

DEPARTMENT OF ENERGY
OFFICE OF THE SECRETARY

DATE: 1-30-80

TO: Dee

FROM: Frank R. Pagnotta, Director *FR*

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FR

ADDRESS OF
SENATOR EDWARD M. KENNEDY
GASTON HALL, GEORGETOWN UNIVERSITY

JANUARY 28, 1980

Five days ago President Carter announced a doctrine -- a doctrine that would define the area of the Persian Gulf as an American vital interest and that could commit the American people to military intervention in defense of this area.

The question that requires careful consideration is what does this Carter Doctrine mean for the world -- and for our own country.

Many Americans feel that once the President of the United States has made an assessment and set a course, the rest of us should stand silent in the ranks even if we have a different view of the national interest. That is not the lesson of our liberty -- or the heritage of our history.

Forty years ago, when the Nazis swept across the Low Countries and France, a far more urgent threat to our security, there was no suspension of the public debate -- or the presidential campaign. If we could discuss foreign policy frankly when Hitler's panzers were poised at the English Channel, surely we can discuss foreign policy when the Soviet Union has crossed the border of Afghanistan.

If the Vietnam war taught us anything, it is precisely that when we do not debate our foreign policy, we may drift into deeper trouble. If a President's policy is right, debate will strengthen the national consensus. If it is wrong, debate may save the country from catastrophe.

So I make no apology for raising questions about the Carter Doctrine. The exercise of dissent is the essence of democracy. Whether we are citizens or candidates, we have not only the right but the obligation to deal with issues that may shape -- or shatter -- our future.

All of us condemn the brutal Soviet invasion of Afghanistan. This wanton act of aggression has aroused the conscience of America -- and of all the world. It must be met with an appropriate response by the United States and all our allies.

But is this really the gravest threat to peace since World War II? Is it a graver threat than the Berlin Blockade, the Korean War, the Soviet march into Hungary and Czechoslovakia, the Berlin Wall, the Cuban Missile Crisis, or Vietnam? Exaggeration and hyperbole are the enemies of sensible foreign policy.

In fact, the Russians have dominated Afghanistan not for four weeks, but for 22 months. Years ago, Afghanistan passed under Soviet influence. It passed behind the Iron Curtain, not in 1980, but in 1978, with hardly a word of regret from the Carter Administration. When two Marxist regimes in Kabul failed to put down Afghan resistance, the Russians decided to install a third regime and to put down the insurgency themselves. Afghanistan, as they saw it, was slipping away.

President Carter confessed that he was "surprised" by their action. For many months, the Administration had ignored the warning signals. The American Ambassador to Afghanistan was killed in Kabul last February while Soviet military advisers looked on. We were aware well in advance that the Russians were massing their forces. But the Administration said virtually nothing until after the invasion, when they drew a line in the dust that was already rising from the tread of Soviet tanks.

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Afghanistan is 7,000 miles away. Only 90 miles from our shores Moscow had already seen a Carter line that did not hold. Last fall, the President said Soviet combat troops in Cuba were unacceptable. But soon he changed his mind. He charged up the hill -- and then charged back down.

Theodore Roosevelt once warned: "Don't bluster, don't flourish your revolver, and never draw unless you intend to shoot."

The false draw in Cuba may have invited the Soviet invasion of Afghanistan.

This is a real crisis, but it is also part of the recurrent condition that has periodically disturbed the peace for a third of a century. It must be countered. But it must not become so consuming that we lose sight of more vital interests. For example, this nation has an important stake in the independence of Yugoslavia. If President Tito were to die while we were preoccupied in the Persian Gulf, the Soviets could be tempted to launch an attack on Yugoslavia -- a country that President Carter as a candidate declared he would not defend.

A measured response to the potential threat in the Persian Gulf must reflect certain principles that will prove less hazardous and more effective than a unilateral and unlimited American commitment.

First, this is not just our problem. It is a greater problem for nations that have a greater dependence on Middle East oil. We must seek their views and act in concert. We cannot impose policies on NATO and Japan; but together, we can set a common policy. This is even truer of the Islamic states, the countries that could be most menaced by Soviet adventurism. It is impractical to rely on a doctrine that requires us to stand astride the Persian Gulf solely on our own.

Second, we must not discount condemnation of Soviet aggression by the international community. This is important, but not because the Russians are moved by world opinion. They are not. It is important because the Soviet Union now finds itself estranged from the Third World -- a result that will gravely handicap the Russians in lands they have previously regarded as their private hunting ground. This reaction runs deep in the Moslem world, where Arab nationalism and Moslem religious feeling can become a powerful force against Soviet ambition.

Third, American naval and air forces should be strengthened in the area. We must recognize, however, that such forces alone cannot secure control of a great land mass. But an enlarged presence, including carefully selected military facilities, could have a deterrent effect on the calculations of the Kremlin. And with our allies, we should increase military aid to nations that may have to face the Soviet threat.

