

4/29/80 [1]

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THE WHITE HOUSE
WASHINGTON

April 29, 1980

MR. PRESIDENT:

The B-I bomber was to be built in Wright's district (making him a leading proponent. Carr is a leading opponent.)

Wright does not want the B-I bomber issue to surface again and would like to meet on strategy to diffuse the issue with Carr and you.

PHIL

ok
J

*need
briefing paper
for Brown*

J

THE WHITE HOUSE
WASHINGTON

4/29/80

Mr. President:

May I schedule this
meeting for Frank?

yes no

Phil

1) Strip B1 - launch

2) strip B-1

3) B III

strategy on how to stop B1

THE WHITE HOUSE
WASHINGTON
April 24, 1980

*I need to
know the purpose*
[Signature]

CONGRESSIONAL SCHEDULING PROPOSAL

MEETING: White House meeting with Congressmen
Jim Wright (D-Tx) and Bob Carr (D-Mich)

DATE: As soon as possible

LENGTH: 10 minutes

PURPOSE: To discuss the B-1 bomber

BACKGROUND: Majority Leader Wright called Frank Moore
to make a personal request to meet with
the President at his earliest convenience.

EVENT DETAILS: Location: The Oval Office
Participants: The President, Jim Wright,
Bob Carr, Frank Moore
Press Plan: White House photo only

REQUESTED
AND
APPROVED BY: F.M.M.

DATE
SUBMITTED: April 24, 1980

THE WHITE HOUSE
WASHINGTON

April 29, 1980

To Neil Goldschmidt

I appreciate both the substance of your letter and the helpful spirit in which you wrote it.

Thank you for sharing with me Sir Isaiah's essay. I will read it with great interest.

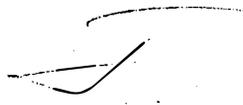
With best wishes,

Sincerely,



The Honorable Neil Goldschmidt
3269 Arcadia Place, N.W.
Washington, D.C. 20015

ps I'll take your advice -



THE WHITE HOUSE
WASHINGTON

4/28/80

Joyce Cook --

Please prepare thank you
for President's signature....
as soon as possible....
and then forward info to
Charles Free so he can
log gift/book.

Thanks--Susan Clough

*Place incoming
on top please
JB*

NEIL GOLDSCHMIDT

April 28, 1980

*Susan
"Th"
CMS
J*

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

So many of us have you on our minds and in our hearts these days. All of us, who are unable to help you in these days of terrible choice, wish it weren't so--but are trying to understand.

You will find strength, comfort and guidance in God. I found some as well in the thoughts stimulated by this essay which was written in 1949.

I send it to you (it was a gift to me some years ago) hoping it will both provide reassurance for your course and raise questions about it.

From the essay I draw comfort that patience, discipline and values can triumph over expediencies of the moment. I was reminded that where the courage to assemble our national purpose is painfully slow to show results, we should not despair. For, in our national character there is much to be hopeful about.

But the essay also reminds me, Mr. President, of the essential--yes, irreplaceable--need to feel the presence of the President. Your citizens need

7c
letter
4/2/48
File

MR CHURCHILL IN 1940



ISAIAH BERLIN

JOHN MURRAY

50 Albemarle Street London

Photo. Karsh, Ottawa

THE WHITE HOUSE
WASHINGTON

29 Apr 80

Frank Press
Henry Owen

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

Rick Hutcheson

ORIGINAL TO STRIPPING FOR
HANDLING AND DELIVERY

THE WHITE HOUSE

WASHINGTON

April 28, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Frank Press *FP*
Henry Owen *HO*

SUBJECT: National Academy of Sciences

In a memorandum we recently sent informing you of progress in implementing your project for enhanced use of science and technology in behalf of developing countries, we mentioned that the National Academy of Sciences might play a useful role in this field.

The Academy's Advisory Council has now indicated interest in beginning a program to help developing countries develop the needed scientific and technological capacities. This activity would be financed by private foundations and by AID, out of existing funds. There would be no need for new or unusual appropriations.

We regard this as a most promising development. Philip Handler, President of the Academy, played a large role in bringing it about. His hand would be strengthened in solidifying the resources of the U.S. scientific community and in carrying forward this activity if he received a letter signalling the personal Presidential interest that we have mentioned to him.

Recommendation

That you sign the attached letter, which has been cleared by Tom Ehrlich and your speech writers.

THE WHITE HOUSE

WASHINGTON

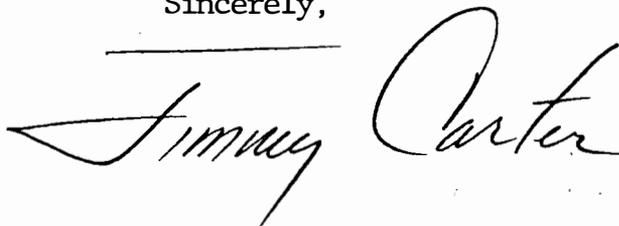
April 29, 1980

To Philip Handler

I understand that the National Academy of Sciences is reviewing ways in which it might do more to help poorer countries develop needed scientific and technological capabilities. I want you to know that I am deeply interested in the review, and I hope it will lead to the Academy taking a vital new role in this important field. The experience, resources and prestige of the Academy enable it to make a unique contribution.

I have asked my advisers, with whom you have already met, to work with you in this effort.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned to the right of a horizontal line that serves as a separator between the text and the signature.

Dr. Philip Handler
President
National Academy of Sciences
2101 Constitution Avenue, N.W.
Washington, D.C. 20418

THE WHITE HOUSE
WASHINGTON

MEETING ON ENERGY EFFICIENCY IN TRANSPORTATION

April 29, 1980
The East Room
Agenda

1:45 p.m.	Opening Remarks	The President
2:00	Introduction	Anne Wexler
2:05	Energy Overview & Discussion of Awards Program	Charles Duncan
2:15	Transportation Overview & Discussion of Ridesharing & Driver Awareness	Neil Goldschmidt
2:25	Panel Discussion, Questions & Answers	Anne Wexler, Moderator Charles Duncan Neil Goldschmidt Mayor Tom Bradley Adm. Roland Freeman Thornton Bradshaw, ARCO James Creal, AAA
3:00	Reception -- The State Dining Room	

B. Participants: About 250 persons are expected, drawn from major corporations and labor unions, state and local governments, and trade and civic associations (mostly transportation-related). While the top executive officer of each organization was invited, most organizations are sending their officers responsible for energy conservation or employee transportation matters.

C. Press Plan: White House Photo and Press Pool for your remarks. In addition, about thirty specialized press representatives from automotive journals, association newsletters, and the like, will be in the audience for the entire briefing, including your remarks and the subsequent discussion.

III. AGENDA

You will open the meeting at 1:45 p.m. Seated on stage when you arrive will be the following persons: Anne Wexler; Secretary Charles Duncan; Secretary Neil Goldschmidt; Mayor Tom Bradley, the chair of your Ridesharing Task Force; Thornton Bradshaw, the chairman of ARCO and head of the business efforts for the Task Force; Admiral Roland Freeman, Administrator of GSA; and James Creal, President of the American Automobile Association.

After you depart, Anne Wexler will give the day's agenda and introduce the persons on stage. Secretary Duncan will give an overview of your energy program and discuss DOE's plans for Energy Efficiency Awards. Secretary Goldschmidt will then give an overview of transportation programs and discuss ridesharing and driver awareness. The two Secretaries and the others on stage will take questions and participate in a panel discussion until 3 p.m., when there will be a reception in the State Dining Room. (See attached agenda.)

IV. TALKING POINTS

Talking points prepared by the speechwriters, working with our staffs and agency personnel, have been submitted separately. The talking points have been coordinated with the remarks that will be delivered by Secretaries Duncan and Goldschmidt.

1:45 PM

THE WHITE HOUSE

WASHINGTON

April 28, 1980

Q

BRIEFING ON ENERGY CONSERVATION IN TRANSPORTATION

Tuesday, April 29, 1980

1:45 p.m.
The East Room

From: ANNE WEXLER *Ann*
AL MCDONALD *Or*

I. PURPOSE

To announce a major, nationwide initiative to encourage energy efficiency; and to seek the participation of business, labor, state and local governments, and trade and civic associations in the first, transportation-related phase of this initiative.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background: To implement your mandate for a serious, effective energy conservation program, the two of us and Secretary Duncan have been chairing an interagency task force. The task force includes representatives of the Energy, Transportation, Agriculture, and Housing and Urban Development Departments, as well as White House staff.

The task force has decided on a two-phase approach to energy conservation, with the first phase focusing on the transportation sector and the second on the residential and agricultural sectors. Tomorrow's event in the East Room will "kick-off" the first phase and will hence focus on the transportation sector, particularly on ridesharing and driver efficiency programs, as well as mentioning the Energy Department's plans for Energy Efficiency Awards and the agricultural and residential programs that are under way or planned.

We will follow-up on tomorrow's event in a number of ways. First, those in attendance will be asked to send to you, by May 15, 1980, letters committing their organizations to participate in transportation energy efficiency programs. In addition, a number of your Cabinet Secretaries will be traveling around the country (beginning April 30, the day after the event) to meet with business and government leaders about how they can help in implementing our transportation energy efficiency goals. And the Ridesharing Task Force that you appointed, along with DOT and DOE staff, will be working with large employers around the country to develop effective ridesharing and driver efficiency programs.

Electrostatic Copy Made
for Preservation Purposes

1. { I WOULD LIKE TO THANK ALL OF YOU PERSONALLY
2. { FOR COMING TO THIS IMPORTANT EVENT TODAY,
3. { AND FOR YOUR COMMITMENT TO HELP US ACHIEVE ENERGY SECURITY IN AMERICA.

