knocking at your doors.

One of the first people to invite us in and offer his support was Andy Jacobs -- I'll never forget that, Andy. Andy carries on the proud tradition of his father who served in Congress. He also proves what an imaginative

fellow can do, in what was once Republican territory.

During that campaign I used to wonder why no matter where I started out, I always ended up in Indiana. Then I realized the Indiana mafia on my staff was doing it. Sometimes now it seems like we have more people in the White House from Indiana than we do from Georgia. I can understand your pride in Tim and Terry and Fran. But I hope these honors don't go to their heads and make them ask for raises.

We don't just have Hoosiers in the White House. I appointed Bill Schreiber to the U.S.-Canada Boundary Commission and he's doing a good job. We have only ceded a small portion of our territory to Canada during his tenure, and we have high hopes of keeping all that remains.

Back here in Indiana in only a year's time Don Michael has made great progress in building up the party

from the precinct level. The strong group of mayoral candidates you have chosen can win this fall, and next year you can elect a Democratic governor in the tradition of Governors Henry Schricker, Roger Branigin and Matt Welch.

Next year, too, I want you to remember when it comes to electing Democrats to the U.S. House of Representatives, that seven is not as good as eleven. That's the kind of delegation we need to join your distinguished senior Senator Birch Bayh. With the support of stalwart Democrats like Dallas Sells (UAW) and Willis Zagrovich (AFL-CIO) -- and all of you here -- I know you can do it.

Indiana already has an outstanding Democratic Congressional delegation. Lee Hamilton's support has been a key factor in crucial votes on foreign affairs.

With the continued hard work of Phil Sharp we will be able to deal with our energy problems, and we will know that our energy resources are being fairly and equitably shared.

The Republicans spent a lot of money to put a third Crane in Congress, but the people of Indiana wisely decided to keep David Evans.

Floyd Fithian has been in there supporting the farmers when it counted.

Adam Benjamin has helped us keep the budget deficit down. He works the same 14 hour day in Washington that he worked as a State Senator.

John Brademas has shown the kind of leadership as Democratic whip that causes the American people to give us a solid Democratic majority in both houses of the Congress.

In three terms Birch Bayh has come to symbolize the kind of forthright stands Democrats expect from the handful

of men and women whose character and decisions mold the direction of the United States Senate.

We all share in his loss. Marvella Bayh's courage was an inspiration to the nation. She was able in a wonderful way to share her faith and instill some of her courage in others who suffered and their families. We miss her radiant presence.

The last time I was in Indiana I spoke at Notre Dame about our foreign policy aims and our intention to support human rights throughout the world. In the two years since then, much has happened. It has been a time of rebuilding. We have accomplished a great deal. We have a great deal more to accomplish.

When they write the history of these years, I hope that they will say four things about what you and I have done together.

I want them to say that we have made America prosperous again, that we believe -- as Democrats -- in hard work and that we have put our people back to work.

I want them to say that we were not afraid to tackle difficult and controversial issues and that we placed the long-term good of our nation above the short-term political advantages we might have gotten.

I want them to say we restored the trust and confidence of the American people in our own government.

Most of all, I want them to be able to say that America has been at peace, that we helped to lead the world away from war.

If we can build on this New Foundation of peace, trust and prosperity, we will have kept faith with our party and with the American people. We will enter the 1980s as a proud, confident, strong and unified nation. We will

bring our nation -- and the world -- closer to a time when war, hunger, poverty, injustice and oppression will be no more. This is what you and I can do. This is what you and I will do -- together.

It is sobering to remember the cynicism and distrust of those in power a few years ago, to remember the disappointment and sense of betrayal that clouded our land. Great changes have taken place. We have demanded a government that does not need to cover up, that deserves the loyalty and trust of the people.

There are no more government lies, no more enemies lists, no more sell-outs.

President Andrew Jackson summed up my own beliefs when he said, "There are no necessary evils in government. Its evils exist only in its abuses."

One way we end the abuses is to put good people in

government, like Jim Joseph and Leo Krulitz at the Interior Department and Bob McKinney at the Federal Home Loan Bank Board.

When I took office in January 1977 more than one worker in ten in Gary was out of a job. Republican economics said we had to tighten our belts, and you know whose belt got tightened. Democratic economics have taken people off the unemployment rolls by giving them jobs -- more than 8 million new jobs since I took office.

Republicans talk about the dignity of work -- Democrats create jobs so people can work.

Republicans also talk a lot about balanced budgets, but in the eight years they were in the White House the budget deficits were greater than the total for all the other 192 years of our nation's history combined.

Republicans talk about cutting deficits -- Democrats

cut them. By 1980 we will have cut the deficit by more than half. At the same time we have ~~actually~~ increased aid to the old, the sick and the poor. We have provided unprecedented amounts to teach youngsters basic skills and to enable young people to get a college education.

We have accomplished a lot, but crucial questions still face us -- on energy, on inflation, on keeping the peace in a dangerous world.

A Senator* jokingly said awhile back that I had tackled every unpopular issue that was before our nation and when there were none left, I went out and looked for one.

I did not go out and look for these issues -- they were around long before I got here, but the Republicans before me were too busy doing other things to tackle them.

The Democratic Party is the party of the people because the people trust us to make the hard choices on these

*Gaylord Nelson at Obey fundraiser in Wisconsin

questions for the good of the whole nation and all its people.

