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THE WHITE HOUSE

WASHINGTON

June 10, 1976

File



MEMORANDUM FOR THE CABINET

FROM: MARGITA E. WHITE *meW*
Assistant Press Secretary to the President
and Director, Office of Communications

Speeches distributed for the week of June 7 are:

Secretary Simon--Address to the Lafayette College Commencement, Easton, Pennsylvania, June 6, 1976, Topic: The Challenge of Public Service. Remarks before the 80th Annual National Credit Congress, New York City, May 24, 1976, Topic: Economic Illiteracy of the American People.

Attorney General Levi--Address before the National Association of Attorneys General, San Antonio, Texas, June 3, 1976, Topic: Local, State, and Federal Cooperation in Crime Prevention.

Secretary Hills--Remarks before the United Nations Conference on Human Settlements, Vancouver, British Columbia, Canada, June 1, 1976, Topic: International Problems of Cities.

Secretary Kleppe--Remarks before the Santa Monica Rotary Club, Santa Monica, California, June 4, 1976, Topic: Department of Interior Efforts to Ease Energy Shortage. Remarks before the Commonwealth Club, San Francisco, California, June 4, 1976, Topic: Environmental Concerns of the Department of Interior.

Secretary Richardson--Address before the Economic Club of New York, New York City, May 17, 1976, Topic: Business in Our Society.

Attachments

bcc: Senior White House Staff



Department of Justice

FOR RELEASE AT 9:30 P.M., E.D.T.
THURSDAY, JUNE 3, 1976

ADDRESS

BY

JUN 4 1976

THE HONORABLE EDWARD H. LEVI
ATTORNEY GENERAL OF THE UNITED STATES

BEFORE

THE NATIONAL ASSOCIATION OF ATTORNEYS GENERAL

8:30 P.M.
ARNESON RIVER THEATER
LA VILLITA
THURSDAY, JUNE 3, 1976
SAN ANTONIO, TEXAS



General Hill, General Summer, Fellow Attorneys General and Friends.

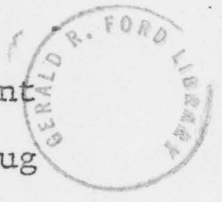
It is a pleasure for me to participate in this annual meeting of the National Association of Attorneys General. I know that the duties of office differ among you and that our responsibilities are in many respects distinct. But we are all quite clearly engaged in a co-operative enterprise. We share particularly, although duties differ among us, responsibility for a system of criminal justice which now is not working well. While it is encouraging that the rate of increase in reported serious crime was cut in half last year, we can hardly celebrate a 9% growth over a crime rate of record proportions.

The crime problem is an invitation to leadership which we must all accept. Historically, the states you represent have played the principal role in criminal law enforcement. This is appropriate and remains the case today.

The Federal government, however, is also increasingly active in this area. The President has recently proposed legislation establishing mandatory sentences for certain offenses. The Department of Justice has endorsed exploration of the value of sentencing commissions and evaluations of the termination of the parole system. All of these proposals are aimed at making punishment more swift and sure, thus making criminal justice more fair and effective. Each could be adopted by other jurisdictions.

The growing Federal involvement in law enforcement is also quite evident within the Department of Justice. When I was in

the Department 35 years ago, there was not a Law Enforcement Assistance Administration or a major counterpart to the Drug Enforcement Administration.



For the most part these programs are aimed at supporting, rather than supplanting, state and local initiative. The LEAA program, for example, is based on the premise that law enforcement is and should be primarily a state and local responsibility. Thus, LEAA relies principally on block grants, contributing some of the scarce resources necessary to meet this responsibility. Recognizing that in the Federal system the states are, as Justice Brandeis described them, valuable laboratories for experimentation, LEAA is an effort to be supportive of this diversity and to encourage new programs which might otherwise not be undertaken. Moreover, through support of organizations such as the National Association of Attorneys General, LEAA seeks to assure that we will be able to share our experiences, while maintaining our autonomy.

As you know, there are those who criticize LEAA for what they perceive to be failures or, at least, lack of tangible success. Some failure is inevitable. Some uncertainty is a necessary concomitant of a program which decentralizes decision-making and vests primary authority in those who are politically accountable. Perpetuation of such a structure is itself a benefit of the LEAA program. Accordingly, we should place a heavy burden of proof on those who wish to convince us to substitute Federal

auditors for this form of accountability. Moreover, this is an area which calls for new ventures tailored to the needs of particular communities. In this sense, if there were no failures, there would be no successes.

The Drug Enforcement Administration is also designed to complement, rather than compete with, state and local efforts. Drug abuse is a pervasive and particularly disturbing problem. While drug use may initially be a matter of choice -- often made by those whose judgment is immature -- it can be quickly converted to an addiction which itself may generate the commission of other crimes. Drug abuse is a problem of national importance which must be faced and fought in virtually every community. Yet drug abuse cannot be defeated in any one community alone.

The street sale of drugs is the end result of sophisticated international operations. Some criminologists believe that, unless it is attacked at its source, disrupting major trafficking networks, successful prosecutions do no more than open up attractive opportunities for other criminals. Thus, the Drug Enforcement Administration, with national jurisdiction, is an essential element in the national drug law enforcement effort. Its potential cannot be realized, however, without close cooperation with state and local law enforcement agencies.

For example, a North Carolina woman last year found a bag of powder. The local police turned it over to DEA which identified

it as heroin. In addition, a palm print was discovered on the bag. DEA was able to trace it to an individual in Jack's bar in Bangkok, Thailand. Working with eight North Carolina local agencies, the state police, the North Carolina Board of Intelligence and law enforcement officials in Georgia, Virginia, Maryland, Illinois, and California, DEA developed the case into the seizure of \$100 million worth of heroin and 14 arrests. We must endeavor to make this experience more common.

We will be assisted in this effort by improved coordination of drug enforcement resources. As you know, many years ago there was relatively little drug enforcement activity on the part of state and local governments, except in large urban centers. Therefore, Federal drug agents routinely operated wherever drug traffic appeared and the evidence of drug addiction was clear.

Today, however, the situation is quite different. There are now ten times more state and local officials assigned to drug enforcement than federal agents. State and local officers are increasingly well trained and highly effective. Thus, it is now unnecessary and undesirable for the Drug Enforcement Administration to displace state and local efforts to develop local cases. In view of this, DEA should focus its efforts on matters which extend beyond any other law enforcement jurisdiction.

To make this allocation of responsibility work requires proper sharing of informants, intelligence and other resources by Federal, state and local officials. I realize this sharing must take into account the needs of local as well as federal enforcement. It is also true, and we might as well recognize it, that not all information can be shared. So we have problems and procedures to work out. DEA's new Administrator, Peter Bensinger, has recently noted that Federal, state and local task forces, such as those in New York, Los Angeles and Chicago can be a valuable asset in this regard.

Effective drug enforcement would also be promoted by the development of more formal, though flexible, understandings on the

appropriate Federal, state, and local role in prosecuting drug cases. Individuals who violate Federal drug laws usually are also violating state statutes. Uniform national standards relating to prosecution of drug cases are difficult, if not impossible, to develop because of varying conditions in different areas of the country. We have, however, asked the United States Attorneys to work with you and your local counterparts to develop appropriate guidelines suited to the jurisdictions in which you share responsibility. The guidelines should be designed to assure that investigative and prosecutorial priorities are compatible and that offenders who are apprehended do not find any cracks through which to slip in our Federal system. The Federal-State law enforcement committees which exist formally or informally in 20 states would be ideal forums for developing these standards; matters such as this, indeed, suggest the special value of these committees. We look forward to working with you in doing so.