4. { I KNOW THE DISAPPOINTING RESULTS OF OUR MISSION TO IRAN
5. { MUST OCCUPY A LARGE PART OF YOUR THOUGHTS & FEELINGS TODAY.
6. { AS PRESIDENT & COMMANDER-IN-CHIEF
7. { I AM PROUD OF THE STEADFAST RESOLVE THIS NATION HAS SHOWN
AND WILL CONTINUE TO SHOW
8. { UNTIL EVERY ONE OF OUR PEOPLE IS SAFELY HOME WITH US AGAIN.
9. { I AM PROUD OF OUR COURAGEOUS FIGHTING FORCES
10. { WHO OFFERED THEIR OWN LIVES FOR FREEDOM.
11. I HAVE NO DOUBT THAT, UNDER THE CIRCUMSTANCES, I MADE THE RIGHT CHOICE.

24/30

1. TONIGHT I WILL DISCUSS THAT SITUATION & OTHER PRESSING ISSUES
WITH THE AMERICAN PEOPLE.
2. FOR THAT REASON I WANT TO MOVE DIRECTLY ON TO THE PURPOSE OF THIS MEETING.
3. { WE MUST NOT FORGET THAT RECENT EVENTS ABROAD
4. { HIGHLIGHT THE URGENCY OF OUR COMMON TASK TO REDUCE OUR ENERGY VULNERABILITY.
5. { THERE IS NO OTHER SINGLE ACTION
THAT EVERY CITIZEN CAN TAKE TO BETTER STRENGTHEN OUR NATION
6. { THAN TO USE ENERGY AS A SCARCE & EXPENSIVE NECESSITY OF LIFE.
7. { TO PUT IT BLUNTLY --
8. { WE MUST NOT LET AMERICA BE HELD HOSTAGE TO FOREIGN OIL.
9. WE MUST CONSERVE ITS USE IN EVERY WAY WE CAN.
10. OUR COUNTRY IS AT ONE END OF A SUPPLY LINE 12,000 MILES LONG.
11. HALF THE OIL WE USE IS AT THE OTHER END.
12. OUR VITAL INTERESTS ARE TIED TO DANGEROUS & UNCERTAIN AREAS OF THE WORLD.

1. ENERGY SECURITY IS ALSO A VITAL LINK TO ECONOMIC SECURITY AT HOME.
2. OUR DEPENDENCE ON IMPORTED OIL WILL COST US ABOUT \$90 BILLION THIS YEAR.
3. THAT IS OVER \$400 FOR EVERY MAN, WOMAN & CHILD IN THE UNITED STATES.
4. THAT IS MORE THAN THE NET INCOME OF OUR ENTIRE "FORTUNE 500" COMPANIES.
5. OIL IMPORTS ARE THE LARGEST SINGLE FACTOR IN THE GROWTH OF INFLATION.
6. THEY HURT OUR BALANCE OF TRADE,
OUR PRODUCTIVITY,
OUR JOBS,
THE VALUE OF OUR DOLLAR.
7. { FOR THE LAST 3 YEARS I HAVE BEEN FIGHTING WITHOUT LET-UP
8. { TO MAKE SURE WE HAVE A NATIONAL ENERGY POLICY,
9. AND WE HAVE ALMOST REACHED THAT GOAL.
10. { THE WINDFALL PROFITS TAX IS IN PLACE,
11. { AND I BELIEVE THE ENERGY SECURITY CORPORATION
AND THE ENERGY MOBILIZATION BOARD WILL BE ENACTED SOON.
12. { AMERICA WILL AT LAST HAVE THE MEANS
13. { TO INCREASE PRODUCTION OF DOMESTIC OIL, NATURAL GAS & COAL,
14. { PROMOTE THE RAPID DEVELOPMENT OF SOLAR & OTHER ALTERNATIVE ENERGY SOURCES,
15. { AND ENCOURAGE CONSERVATION.

1. IT IS A COMPREHENSIVE POLICY.
2. IT HAS TO BE.
3. IT IS A MASSIVE PROBLEM.
4. I AM DETERMINED THIS NATION WILL CUT ITS DEPENDENCE ON FOREIGN OIL
IN HALF BY 1990.
5. BUT WE WILL NEVER REACH THAT GOAL WITHOUT A NATIONWIDE DETERMINATION
TO USE ENERGY MORE EFFICIENTLY.
6. FOR 3 YEARS I HAVE BEEN ADVOCATING CONSERVATION
AS THE QUICKEST, CHEAPEST, CLEANEST NEW SOURCE WE HAVE.
7. { AND WE ARE AT LAST SEEING GOOD RESULTS --
8. { WE ARE IMPORTING OIL THIS YEAR AT A RATE NEARLY 5% BELOW LAST YEAR.
9. { BUT PERILS ABROAD & PRICES AT HOME
10. { ARE MAKING IT CLEAR TO ALL AMERICANS THAT WE MUST DO MORE.
11. WE BELIEVE THAT THROUGH A DEDICATED, PERSISTENT EFFORT
INVOLVING ALL AMERICANS
12. WE CAN ACCOMPLISH A 25% REDUCTION IN ENERGY USED FOR TRANSPORTATION,
FOR HEATING & COOLING BUILDINGS,
AND FOR INDUSTRY.

1. ON MARCH 14, I DIRECTED THE SECRETARY OF ENERGY
2. TO DEVELOP AN INTENSIFIED NATIONAL ENERGY CONSERVATION PLAN
3. WHICH WOULD INVOLVE EVERY LEVEL OF GOVERNMENT, BUSINESS & LABOR
4. -- IN FACT, EVERY CITIZEN IN OUR COUNTRY --
5. IN CONSERVING AMERICA'S ENERGY.

6. AT THE SAME TIME, I SET A GOAL OF REDUCING
OUR AVERAGE DAILY GASOLINE CONSUMPTION BY
400,000 BARRELS PER DAY
(THAT IS AN ANNUAL SAVING OF \$6 BILLION)
BY THE END OF THIS YEAR.

1. { THE FIRST OF THESE EFFORTS,
2. { DEVELOPED WITH THE COOPERATION OF SECRETARY GOLDSCHMIDT,
3. { CONCENTRATES ON TRANSPORTATION.
4. { FOLLOW-UP PROGRAMS WILL EXTEND THIS EFFORT TO AMERICAN RESIDENCES
5. { WITH THE COOPERATION OF "HUD" SECRETARY LANDRIEU,
6. { AND TO AMERICAN FARMS BY AGRICULTURE SECRETARY BERGLAND.
7. { COMMERCE SECRETARY KLUTZNICK IS WORKING CLOSELY WITH THIS EFFORT
8. { TO ENCOURAGE BROAD PARTICIPATION BY AMERICAN BUSINESS.
9. { WE WILL TAKE THIS EFFORT TO EVERY PART OF THE NATION,
10. { WITH A SERIES OF REGIONAL MEETINGS & TRAINING SESSIONS.
11. { TRANSPORTATION IS OUR 1ST PRIORITY
12. { SINCE GASOLINE ACCOUNTS FOR APPROXIMATELY 50% OF THE OIL WE USE
IN THE UNITED STATES.
13. { LESS DRIVING & BETTER DRIVING ARE SIMPLE COMMON-SENSE WAYS
14. { TO REDUCE GASOLINE WASTE & TO SAVE MONEY.

1. THE INITIAL CONSERVATION APPROACHES ARE DIRECTED AT RIDESHARING & DRIVING EFFICIENCY.
 2. { BY RIDESHARING I MEAN NOT ONLY CARPOOLS & VANPOOLS,
 3. { BUT SUBSCRIPTION BUSES & PUBLIC TRANSIT.
 4. THIS MORNING MORE THAN 52 MILLION AMERICANS DROVE ALONE TO WORK.
 5. THAT IS 156 MILLION EMPTY SEATS EACH WAY.
 6. { IF ONLY HALF THESE COMMUTERS HAD DOUBLED UP,
 7. { THE COUNTRY WOULD SAVE 14.7 MILLION GALLONS OF GASOLINE TODAY --
 8. { ~~AND REDUCE OUR IMPORTS OF OIL BY SOME~~ 370,000 BARRELS DAILY.

 9. { LAST FALL I APPOINTED A NATIONAL TASK FORCE
 10. { TO BEGIN WORK WITH SECRETARY GOLDSCHMIDT
 11. { TO DEVELOP RIDESHARING PROGRAMS FOR THE PUBLIC & PRIVATE SECTORS.
 12. { MAYOR TOM BRADLEY (THE CHAIRMAN),
 13. { GOVERNOR GRASSO, THORNTON BRADSHAW,
- AND THE OTHER MEMBERS OF THE TASK FORCE ARE HERE TODAY.

1. { SOME ORGANIZATIONS HAVE ALREADY INSTITUTED PAYROLL DEDUCTIONS
2. { TO MAKE IT MORE CONVENIENT FOR THEIR EMPLOYEES TO COMMUTE BY TRANSIT.
3. SOME HAVE DEVELOPED EXTENSIVE CARPOOL & VANPOOL PROGRAMS.
4. THEY CAN DO MORE & OTHERS MUST BEGIN.

5. { HERE ARE SOME OF THE OTHER IMPORTANT EFFORTS WE ARE URGING:
6. { DRIVER TRAINING, TRIP PLANNING, IMPROVED VEHICLE MILEAGE,
7. { OPERATION & MAINTENANCE, ENFORCEMENT OF THE SPEED LIMIT.
8. { IT IS ESTIMATED THAT A WELL-TUNED, WELL-DRIVEN, FUEL-EFFICIENT CAR
WITH CORRECTLY INFLATED TIRES
9. { CAN USE 10 TO 20 PERCENT LESS GASOLINE.