Fourth, the greater threat to these nations is often internal decay and subversion, not external aggression. Military aid is not enough. We must also provide economic assistance and political support. Nations in the area must be strengthened against subversion from the PLO and other Soviet surrogates. And we must help Pakistan help the million refugees who are pouring across the border from Afghanistan.

Fifth, mutual assistance must be mutual. In return for strengthening their defense, the oil producing states should assure a more certain oil supply at reasonable prices. We should negotiate an arrangement that enhances both their national security and the energy security of NATO, Japan, and the Third World.

Sixth, we must not over-react to the present crisis in ways that undermine the security of Israel. That democracy is our most stable and dependable ally in the Middle East. We must not barter the freedom and future of Israel for a barrel of oil -- or in a foolish effort to align the Moslem world with us, whatever the cost. Indeed, Egypt and Israel together already constitute a bulwark against Soviet expansion -- and the cornerstone of the wider alliance we must seek.

Even as we take these steps, even as we express our abhorrence of the aggression in Afghanistan, let us not foreclose every opening to the Soviet Union. This is not the first abuse of Soviet power, nor will it be the last. And it must not become the end of the world. Ten months after the Cuban missile crisis -- a far greater threat to American security than Afghanistan -- the United States Senate ratified the nuclear test ban treaty by an overwhelming vote. The task of statesmanship is to convince the Russians that there is reason for fear, but also reason for hope, in their relations with the United States.

America should be not only a powerful military force, but a continuing force for arms control. We should not hesitate to stand for human rights, including the most basic of all human rights -- the right to survive and to live in peace, free from the fear of nuclear war.

Nor does a regional crisis justify a reflex decision to spend many billions more on defense systems that have no relevance. Afghanistan highlights the necessity for improving our conventional forces and increasing our military readiness, but it is hardly an excuse for haste on nuclear weapons like the M-X missile. Needless weapons drain the resources to pay for needed ones.

Above all else, we must realize that symbols are no substitute for strength. And in the State of the Union message President Carter offered a new symbol. He requested funds for computer runs to register young Americans for the draft. He said this step could "meet future mobilization needs rapidly, if they arise." But draftees, who take six months to train, would be a very slow deployment force. Registration now would save only 13 days in the event of mobilization. If registration and the draft were essential in a real emergency, there would be no dissent from me or most Americans. But I oppose registration when it only means reams of computer print-outs that would be a paper curtain against Soviet troops. If the President wants a peacetime draft, he should say so. But I oppose the peacetime draft -- and I also oppose the President's plan for registration -- which is the first step in that direction. We should not have taken this step across the threshold of Cold War II. We should not be moving toward the brink of sending another generation of the young to die for the failures of the old in foreign policy.

Exaggerated dangers and empty symbols will not resolve a foreign crisis. It is less than a year since the Vienna Summit, when President Carter kissed President Brezhnev on the cheek. We cannot afford a foreign policy based on the pangs of unrequited love.

In the same spirit of realism, we must deal with the crisis in Iran. It is now 86 days since our diplomats and our embassy were seized. We cannot afford a policy that seems headed for a situation of permanent hostages. The time has come to speak the truth again: This is a crisis that never should have happened. In the clearest terms, the Administration was warned that the admission of the Shah would provoke retaliation in Tehran. President Carter considered those warnings and rejected them in secret. He accepted the dubious medical judgment of one doctor that the Shah could be treated only in the United States. Had he made different decisions, the Shah would doubtless still be in Mexico, and our diplomats would still be going about their business in Tehran.

The Administration continues to call for economic sanctions. I oppose them. They will only propel Iran toward the Soviet orbit. They will do nothing to free the hostages. Eighty-six days is enough. It is time to bring the hostages home. The Administration should now support a United Nations commission to investigate Iranian grievances, similar to earlier commissions on other countries. The commission on Iran should be established immediately, but it should begin its work only when every American hostage has come back safely to our shores. Let no one doubt that America will never yield to blackmail, and that harm to even a single hostage will bring swift retaliation. But let no one doubt that America is ready for a negotiated solution to this impasse.

The 1980 election should not be a plebiscite on the Ayatollah or Afghanistan. The real question is whether America can risk four more years of uncertain policy and certain crisis -- of an Administration that tells us to rally around their failures -- of an inconsistent non-policy that may confront us with a stark choice between retreat and war. These issues must be debated in this campaign.

The silence that has descended across foreign policy has also stifled the debate on other essential issues. The political process has been held hostage here at home as surely as our diplomats abroad. Before we permit Brezhnev and Khomeini to pick our President, we should pause to ask who will pay the price.

The Carter Doctrine offers defense contractors a bright future of expansion and profit. But the middle class, the blue-collar workers, minorities, and every victim of discrimination by race or sex or age — they all face the bleak prospect of higher taxes, higher interest rates and higher inflation. The young will pay a further cost in registering for the draft. And, as the President's budget makes clear, programs of social benefit and justice will once again be postponed. If the principle of sacrifice is to prevail, let it apply as well to the oil companies and all the other elements of the military - industrial complex.