As you are aware, there are occasions when we find ourselves in our official capacities, on opposite sides of the table. In the civil rights area legislation has expressly authorized Federal involvement in certain state matters regarding employment, education, voting, and the expenditure of Federal funds. As the people of San Antonio know, this Federal activity extends to substantively reviewing all changes in the law which might conceivably have the purpose or effect of abridging the right of some citizens to vote in certain areas of the country. While history has made such measures seem appropriate, they are quite clearly inconsistent with the principles of separate spheres of responsibility and comity which are the philosophical foundations of our Federal system. The Department of Justice attempts to discharge its duties under these acts fully, but, I trust, with a sensitivity to their extraordinary implications.

Occasionally, our mandate raises rather peculiar questions. Last year, for example, we had to consider whether bilingual ballots were required for an Indian tribe in Virginia whose members all spoke English and whose other language was unwritten and virtually extinct. After due deliberation we decided they were not. More often, however, these efforts include more serious problems, particularly when the Federal courts become the mechanism for the federal presence in matters normally reserved for state and local governments. We all know this sometimes causes friction. But even in these situations we cannot help but be aware that ultimately our aims must be the same or compatible.

Our problems are interrelated and our responsibilities are interdependent, particularly, in the effort to reduce crime. Because this is true I propose to emphasize one facet of our needs and our cooperation, namely the sharing of criminal data and statistics. There is an obvious need for improved criminal justice information systems. Yet fear of misuse and invasions of privacy make them difficult to discuss, let alone develop.

As many of you know, the FBI proposed several years ago to alter the operation of its computerized criminal history program. Much of the debate on this proposal has been highly emotional, often starting with charges of "Big Brother" and ending with counter-charges about "Red Herrings." It is more disappointing than surprising that the questions raised by the proposal are yet to be authoritatively resolved.

An improved capacity to retrieve and exchange criminal history information would, unquestionably, be valuable to every element of the criminal justice system. If special attention is to be given the career criminals, we have to know who they are and quickly. Better information would help in investigations, plea bargaining under appropriate safeguards, setting bail, sentencing and considering parole.

In addition, some of this information is of obvious interest to employers, both public and private. It is understandable, for example, that a college would like to know, as one in the District of Columbia did not, that it is a convicted rapist who has applied for a job as a security guard in a girls' dormitory.

Yet, if past error already paid for can follow an individual for the rest of his life, threatening employment opportunities and his acceptance in the community, our hopes of rehabilitating offenders through improved correctional services will be severely diminished. Furthermore, there is obvious unfairness in the dissemination of criminal records which are inaccurate or incomplete. Arrests of innocent individuals can have a haunting effect if widely disseminated and are particularly punishing if they show only an arrest but not a favorable disposition.

The tension in this area is not simply between the needs of the administration of justice and the interests of personal privacy. As members of the media avidly argue, there is a strong public interest in information which may conflict with an in-

dividual's interest in confidentiality. Sealing or destroying records harmful to an individual may also conceal police abuses; restricted access to old records may help the average offender to adjust to a normal life, but also enable a political candidate or public official to escape examination of his past. There are competing interests and values which have to be balanced.

The hard questions presented in this area, of course, are not new. But the development of computerized criminal justice information systems gives them added urgency. Computers facilitate the centralization of information regarding individuals and afford broader and faster access to it. Thus, they can contribute to the achievement of speedy trials, equitable sentencing, and punishment which is more swift and sure. In the process, however, the computer eliminates what many have viewed as the primary protector of personal privacy -- inefficiency. Senator Sam Ervin expressed this view in 1974 when he said:

If traditional Government record-keeping practices and record policies have not yet posed an intolerable threat to personal privacy or reputations, it is only because of the benign inefficiency of these file draw systems. Until very recently, significant amounts of information were not collected on individuals and therefore were not available to others. Use of information collected and kept on a decentralized basis is slow, inefficient, and frustrating. It requires an immense effort to collect

information on a specific individual from a variety of different agencies and then to have it sent out to the agency requesting it. It is ironic but true that what has thus far saved much of our privacy and our liberty has been the complacency, inefficiency, and interagency jealousies of the Government in its personnel.

It is apparent, however, that inefficiency is no longer an adequate safeguard. We must face up to hard questions requiring resolution.

Our problems have to be met with or without legislation. In the absence of controlling legislation, for example, the U.S. Court of Appeals for the District of Columbia decided that the FBI has a duty to prevent dissemination of inaccurate criminal records and must take precautions to prevent inaccuracy and correct its records. Tarlton v. Saxbe, 507 F.2d 1116 (D.C. Cir. 1974). The court expressed some reluctance in doing so, however, stating:

We would welcome legislative action to meet these issues. . . . The Congress has at its disposal the [necessary] resources and fact finding apparatus. . . . Furthermore, Congress is the appropriate institution to determine whether established common law and constitutional interests should be limited in the service of other important interests.

In a limited way, Congress acted in this area. The Omnibus Crime Control and Safe Streets Act of 1973 requires LEAA to promulgate regulations to assure the privacy and security of information contained in manual and automated criminal justice information systems which it funds. Specifically, the Act requires that information in LEAA-funded systems include dispositions with arrest data; be kept current and secure; be utilized only for law enforcement and other lawful purposes; and be accessible to the individuals whose records are included for review and correction.

In 1975, the Department of Justice promulgated the required regulations, stimulating a renewed discussion on the proper balancing of competing interests and, particularly, on the appropriate roles of the Federal and state governments.

The LEAA regulations recognize that the interests of personal privacy and law enforcement are both served by records that are accurate and complete. Thus, as contemplated by the statute, they require prompt reporting of dispositions, prohibit dissemination to non-law enforcement agencies of arrest records without dispositions which are more than one year old, and provide a right of access to an individual who wishes to inspect and correct his criminal records. Recognizing that state records may have been disseminated, the regulations place the responsibility for their correction in the originating agency and require that it notify all recipients of the correction.

Two provisions of the regulations directly called into question the degree of discretion which the Federal government ought

to leave to the states. As you know, in order to protect the computerized records from unauthorized access, and with the strong support of the FBI, the regulations originally required that all automated systems funded by LEAA be "dedicated" -- that is used -- exclusively for criminal justice purposes. Many of you, along with other representatives of the states, protested this requirement. It was asserted that dedication is not the sole effective means of protecting computerized records, is inconsistent with programs to which some states are already committed, and is unduly expensive and wasteful. Upon further consideration, we found these views compelling. While the Department still believes that dedication is the preferable means of securing computerized criminal history data, the LEAA regulations have been revised to permit each state to establish its own procedures for protecting such information. Moreover, to achieve consistency of Federal policy in this area, the FBI is now conforming the conditions for participation in the National Crime Information Center to this approach.

Somewhat similar questions were raised regarding acceptable means of determining the appropriate extent of dissemination of state criminal records to individuals or organizations outside of the criminal justice system. It is our belief that these decisions should be made by politically responsible officials at the state level rather than by the law enforcement organizations which maintain the records, the potential users, or the Federal government. There-



fore, the Department regulations require that each state shall, on the record, by its own statute or executive order, decide for what government and private purposes criminal records ought to be available.

In view of the importance of this question, the regulations originally prohibited any dissemination not expressly authorized by statute or executive order. This provision was intended to compel careful, formal attention to this issue. As many of you persuasively pointed out, however, this approach is inconsistent with that of the open record laws enacted by 45 states. These generally provide that all records are to be considered public unless expressly made confidential. We have revised the Department's regulations to conform with these strong statements of state policy. Nevertheless, I trust you will agree, that the unique problems involved in the dissemination of criminal records do require independent consideration. Inattention to these problems will only greatly increase public concern.