10. { IT ALSO MAKES GOOD SENSE TO SAVE MONEY BY WALKING OR USING A BICYCLE
11. { FOR SHORT TRIPS, ESPECIALLY IF EMPLOYEES & STORES PROVIDE PROPER FACILITIES.
12. INDIVIDUAL GOOD SENSE & THE COMMON GOOD
ARE ONE AND THE SAME THING.

1. { MANY OF YOU HERE HAVE PROGRAMS TO ENCOURAGE SUCH SAVINGS
2. { AND I URGE YOU TO REDOUBLE YOUR EFFORTS.
3. I ALSO URGE OTHERS TO GET STARTED NOW.
4. { AS WE ENTER OUR HEAVIEST DRIVING SEASON,
5. { I CALL ON ALL MEMBERS OF THE PRIVATE & PUBLIC SECTORS TO:
6. { --ENCOURAGE RIDESHARING & TRANSIT USE;
7. { --PROMOTE DRIVER EFFICIENCY;
8. { --AND INFORM THE PUBLIC OF THE METHODS & ADVANTAGES OF CONSERVATION.
9. { I AM SPECIFICALLY ASKING EACH OF YOU TO COMMIT TO THE SPECIFIC GOALS
10. { THAT ARE SET FOR YOUR ORGANIZATION IN THE MATERIAL GIVEN TO YOU THIS AFTERNOON.
11. SOME OF THESE GOALS ARE:
12. --ACHIEVE A 20% PARTICIPATION IN EMPLOYEE RIDESHARING & TRANSIT USE,
13. OR, IF YOU HAVE A GOOD PROGRAM, INCREASE PARTICIPATION BY 20% --
WHICHEVER IS GREATER.
14. WE ARE CALLING THIS "THE 20/20 PROGRAM".
15. --PROMOTE FUEL EFFICIENT MOTORING BY INDIVIDUAL MOTORISTS
AND IN VEHICLE FLEETS.

1. - { CONDUCT INFORMATION PROGRAMS TO TEACH EMPLOYEES & THE PUBLIC
 2. | ABOUT HOW THEY CAN REALIZE SAVINGS THROUGH PROPER DRIVING HABITS,
 3. | ENGINE TUNING, TIRE INFLATION, & TRIP PLANNING.
 4. - { APPOINT A TRANSPORTATION ENERGY CONSERVATION MANAGER
 5. | IN YOUR ORGANIZATION OR COMPANY
 6. | TO ACHIEVE THE 20/20 OBJECTIVE, TO PROMOTE DRIVER EFFICIENCY,
 7. | AND TO WORK WITH FLEET MANAGERS & WITH STATE & LOCAL GOVERNMENTS
 8. | IN DEVELOPING PROGRAMS TO SAVE FUEL.
 9. { I ASK THAT YOU RESPOND BY MAY 15TH TO THE PLEDGE FORMS DISTRIBUTED TODAY
 9. { AND THAT YOU REPORT TO ME ON THE PROGRESS OF YOUR EFFORT BY LABOR DAY
- AND AGAIN BY THE END OF THE YEAR.

1. { ALONG WITH THE TRANSPORTATION EFFORT, WE ARE FOCUSING ON WAYS
2. { THAT FARMERS CAN CUT PRODUCTION COSTS & INCREASE INCOME,
THROUGH FUEL SAVING PRACTICES.
3. FUEL NOW REPRESENTS AS MUCH AS 17% OF THEIR PRODUCTION COSTS.
4. { IF IN 1980 FARMERS ARE ABLE TO SAVE EVEN 5%
THROUGH PROVEN CONSERVATION PRACTICES,
5. { THEIR NET FARM INCOME COULD BE INCREASED BY \$425 MILLION
6. { AND 10 MILLION BARRELS OF OIL COULD BE SAVED THIS YEAR.
7. { WE WILL ALSO LAUNCH ANOTHER MAJOR CONSERVATION EFFORT
IN THE AREA OF RESIDENTIAL WEATHERIZATION,
8. { SO THAT HOMEOWNERS & THE NATION WILL HAVE GREATER PROTECTION FOR NEXT WINTER.
9. { IN THIS I WILL ALSO BE COUNTING ON BUSINESS, LABOR, COMMUNITIES
AND ALL LEVELS OF LOCAL GOVERNMENT
10. { TO JOIN IN LEADING AMERICA'S FIGHT FOR ECONOMIC & NATIONAL SECURITY.

1. { TO PRODUCE A HIGH LEVEL OF CITIZEN PARTICIPATION
2. { AND TO PUBLICIZE PROGRESS,
3. { I AM ESTABLISHING A PRESIDENT'S AWARD PROGRAM FOR ENERGY EFFICIENCY --
4. { THE 1st AWARDS PRIMARILY TO RECOGNIZE OUTSTANDING LEADERSHIP
5. { IN MEETING THE TRANSPORTATION GOALS I AM SETTING TODAY.

6. { A COUNCIL FOR ENERGY EFFICIENCY WILL REPRESENT ALL SECTORS OF OUR SOCIETY
7. { IN ENCOURAGING EFFORTS TO ACHIEVE ENERGY EFFICIENCY.

8. { THE MOST DIFFICULT PROBLEM IN PROMOTING ENERGY EFFICIENCY
9. { IS TO SHOW PEOPLE THAT THERE IS A REAL CONNECTION
10. { BETWEEN MILLIONS OF AMERICANS ACTING IN THEIR OWN SELF INTEREST
11. { AND THE ADVANCEMENT OF OUR NATIONAL INTEREST.

12. { OUR CHALLENGE IS TO CONVINCE PEOPLE
13. { THAT EVERY PERSON MAKES A MIGHTY & POWERFUL DIFFERENCE.

1. THE 250 GROUPS HERE CAN PYRAMID INTO THOUSANDS OF GROUPS,
INVOLVING MILLIONS OF PEOPLE.
2. { FOR TRANSPORTATION IN PARTICULAR,
3. { OUR GOAL IS TO REACH OUT TO EVERY DRIVER IN AMERICA.
4. { FOR CONSERVATION IN GENERAL,
5. { OUR GOAL IS TO INVOLVE EVERY AMERICAN.
6. { WITH ENERGY CONSERVATION
7. { WE CAN JOIN INDIVIDUAL SELF INTEREST & THE NATIONAL INTEREST --
8. { TO WIN OUR FIGHT FOR A SOUND ECONOMY & A SECURE NATION.

#

1:45 p.m. [REDACTED]
Stewart
A-2; 4/28/80
Scheduled Delivery:
Tues, April 29, 5 PM
East Room

(Approved Draft)

Revised Opening:
Energy Conservation/Transportation

I would like to thank all of you personally for coming to this important event today, and for your commitment to help us achieve energy security in America.

I know the disappointing results of our ~~courageous~~ mission to Iran must occupy a large part of your thoughts and feelings today. As President and Commander-in-Chief I am ~~deeply~~ proud of the steadfast resolve this nation has shown and will continue to show until every one of our people is

safely home with us again. I am proud of our ^{Courageous} fighting forces, *who offered their own lives for freedom.* I have no ~~If I had the choice to make again, I would choose the same~~ *doubt that, under the circumstances, I made the* ~~course~~ *right choice.*

Tonight I will discuss that situation and other pressing

issues with the American people, ~~in accordance with my full responsibility for the prudent conduct of our nation's affairs.~~

For that reason I want to move directly on to the ^{purpose} point of this meeting. We must not ^{forget that} ~~allow the~~ recent events abroad ~~to overshadow what we must do here at home. In fact those events should highlight the urgency of our common task to reduce our energy vulnerability.~~

There is no other single action that every citizen can take to better strengthen our nation than to use energy as ^a the scarce and expensive necessity of life, ~~that it really is.~~ To put it bluntly -- we must not let America be held hostage to foreign oil. We must conserve its use in every way we can.

Our country is at one end of a supply line 12,000 miles long. Half the oil we use is at the other end. ~~The energy needs of the United States tie~~ ^{are tied} our vital interests ^a to dangerous and uncertain areas of the world.

2 { 3 Energy security is also ^a ~~the~~ vital link [/] ~~between national~~
~~security abroad and economic security at home.~~

Our dependence on imported oil will cost us about \$90 billion this year. That is over \$400 for every man, woman and child in the United States. That is more than the net income of our entire Fortune 500 companies. Oil imports are the largest single factor in the growth of inflation.

They hurt our balance of trade, our productivity, our jobs, *The value*
of our dollar, ~~itself~~.

(To top of Page 2 of speech)

For the last three years I have been fighting without let-up to make sure we have a national energy policy. And we have almost reached that goal....etc.

~~United States stretch deep into dangerous and uncertain areas of the world.~~

For the last three years I have been fighting without let-up to make sure we have a national energy policy, and we have almost reached that goal. ^{the} Windfall Profits Tax is in place and I believe the Energy Security Corporation and the Energy Mobilization Board ^{will} ~~can~~ be enacted soon.

America will at last have the means to increase production of domestic oil, natural gas and coal, promote the rapid development of ^{solar and other} alternative energy sources, and encourage conservation. ² ⁴ It is a comprehensive policy. It has to be. It is a massive problem. I am determined this nation will cut its dependence on foreign oil in half by 1990.

But we will never reach that goal without a nation-wide determination to use energy more efficiently. For three years I have been advocating conservation as the quickest, cheapest,

cleanest new source we have, ~~and acting to achieve more of~~
~~it.~~ And we are at last seeing good results -- we are importing
oil this year at a rate nearly 5 percent below last year. But
perils abroad and prices at home are making it clear to all
Americans that we must do more.

We believe that through a dedicated, persistent effort
involving all Americans we can accomplish a 25 percent reduction
in energy used for transportation, for heating and cooling
buildings, and for industry. 4 5 5

On March 14, ~~in my Address to the Nation on inflation,~~ I
directed the Secretary of Energy to ^{develop} ~~pursue~~ an intensified
national energy conservation plan which would involve every
level of government, business and labor -- in fact, every ~~single~~
citizen in our country -- in conserving America's energy.