Last week, we heard a State of the Union message that left behind the problems this President was elected to resolve. The Administration, but not the nation, has turned away from those problems and from the people who live with them every day — people out of work or about to lose their jobs, families who cannot buy a home, parents who cannot send sons and daughters to college, the sick who cannot pay their bills for health and the elderly who must now choose between heat in their apartments and food on their tables.

When the unity of our present fear fades, when the crowds stop cheering and the bands stop playing, someone has to speak for all the Americans who were ignored in the State of the Union address.

It is their Union too — and the state of their lives deserves to be addressed.

If my candidacy means anything, it means a commitment to stand and speak for them. So let me tell you what we did not hear from the President last week: Inflation will continue. Unemployment will go up. Energy prices will rise to even higher levels. The cost of home heating oil has soared to 95 cents a gallon; and now we discover that Exxon has registered the first four billion dollar profit in the entire history of industrial corporations.

And these domestic concerns are not merely matters of social justice; they are also at the center of our foreign crisis. Iran and Afghanistan demonstrate a fundamental truth of the American condition. We are perilously dependent on OPEC oil.

A house weakened in its own foundation cannot stand. Unless we put our energy house in order, our strength and credibility will continue to fall; the world will grow steadily more dangerous for our country and our interests.

The Carter Administration has accepted our petroleum paralysis. They talk of sacrifice — but it is an unequal sacrifice founded on unfair prices that bring hardship to our people. The President's decision to decontrol the price of oil will cost the average family a thousand dollars each year throughout the decade of the 1980's. We all remember the Democratic presidential candidate in 1972, whose campaign was assailed because he proposed assistance of a thousand dollars a year for every person in poverty. How then are we to regard a Democratic President in 1980, who wants to do the opposite, who wants to take a thousand dollars a year from every family and transfer it to the oil conglomerates?

We must cure our addiction to foreign oil.

Not only does the administration claim we face the gravest crisis since World War II, they also claim they are making hard decisions to meet that crisis. Long before Afghanistan, they proposed a stand-by gasoline rationing plan — and that is all they propose today. The time for a stand-by plan is over. The time for a stand-up plan is now.

We must adopt a system of gasoline rationing without delay — not rationing by price, as the Administration has decreed, but rationing by supply in a way that demands a fair sacrifice from all Americans.

I am certain that Americans in every city, town, and village of this country are prepared to sacrifice for energy security. President Carter may take us to the edge of war in the Persian Gulf. But he will not ask us to end our dependence on oil from the Persian Gulf. I am sure that every American would prefer to sacrifice a little gasoline rather than shedding American blood to defend OPEC pipelines in the Middle East.

Just as energy insecurity weakens our national security, so inflation weakens our position in the world. Our goods have been priced out of the international marketplace. The value of the dollar has plummeted.

The numbers have nearly lost their capacity to shock. Twelve straight months of inflation over 10%. Wild gyrations in the price of gold. Interest rates at 15%. Unemployment at 6%. And now recession is just around the corner.

The fact is, America did not elect Gerald Ford in 1976. But under a Democratic administration, we have had three more years of Republican inflation, three more years of Republican interest rates, and three more years of Republican economics.

As a candidate, President Carter taunted President Ford in 1976 because the misery index — the sum of the inflation rate and the unemployment rate — had reached a level of 13%. Today that index stands at 19%.

These statistics are familiar. But one new fact sums up all the current chaos in our economy. The President who promised a balanced budget as a candidate four years ago now proposes a budget with a deficit of \$16 billion for the coming year. If you do a little arithmetic, if you take this new deficit and add it to other Carter deficits of the past three years, you will discover an extraordinary thing — the total federal deficit during the Carter Administration will go down in the economic record book as the largest deficit of any presidential term in the history of America.

During this campaign, I have called for long-term steps to combat the fundamental causes of inflation — to foster more competition, more investment, and more productivity in our industry, and more emphasis on our foreign trade. They are obvious measures — measures that must be adopted now if we are to succeed in righting our capsized economy.

Potentially one of the most important short term weapons against inflation is voluntary restraint. But President Carter has hardly touched that weapon. He waited 21 months to set guidelines on wages and prices. And inflation is actually worse since his guidelines were put in place than it was before. The Administration's anti-inflation policy has the same credibility with major corporations that the Administration's foreign policy has with the Soviet Union.

The time has come for a frank admission that under this President, the voluntary guidelines have run their course and failed.

Inflation is out of control. There is only one recourse: the President should impose an immediate six month freeze on inflation — followed by mandatory controls, as long as necessary, across the board — not only on prices and wages, but also on profits, dividends, interest rates, and rent.

The only way to stop inflation is to stop it in its tracks. Only then can we break the psychology of inflation that runs through every aspect of our economy and erodes our power in the world.

Today, I reaffirm my candidacy for the Presidency of the United States. I intend to stay the course. I believe we must not permit the dream of social progress to be shattered by those whose promises have failed. We cannot permit the Democratic Party to remain captive to those who have been so confused about its ideals.