Regardless of where the limits on access are set, it is important that they be observed and enforced. Basic to this is a system of accountability. Accordingly, the Department regulations require that LEAA-funded systems, whether manual or automated, include maintenance of records. The individual who has made each entry, the recipient of each record and his reason for receiving it must be shown. Regular audits to assure that limits on dissemination

are being observed must be made and there are sanctions for abuse, including fines and termination of funding.

The computers which contribute so much to the apprehension about abuse of criminal records can provide the best protection for them. For the required record-keeping, audit trails, and corrections procedures present a formidable human task, but these can be much more easily and reliably programmed into a computerized system. The computer should be recognized as a potentially powerful ally of privacy interests.

There is one important issue not resolved by the Department of Justice regulations. This involves the interstate exchange of computerized criminal histories. The mobility of criminals has long made it desirable that law enforcement organizations be able to make a single inquiry to determine whether an individual has a criminal record in any other jurisdiction. Since 1924, the Federal Bureau of Investigation has rendered this service through its Identification Division. As you know, this Division provides a central depository for over 21 million arrest fingerprint records from which are derived the criminal histories known as "rap sheets."

It has become increasingly apparent that the value of criminal history information is greatly enhanced if it is readily accessible. In 1970, with the advice of several interested, outside groups, the Attorney General authorized the Bureau to include a computerized criminal history program as part of the National Crime Infor-

mational Center. Information available in days or weeks from the Identification Division could be obtained in minutes if included in the CCH program.

Although the program was intended to be ultimately decentralized, it was necessary to begin by collecting duplicate, computerized criminal histories in Washington. Since the inception of the program, the FBI has received approximately 800,000 records from 8 states. Cost and the continued availability of necessary services from the Identification Division, among other factors, have discouraged broader state participation and proportionally limited the immediate value of the computerized criminal history program. To facilitate fuller state participation, the FBI several years ago proposed to decentralize the computerized criminal history program by returning the records of offenders arrested only in a single state -- amounting to 70% of the computerized criminal history records -- to the states which originated them. The Bureau proposed to maintain only the records of Federal and multi-state offenders and an index of the computerized records maintained by the states. In order to implement this proposal, the Bureau requested from the then Attorney General the limited authority to switch inquiries-- or messages -- from the requesting state to the state in which the index indicated a relevant criminal record was maintained. This proposal was pending when I became Attorney General in February, 1975. It has evoked one of the most heated

lation regulating the program was enacted. We have been disappointed that despite our efforts, and the efforts of Congressional committees, such legislation does not seem imminent.

In view of the difficulties encountered in realizing the potential of the CCH program, the Bureau has now requested permission to terminate it. This request is now being studied by the Department. Judging by the mail, it appears to be as controversial as the request for limited message switching authority. The final decision will be difficult because of the potential value of the computerized criminal history program, and particularly, because of the steps which some states have taken in reliance upon the development of a national program.

You may be assured that the Bureau's proposal to terminate its computerized criminal history program does not represent a decline in its willingness to render important services to state and local criminal justice systems. The Identification Division, which is itself becoming increasingly computerized, will continue to be the primary provider of criminal record services nationally. The proposal does reflect, however, the understanding that the real value of a computerized criminal history program cannot be achieved without a broadly acceptable resolution of the questions the FBI program has evoked.

If the Bureau's request to terminate its program is granted, perhaps a decentralized computerized criminal history program will be implemented by another institution. However, the hard questions being asked about the FBI in this area must be addressed to and by



any other candidate for the responsibility. This is to say there must be high assurances of accuracy and accountability.

The FBI's proposal to terminate its computerized criminal history program gives added urgency to the compelling need to thoughtfully, but decisively establish a national policy regarding criminal justice information systems. The Department of Justice has proposed legislation which would authorize message switching and, like the regulations, give substantial discretion to the states to determine the permissible use of criminal justice information. An alternative measure would prohibit message switching and more substantially preempt state discretion by strictly limiting the use of such information.

Regardless of how these questions are resolved, legislation is important. I believe its content can be influenced by how responsibly we deal with the issues we must now address in its absence. We should be encouraged in our efforts by the understanding that there is no single, perfect solution. As our experience with the Department of Justice regulations suggests, this must be an evolutionary process. But we must speed our progress.

Crime is at an intolerable level. The victims of crime will be ill served if in seeking our common goals we unnecessarily compete, rather than co-operate, or if we permit inevitable controversies to prevent us from making difficult decisions together. Federalism, after all, is important. It is one of the great inventions of our Constitution. And we have a strategic opportunity

and responsibility to make Federalism work. To that end, I
pledge you my continuing support.

UNITED STATES DEPARTMENT OF
COMMERCE
NEWS

WASHINGTON, D.C. 20230

OFFICE
OF THE
SECRETARY

JUN 4 1976

FOR RELEASE A.M. PAPERS, TUESDAY, MAY 18, 1976

ADDRESS BY SECRETARY OF COMMERCE ELLIOT L. RICHARDSON
PREPARED FOR DELIVERY BEFORE THE ECONOMIC CLUB OF NEW
YORK, NEW YORK HILTON, NEW YORK, NEW YORK, 8:30 P.M.
MONDAY, MAY 17, 1976

It is a great honor and a great pleasure for me to address this distinguished gathering here tonight, and to meet, under such pleasant circumstances, with so many leaders of the American business community.

Let me say that of all the jobs I have held in Washington in recent years, none has been more gratifying, or more instructive, than my present one as Secretary of Commerce.

And none, without exception, has given me a greater feeling of virtue.

Now, I am sure that many members of the intellectual establishment, as well as those members of the public who show up on opinion polls as having a low estimate of business -- I am sure these would be rather shocked by that statement.

Certainly, I must have felt more virtuous, more public-spirited at the Department of Health, Education and Welfare. Or at any of the other departments, all of whose concerns appear to be more exclusively and directly in the public interest.

No. Not so at all.

And this is the kind of wrong thinking that I would like to set right this evening -- the kind that assumes, in large part, that our business organizations lack social purpose, that the private pursuit of gain is all there is to business, and that business activities, therefore, are somehow ignoble and less than good.

Let's examine, for a moment, what we are really talking about when we refer to "Business" in our society.

In the most fundamental sense -- fundamental to the very existence of a viable civilization -- when we talk of business, we are talking about the creation of wealth, of useful goods that constitute the margin of survival for a society.

Without these goods, without the margin of survival that wealth provides, we are brutes.

No society can exist for long without the means to accumulate wealth. Moreover, the possibilities for human

dignity, for the higher levels of organization and information that we call civilization, are wholly contingent on the production of useful goods, contingent on widening the margin of survival from the level of the brute to, ultimately, the level of the philosopher, who, because he is relieved of the necessity of scraping for survival, has the time and the inclination for the pursuit of wisdom, the pursuit of justice, the pursuit of beauty, the pursuit of happiness.

Just look at those societies, those developing nations that are unable to generate wealth on a scale equal to the needs of their people -- people who struggle desperately for survival on incomes of less than \$200 a year, people for whom the refinements and surpluses of our society are beyond imagination, let alone expectation.

Essentially, they lack the means, they lack the business institutions that can effectively organize human effort, utilize material resources and establish an economic system for the creation of wealth.

That is the elemental difference between developed and developing nations: The ability to create wealth, to create an abundant supply of useful goods. And it is a difference that our affluent, take-it-all for granted society cannot afford to overlook.