At the same time, I set a goal of reducing our average
daily gasoline consumption by ~~5.5 percent~~ 400,000 barrels

*an annual saving of
(That is, \$6 billion)*

per day ~~16.8 million gallons per day~~ by the end of this year.

5

4

~~Secretary Duncan, working with other Cabinet officers and a White House Task Force, has taken the lead in developing a program to produce a high level of citizen participation and measurable progress in increasing energy efficiency.~~

The first of these efforts, developed with the cooperation of Secretary Goldschmidt, concentrates on transportation.

Follow-up ~~progress~~ ^{programs} will extend this effort to American residences with the cooperation of HUD Secretary Landrieu and to American farms by Agriculture Secretary Bergland. Commerce Secretary Klutznick is working closely with this effort to encourage broad participation by American business. We will take this effort to every part of the nation, with a series of regional meetings, ^{and} training sessions, ~~and teach-ins.~~

Transportation is our first priority since gasoline accounts for approximately 50 percent of ~~all~~ the oil we use in the United

States. Less driving and better driving are simple common sense ways to reduce gasoline waste, ^{and to save money.} ~~Saving gasoline means saving money -- for individuals, for organizations, and for the nation. Sensible daily driving means saving more money. Less dependence on foreign oil means less vulnerability to foreign events.~~ ^{u 57}

The initial conservation approaches are directed at ~~two essential and realistic ways to save oil --~~ ridesharing and driving efficiency. By ridesharing I mean not only carpools and vanpools, but subscription buses and public transit. This morning more than 52 million Americans drove alone to work. That is 156 million empty seats each way. If only half these commuters ^{had} ~~had~~ doubled up, the country would save ~~an~~ ^{to day} ~~immediate~~ 14.7 million gallons of gasoline, -- and reduce our imports of oil by some 370,000 barrels daily.

Last fall I appointed a National Task Force ~~on Ridesharing~~

to begin work with Secretary Goldschmidt to develop ~~these~~
ridesharing programs for the public and private sectors. Mayor
Tom Bradley (the Chairman), Governor Grasso, Thornton Bradshaw,
and the other members of the Task Force ~~have worked hard to~~
~~prepare their programs for launching and~~ are here today, as is
~~the Secretary's special representative on Ridesharing and 55 MPH,~~
~~General Benjamin O. Davis, Jr.~~ 75 8

~~The Task Force has been working closely with DOT and DOE~~
~~to facilitate ridesharing.~~ Some organizations have already
instituted payroll deductions to make it more convenient for
their employees to commute by transit. Some have developed
extensive carpool and vanpool programs. They can do more and
others must begin.

Here are some of the other important efforts we are urging:
driver training; trip planning; improved vehicle mileage;
enforcement of the speed limit.
operation and maintenance; It is estimated that a well-tuned,

well-driven, fuel-efficient car with correctly inflated tires can use 10 to 20 percent less gasoline. ~~Individuals could save several dollars on each tank of gasoline and the nation can save 100,000 barrels a day or more through more efficient driving.~~

It also makes good sense to save money by ^{walking or} using a bicycle for short ~~commutes~~ and trips, especially if employees and stores provide proper facilities. ~~Riding a bike is one more example of the fact that in conserving energy.~~ Individual good sense and the common good are one and the same thing. ^{8 59}

Many of you here have programs to encourage such savings and I urge you to redouble your efforts. I also urge others to get started now.

Today, I ~~am announcing an intensified public and private effort to reduce fuel consumption starting this spring and summer to meet our goal of saving at least 400,000 barrels~~

~~a day and over \$6 billion a year by cutting our gasoline~~

~~consumption.~~ ^{as} As we enter our heaviest driving season, I call

on all members of the private and public sectors to:

- Encourage ridesharing and transit use;
- Promote driver efficiency; and
- Inform the public of ^{the methods and advantages} ~~steps they can take in~~
of conservation.
~~their own and the nation's interest.~~

I am specifically asking each of you to commit to the specific goals that are set for your organization in the material given to you this afternoon. Some of these goals are:

- Achieve a 20 percent participation in employee ridesharing and transit use ^{, if you have a good program,} or ^{increase} participation by 20 percent, whichever is greater -- we are calling this "The 20/20 Program."
- Promote fuel efficient motoring by individual motorists and in vehicle fleets.

9510

Provide Conduct

- ~~Initiate and support~~ information programs to teach *employees and* the public about ~~the~~ *how* fuel savings they can realize through proper driving habits, engine tuning, tire inflation, and trip planning.
- Appoint a transportation energy conservation manager in your organization or company to achieve the 20/20 objective, to promote driver efficiency and to work with ~~facility and~~ fleet managers and with state and local governments* in developing programs to save fuel.

I ask that you respond by May 15th to the pledge forms distributed today and that you report to me on the progress of your effort by Labor Day and again by the end of the year.

1054

Along with the transportation effort, we are focusing on ways that farmers can cut ~~their~~ production costs and increase ~~their net farm~~ income, through ~~economically sound~~ fuel saving

* Included in the audience

practices. Fuel now represents as much as 17 percent of their production costs. If in 1980 farmers are able to save even 5 percent through proven conservation practices, their net farm income could be increased by \$425 million and 10 million barrels of oil could be saved this year.

^{will}
We ~~are~~ also ~~preparing to~~ launch another major conservation effort in the area of residential weatherization, so that homeowners and the nation will have greater protection for next winter. In this ~~as in all other areas of conservation~~ I ^{also} will be counting on business, labor, communities and all levels of local government to join in leading America's fight for economic and national security. 11

~~As part of our program~~ to produce a high level of citizen participation and to ^{publicize} ~~achieve measurable~~ progress, I am establishing a President's Award Program for Energy Efficiency, ^{to} the first awards ~~will~~ primarily recognize outstanding leadership

in meeting the transportation goals I am setting today. ~~These~~
~~will be followed by other White House events from time to time~~
~~to recognize the energy conservation program as well.~~

~~To advance public awareness of and participation in the~~
~~program, I will establish~~ A President's Council for Energy
Efficiency, ~~Its members~~ will represent all sectors of our
society in encouraging efforts to achieve energy efficiency.

The most difficult problem in promoting energy efficiency
is to show people that there is a real connection between
millions of Americans acting in their own self interest and
the advancement of our national interest. Our challenge is
to convince people that ~~everything they do~~ does add up, that
every person ~~not only~~ makes a difference, ~~but~~ a mighty and
powerful difference. 12/13

~~I want to emphasize here that I am~~ not asking anyone to
do in ^{your} ~~their~~ organizations what I am not doing in the one for

which I am responsible -- the federal government. Secretary Duncan and Administrator Freeman of GSA -- the federal government's management arm -- have assured me the federal government will work toward the same goals I am asking you to achieve.

But ~~I want to emphasize that~~ it is your cooperation the nation needs most of all. ~~For~~ Conservation cannot be achieved by federal programs alone. Savings will result not from massive federal ~~spending~~, but from the accumulation of countless daily decisions by all Americans -- to share a ride, to take a bus, or to ~~make their~~ ^{drive a} car ~~run~~ on less fuel. *13*

~~Business, labor, trade and farm groups, civic organizations, and state and local government are the essential means by which millions of individual efforts add up to meeting national goals. The 250 groups here can pyramid into thousands of groups, involving millions of people. For transportation in particular,~~

our goal is to reach out to every driver in America. For
conservation in general, our goal is to involve every American.

With
~~Together let us make~~ energy conservation ~~the place where~~ *we can join*
individual self interest and the national interest ~~join together~~
-- to win our fight for a sound economy and a secure nation.

###

APRIL 29, 1980

I AM VERY PLEASED TO ANNOUNCE TODAY THAT SENATOR EDMUND S.
MUSKIE HAS ACCEPTED MY OFFER TO SERVE AS SECRETARY OF STATE.
SENATOR MUSKIE BRINGS TO THE SENIOR POSITION IN MY CABINET A
STATURE IN CONGRESS AND IN THE LAND THAT FEW OTHER MEN OF OUR
TIME CAN MATCH. HIS EXTENSIVE KNOWLEDGE OF FOREIGN AFFAIRS AND
HIS INTIMATE UNDERSTANDING OF THE POLITICAL AND GOVERNMENTAL
PROCESS SUPPLEMENT HIS WISDOM WITH BROAD EXPERIENCE. MOST OF
ALL, I WELCOME HIS COUNSEL AND HIS SUPPORT BECAUSE OF HIS PERSONAL
INTEGRITY AND HIS INTELLECTUAL HONESTY.

I AM ALSO PLEASED THAT DEPUTY SECRETARY OF STATE WARREN
CHRISTOPHER HAS AGREED TO REMAIN AT HIS POST IN THE SERVICE OF
OUR COUNTRY. HE AND THE NEW SECRETARY OF STATE WILL MAKE A TEAM
WILL PROVIDE
THAT GIVES ~~ME~~ AND OUR FOREIGN POLICY PROCESS CONTINUITY AND ~~CANDOR~~. *WISDOM.*

IN TROUBLED TIMES AMERICA HAS STRONG MEN TO HELP GUIDE HER.
I AM GLAD TO HAVE ED MUSKIE'S STRENGTH AND HIS VISION APPLIED TO
THE TASKS THAT FACE US, THE CHALLENGE OF DEFENDING OUR HONOR,
PROMOTING OUR NATIONAL INTERESTS AND STRENGTHENING THE FOUNDATION
OF PEACE.