I am committed to this campaign because I am committed to those ideals.

I am committed to an America where the many who are handicapped, the minority who are not white and the majority who are women will not suffer from injustice, where the Equal Rights Amendment will be ratified, and where equal pay and opportunity will become a reality rather than a worn and fading hope. I want to be the President who finally achieves full civil rights — and who passes an economic bill of rights for women.

And I am committed to an America where average-income workers will not pay more taxes than many millionaires, and where a few corporations will not stifle competition in our economy. I want to be the President who at last closes tax loopholes and tames monopoly, so that the free enterprise system will be free in fact.

And I am committed to an America where the state of a person's health will not be determined by the amount of a person's wealth. I want to be the President who brings national health insurance to safeguard every family from the fear of bankruptcy due to illness.

And I am committed to an America where the cities that are the center of our civilization and the farms that are the source of our food will be preserved and strengthened. I want to be the President who halts the loss of rural land to giant conglomerates and who declines to accept urban slums, unequal schools, and an unemployment rate in the inner city that approaches 50 percent.

And I am committed to an America that will safeguard the land and the air for future generations. I want to be the President who stops the seeding of the earth with radioactive wastes from nuclear plants — and who refuses to rely on a nuclear future that may hazard the future itself.

And I am committed to an America that is powerful enough to deter war — and to do the work of peace. I want to be a President who does not rush to a helter-skelter militarism or a heedless isolationism, who improves our military without gilding our weapons, who lifts at least a little the nuclear night that hangs over the world and who makes the world itself a little safer for both diversity and democracy.

And for all these commitments, I have only just begun to fight.

I am convinced that the people are not selfish or hopeless — and that government is not helpless to serve the public interest. I am convinced that we as a people are ready to sacrifice — to give something back to our country in return for all it has given to us.

It is easy to preach sacrifice, while practicing the politics of symbols. It is easy to bend to the prevailing political breezes. All politicians are tempted to do this at times.

But as I said a year ago, sometimes a party must sail against the wind. Now is such a time. We cannot wait for a full, fair wind or we will risk losing the voyage that is America. A New England poet once wrote: "Should the storm come, we shall keep the rudder true."

Whatever comes in the voting of this year, or in the voyage of America through all the years ahead, let us resolve to keep the rudder true.

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-- The plan would reduce gasoline consumption by 24 percent, or the equivalent of the 1.7 million barrels of oil per day now imported from the Persian Gulf.

-- In general the plan follows the basic proposal developed in 1979 by the Department of Energy and now being revised in accord with recommendations of Congress.

-- Ration checks would be distributed in an amount sufficient to reduce gasoline consumption by 1.7 million barrels a day. Approximately half of the reduction would be achieved in the first year, and the remainder would be phased in over a two-year period.

-- The ration checks would be distributed by mail to eligible individuals and businesses, who would redeem the checks for gasoline coupons at designated locations such as banks and post offices.

-- The coupons would be used to purchase gasoline. They could also be bought and sold freely on a white market at whatever price the market sets.

-- A percentage of the total national allocation would be placed in a "National Ration Reserve" for emergency purposes.

-- Allocations to each state would be based on the historical use of gasoline in the state.

-- A percentage of the amount allocated to each state would be set aside for a "State Ration Reserve," to be distributed at the state's discretion for hardships and other special cases.

-- Supplemental allotments would be issued by DOE for priority activities, including law enforcement, fire, mail, ambulances; defense, public transportation, sanitation, snow removal, telecommunications, energy production and conservation, agriculture, and off-highway vehicles.

-- The plan differs from the DOE proposal in two significant respects:

-- (1) Ration checks would be issued to individuals on the basis of driver's licenses. The DOE proposal relies on motor vehicle registrations. Under both the Kennedy plan and the DOE proposal, eligibility of commercial firms would be based on motor vehicle registration.

-- (2) "Energy conservation" activities would be included as an additional category in the list of supplemental allotments. The DOE proposal includes only "energy production" activities in the energy area.

U.S. OIL IMPORTS. (BARRELS A DAY) (JANUARY, 1980)

TOTAL IMPORTS: 7,702,000

<u>PERSIAN GULF</u>		<u>NON-PERSIAN GULF</u>	
Iran	0	Algeria	551,000
Saudi Arabia	1,350,000	Indonesia	413,000
United Arab Emirates	290,000	Libya	712,000
Iraq/Kuwait/Qatar	100,000	Nigeria	894,000
TOTAL	1,740,000	Venezuela	580,000
		Bahamas	142,000
		Canada	422,000
		Mexico	450,000
		Netherlands	242,000
		Antilles	
		Puerto Rico	60,000
		Trinidad/Tobago	200,000
		Virgin Islands	403,000
		Other	893,000
		TOTAL	5,962,000

SOURCE: DEPARTMENT OF ENERGY; CONGRESSIONAL RESEARCH SERVICE

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The silence that has descended across foreign policy has also stifled the debate on other essential issues. The political process has been held hostage here at home as surely as our diplomats abroad. Before we permit Brezhnev and Khomeini to pick our President, we should pause to ask who will pay the price.