So you can see why I advance the proposition, without apology and with only the most obvious of caveats, that the true role of business in our society is the most fundamental of all, bar none.

Which is not to say, of course, that every businessman in search of a sale is acutely aware of this role. No more than the foot soldier in the front lines is acutely aware of the grand design of battle, or the purpose of the war. But he contributes to the victory, just as the businessman fulfills the fundamental public purpose of business.

In short, he does good by participating in the creation of wealth.

Similarly, to effectively manage, as you do, the creation of wealth, wealth on a scale that benefits others far more than yourselves, even though you are well compensated, that is virtue, that is acting in accordance with society's common good.

And I think we can derive some meaning, not semantically precise perhaps, but some meaning from the fact that the words wealth and weal and well being share the same etymological root, just as virtue comes from the Latin word for strength.

In the same vein, I think I can say that, since it is the broad mandate of the Commerce Department to foster the

economic activity of the United States -- to foster the creation of wealth -- that no Department of government has a more basic, more important role to play.

Which is why I feel a sense of virtue.

But I didn't come here tonight simply to tell you how I feel about myself, or to persuade you to feel better about yourselves.

This misconception about the true role of business goes far beyond the matter of public image or personal feelings. It goes, in fact, to the very heart of the debate about public purposes and to the very root of many of the economic problems we face today.

The great debate revolves around the uses of our wealth, and especially the claims of public interest on that wealth. But our society has become so accustomed to having wealth, with our per capital income of almost \$6,000 that the debate has become structured in a way that overlooks not only the necessity of creating it, but the limits -- the finite limits -- of that creation.

In other words, we in the economic community have allowed our critics to stack the cards against us. As a result, we are faced with an impossible number of proposals and demands on the public uses of the Nation's wealth,

demands which, in the aggregate, if carried out, would critically overload the engine that produces the wealth.

Every proposal, every demand has a legitimate, self-contained public purpose. Protect and enhance the environment. Protect and improve the occupational health and safety of workers. Use energy more efficiently.

You know the list better than I. But few, if any of the public interest groups are willing to consider the trade-off involved in actualizing their demands -- certainly not in terms of their particular demand, as opposed to other public interest claims or, far less, in terms of the overall wealth-creating capacity of our economy.

There are limits, and straining those limits impacts on the other public and private purposes we are trying to pursue as a people.

To reduce the situation to analogy, it is like a ship on which every passenger and crew member insists on a special piece of cargo, in addition to the cargo necessary for the voyage, such as food and fuel. By the time each has added his special something, the ship is so weighted down it is less than seaworthy and doesn't have enough fuel to make the intended voyage to carry any cargo.

We have to decide, as a people, what we want to carry and where we want to go, and not only how but how fast we want to get there.

I think that our business organizations are ready to meet and respect the claims of the public interest, but I don't think the public has made up its mind as to what it realistically wants.

I think the public has failed to think through what it wants from its creators of wealth, failed to think through the trade-offs that economic reality imposes.

And I think the free enterprise system, the humanistic free market system, that we have in this country is genuinely working in the long term public interest. But the public simply hasn't made up its mind as to what that long term interest is.

How much is it worth, for example, to eliminate the last five percent of particulate emissions from industrial stacks? What is that worth in terms of capital that might otherwise be used for the creation of jobs, of the improvement of product quality, or eliminating a job hazard? Or vice versa?

We not only have to make these choices, but allow them to be made, make room for them, by reducing the insistent pressure for immediate action on particular issues.

Both before and after the oil embargo, for instance, there were demands both to produce more oil and gas from known reserves, and to produce less to prevent injury to the environment; to lower prices but develop new reserves -- again without injury to the environment -- which would cost more than lowered prices would allow. And at the same time there were other demands to make gasoline both more efficient, yet reduce the lead content which would make it less efficient.

Meanwhile, our business organizations are already carrying out an incredibly wide range of public purposes, both directly and indirectly.

Let me mention just some of them.

First, and most importantly, they are providing, as I indicated, the goods and services that maintain and widen our margin of survival -- our wealth.

Secondly, they are constantly improving the quality of those goods and services, thus enhancing both the interests of consumers and the quality of their lives.

Third, they are providing employment and income for our people, with more than two million jobs added since the beginning of this year, and more than 86,000,000 people now gainfully employed.

Fourth, they are making the best possible use of our human and material resources by increasing productivity, by

assembling and managing the manpower, the science, the technology and the capital for the production of our wealth.

Fifth, they make possible our surplus of wealth, both for the savings that become capital, and the taxes that support our public institutions and public services.

And sixth, they make possible the leisure for the pursuit of all the non-material activities of our society, from loafing to research to teaching to literature.

The fact that American business is performing all these vital functions far better, and on a far greater scale, than any other nation's business community is, I think, a magnificent achievement -- a magnificent achievement in the public interest.

And it is that achievement -- the extent, the scope, the scale of it -- that demands to be measured, demands to be evaluated whenever other demands are made on our business organizations -- demands that must inevitably dilute everyone's interest in what is already being accomplished.

I am not calling for a "hands off" approach to the many public problems that must be addressed, that do have a claim on our wealth. But I am calling for reasoned and reasonable choice, for a rational decision-making process that take close account of economic realities.

What is needed is a legislative mechanism that encourages broad scale public participation in the decision-making process, and at the same time establishes a timetable for action.

And I think President Ford has shown the way to do this in his plan for regulatory reform, which he sent to the Congress just last week.

Now, every government regulation of business activity originally had a very valid, presumably necessary public purpose. But in the aggregate, they constitute a serious drain on our national wealth. In fact, according to the Office of Management and Budget, the total cost of "unnecessary and wasteful" government regulation amounts to a staggering \$130 billion a year, or \$2,000 for each American family.

I question whether this is all wasteful spending. But there is, undoubtedly much waste, especially in cases where the incremental costs far outweigh the additional benefits of a given regulatory activity, such, as I mentioned, removing the last 5 percent of particulate admissions.

The question must be asked: Can we achieve the same purpose less expensively?

Obviously, some hard choices have to be made, without delay, and made with public participation.

The President's plan, called the "Agenda for Government Reform Act," has four principal objectives:

(1) To encourage broad scale public participation in the decision-making process through public hearings in all parts of the country. This fundamental re-examination of regulatory practices will not only foster increased public

understanding of how the system works, but also how it affects individual Americans.

(2) To focus attention on the cumulative effect Government actions have on individual sectors of the economy, thereby laying the foundation for lasting, common-sense solutions to our regulatory problems, as well as highlighting the trade-offs involved in all public restraints on economic activity.

(3) To minimize the costs which government programs impose on taxpayers and the general economy through paperwork requirements, unnecessary program duplication and compliance requirements that multiply the costs of government intervention.

(4) To require the President and the Congress to act on concrete reforms according to a specific schedule.

And here's the way the plan will work.

In each of the next four years, the President and his advisors will consider a different sector of the economy in all its regulatory aspects, except taxes. By January 31st of each year, the President will then forward specific proposals to the Congress. If the House and Senate do not act on the proposals by November 15th of that year, they automatically become the pending business on the floor of each body and remain so until accepted or rejected.

That, I submit, is a realistic, workable approach that could, if adopted, greatly reduce unnecessary government

infringement on the market place, and result in better, less costly ways to achieve social goals.

It will also allow us to analyze systematically, and achieve a consensus on, just what our long-term public interests are, and just how much we are willing to spend to achieve them.

-- how much it is worth in disposable income to achieve clean air of a given quality in a given period of time.

-- how much it is worth in job creation to apply given amounts of capital to job safety.

-- how much it is worth in capital formation, with all that implies, to provide given amounts to health insurance under social security, or even national defense.