THE WHITE HOUSE
WASHINGTON

Phil has
been

THE WHITE HOUSE
WASHINGTON

April 29, 1980

C

MR. PRESIDENT:

You were originally scheduled to meet with the Select Task Force on Inflation of the American Banking Association (Paul McCracken, Dick Hill, David Rockefeller, Gaylord Freeman are among the members) this afternoon. I tried to move it to tomorrow a.m. to accommodate your press conference. I just discovered it can't be shifted.

I recommend you drop-by for 5 minutes at 3:30 this afternoon to thank them for the support they are organizing in the financial community for your anti-inflation policies.

Approve brief drop-by

Disapprove

PHIL

THE WHITE HOUSE

WASHINGTON

April 29, 1980

MEMORANDUM FOR PHIL WISE

FROM:

ANNE WEXLER *AW*

SUBJECT:

DROP-BY AT MEETING WITH AMERICAN BANKERS
ASSOCIATION SELECT TASK FORCE ON INFLATION --
TUESDAY, APRIL 29, 1980, BETWEEN 3:30 AND 4:30 P.M.
THE ROOSEVELT ROOM

I would request you reconsider the decision that the President not drop-by this meeting.

- The Task Force is a very influential group -- e.g., Paul McCracken, Dick Hill, David Rockefeller and Gaylord Freeman are among the members. It has received much publicity throughout the ABA and its support (either officially or unofficially among its members) will be instrumental in determining whether rank and file bankers express confidence in the President's anti-inflation program. Confidence in the program is an essential element for the programs success.
- The meeting was set up with the Task Force only after we had it confirmed the President's drop by because we were advised not to bring the group in unless they could see the President even if only for a minute. Although the morning of April 30 was another possible time (in fact originally the preferred time), it is now impossible to re-schedule the Task Force for the morning of April 30. Many of its members have unchangeable commitments for that morning, commitments which were changed or scheduled to allow the meeting on the 29th.
- The fact that the Task Force is scheduled to meet with the President is known throughout the banking community and has created enthusiasm for the President's anti-inflation program. A meeting with the President (even if for a minute), will allow ABA leaders (particularly C.C. Hope) to make strong efforts for the President with rank and file bankers in 12 upcoming state banking conventions. It is an important step for continued confidence throughout the financial world. (Symbolism counts!)

- Although originally the President was to come for 15 minutes (including photographs), he need only come for 1 minute (even if he just stands inside the door) to acknowledge the importance of their work. Attached are some talking points for this kind of a drop-by. The President could come at any time between 3:30 and 4:20 p.m.

P.S. Bill Miller suggests strongly that the President do this if at all possible.

Thanks, Phil.

A.

TALKING POINTS

1. I am preparing for the press conference and cannot stay, but I knew you were here and wanted to express my appreciation for the Task Force and your efforts.
2. I believe we are moving in the right direction --- and I intend to stick with our effort. I hope you will do the same.
3. I can use your help and your advice. Please be generous with both in discussing these issues with Bill Miller and Paul Volcker. Thank you and good luck in your efforts.

[Jody has reviewed
and edited this draft.]

Hertzberg
Draft A-1
4/28/80 10 p.m.

For delivery:
Tues., 4/29, 9 p.m.

not used

News conference opening statement

Before I take questions, I want to say a few words about our attempted rescue of the Americans who continue to be held captive in Iran -- about the reasons we did what we did -- and about what I think it says about our country.

Tonight, all of us are saddened because of the mission's tragic end, and because the suffering of the hostages and of our Nation has not ended. We share a common grief for the eight men who died in the collision of two of our aircraft as the rescue team was evacuating its desert rendezvous. We are united in sympathy for the families of those who died and those who were injured.

I think I speak for every American when I say that we are deeply proud of the valor and the daring spirit of the men of the rescue team. They, more than anyone else, knew the risks of the mission for which they had volunteered. Every one of them was willing to give his life for the sake of his country and for the sake of his brother and sister Americans who are held hostage.

We are proud also of the many other men and women who were involved -- those who serve on the Nimitz and her support ships; those whose meticulous and skilled work went into the technical planning of the mission; those who were poised to provide additional support to the rescue team at every stage of its mission. Their work and their sacrifice -- like that of all the hundreds of thousands of men and women of our forces who are ready every day to risk their lives in keeping the peace and in maintaining our strength -- is not in vain.

We should be proud too of the goal the rescue team sought and of what it says about our Nation and our people. That goal was not to conquer or destroy -- not to wreak vengeance or take hostages -- not to interfere in the internal affairs of Iran or harm the nation or people of Iran. It was purely and simply the rescue of fifty-three human beings.

We are proud of something else as well. We are proud that the final action of our men -- even as eight of their comrades lay dead in the flaming wreckage of the accident -- was to release unharmed the forty-four Iranian civilians who had come under their control. Nothing illustrates so vividly the humanity and decency that motivated these men and their mission.

I invite the world to compare the humane behavior of our rescue team to the ghoulish conduct displayed on Sunday by those who hold our Embassy in Tehran. Every civilized

person must share the disgust and contempt I feel for those who sought to desecrate the remains of our brave men -- and who succeeded only in bringing the deepest shame and dishonor upon themselves.

Morally and legally, our Nation was fully within its rights in attempting this humanitarian rescue. The fact that it did not succeed is no reflection on the courage or ability of the men who undertook it or on its goal.

This was a carefully planned, thoroughly rehearsed, technically feasible operation, undertaken by brave men -- highly skilled, rigorously trained men, using the best equipment available. Under the conditions of distance and difficulty our men faced, no other nation could have dared even to conceive a rescue mission.

Nevertheless, in planning the mission, we decided beforehand at what point the odds against success would

become too great. When that point was reached, I ordered the mission halted rather than unnecessarily risk the lives of the rescue troops and of the hostages.

The accident that followed turned an incomplete mission into a tragedy. Yet as all human experience teaches us, no amount of planning and training can guarantee against all possibility of failure or against ill fortune.

I wish to repeat what I said on Friday morning: the decision to undertake this mission was mine. I accept full responsibility for it. I regret only the outcome. I do not regret the effort.

[It was also my decision to plan and conduct this mission unilaterally, in total secrecy -- even from our Allies. I made that decision both to protect the security of the mission and to protect our Allies against the possibility

that consultation might be mistaken for complicity. I wish to say to them now that we are grateful for the support they have given and are giving to our efforts to bring this crisis to an end.

[I would also point out to them, and to the American people, the sharp difference between this rescue mission -- designed to bring a quick and direct end to the crisis -- and the kind of sustained military action that would affect the material and security interests of other nations. I affirm to our Allies and to the Congress my intention to consult with them in the event any such sustained military action should become necessary.

[Finally, I want to reaffirm my very strong preference for a peaceful end to this crisis. That preference was one reason the rescue effort was delayed for as long as it was. Repeatedly, we received private and public promises from the

Iranian authorities. Repeatedly, those promises came to

naught.]*

No nation should misunderstand us. The United States has no desire to interfere in the internal affairs of Iran. The United States has no desire to harm the nation or people of Iran. We have been patient. We have been restrained. We have preferred peaceful means, and we continue to seek a peaceful solution. But we do not accept the unjust detention of our citizens. We hold the government of Iran responsible for their lives and well-being. We are determined to bring them home safely. And as the events of last week demonstrate, we are prepared to take the steps necessary to accomplish that end.

#

*Jody suggests that any cuts you wish to make could be made in the bracketed paragraphs.

29 Apr 80

Stu Eizenstat

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

Rick Hutcheson

cc: Jim McIntyre



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

APR 21 1980

To Stu

Q

MEMORANDUM FOR THE PRESIDENT

The message accompanying your veto of H.R. 5235 has created a situation that is of major concern to this Department. The ability of the Department of Health and Human Services to meet its program responsibilities through the Public Health Service Commissioned Corps physicians is very likely to be impaired. The thrust of the message accompanying your veto of H.R. 5235 and other recent messages sent to Congress by OMB will seriously undermine our ability to meet critical domestic and international health needs. If salaries of our Commissioned Corps physicians are held at current levels this year and special pays discontinued next year, while the salaries of their Department of Defense counterparts are increased, there will be a serious negative impact on the Commissioned Corps.

The concern created by the veto among this Department's health professions will almost certainly result in an exodus of many of the most talented mid-career physicians, as well as other highly skilled, experienced health professionals. It will also result in reducing our ability to recruit replacements and to move them about to meet national needs.

The use of the Commissioned Corps rather than total reliance on the regular civil service is essential. The Corps permits us to recruit much more expeditiously, and it gives us the power to move physicians and other health professionals where they are needed. About 15 percent of our physician manpower moves each year to areas as remote as Alaskan native villages -- where we have little hope of attracting a civilian physician. When the Congress acts, we will need 48 people to take care of the refugee health screening workload. We could not mount this effort quickly, or even successfully, without the Corps. The retirement and benefit system and the outstanding reputation of the Corps enable us to move effectively, recruit and retain highly skilled specialists. These are critical elements of successful Federal health programs.

The cost of equitable compensation of PHS and DOD officers is minimal in comparison with the adverse impact of failure to have PHS Commissioned Corps services available. The cost of the pay increase would be \$7.5 million per year; it would be only for

The President
Page -2-

physicians, and would be less expensive and more efficient than using the civil service system which does not meet our program and management requirements, and does not provide the mobility essential to meet the needs of medically underserved areas, particularly those in rural parts of the country.

I urge you to send, or to permit me to send, quickly, a clear message to the Congress that you would not veto a bill that treats Public Health Service Commissioned Corps members equitably with members of the health corps of the Armed Forces.

A handwritten signature in black ink, reading "Patricia Roberts Harris". The signature is written in a cursive style with a large initial "P" and a long horizontal stroke at the end.