The Carter Doctrine offers defense contractors a bright future of expansion and profit. But the middle class, the blue-collar workers, minorities, and every victim of discrimination by race or sex or age — they all face the bleak prospect of higher taxes, higher interest rates and higher inflation. The young will pay a further cost in registering for the draft. And, as the President's budget makes clear, programs of social benefit and justice will once again be postponed. If the principle of sacrifice is to prevail, let it apply as well to the oil companies and all the other elements of the military - industrial complex.

Last week, we heard a State of the Union message that left behind the problems this President was elected to resolve. The Administration, but not the nation, has turned away from those problems and from the people who live with them every day — people out of work or about to lose their jobs, families who cannot buy a home, parents who cannot send sons and daughters to college, the sick who cannot pay their bills for health and the elderly who must now choose between heat in their apartments and food on their tables.

When the unity of our present fear fades, when the crowds stop cheering and the bands stop playing, someone has to speak for all the Americans who were ignored in the State of the Union address.

It is their Union too — and the state of their lives deserves to be addressed.

If my candidacy means anything, it means a commitment to stand and speak for them. So let me tell you what we did not hear from the President last week: Inflation will continue. Unemployment will go up. Energy prices will rise to even higher levels. The cost of home heating oil has soared to 95 cents a gallon; and now we discover that Exxon has registered the first four billion dollar profit in the entire history of industrial corporations.

And these domestic concerns are not merely matters of social justice; they are also at the center of our foreign crisis. Iran and Afghanistan demonstrate a fundamental truth of the American condition. We are perilously dependent on OPEC oil.

A house weakened in its own foundation cannot stand. Unless we put our energy house in order, our strength and credibility will continue to fall; the world will grow steadily more dangerous for our country and our interests.

The Carter Administration has accepted our petroleum paralysis. They talk of sacrifice — but it is an unequal sacrifice founded on unfair prices that bring hardship to our people. The President's decision to decontrol the price of oil will cost the average family a thousand dollars each year throughout the decade of the 1980's. We all remember the Democratic presidential candidate in 1972, whose campaign was assailed because he proposed assistance of a thousand dollars a year for every person in poverty. How then are we to regard a Democratic President in 1980, who wants to do the opposite, who wants to take a thousand dollars a year from every family and transfer it to the oil conglomerates?

We must cure our addiction to foreign oil.

Not only does the administration claim we face the gravest crisis since World War II, they also claim they are making hard decisions to meet that crisis. Long before Afghanistan, they proposed a stand-by gasoline rationing plan — and that is all they propose today. The time for a stand-by plan is over. The time for a stand-up plan is now.

We must adopt a system of gasoline rationing without delay — not rationing by price, as the Administration has decreed, but rationing by supply in a way that demands a fair sacrifice from all Americans.

I am certain that Americans in every city, town, and village of this country are prepared to sacrifice for energy security. President Carter may take us to the edge of war in the Persian Gulf. But he will not ask us to end our dependence on oil from the Persian Gulf. I am sure that every American would prefer to sacrifice a little gasoline rather than shedding American blood to defend OPEC pipelines in the Middle East.

Just as energy insecurity weakens our national security, so inflation weakens our position in the world. Our goods have been priced out of the international marketplace. The value of the dollar has plummeted.

The numbers have nearly lost their capacity to shock. Twelve straight months of inflation over 10%. Wild gyrations in the price of gold. Interest rates at 13%. Unemployment at 6%. And now recession is just around the corner.

The fact is, America did not elect Gerald Ford in 1976. But under a Democratic administration, we have had three more years of Republican inflation, three more years of Republican interest rates, and three more years of Republican economics.

As a candidate, President Carter taunted President Ford in 1976 because the misery index — the sum of the inflation rate and the unemployment rate — had reached a level of 13%. Today that index stands at 19%.

These statistics are familiar. But one new fact sums up all the current chaos in our economy. The President who promised a balanced budget as a candidate four years ago now proposes a budget with a deficit of \$16 billion for the coming year. If you do a little arithmetic, if you take this new deficit and add it to other Carter deficits of the past three years, you will discover an extraordinary thing — the total federal deficit during the Carter Administration will go down in the economic record book as the largest deficit of any presidential term in the history of America.

During this campaign, I have called for long-term steps to combat the fundamental causes of inflation — to foster more competition, more investment, and more productivity in our industry, and more emphasis on our foreign trade. They are obvious measures — measures that must be adopted now if we are to succeed in righting our capsized economy.

Potentially one of the most important short term weapons against inflation is voluntary restraint. But President Carter has hardly touched that weapon. He waited 21 months to set guidelines on wages and prices. And inflation is actually worse since his guidelines were put in place than it was before. The Administration's anti-inflation policy has the same credibility with major corporations that the Administration's foreign policy has with the Soviet Union.