These are the kind of choices we have to make, free choices and hopefully wise choices, but choices nonetheless -- choices on the use of our wealth, but choices that must not be allowed to inhibit the creation of that wealth.

And that, I think, is where we came in.

Thank you.

For Release on Delivery 11:00 A.M. (EDT), June 4, 1976

REMARKS OF SECRETARY OF THE INTERIOR THOMAS S. KLEPPE
BEFORE THE COMMONWEALTH CLUB
SAN FRANCISCO, CALIFORNIA, JUNE 4, 1976

Today I want to review for you what we have been doing at the Interior Department during the past seven months to meet the challenges of the energy crisis and at the same time protect the environment.

If that sounds like a contradiction to you, that was my first reaction last October when President Ford asked me to join the Cabinet.

He said: "Tom, your job is to find a way to develop and use our resources and yet protect, preserve, conserve our environment, our quality of air, our quality of life."

When I went home that night, my thought was that this was the first impossible job I've ever had in my life.

But it's not impossible.

We must do exactly what President Ford ordered if we are to remain a strong and a free country.

We live in a world which is ever more competitive and hostile.

Our continued survival as a free and independent nation is threatened by more than other super powers which might be bent on controlling the world. Only two dozen of the world's countries are free economy democracies -- we are outnumbered six to one.

Small nations with big resources are establishing cartels which inflate the cost of raw materials, and energy, which we must import to maintain our standard of living.

We discovered in 1973 what a terrible impact such cartels can have on the American economy and way of life.

But the energy crisis really began well before 1973, and it did not end with termination of the Arab oil boycott in 1974.

Our domestic oil production peaked at 9.6 million barrels per day in 1970 and has been declining steadily since -- this year it will not be much over 8 million barrels per day. Oil imports cost us about \$3 billion in 1970, more than \$8 billion in 1973, more than \$24 billion in 1974, and about \$27 billion last year. Our bill for this year is going to be much higher -- depending first on what the OPEC nations decide to charge us, and second, how much Bicentennial driving Americans do.

Imports for the first quarter of this year ran at about 40 percent of demand. During one week in March, imports equaled more than 50 percent of demand for the first time in our history.



Dependence on imports is growing even more rapidly than we had feared previously. The Alaskan oil is expected to cause only a temporary and small decline in this reliance.

Added to this ominous condition is our growing dependence on the producers who instituted the 1973 boycott. At the time of the 1973 boycott we had been receiving 22 percent of our imported petroleum from Arab nations -- now it is more than 38 percent. And this is growing rapidly as Canadian and other Western Hemisphere producers cut back their exports to us.

Criticism has been voiced that the Nation has no energy policy. That is not true -- President Ford has an excellent energy policy which we are carrying out.

The principles of President Ford's Project Independence are sound.

The primary immediate role of the Interior Department in the energy crisis is somewhat akin to that of the Dutch boy who put his finger in the dike. We have to try to hold back the flood of imported oil while other steps are being taken to solve the long-range problems.

That is why we have moved as rapidly as environmental prudence and the law would allow in the sale of leases to develop outer continental shelf oil and gas.

Three sales have been held this year -- two in the new frontiers off the shores of southern California and in the region of the Gulf of Alaska, and one sale in an established area in the Gulf of Mexico. Currently we are conducting studies for lease sales in the Atlantic OCS.

In the selection of outer continental shelf tracts, we have been extremely cautious.

A team of scientists and environmental specialists goes over each area on a tract-by-tract basis, drafts an environmental impact statement and holds public hearings.

The Council on Environmental Quality reviews the final statement. Then I delete tracts where possible problems have been indicated. And I can impose additional environmental protection requirements on successful bidders.

In the case of Southern California, the tracts we considered leasing were adjacent to areas in both State and Federal waters now producing oil. After careful study, we deleted 62 of the proposed tracts, including all those in Santa Monica Bay. Then, after further evaluation, we withdrew another four tracts because of potential geologic hazards. Finally, we stipulated the most stringent conditions ever imposed in any OCS lease sale.

We are living up to the letter and the spirit of the law. We are listening carefully to all sides -- we are looking at all the facts.

We are proceeding with prudent haste because it takes from three to seven years to start production from the outer continental shelf wells. So it will be in the 1980s before many of the leases sold this year will begin producing significant amounts of oil and gas. Further delays could be disastrous to our future.

A second major step we have taken is the formulation of a new coal leasing policy to end a five-year moratorium. This policy will apply to some 85 million acres of coal reserves in Wyoming, Montana, Colorado, Utah, Arizona, New Mexico, and North Dakota.

Our new policy requires that competitive lease sales be held in areas where coal is identified and needed. This would be the first time that bidding would be required for such coal leases, and this would assure a fair return to the American people. We would also require that when coal leases are purchased that coal be produced -- putting an end to coal lease speculation.

And we will require reclamation of mined land.

Strip mining without reclamation is not good business -- not good business for the coal industry, not good business for the government, and certainly not good business for future generations of Americans.

But utilization of our coal is one of the most important steps in our energy sufficiency effort.

We have more coal than the rest of the Free World combined -- enough to last for several hundred years at current rates of consumption. While these vast coal reserves represent fully 90 percent of our energy reserves, coal provides only about 18 percent of our energy consumed.

Seventy-five percent of our energy consumption is provided by oil and gas which makes up only 17 percent of our resource base of proved energy reserves.

So one of our goals is to nearly double our use of coal.

In developing our policies on OCS and coal leasing, we have been as concerned about protecting the environment as we have about drilling and mining. So I look upon these as environmental protection as well as developmental policies.

But the Interior Department is involved in numerous activities which fall totally within the category of environmental protection, and we often find ourselves in opposition to various developmental proposals.

For example, I have intervened to try to stop the building of a dam on the New River in North Carolina because we believe the environmental cost is simply much too high.

We are involved in satellite and computer studies which will help us make recommendations on projects which affect the wetlands. Extensive programs to improve the recreational potential of public lands ... to save endangered species ... to protect the scenic beauty of America ... to convert ugly waste material into usable resources -- these are a few of the hundreds of important programs being conducted at the Interior Department.

I don't get the chance to talk much about these activities which are the fun part of my job. Most of the time is devoted to the tougher issues ... to discussion of the hard decisions ... the controversial matters which are constantly before the Department.

My philosophy in attacking these issues is what I call my ABCs:

"A" is for adjust. We have to adjust to today's conditions and tomorrow's needs.

"B" is for balance. We have to balance off needs against costs -- especially in the matter of energy and environment.

"C" is for compromise. Not a compromise of principle, but a compromise of the competing needs so that we can come up with programs which will serve Americans now and in the future.

And I have added "D" for decision -- not delay.

After receiving all the facts and hearing all the arguments, I am going to make decisions. I do not believe that most of the problems facing us today are in the category of either-or. We don't have to decide between either saving the environment or developing the resources.

With some adjustment, balancing and compromise we usually can come up with solutions which will be in the best interest of all Americans.

So far I have mentioned two of the major efforts in our energy program:

1. Expanded exploration and development of our domestic sources of gas and oil.
2. Utilization of our most abundant fossil fuel, coal.

A third element -- one which has received a great deal of attention in the press lately -- is conservation.

President Ford's Federal Energy Management Program has reduced energy consumption of government agencies more than 24 percent -- a savings equivalent to more than 250,000 barrels of oil daily.

The Administration has proposed legislation such as tax credits for insulation of homes and businesses ... grants to aid low income and elderly people in insulating their homes ... and minimum standards of thermal efficiency for new homes and commercial buildings.