Patricia Roberts Harris

EIZENSTAT/MCINTYRE
COMMENT



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

APR 25 1980

MEMORANDUM FOR THE PRESIDENT

FROM: James T. McIntyre, J. *J. McIntyre*
Stuart Eizenstat *Stu*

SUBJECT: Public Health Service Commissioned Corps
Physician Bonuses

On March 11, 1980, you vetoed H.R. 5235, legislation that would have provided permanent and increased annual bonuses to military and Public Health Service (PHS) Commissioned Corps physicians. In response to your veto, the House and Senate Armed Services Committees have drafted new legislation that accepts your recommended dissociation of military and Commissioned Corps bonuses. Similarly, we have opposed any increases in current Veterans Administration physician bonuses.

We disagree with Secretary Harris' recommendation that you reverse your position and inform Congress that you would not veto a bill that treats PHS Commissioned Corps physicians equitably with military physicians. As the Secretary points out, the retirement and benefit system and the outstanding reputation of the Corps have enabled the Public Health Service to recruit and retain highly competent and dedicated health professionals. There are minimal physician shortages in the PHS today. Our investment in the National Health Service Corps will provide a steady flow of physicians for a large segment of the PHS in the years ahead. The Armed Forces, on the other hand need a special pay bill this year, because they already are experiencing serious physician shortages that will not be relieved by scholarship obligations for a few more years.

While it has been a uniformed service, the Commissioned Corps has functioned very differently from the health corps of the military. Many of the Commissioned Corps physicians do not practice medicine -- rather, they function as researchers, administrators, or epidemiologists. Whereas military personnel are subject to hardship duty and the threat of combat duty, and to the provisions of the Uniform Code of Military Justice, the Commissioned Corps physicians function essentially as civilians, working alongside of civil service government employees. In short, in recent years the Corps has received the benefits allowed the military: noncontributory retirement, free medical care, housing allowances, access to PXs and commissaries, etc., but only rarely has endured the hardships.

Therefore, we do not agree with Secretary Harris that there must be strict salary comparability between Department of Defense physicians and Commissioned Corps physicians.

However, we recommend strongly that the Administration recognize the contributions of the PHS and express a commitment to the viability of the Commissioned Corps. The Administration should reiterate that we are not considering terminating the current incentive pay provisions of the Commissioned Corps and reaffirm support for a one year extension of the current Corps pay provisions as part of any new military pay bill.

An extension would permit us to develop consistent, although not uniform, pay and benefit systems for Civil Service physicians, Commissioned Corps physicians and Veterans Administration physicians. To develop a consistent Administration position on non-military physician pay over the next 8 months, DPS, OMB, HEW, VA and OPM should work together to address inequities in current physician personnel and compensation authorities.

Much of the reaction among PHS Commissioned Corps physicians might be met by a generous statement about the important contributions and long tradition of the Corps. We have attached a proposed response that Stu would send in reply to Secretary Harris.

Attachment

D R A F T

*ok
J*

Dear Secretary Harris:

The President has reviewed your memorandum of April 21, 1980, concerning his veto of H.R. 5235. The President is aware of the many important contributions provided by the Public Health Service Commissioned Corps as part of its long and historic tradition. The Corps has provided exemplary public service in difficult assignments and deserves the special recognition that it enjoys.

While the President reaffirms his intent to separate the Commissioned Corps personnel authorities from the military because of the acute shortage of physicians in the Armed Forces, his proposal sustains the current Corps bonus provisions. The President's veto of H.R. 5235 was not meant to undercut the historic role of the Corps.

To help sustain the Corps, it is important to address current inequities in compensation for all non-military physicians, including those in the Commissioned Corps, General Schedule and Veterans Administration. I believe we can work together to develop a consistent Administration policy that maintains and supports the integrity of the Commissioned Corps. As part of this effort, Jim McIntyre and I request that HEW undertake a study of its future personnel policies for health professionals. This study

**Electrostatic Copy Made
for Preservation Purposes**

should assess future HEW staffing needs, management policies, the level and structure of compensation, as well as the relationship of the General Schedule and PHS Commissioned Corps personnel systems. This study should be undertaken in consultation with the Domestic Policy Staff, Office of Personnel Management and the Office of Management and Budget. An analogous review of General Schedule and Title 38 authorities for health professionals, is being launched by the Veterans Administration. Views should be sought from physicians and other members of both the Commissioned Corps and General Schedule personnel systems. Recommendations should be presented for consideration in the FY 1982 budget and legislative development process.

Sincerely,

Honorable Patricia Roberts Harris
Secretary Health, Education and
Welfare
Washington, D.C. 20201

1:48

THE WHITE HOUSE

WASHINGTON

April 29, 1980

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE *FM/m*
ANNE WEXLER *Anne*

SUBJECT:

Members of Congress Who Will Be Attending Today's
Briefing on Energy Conservation, 1:45 p.m., East Room

The following members of the House and Senate have accepted our invitation to attend today's energy conservation meeting at 1:45 p.m. in the East Room. These members will be seated in the front row:

Senate

Pete Domenici

Mark Hatfield

Warren Magnuson

Howard Metzenbaum

Bob Packwood

House

Clarence Brown

John Dingell

Robert Edgar

James Howard

James Santini

7:30 p.m.

THE WHITE HOUSE
WASHINGTON
April 28, 1980

①

BUFFET AND BRIEFING WITH SELECTED MEMBERS OF THE HOUSE

Monday, April 28, 1980
7:00 p.m.
The State Floor

From: Frank Moore

I. PURPOSE

To discuss the First Budget Resolution and energy issues.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

Background: You will be briefing a targeted group of House Democrats this evening on the pending Budget Resolution votes this week in the House and on various energy issues, particularly the oil import fee. We have attached substantial background information from Jim McIntyre on the Budget Resolution. The Department of Energy has provided material on the fee.

Both Jim and John Sawhill from DOE will be there this evening to provide technical expertise.

Participants: List of members on attached page.

Press Plan: White House photographer only.

III. TALKING POINTS

1. I'd like to commend Chairman Giaino and the entire Budget Committee for its courage in reporting a budget resolution in balance.
2. The House Budget Resolution in general is very close to my revised budget both in total and in major priorities. The outlay number is almost identical to mine (within \$300 million). Consequently, I will support Chairman Giaino and the Budget Committee on the House floor in every area but one, the Obey amendment.

3. Obey Amendment: I support it because it provides for my \$500 million Transitional Assistance Program to protect local governments against abrupt financial dislocation from ending the State share of General Revenue Sharing. This is the only vehicle to add these funds to the House resolution.
4. Giaino Technical Amendment: I support it because it takes into account the later 1980 estimates in my revised budget, which were not available during the Committee mark-up. The Amendment also provides for trade adjustment assistance for which I will transmit a budget amendment shortly.
5. Holt Amendment: I strongly oppose it. It makes the House resolution too much like the Senate resolution, which will make it difficult to move toward my budget priorities in Conference.

The Holt Amendment increases defense spending significantly above my revised budget and makes unacceptable and unrealistic reductions in social and other programs. I am sure that the Budget Committee's defense number will result in adequate Defense spending after conference with the Senate. Thus, I cannot support any amendment to increase Defense spending above my budget in the House. (Jim McIntyre will provide some Qs and As on the Holt Amendment and other items on Monday.)

7. Conable/Quillen Amendments: I oppose. Both restore all of General Revenue Sharing in equally unacceptable ways.
8. Udall Amendment: I oppose. Passage of the amendment will take away the teeth of the budget resolution to ensure that the legislative savings recommended by me and the Budget Committee will actually take place.

We need to assure the budget is balanced next September as well as this April or May.

9. It is important that the Congress act expeditiously on the Budget Resolution for two reasons:
 - (a) It will send a signal to the American people that the Federal Government has its fiscal house in order. This is an essential element of my anti-inflation plan.

The gasoline conservation fee will reduce pressure on world crude prices, help our allies and demonstrate the willingness of the United States to make sacrifices to curtail gasoline use. By taking our own domestic actions to control consumption, we are reinforcing our underlying national resolve not to let our necessity for oil affect our international actions, or let others think they can.

The international situation is fragile and it is not improving. We no longer buy oil from Iran. Several oil producing nations, including Kuwait, Algeria and Venezuela, have cut their production. Saudi Arabia continues to reevaluate its production levels.

We are attempting to forge a strong consensus among consuming nations. We cannot ask or expect others to help take pressure off the international oil market unless we are willing to take tough measures ourselves.

44? All the consuming countries have significant gasoline taxes. We often forget how stiff those taxes are. While we debate a 10 cent per gallon tax in the United States,

- The Germans pay a tax of \$1.14 per gallon;
- The French pay a tax of \$1.62 per gallon;
- The Italians pay a tax of \$1.83 per gallon; and
- The British pay a tax of \$.89 per gallon.

(d) Preserving the authority to plan the fee only on gasoline: Finally, let me say a few words about the attempt to curtail my use of the entitlements program to target the fee to gasoline. Of all oil products, our demand for gasoline is the most elastic. Americans are going a good job conserving gasoline, but we must do a better job for reasons I have outlined above.

However, we do not need to further burden consumers of heating oil and fuels other than gasoline. They are already paying high prices and consuming much less as a result.

That is why we have proposed a complicated but workable program for placing the fee only on gasoling where we need it the most. As you know, we will make use of an entitlements program to effect this targeting. If you have questions about how the entitlements mechanism will work, John Sawhill is here to explain it to you in more details.