The time has come for a frank admission that under this President, the voluntary guidelines have run their course and failed.

Inflation is out of control. There is only one recourse: the President should impose an immediate six month freeze on inflation — followed by mandatory controls, as long as necessary, across the board — not only on prices and wages, but also on profits, dividends, interest rates, and rent.

The only way to stop inflation is to stop it in its tracks. Only then can we break the psychology of inflation that runs through every aspect of our economy and erodes our power in the world.

Today, I reaffirm my candidacy for the Presidency of the United States. I intend to stay the course. I believe we must not permit the dream of social progress to be shattered by those whose promises have failed. We cannot permit the Democratic Party to remain captive to those who have been so confused about its ideals.

I am committed to this campaign because I am committed to those ideals.

I am committed to an America where the many who are handicapped, the minority who are not white and the majority who are women will not suffer from injustice, where the Equal Rights Amendment will be ratified, and where equal pay and opportunity will become a reality rather than a worn and fading hope. I want to be the President who finally achieves full civil rights — and who passes an economic bill of rights for women.

And I am committed to an America where average-income workers will not pay more taxes than many millionaires, and where a few corporations will not stifle competition in our economy. I want to be the President who at last closes tax loopholes and tames monopoly, so that the free enterprise system will be free in fact.

And I am committed to an America where the state of a person's health will not be determined by the amount of a person's wealth. I want to be the President who brings national health insurance to safeguard every family from the fear of bankruptcy due to illness.

And I am committed to an America where the cities that are the center of our civilization and the farms that are the source of our food will be preserved and strengthened. I want to be the President who halts the loss of rural land to giant conglomerates and who declines to accept urban slums, unequal schools, and an unemployment rate in the inner city that approaches 50 percent..

And I am committed to an America that will safeguard the land and the air for future generations. I want to be the President who stops the seeding of the earth with radioactive wastes from nuclear plants — and who refuses to rely on a nuclear future that may hazard the future itself.

And I am committed to an America that is powerful enough to deter war. — and to do the work of peace. I want to be a President who does not rush to a helter-skelter militarism or a heedless isolationism, who improves our military without gilding our weapons, who lifts at least a little the nuclear night that hangs over the world and who makes the world itself a little safer for both diversity and democracy.

And for all these commitments, I have only just begun to fight.

I am convinced that the people are not selfish or hopeless — and that government is not helpless to serve the public interest. I am convinced that we as a people are ready to sacrifice -- to give something back to our country in return for all it has given to us.

It is easy to preach sacrifice, while practicing the politics of symbols. It is easy to bend to the prevailing political breezes. All politicians are tempted to do this at times.

But as I said a year ago, sometimes a party must sail against the wind. Now is such a time. We cannot wait for a full, fair wind or we will risk losing the voyage that is America. A New England poet once wrote: "Should the storm come, we shall keep the rudder true."

Whatever comes in the voting of this year, or in the voyage of America through all the years ahead, let us resolve to keep the rudder true.

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-- The plan would reduce gasoline consumption by 24 percent, or the equivalent of the 1.7 million barrels of oil per day now imported from the Persian Gulf.

-- In general the plan follows the basic proposal developed in 1979 by the Department of Energy and now being revised in accord with recommendations of Congress.

-- Ration checks would be distributed in an amount sufficient to reduce gasoline consumption by 1.7 million barrels a day. Approximately half of the reduction would be achieved in the first year, and the remainder would be phased in over a two-year period.

-- The ration checks would be distributed by mail to eligible individuals and businesses, who would redeem the checks for gasoline coupons at designated locations such as banks and post offices.

-- The coupons would be used to purchase gasoline. They could also be bought and sold freely on a white market at whatever price the market sets.

-- A percentage of the total national allocation would be placed in a "National Ration Reserve" for emergency purposes.

-- Allocations to each state would be based on the historical use of gasoline in the state.

-- A percentage of the amount allocated to each state would be set aside for a "State Ration Reserve," to be distributed at the state's discretion for hardships and other special cases.

-- Supplemental allotments would be issued by DOE for priority activities, including law enforcement, fire, mail, ambulances; defense, public transportation, sanitation, snow removal, telecommunications, energy production and conservation, agriculture, and off-highway vehicles.

-- The plan differs from the DOE proposal in two significant respects:

-- (1) Ration checks would be issued to individuals on the basis of driver's licenses. The DOE proposal relies on motor vehicle registrations. Under both the Kennedy plan and the DOE proposal, eligibility of commercial firms would be based on motor vehicle registration.

-- (2) "Energy conservation" activities would be included as an additional category in the list of supplemental allotments. The DOE proposal includes only "energy production" activities in the energy area.