The President has budgeted new funds or greatly increased funding for research and development of new methods of energy conservation.

These are just a few examples.

A fourth element in our program involving the Interior Department is development of unused or under-used resources.

We believe that oil shale will prove economically feasible and environmentally acceptable. We have leased four tracts in Utah and Colorado, and we are proceeding with plans to lease two more late this year or in 1977.

California is leading the way in efforts to develop the geothermal potential of the western states. The success of the Geysers has served to stimulate efforts to develop this promising source of energy, and our program of making federal lands available is proceeding.

Many pieces will have to fall into place over the next decade and over the next quarter century to resolve the energy crisis.

No doubt the pressures of the energy crisis will continue and increase. The dramatic recovery of our economy means there will be an expanding demand for more fuel.

Between April 1975 and April 1976 we gained 3 million 300 thousand jobs. This brought to 87 million 400 thousand the number of Americans who were employed -- more than at any time in our history.

During the next decade we need to add another 15 million jobs for Americans. To do this we must expand our free enterprise system -- not expand our government. President Ford has proposed programs to stimulate the economy and let the free economic system work.

The President has proposed cutting individual income taxes by \$10 billion ... increasing the personal exemption from \$750 to \$1,000 ... enacting an accelerated depreciation allowance ... another investment tax credit ... and another corporate tax deduction.

The President's program is aimed at increasing the spending power of American citizens -- a program which would provide capital for expansion of the economy and which would give our economic system the incentives to keep it moving in the right direction.

And the economy is moving in the right direction -- rapidly.

Gross National Product increased at an annual rate of 7.5 percent during the first quarter of this year.

Spensible income of American families increase \$100 billion over a year ago.

Consumer confidence has doubled.

Farm income is at an all time high.

Farm production is at a record level.

Productivity of American workers is on the increase.

To maintain this, the President is working to keep the private sector healthy. He wants to see the creation of real, productive, permanent jobs -- not make-work, inflationary, temporary, deadend government jobs.

The free enterprise system is capable of providing the jobs, and of solving the energy crisis, if we give it stable conditions under which to operate.

A Federal oil and gas company or a Federal takeover of the entire energy industry would be a disaster. Government cannot operate the 10,000 firms exploring for and producing petroleum, 250 refinery companies, 200,000 gas stations, 5,000 coal mines, 3,000 utilities and so on.

For two centuries private enterprise has done a good job of providing for the needs of Americans. It is private enterprise which has enabled our country to grow so rapidly and change so swiftly while still maintaining the freedoms we cherish.

If we lose our economic freedoms, then we will lose the essence of liberty. It is important that we resolve the energy crisis in a manner which will preserve our liberty and not destroy it.

This is what we have been attempting to accomplish during the past seven months in the Department of the Interior. We believe that our approach can develop our resources, that we are protecting and preserving the environment, and that under President Ford's guidance we are doing this in a manner which will enhance rather than endanger our freedoms.

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ADDRESS BY THE HONORABLE WILLIAM E. SIMON
SECRETARY OF THE TREASURY
LAFAYETTE COLLEGE COMMENCEMENT
EASTON, PENNSYLVANIA, JUNE 6, 1976

JUN 2 1976

President Bergethon, Dr. Gottshall, honored guests, Trustees of the College, Faculty, Members of the graduating class, parents and friends:

Twenty-four years ago, almost to the day, I sat in one of these chairs and waited for my name to be called to receive my diploma. I don't recall much of what was said that day but I do remember that my classmates and I were impatient to see the ceremonies end so that we could move on to the more important activity of developing our lives in the outside world.

I suppose the feeling in the air that day was best described by the distinguished Lafayette alumnus who delivered the graduation address here in 1973 -- Dr. Herbert R. Brown, Professor Emeritus at Bowdoin College.

"It is a melancholy truth," Dr. Brown said, "that more commencement addresses have been listened to more patiently, delivered more solemnly and forgotten more promptly than any other form of human discourse. Although I try desperately, I am unable to recall what was said at my graduation from Lafayette College. The distinguished speaker doubtless oozed sage advice, but he was merely looked upon by my classmates as the last remaining roadblock separating us from our diplomas."

Nevertheless, duty is duty, and I hope you will bear with me for a few minutes of talk which may not be very sage but will be sincere.

In the last few days, each of you has probably thought about the way your four years here have rushed by. You have company. That is how I feel about the last twenty-four years. A trite, but true observation, is that the learning experience does not stop at the gates of college. You are about to enter a tough world where you will compete for opportunities to fulfill your personal aspirations rather than for grades and social acceptance. This is really the beginning, not the end, of your personal development. Perhaps you have chosen me, a fellow alumnus, to be your sesquicentennial commencement speaker to observe someone who graduated and stayed afloat for 24 years.

As you enter this exciting phase of life you will encounter a universal challenge: How to deal with a rapidly changing way of life. An ancient philosopher once observed that "there is nothing permanent except change." This observation has always been accurate but it is particularly pertinent today.

As a proper Deke fraternity man I was not particularly impressed twenty-four years ago to attend commencement exercises. Our lives change in little ways as well as the major shifts in public affairs. Consider the amazing social, political and technical developments that have been taking place during just the last four years you have been here at Lafayette. Change has occurred at a rate guaranteed to cause what has popularly become known as "future shock." It is up to each of us to deal with these new realities. But the basic point is that regardless of which path you choose, you all have the ability and obligation to influence not only the speed but the direction of change. Each of you is called upon to determine the shape and character of our world, and that process begins in earnest as you graduate from college.

It is important that you learn and understand about the characteristics of our society but it is even more important that you learn how to cope with change and become the master of it. Some critics argue that because we are living in a new age, we must blindly adopt new values and lifestyles. I would urge that before you make such a choice that you re-examine the old values.

The progression of Western life has not followed an even, upward course. It has had more than its share of zigs and zags. But over the years certain values have endured and they are ready to serve you in this era of turmoil and confusion. Beliefs in a higher being and in the dignity of man, the primacy of the individual over the State, love of family and of fellow man -- these are the foundation blocks of our civilization. They are values as old as the ages and as young as each new generation. Many times in the long course of history, individuals and whole societies have failed to live up to these values. But the values have never failed those who have lived up to them.

In our two-hundred years of history as a nation, individuals have made great sacrifices to ensure that these values would live on. It would do us all well to remember that it was eight years ago that Robert F. Kennedy died in the pursuit of his vision for America. He was running

for his political party's nomination for the Presidency of the United States. Whether we agree with his beliefs or not, we honor Robert Kennedy's memory because he demonstrated a remarkable depth of commitment to America's future.

If we would emulate that spirit of commitment, each of us would serve society in some significant way. Our relations with family, friends and associates at work and in the community cast us in the role of influencing their lives. The choice is whether we will be a positive or negative force. Are we willing to stretch our horizons to the limit by serving not only at work, in the home and the church, but also in the community and the Nation.

Serving the country has become one of the great challenges of our time. Most government officials work very hard to improve public affairs but they usually receive more brickbats than bouquets because it is impossible to please all of the people all of the time. But even though their work may often be thankless on a day-to-day basis, the pleasure of knowing they are helping their fellow countrymen is greater than the momentary rewards of public recognition.

"Patriotism," as the late Adlai Stevenson described it, "is not short, frenzied outbursts of emotion, but the tranquil and steady dedication of a lifetime." Yet in recent years there has been an unfortunate groundswell of people who shirk their responsibilities and question their role as a participating citizen. More understandably, others have lost much of their faith in government at all levels. Some of our brightest young people have dropped out altogether. There is a widespread feeling of frustration, skepticism, and even despair. As a result the Nation suffers because leadership at all levels finds it increasingly difficult to marshal public support for pursuing more responsible policies committed to longer-term goals.