ATTENDEES

Dan Akaka
Don Albosta
Bill Alexander
Glenn Anderson
Ike Andrews
Frank Annunzio
Beryl Anthony
Doug Applegate
Gene Atkinson
Doug Barnard
Mike Barnes
Berkley Bedell
Adam Benjamin
Charlie Bennett
Tom Bevill
Mario Biaggi
Lindy Boggs
Eddie Boland
Dick Bolling
Bill Boner
Don Bonker
Marilyn Lloyd Bouquard
John Brademas
John Breaux
Bill Burlison
Bob Carr
John Cavanaugh
Bill Chappell
Tony Coehlo
Bill Cotter
Norm D'Amours
Tom Daschle
Mendel Davis
Kika de la Garza
Butler Derrick
Norm Dicks
Brian Donnelly
Robert Duncan
Joe Early
Glenn English
Allen Ertel
Billy Lee Evans
Dave Evans
Dante Fascell
Joe Fisher
Floyd Fithian
Ronnie Flipppo

Jim Florio
Tom Foley
Harold Ford
Wyche Fowler
Martin Frost
Don Fuqua
Joe Gaydos
Dick Gephardt
Sam Gibbons
Bo Ginn
Henry Gonzalez
Al Gore
Lamar Gudger
Lee Hamilton
Kent Hance
Jim Hanley
Tom Harkin
Bill Hefner
Cec Heftel
Jack Hightower
Jim Howard
Jerry Huckaby
Bill Hughes
Earl Hutto
Ed Jenkins
John Jenrette
Ed Jones
Jim Jones
Walter Jones
Dale Kildee
Ray Kogovsek
John La Falce
Buddy Leach
Ray Lederer
Bill Lehman
Elliott Levitas
Jim Lloyd
Clarence Long
Gillis Long
Mike Lowry
Tom Luken
Stan Lundine
Dawson Mathis
Jim Mattox
Ron Mazzoli
Mike McCormack
Gunn McKay

Bob Mollohan
Austin Murphy
Jack Murtha
Raphael Musto
Ozzie Myers
Steve Neal
Bill Nichols
Mary Rose Oakar
Thomas P. O'Neill, Jr.
Dave Obey
Jerry Patterson
Claude Pepper
Carl Perkins
Jake Pickle
Rich Preyer
Nick Rahall
Bill Ratchford
Robert Roe
Charlie Rose
Danny Rostenkowski
Marty Russo
Jim Santini
Pat Schroeder
Phil Sharp
Richard Shelby
Paul Simon
Neal Smith
Ed Stack
Harley Staggers
Tom Steed
Charlie Stenholm
Al Swift
Mike Synar
Al Ullman
Harold Volkmer
Wes Watkins
Jim Weaver
Charlie Whitley
Jamie Whitten
Pat Williams
Charlie Wilson (TX)
Lester Wolff
Jim Wright
Gus Yatron
Bob Young
Leo Zeferetti

April 22, 1980

FACT SHEET

House Budget Resolution

Overview

The House will begin consideration this week of the Budget Resolution reported by the House Budget Committee on March 26. The budget totals recommended by the Committee are as follows:

(\$ in billions)

	<u>President's March Revisions</u>	<u>House Budget Committee Recommendations</u>
Receipts	628.0	624.1*
Outlays	611.5	611.8
Surplus	<u>16.5</u>	<u>12.3*</u>

*Adjusted to include House Committee allowance of \$10.3 billion of receipts from the oil import fee, to put on a comparable basis with the President's proposal.

The Committee's outlay totals are almost identical to the Administration's March budget revisions. In addition, most of the Committee's spending priorities are similar to those of the Administration.

Major differences between the President and the House Committee are that the Committee has 1) lower figures for Defense (which we expect to be restored in conference); 2) a deeper cut in postal subsidies; and 3) no provision for transitional assistance for local governments. However, these and other reductions are offset by higher estimates.

Administration's Position on Floor Amendments

Obey Amendment

The Administration supports the Obey amendment as printed in the Congressional Record of April 21. It provides \$500 million to fund the President's transitional assistance program to protect local governments against the abrupt financial dislocation resulting from ending the State share of General Revenue Sharing.

The amendment provides offsetting revenue increases (also in the President's budget) to cover the additional spending from the cities' program and other smaller domestic spending increases.

Holt Amendment

The Holt amendment increases Defense spending above the March update to an unnecessary and unacceptable level with severe offsetting reductions in other functions. The Administration strongly opposes this amendment (see separate fact sheet on Holt amendment).

Other Amendments

We also support the Chairman's 1980 technical amendment which incorporates new information available to the committee since its mark-up. Except for the Obey amendment, the Administration will support Chairman Giaimo in opposing all other 1981 amendments. In addition to the Holt amendment, these objectionable amendments include the Conable and Quillen amendments, which would restore all of the State share of General Revenue Sharing in different, but equally objectionable ways.

CBO Re-estimates

The Congressional Budget Office has recently re-estimated the cost of the President's budget. They state that the cost of the policies in the March Budget Revisions will be higher than the President predicts. The President's estimates were carefully constructed in January and reviewed again during the development of the budget revisions. The Administration believes its estimates are accurate as any other estimates now available to the Congress.

Overall Goal

The Administration's ultimate goal in working with the Congress on this Budget Resolution is to see a resolution approved in conference which is as close as possible to the President's budget both in totals and in individual spending priorities.

Appropriate actions will be taken to support Senate floor amendments in line with the Administration's goal.

There are several points worth noting about the effects of these reductions in the following categories:

1) Overhead:

The \$1.7 billion reduction in overhead is applied to a relatively small portion of the budget since it excludes major functions. The cut would fall on functions containing about one-quarter of the personnel costs in the budget, and a similar proportion of other operating costs. As a result, the decrease would harshly affect essential operations of the Government. To illustrate the disproportionate nature of the cut, \$1.7 billion is roughly equal to 10 percent of the personnel costs of the affected functions. When added to the House Budget Committee recommendations, this cut would severely affect efficient operations or the ability to provide adequate services.

2) Foreign and Multilateral Aid:

When added to reductions in international affairs spending already taken by the House Budget Committee, this would total a \$1.1 billion reduction in these programs. If new programs cannot be reduced (as Rep. Holt indicates), cuts of up to 50% would be required in programs such as refugee relief, P.L. 480 concessional sales, AID development programs, and contributions to multilateral development banks.

3) Regulatory Budgets of 17 Regulatory Agencies:

The intent of this amendment is to reduce the funds available for regulatory activities in these agencies. A 20 percent cut will have very disruptive effects on regulatory programs. It would almost certainly add new delays in the regulatory process, to inhibit the use of innovative techniques such as flexible standards for small business, and reverse much of the regulatory reform progress made to date.

4) CETA Public Service Employment:

The President's March budget was designed to meet current economic conditions (forecasting a mild recession) by providing 149,000 jobs for the cyclically unemployed. This amendment would strike all funds for these jobs.

5) Food Stamp Benefits:

This reduction would have the effect of cutting food stamp benefits by \$600 million. It would lower benefits for families with growing children, by tailoring benefits to school attendance and available school lunches. Such tailoring of the program would also have high administrative costs.

**Objectionable Amendments to Restore
the State Share of General Revenue Sharing**

1. Quillen Amendment: Would restore the full \$1.7 billion in outlays for the State Share. Offsetting reductions would be made in 1) the international affairs function — \$1.2 billion in outlays; and 2) the general science, space, and technology function — \$.5 billion in outlays.

Discussion: When added to the House Budget Committee's \$.5 billion reduction, the total international affairs function reduction would be \$1.7 billion — 24 percent of the Administration's budget request of \$10.1 billion.

If the cuts were to be taken only in foreign aid, nearly every program would be cut in half. Some examples would be Egyptian and Israeli economic aid and military aid; P.L. 480 concessional food sales; and refugee relief programs, especially for Cambodia, Afghanistan, and Somalia.

The cuts might be spread more broadly over the international affairs area, allowing for less drastic reductions in foreign aid, but making large cuts in Export-Import Bank commitments. Even just a \$100 million cut in the Bank's '81 outlays would mean cutting new loan commitments by \$2 billion -- about half the total new program.

2. Conable Amendment: Would also restore the full \$1.7 billion in outlays for the State Share. The offsetting cuts would be in "allowances" to be applied to unspecified categorical programs.

Discussion: Since the categorical programs affected are unknown, it is impossible to predict the harmful effects of such a provision. However, it is clearly an unacceptable method of maintaining funds to be available to state governments.

GASOLINE CONSERVATION FEE

Nature of Fee

The fee will be \$4.62 per barrel on imported crude oil. The cost of this fee will be shifted entirely to the production of gasoline. The expected effect of the fee on gasoline prices will be about 10 cents a gallon. Imports of gasoline will also be subject to a charge, equal in amount to the expected average impact of the fee on gasoline of 10 cents a gallon, or \$4.20 per barrel.

The conservation fee is temporary; the President will submit to the Congress legislation to establish a tax on motor fuels. When that tax is enacted the fee will be removed. Such tax legislation would have the same favorable effect of reducing petroleum imports but would eliminate the need for the complex administrative regulations to shift the cost of the import fee to gasoline.

The fee is effective for gasoline produced or imported and crude oil imported after 12:01 a.m., March 15, 1980. A Presidential Proclamation providing the framework for the detailed mechanisms of the plan will be issued in the next few days, effective March 15, 1980.

These actions are taken under authority of Section 232(b) of the Trade Expansion Act, and of the Emergency Petroleum Allocation Act (EPAA). The Trade Expansion Act gives the President authority to take action to adjust levels of imports that threaten national security. Such adjustments can be made through the imposition of an import fee, and the establishment of a program to shift the fee to gasoline. The EPAA provides the President with authority to impose price and allocation controls on crude oil and refined products.

In accordance with the Trade Expansion Act, the Secretary of the Treasury conducted an investigation last year into the Nation's dependence on oil imports and concluded that the levels of such imports threaten national security.

Shifting the entire cost of the fee to gasoline will focus the fee on the product which provides the greatest conservation potential without unduly affecting the economy. The expected effect of the conservation fee followed by the motor fuels tax, is to reduce gasoline and diesel consumption and imports by approximately 100,000 barrels a day by the end of the first year, and up to 250,000 barrels by the end of the third year.