U.S. OIL IMPORTS (BARRELS A DAY) (JANUARY, 1980)

TOTAL IMPORTS: 7,702,000

PERSIAN GULF

Iran	0
Saudi Arabia	1,350,000
United Arab Emirates	290,000
Iraq/Kuwait/Qatar	<u>100,000</u>
TOTAL	1,740,000

NON-PERSIAN GULF

Algeria	551,000
Indonesia	413,000
Libya	712,000
Nigeria	894,000
Venezuela	580,000
Bahamas	142,000
Canada	422,000
Mexico	450,000
Netherlands	242,000
Antilles	
Puerto Rico	60,000
Trinidad/Tobago	200,000
Virgin Islands	403,000
Other	<u>893,000</u>
TOTAL	5,962,000

SOURCE: DEPARTMENT OF ENERGY; CONGRESSIONAL RESEARCH SERVICE



Department of Energy
Washington, D.C. 20585

Keep this handy —

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January 16, 1980

MEMORANDUM FOR: Art Guyer
FROM: Frank R. Pagnotta *FR*
SUBJECT: Reallocation of Forrestal Building Costs

Pursuant to my conversation with Jack Hobbs on the reallocation of Forrestal Building costs the specific issue is not whether to notify the Congress of a reallocation but rather our exceeding \$0.5 million for special facilities within the \$8.2 million Forrestal appropriation.

Hence, I have revised the attached Memorandum for The Secretary and return it to you for expeditious handling so it can be forwarded to him for signature.

For your information AD worked with me on this revision so appropriate concurrences necessary should be immediately obtainable.

Should you have any questions please contact me.

Thanks.

Attachments



Department of Energy
Washington, D.C. 20585

January 15, 1980

MEMORANDUM FOR: The Secretary
THRU: Chief Financial Officer
FROM: Controller
SUBJECT: Reallocation of Forrestal Building Costs

ISSUE

Exceeding \$0.5 million for DOE special facilities within the \$8.2 million Forrestal Appropriation

BACKGROUND

A total of \$8.2 million has been approved by Congress to move DOE into the Forrestal Building.

Congressional testimony submitted to Congress indicated that funding for special facilities at the Forrestal Building would be \$0.5 million. (See TAB A)

DOE is currently using a number of existing DOD facilities in the Forrestal Building; however, our current estimate for construction of other special facilities totals approximately \$2.0 million. (See TAB B) Based upon current estimates for renovating Forrestal office-type space, approximately \$2.0 million may be available for special facilities after all other funds have been expended. This action will allow DOE to implement the required special facilities within the \$8.2 million approved by Congress. The General Services Administration has requested DOE to seek Congressional approval for redistribution of funds within the \$8.2 million. (See TAB C) DOE cannot proceed with additional special facilities until the approval is granted.

Recommendation

That the attached letters to the House and Senate Subcommittees on Energy and Water Development of the Committees on Appropriations be signed.

Approve: _____

Disapprove: _____

Date: _____

CONCURRENCE

OSE, Pagnotta Concur _____ Date _____ See TAB _____

Nonconcur _____

AD, Heffelfinger Concur _____ Date _____ See TAB _____

Nonconcur _____

ATTACHMENTS:

- TAB A - Congressional testimony
- TAB B - List of Department of Energy
Special Facilities
- TAB C - Letter dated October 3, 1979 from the
General Services Administration
- TAB D - Letters to the House and Senate
Appropriations Subcommittee on
Energy and Water Development

would be relocated. We would have no comparable costs for the Department of Energy.

Mrs. SMITH. I have no more questions.
Thank you very much.

Mr. BEVILL. A total of \$3 million is requested for "Costs for Special Purpose Space." Specifically, what is involved in this request?

Mr. GALFARDI. The \$3 million request for "cost for special purpose space" alludes to those requirements other than office operations such as computer installations, communication centers, specialized training and conference rooms, libraries, health units, and so forth.

Mr. BEVILL. What space are we talking about?

Mr. GALFARDI. Specific requirements will be identified as layouts are prepared for the activities which will occupy the space.

Mr. BEVILL. Of the \$3 million for this purpose, \$2,500,000 is for "costs for special purpose space" for relocating DOD, and \$500,000 is "costs for special purpose space" for relocating DOE. What accounts for this wide discrepancy?

Mr. SCHLESINGER. The apparent discrepancy in the cost of special facilities for DOD and DOE is attributable to the fact that many special areas are already in place in the Forrestal Building and will, where practicable, be utilized by DOE. However, since DOD is being relocated, such facilities will have to be provided at their new location.

Mr. CHAPPELL. Mr. Chairman, may I ask one quick question?

Mr. BEVILL. Yes.

Mr. CHAPPELL. Getting back to the \$8 per square foot for renovation, actually when you divide the number of dollars, \$12,707,000 by the square footage, don't you come up with about \$13 a square foot, and if so, wouldn't that be high? Are my calculations in error?

Mr. GALFARDI. You have to multiply that by 2 because what's involved is preparing 902,000 square feet for the movement of the Department of Energy into the Forrestal Building and preparing 902,000 square feet for the movement of the Defense Department out.

Mr. CHAPPELL. But this is for preparation of space.

Are you saying funds are included for the preparation of both spaces?