Even more disheartening, the refusal of people to serve destroys their commitment to others which is a cornerstone of America's greatness. This withdrawal from public service and cynical despair will not destroy the Nation overnight. But if it continues, this corrosive mood could eventually erode the strength of our public institutions and our potential for social, economic, political and spiritual progress.

History demonstrates that nations begin to fail when their citizens lose interest in the Nation's welfare and confidence in its future. The late historian, Arnold J. Toynbee, believed that the decline of the great nations of the past could be directly attributed to a lack of spiritual faith during changing times. The Roman Empire lasted almost six hundred years. If you had been alive at its peak, would you

have been able to imagine the end of the Roman Empire? Probably not because power and affluence often breed a mood of apathetic smugness. People in power and the citizens they represent avert their eyes from the cracks and fissures spreading through their way of life.

America is only two hundred years old, quite young when compared to the longevity of ancient Rome. Yet in those two centuries we have significantly changed the world through the contributions of our scientists and engineers, our managers and workers, our artists, our political leaders, and all those who have dedicated their lives to serving the public good. Can you imagine how much more we can create in the next 400 years? Inventors say, close your eyes and imagine the world as it might be. I would add: Open your hearts and your minds and then go forth in the great pioneering spirit of the past to create a new world as it ought to be. So many of the troubles we have in this country are of our own making and for that very reason, they are within reach of our own solutions -- if enough of us commit our time and energies to public needs.

What has made this a great Nation? What has made people throughout the world talk about the American Dream?

Has it been the land and our natural resources? We have certainly been blessed with an abundance of resources. But in the Soviet Union we see a land mass that is much larger than our own and one which is equally well-endowed. Yet, the Soviet system provides much less for the people. They must turn to the United States for the grain they need to feed their own people and for our technology and capital.

Does our strength depend only on the qualities of our people? We are clearly blessed with one of the largest and most talented populations that the world has ever known. But in China today we see a population that is four times as large as our own, whose civilization at one time was developed far in advance of the rest of the world. Yet their present material standard of living and personal freedoms are most disappointing.

So while our land, resources and people have been essential parts of the American story, there is a third factor that is too often missing in other countries that has contributed to America's progress. That crucial factor has been our national commitment to liberty and individual dignity.

For two hundred years people have streamed to our shores in search of various freedoms -- freedom of religion, freedom of speech, freedom of the press, freedom of assembly, and freedom to seek their fortunes without fear or favor of the government. All of these freedoms are planted firmly in our Constitution. But they have become such a familiar part of our lives that I wonder whether we now take them too much for granted.

There is nothing artificial about freedom, nor is there any guarantee of its permanency. As Dwight Eisenhower once said, "Freedom has its life in the hearts, the actions, and the spirits of men, and so it must be daily earned and refreshed -- else like a flower cut from its life-giving roots, it will wither and die."

There are many ways this can happen, some of them very slow and subtle. For example, there has been an accelerating trend toward collectivist policies in the United States as people have been persuaded that the problems of our society have become so large that individuals can no longer cope with them. Many Americans now expect the Government to assume responsibility for solving their problems and to do things for them that they once did for themselves. Government has been gradually cast into the role of trying to solve all the difficult challenges of modern life.

That trend accelerated during the 1960's as governments promised the rapid solution of complex political, economic and social problems and the end of economic cycles based on the clever manipulation of government policies. We failed to note that resources are always limited, even in a nation as affluent as ours. Unfortunately, the inflated expectations and broken promises of the past have left a residue of disillusionment. Many young people are skeptical about our basic institutions and I can't say that I blame them.

In my work at the Treasury Department and in the energy field, I have also found that the decisions of the 1960's and early 1970's left a legacy of very serious economic problems, particularly the potentially ruinous inflation and extremely high levels of unemployment.

International problems, the energy crisis, disappointing harvests, excessive government regulations, wage and price controls and thousands of other specific problems have contributed significantly to the unsatisfactory levels of inflation and unemployment. But the underlying momentum

has been basically caused by the excessive economic stimulus provided by the Federal Government for more than a decade. For example:

- A quadrupling of the Federal budget in just 15 years;
- A string of 16 budget deficits in 17 years;
- And a doubling of the national debt in just 10 years time.

The greatest irony of these misguided policies is that they were based on the mistaken notion that they would specifically help the poor, the elderly, the sick and the disadvantaged. Yet when these stop-and-go government policies trigger inflation and unemployment, who gets hurt the most? The very same people the politicians claimed they were trying to help -- the poor, the elderly, the sick and the disadvantaged.

Even more fundamentally, the last fifteen years have seen an acceleration of the trend toward Big Government and the diminishing of economic and personal freedoms in the United States. The Federal Government has now become the dominant force in our society. It is the biggest single employer, the biggest consumer, and the biggest borrower. Fifty years ago, government spending comprised approximately 10 percent of the gross national product; in 1976 that figure will be up to 35 percent. If the government spending trends of the last two decades continue, the total government share of economic activity in the United States will be approaching 60 percent by the year 2000 -- when most of you will be in the prime of life. If the government exercises such a dominating influence in the economy, it will also control many of the personal decisions of its citizens. History shows that when economic freedom disappears personal and political freedoms will also be eroded. The inextricable relationship between economic freedom and personal freedom is sometimes overlooked by those who constantly seek to expand the powers of government, but it is plain to see in many countries around the world where these freedoms have been lost. It was also plain to our forefathers. Let me read to you from letters that Thomas Jefferson wrote to three of his friends:

- "I ... place economy among the first and most important of republican virtues, and public debt as the greatest of the dangers to be feared."
- "I am not among those who fear the people... To preserve their independence, we must not let our rulers load us with perpetual debt. We must make our election between economy and liberty, or profusion and servitude."

-- "If we can prevent the government from wasting the labors of the people, under the pretense of taking care of them, they must become happy."

It must also be remembered that as the premier economy in the world, the United States has a unique responsibility to provide leadership. In the final analysis the political and military goals of seeking stability in the world, so that economic progress can spread more benefits to other people, will depend upon the continued creativity and productivity of our economic system. Other nations are increasingly recognizing that controlled economies are not responsive to the interests of their people and that inflation and unemployment are the inevitable handmaidens of economic mismanagement. As I travel around the world on official visits I am impressed by the tremendous admiration other nations have for our economic capabilities. Even those who reject our political values still respect our economic achievements. It is no exaggeration to state that the rest of the world is closely watching our economic performance to see if we will adhere to those policies that have served America so well during its first two-hundred years.

To accomplish our national goals I believe that we urgently need an infusion of fresh ideas and enthusiasm into our political and economic systems from young men and women who understand both the accomplishments and mistakes of the past, who have a sense of the enduring values of our civilization, and who share an ardent desire to shape a better world for themselves and their children.

Some critics claim that today's young people -- made skeptical by a decade of internal confusion and external shocks -- simply do not care enough anymore to try to improve the world. It is true that there is often real anguish associated with change but the rewards of even partial success in achieving worthy goals justifies the effort. As Churchill once said when he was asked why the British were so dedicated to fighting the Nazi armies: "If we ever stop, you will soon find out why."

There are also those who claim that the familiar institutions of family, church, schools, and democratic political processes are no longer pertinent -- "relevant" is their catchword -- in today's atmosphere of change. I disagree. I believe they are even more important than ever and represent our only real hope for overcoming the confusion and cynicism that pervades our society. A good society -- a humane society -- can only be built by good families and individuals.