The fee will raise the price of gasoline by about 10 cents per gallon, effective May 15, 1980. The direct effect of this increase will raise overall consumer prices by about 1/2 percentage point. The majority of this increase will be reflected in the CPI during May and June. Over the following year additional (but much smaller) indirect effects will be felt elsewhere in the economy, as gasoline costs are passed on. In total, these direct and indirect effects will increase the CPI by about 3/4 of one percentage point.

There are certain offsetting factors, however. To the extent we can reduce our appetite for imported oil and bring supply and demand into balance, pressure on OPEC to raise prices will decrease. This fee will not only produce additional demand restraint, it demonstrates the willingness of the United States to make sacrifices to curtail gasoline use. This is an important element in securing the international cooperation that is vital if we are truly to bring the oil price explosion under control.

The program will not cause the price of uncontrolled domestic crude oil to rise, since the entitlements program will shift the entire fee to gasoline producers and reimburse crude oil importers to the extent that they do not produce gasoline.

The measure will also increase federal revenues by just over \$10 billion annually.

(MORE)

How the Cost of the Fee Will be Shifted from Crude Oil Imports
to Gasoline Production

The entire burden of the crude oil import fee will be shifted from importers to gasoline producers. This will be accomplished through a mechanism similar to, but separate from, the current Entitlements Program — a system of payments among refiners designed generally to equalize their crude oil costs.

The mechanism will require importers of crude oil to pay the import fee to the Government. At the same time, however, the importers will be reimbursed for this expense by gasoline producers, who will be required, for each barrel of gasoline produced (whether from domestic or imported crude oil), to purchase an "entitlement" to produce gasoline from any firm which imports crude oil. As a result of the entitlement program, refiners and regions that are dependent upon imported oil will not be disproportionately affected by the new import fee.

STATEMENT OF
CHARLES W. DUNCAN, JR.
SECRETARY OF ENERGY
DEPARTMENT OF ENERGY

BEFORE THE
SUBCOMMITTEE ON TRADE
COMMITTEE ON WAYS AND MEANS
AND THE
SUBCOMMITTEE ON ENERGY
AND POWER
COMMITTEE ON INTERSTATE
AND FOREIGN COMMERCE
HOUSE OF REPRESENTATIVE

APRIL 24, 1980

STATEMENT OF
CHARLES W. DUNCAN, JR
SECRETARY OF ENERGY
BEFORE THE
SUBCOMMITTEE ON TRADE
COMMITTEE ON WAYS AND MEANS
AND THE
SUBCOMMITTEE ON ENERGY AND POWER
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE
HOUSE OF REPRESENTATIVES

April 24, 1980

Mr. Chairmen and members of the Subcommittees:

I appreciate this opportunity to testify before both Subcommittees on the President's gasoline conservation fee program.

I know the members of the Committees present here this morning are familiar with the authority under which the gasoline conservation fee was imposed and the mechanics of the entitlement system under which it is shifted from crude oil imports to domestic production of gasoline. I would therefore like to address the policy questions raised by the fee and I want to make three fundamental points:

- (1) The gasoline fee is an effective conservation measure;
- (2) We need it right now to help protect our economy; and
- (3) We need it long term to help protect our foreign policy and national security interests.

We can differ about some aspects of this program, but it seems to me that the facts supporting these three points are straightforward and compelling.

1. The gasoline fee is an effective conservation measure.

The fee imposed on gasoline consumption goes to the heart of the problem. Almost half of our total petroleum supply is consumed in the form of gasoline. Because gasoline is price

elastic and so much of its use is discretionary, it has the greatest potential for conservation. Progress in reducing our level of imports without cutting into economic productivity, will have to be achieved by cutting back on gasoline^m consumption.

We project the gasoline conservation fee will reduce gasoline consumption by approximately 100,000 barrels per day by the end of the first year. By the end of the third year, the fee or the motor fuels tax (that is proposed to be substituted for the fee) is expected to reduce gasoline consumption by up to 250,000 barrels per day.

Permit me to speak plainly. We all favor conservation but we back off when it comes time to support effective measures to promote conservation. None of us like raising taxes to promote conservation.

- Rhetoric and moral suasion do not promote conservation;
- More regulations could promote conservation, but more regulation interferes with the freedom of your constituents;
- More public spending could promote conservation, but we all are involved in a painful process of cutting back on government spending.

The unpleasant fact is that the gasoline tax, as much as we might like to deny it, is the best available means to get on with this important national priority.

Right now inventories of crude oil and gasoline are at high levels. We are in a period where supply and demand are in

balance, and once again we hear voices arguing that there is no need to take any steps now to reduce gasoline consumption. We cannot allow ourselves to become complacent, to be lulled into believing that our energy problems are over every time the gas lines disappear and stations begin staying open longer. Our need to conserve will be with us for many years and it has to be reinforced by economic measures like the gasoline fee, by public information and leadership.

2. We need the gasoline fee to help protect our economy.

Americans will spend approximately 90 billion dollars this year for imported oil--up 50 percent over last year and up over 1000 percent since 1973. This drain of United States dollars to foreign oil producers is a major cause of inflation and threatens our economy as does no other single factor.

The cost of oil has risen dramatically and the forecast of diminishing supplies would indicate that it is extremely unlikely that oil is going to get any cheaper ever. In December 1978 the price of imported oil was \$13 a barrel. In January 1980, 13 months later, it was \$30 a barrel and the price today in April averages about \$32 a barrel. This is nearly a 150 percent increase in only 16 months.

Sometimes people have a hard time grasping exactly what a large amount \$90 billion really is. A couple of examples are appropriate. It's \$10 million an hour. The total combined assets of General Motors, Ford, IBM and General Electric are about \$90 billion. The net income of the entire Fortune 500 companies--all 500 combined--is less than \$80 billion. \$90

billion is two and one-half times all the money we are spending in 1980 for all the equipment for the Army, the Navy, the Air Force and the Marine Corps combined. This \$90 billion cost of energy has more to do with our inflation rate, the value of the dollar, and our balance of payments deficit than any other economic component.

The gasoline conservation fee is an important step toward slowing the drain of United States dollars to foreign producers. It will do that by slowing consumption. Every barrel of oil that we conserve means one less barrel of oil that we import. Every barrel of oil that we conserve saves an average of 30 United States dollars that otherwise would leave this country. Ultimately, this saves jobs and it saves economic hardships. It is the right long term course for this country, and I believe that to be an empirical fact.

3. We need the gasoline fee to help protect our foreign policy and national security interests.

It is very important to make the point here that even if our economy were not in its present condition, we would have to take this and other conservation steps to protect our foreign policy and national security interests.

The gasoline conservation fee will reduce pressure on world crude prices, help our allies, and demonstrate the willingness of the United States to make sacrifices to curtail gasoline use. By taking our own domestic actions to control consumption, we are reinforcing our underlying national resolve not to let our necessity for oil affect our international actions, or let others think they can.

The international situation is fragile and it is not improving. We no longer buy oil from Iran. Several oil producing nations, including Kuwait, Algeria, and Venezuela, have cut their production. Saudi Arabia continues to reevaluate its production levels.

We are attempting to forge a strong consensus among consuming nations. We cannot ask or expect others to help take pressure off the international oil market unless we are willing to take tough measures ourselves.

All the consuming countries have significant gasoline taxes. We often forget how stiff those taxes are. While we debate a 10 cent per gallon tax in the United States,

- The Germans pay a tax of \$1.14 per gallon;
- The French pay a tax of \$1.62 per gallon;
- The Italians pay a tax of \$1.83 per gallon; and
- The British pay a tax of \$.89 per gallon.

I noticed in this mornings paper that the Israelis, with a 117 per cent inflation rate, increased the price of their gasoline 36 per cent and they are expecting another increase this summer.

I am not suggesting that we raise taxes here to that level, but we should keep our concerns in perspective and heed the experience of other countries.

International response to the President's action to impose the gasoline conservation fee has been very positive. Support is growing in the International Energy Agency for year-by-year and

country-by-country commitments to ratchet down demand and to distribute equitably the burden of any shortages.

We must to strike down the expectations of leverage that dependence on foreign oil creates with respect to our ^{the} foreign policy. Only firm, tough measures like the gasoline conservation fee will do that.

It is our assessment that the gasoline conservation fee is necessary, efficient, and effective. We have built in flexibility to deal with unforeseen circumstances in the future, and the Administration will be transmitting permanent tax legislation to Congress. This legislative proposal will enable the Congress to address this program over the longer term. I know that the pressures on each of you from interest groups who have their eye on the short term will be intense. I know that the short-term price effects are of great concern to you. But we must not fall back; we must not waiver in our determination to get gasoline consumption down; and in my judgment we must have the gasoline import fee to achieve our domestic, international, and national security objectives.

96TH CONGRESS
2D SESSION

H. J. RES. 531

Disapproving the imposition, effective March 15, 1980, by the President of fees on the importation of crude oil and gasoline.

IN THE HOUSE OF REPRESENTATIVES

APRIL 15, 1980

Mr. SHANNON (for himself, Mr. MOORE, Mr. MOFFETT, Mr. STOCKMAN, Mr. COTTER, Mr. BROWN of Ohio, Mr. ECKHARDT, and Mr. EMERY) introduced the following joint resolution; which was referred to the Committee on Ways and Means

JOINT RESOLUTION

Disapproving the imposition, effective March 15, 1980, by the President of fees on the importation of crude oil and gasoline.

- 1 *Resolved by the Senate and House of Representatives*
- 2 *of the United States of America in Congress assembled,*
- 3 That the Congress disapproves the action taken under section
- 4 232 of the Trade Expansion Act of 1962 with respect to
- 5 petroleum imports under Proclamation Numbered 4744 dated
- 6 April 2, 1980.