Mr. GALFARDI. Both spaces.

Mr. MYERS. Just one last question, Mr. Chairman.

As I understand it, you hope to have a building built in 5 years to house the entire Department.

Secretary SCHLESINGER. No, sir, we would be permanently located in the Forrestal Building.

Mr. MYERS. You are not going to come in for a new building then?

Secretary SCHLESINGER. Absolutely not. The purpose here is to economize on the availability of space. This is a large building that would be available to the Department. To create a comparable facility given escalated costs, it would probably be \$200 million.

Mr. BEVILL. Mr. Secretary, we appreciate your testimony here. We realize you have one of the most challenging positions in our Federal Government.

Thank you for being with us.

The committee will now stand in recess for a few minutes and then we will hear the witnesses from the Forrestal Coordinating Committee.

[Recess.]

DEPARTMENT OF ENERGY
SPECIAL FACILITIES

Existing DOD Special Areas to be Utilized by DOE

Auditorium
Barber Shop
Blind Stands (2)
Computer Center
Conference Rooms (Multi-Purpose)
Credit Union
Health Unit
Mail Room
Printing Operation
Security Guard Console
Seminar Rooms
Small Auditorium
Snack Bars (2)
Training Rooms
Warehouse (Shipping/Receiving Area)

Other Special Facilities Requirements

Communications Center
Radio Room Installation in South Building
Program Review Center
Library (Sprinkler System)
Graphics and Photo Areas
Exhibit Area in Main Lobby
Emergency Operations Center
Visual Conferencing Center
Briefing Room

Note: In addition, several of the special facilities accepted from DOD require alterations.



General Services Administration National Capital Region
Washington, DC 20407

OCT 3 1979

Mr. Frank R. Pagnotta
Director
Office of the Secretary
Department of Energy
Washington, DC 20585

Dear Mr. Pagnotta:

The General Services Administration (GSA) has in hand from the Department of Energy (DOE) requirements for special purpose space in the Forrestal Building totaling approximately \$1.5 million in estimated construction costs. The areas include a program center; health unit; emergency operating center; printing and graphic facilities, and a communications center. The \$1.5 million does not include the design and administration costs and the \$80,000 obligated to date for special purpose space.

Since the estimated construction cost far exceeds the \$500,000 for special purpose alterations contained in your request for supplemental funds, it is necessary that DOE advise GSA in writing that this increase in special purpose alterations has been discussed with Congress and has received Congressional approval. This documentation will be required before GSA will exceed \$500,000 in obligations for this purpose.

Sincerely,

A handwritten signature in cursive script that reads "Walter V. Kallaur".

WALTER V. KALLAUR
Regional Administrator



THE SECRETARY OF ENERGY
WASHINGTON, D.C.

Honorable J. Bennett Johnston
Chairman, Subcommittee on Energy
and Water Development
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

This is to provide you an update on the status of the Department of Energy's relocation into the James Forrestal Building. To keep you currently and fully informed, we also want to take this opportunity to advise you of the need to reallocate expenditures for renovations within the \$8.2 million identified for the DOE occupancy of the Forrestal Building.

Our initial request to Congress identified a requirement of \$0.5 million for special facilities since we planned to use many of existing DOD special areas. Our planned operation also called for major functions to be carried out at other locations. Specifically, the emergency operations center and the Headquarters and photo capability would have been located elsewhere. However, as we have gained operational experience it has become evident that these and certain other functions must be centrally located at the Forrestal Building if we are to operate in an efficient and effective manner. Our revised estimate for special facilities is \$2.0 million.

Realizing that our total needs must be accomplished within the \$8.2 million available, planned office alterations are being reduced so funding will be available to accomplish the necessary alterations for special facilities.

I have enclosed several tables for your information showing our original and revised estimates, details of the special facilities required, and other status data.

If you have any questions on this matter, please do not hesitate to call.

Sincerely,

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SPECIAL FACILITIES

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Security Guard Console
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DEPARTMENT OF ENERGY
STATUS OF FORRESTAL FUNDS
(Dollars in Thousands)

	<u>Original Estimate</u>	<u>Current Estimate</u>
Office Alterations	\$ 7,100	\$ 5,455
Special Facilities*.....	500	2,000
Moving and Telecommunications ..	643	788
Total	<u>\$ 8,243</u>	<u>\$ 8,243</u>

* Increased special facilities costs will only be undertaken to the extent that funding is available from office alterations.

DEPARTMENT OF ENERGY
FORRESTAL RELOCATION STATUS
As of January 11, 1980

<u>Planned</u>		<u>Occupied</u>	
<u>Personnel</u>	<u>Space*</u>	<u>Personnel</u>	<u>Space</u>
4,702	902,500	2,484	448,400 S.F.

* Square feet



THE SECRETARY OF ENERGY
WASHINGTON, D.C.

Honorable Tom Bevill
Chairman, Subcommittee on Energy
and Water Development
Committee on Appropriations
House of Representatives
Washington, D.C. 20515

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