They gave us a majority in both houses of Congress so we could find positive solutions. They did not give us majorities so we could vote down every solution offered, complaining that they were not perfect. There are no perfect solutions, but I believe the people are willing to follow us if we meet our responsibilities and devise the best solutions we can.

One of the most immobilizing fears in our nation today is the fear of being duped. As much as anything else, it keeps our people from conserving energy and doing their part to hold down inflation. I believe they are willing to do their part as long as they feel everyone else will. When governors and Congressmen and local leaders demand special treatment for their constituents, they do them no favors. Instead, they convince everyone that they will be duped if they do what must be done.

But in the long run we will all be duped and our country will suffer if we delay and dally in the mistaken belief that our problems will all miraculously disappear. The choice is between temporary inconvenience now or real hardship later.

There are no magic cures. We can't plant and harvest our crops with mules. We can't fuel our factories with fireplaces, [just so some selfish people can take joy rides this summer.] *YR*

The times require plain talk and political courage -- from Democrats. The people have entrusted Democrats with governing this country. I believe they will again entrust Democrats with governing Indiana. But I don't believe they will again accept lame excuses from anyone who says that "this is a no-win situation, so we won't play."

That is a cop out, and we were not elected to cop out.

There will be strong pressures in the coming weeks
Continue Government Controls on oil. As you know, the controls
~~to fight inflation by holding down oil and gas prices to an~~
are not working.

~~artificially low level. That is short-sighted. It encour-~~
discourage production of oil in the United States, and subsidize
ages waste,¹ We are in this mess today in part because we *oil reports.*

insisted too long on that course. We must cut our dependence

on foreign oil. Our OPEC suppliers warn that we must con-

serve. Our Allies warn that we must conserve. The service

station lines in California warn that we must conserve.

The message must be clear to all Americans: we cannot

increase our driving in the face of reduced supplies.

That's why I ordered a phased de-control of domestic

oil prices. Not because it ^{is} was popular, but because it *needs*

had to be done.

Let the oil companies keep 29¢ of each dollar, which should increase exploration and production of domestic oil.

A new Energy Security Fund will
The windfall profits tax will ease the burden on those

least able to pay higher fuel costs, ^{and} ~~it~~ will finance *improved*
mass transportation and

additional research and development of alternative energy

^{and}
sources such as gasohol, the power of wind and sun. It

We have a great ~~and a strong~~ nation which can meet any challenge if we work together. We can solve the energy problem with ^{- 14 -} the same courage and pioneer spirit which ~~is~~ exemplified by the people of Indiana. will mean that such strange concepts as coal liquefaction

and gasification will become realities, so we can make use

of more Indiana coal.

~~Even~~ Our economic, military and political strengths are unsurpassed by any other nation on earth. We are at peace. The founder of our party, Thomas Jefferson, looked

back on his long years of service to the nation and said

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."

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I am also proud that not a single drop of American blood has been shed in war during my own Administration, and I pray to God every day that when my years as President are over ~~that~~ I can still share Jefferson's achievement.

~~The purpose of our nuclear arsenal is not to wage war,~~
but to wage peace. The SALT II agreement is part of that effort to wage peace.

The SALT treaty is ~~with~~ not based on trust of the Soviets.

~~I would not sign any agreement that would make our~~

It is balanced, carefully negotiated over 7 years, beneficial to both sides the US & SU, enhances US Security, is verifiable, Contributor to world peace & part of necessary process.

Quote my frequent summary.

~~nation less secure. Neither would I sign any agreement
that I was not certain we could adequately verify to make
sure the Soviet Union is living up to every single provision.~~

We ~~can verify~~ SALT II. Failure to ratify this treaty would
not only add ^{unnecessary} billions to our defense budget -- it would add
to global instability and the threat of ^{a catastrophic} ~~devastating~~ war.

^{During my Campaign}
I promised you here in Indiana that we could have a
government as good as ^{an} ~~its~~ people. Some critics dismissed
this as empty rhetoric, but you understood what I was
^{saying}
~~talking about.~~

Our foreign policy is as good as our people when we
speak out for human rights around the world -- and we will
continue to protect human rights as long as I am President.

Our foreign policy is as good as the American people
when we work to bring peace not only to our own shores, but
to ancient enemies. We will continue to work for peace
around the world.

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We won a victory of this kind when a peace treaty was signed two months ago between Egypt and Israel. We saw the first fruits of that when ~~an~~ Israeli ship sailed through the Suez Canal, *when occupied territory was returned to Egypt,* and when the borders between Israel and Egypt were opened this weekend.

That treaty was possible because of two courageous leaders, President Sadat and Prime Minister Begin. We were able to help at a crucial point because of the moral strength, the moral leadership of our nation. That treaty was not a personal accomplishment, though I was proud and grateful to be a part of it. Whatever I was able to contribute was possible only because those two nations recognize that the American people -- not just one particular American President, but the American people -- will always support those who seek freedom and justice and peace.

That is what the United States government must stand

for in the world -- not just ^{during} ~~for~~ one Administration, but
~~for~~ as long as we call ourselves a free people.

Freedom, justice and peace -- these are the sources
of our true power on which all else must rest. These are
what has made America great.

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