As the ancient philosopher Mencius said of Rome 2000 years before the founding of our republic:

"The men of old, wanting to clarify and diffuse throughout the empire that light which comes from looking straight into the heart and then acting, first set up good government in their own states; wanting good government in their own states they first established order in their families; wanting order in their families they first disciplined themselves; desiring discipline in themselves they first rectified their hearts."

The key point is that each of us must become personally involved to strengthen the virtues of our society. Families will not be stronger unless we care enough to make them better. Churches will not provide moral leadership unless they can uplift the spirits of their believers. Schools will not have educated and committed graduates unless students and teachers give wholeheartedly of themselves. Finally, our free political institutions will not function effectively unless there is increased personal involvement. In the Congressional elections of 1974 only 37 percent of the Nation's eligible voters participated. The media and pollsters constantly tell us that respect for public leaders and institutions has fallen to very low levels and that people feel that withdrawal is the only proper response. What a tragic mistake. Corruption and abuse of power thrive on public apathy and withdrawal. If the American people turn their backs on public affairs, we will never be able to correct the mistakes of the past or solve the problems of the future.

In the years to come, I do not want the last quarter of this century to be remembered as a time of lost opportunities in America. I want this period to be recalled as the era when our energy was equal to the emergency and our commitment equivalent to the challenge. This is not a call to the complacent but a challenge for the concerned. If you will accept the challenge of serving others it will mean at least as much to you as any of the many personal and material achievements that lie ahead. The adventure of getting there is half the fun and that adventure begins for each of you here and now.

I urge you to accept this challenge, to use the skills and perceptions you have gained here at Lafayette, not only to make happy, prosperous lives for yourselves, but to build

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a record of citizenship and service for your generation. If you do, 24 years from now, when you look back on your post-college life, you will honestly be able to say that you left this troubled but wonderful world of ours a better place than you found it, not only for yourselves but for the graduating class of the year 2000.

Good luck to you all and Godspeed.

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REMARKS BY THE HONORABLE WILLIAM E. SIMON
SECRETARY OF THE TREASURY
BEFORE THE
80TH ANNUAL NATIONAL CREDIT CONGRESS
NEW YORK CITY - MAY 24, 1976

JUN 2 1976

Thank you President Schiller, Mr. McGillicuddy, members of the National Association of Credit Management, ladies and gentlemen:

It is a pleasure for me to be here today to discuss economic issues with a group that is so knowledgeable and so vitally concerned.

What is unique is the nature and importance of the organization you belong to, with its 39,000 members throughout the country, ranging from big to small businesses and covering the entire field of manufacturing, wholesaling, service industries and financial institutions. No group is more a part of, or has a keener understanding of, both the strengths and weaknesses of the American economy. I only wish that more of our fellow citizens shared your working knowledge of this truly remarkable and incomparably productive system of ours.

Unfortunately, many Americans do not. If there is any subject that is generally misunderstood by an overwhelming number of our citizens it is the dynamics of our free enterprise system. In fact, this information gap -- what some authorities have called the economic illiteracy of the American people -- is one of the problems I would like to discuss with you today. But first let me give you an update on the status of our economy

As I look around this room, I realize that among you are many who -- directly or indirectly -- have been hard-hit by the recent recession and double-digit inflation. The negative impact of that combination of problems represents a terrible price to pay for too many years of economic mismanagement. Fortunately, we are now well into the second year of economic expansion following the turnaround in the economy about fifteen months ago. We still have a long way

to go to regain the kind of national economy we all desire but at least we are moving in the right direction and we can look for a sustained recovery if responsible policies are followed:

-- 1975 opened with inflation raging at nearly 13 percent. That rate has been sharply reduced and the underlying rate of inflation is now approximately 6 percent. In fact, during the first quarter of this year the overall rate of inflation, as measured by the GNP price deflator, increased at an annual rate of only 3.5 percent. So we have made progress already and we can make more if we continue to follow responsible policies.

-- During the spring of 1975, the unemployment rate reached 9 percent. It has now dropped to 7.5 percent and the trend is clearly downward. Even more important, actual employment has increased rapidly during the past year and a record 87 million people are now working.

-- And the latest figures on the growth of the real GNP, that is, total output after adjusting for inflation, increased at an annual rate of 8.5 percent during the first quarter of 1976. During the last four quarters the output of real goods and services has increased 7.1 percent, a pace well above the underlying capacity of our economy.

Other signs point to an economy that is gaining increasing momentum: Personal income, industrial output, housing starts, retail sales, imports, business capital investment, and most other measures of economic activity -- all are registering solid gains and this reflects rising public confidence about the economy.

We made considerable headway in 1975, and we will make even more in 1976 if consumers and businessmen remain confident that the government will not apply excessive economic stimulus to gain political advantages. But we still face serious long-term problems and this is certainly no time for complacency. Unemployment is still intolerably high, and inflation is by no means under control.

Our basic desire for progress, in the forms of improved living standards and employment opportunities, will surely be frustrated unless we better control the insidious inflation which has destroyed economic stability by triggering a costly series of booms and recessions. The tragic policy errors of the past and our basic hopes for the future must

force us to recognize a basic reality: Inflation is the greatest threat to the sustained progress of our economy and the ultimate survival of all of our basic institutions. There is a clear record from the past: When inflation distorts the economic system and destroys the incentives for real improvement the people will no longer support that system and society disintegrates. I am convinced that our uniquely creative and productive society will also collapse if we permit inflation to dominate economic affairs. There is no tradeoff between the goals of price stability and low unemployment as some critics have erroneously claimed. To the contrary, the achievement of both goals is interdependent. If we are to increase the output of goods and services and reduce unemployment, we must first make further progress in reducing inflation.

The intensity of my feelings about inflation has resulted in some critics labeling me a "fanatic." I readily accept that label if it helps to communicate my deep concerns. We must always remember that it is inflation that causes the recessions that so cruelly waste our human and material resources and the tragic unemployment that leaves serious economic and psychological scars long after economic recovery occurs. It is inflation which destroys the purchasing power of our people as they strive -- too often in a losing struggle -- to provide the basic necessities of food, housing, clothing, transportation, and medical attention and the desired necessities of education, recreation and cultural opportunities. Inflation is not now, nor has it ever been, the grease that enables the economic machine to progress. Instead, it is the monkey wrench which disrupts the efficient functioning of the system. Inflation should be identified for what it is: The most vicious hoax ever perpetrated for the expedient purposes of a few at the cost of many. There should be no uncertainty about its devastating impact, particularly for low-income families, the elderly, dependent upon accumulated financial resources, and the majority of working people who do not have the political or economic leverage to beat the system by keeping their incomes rising even more rapidly than inflation. When inflation takes over an economy the people suffer and it is time that this basic point is emphasized by every responsible citizen and the full brunt is brought to bear on their elected officials. Let me assure you that regardless of the rhetoric emanating from Washington, D.C., the spend-spend, elect-elect, syndrome is alive and well. ✓

Of course, when I speak of economic reality I am emphasizing the difference between actual performance and promises. There is already a tendency on our national scene, which shows every sign of intensifying as the elections draw closer, to bring forth appealing claims that new spending programs could quickly reduce the current unemployment without creating any risk of inflation. These claims are made even though any analysis of economic history -- particularly the disappointing results of the last decade -- clearly indicate the disruptive impact of repeatedly overheating the economy. And there is a seemingly endless stream of political rhetoric about the insensitivity of this Administration for not triggering massive spending programs to demonstrate political leadership through decisive actions intended to solve all our problems before the next election. But for once, let us not fall prey to those who tour the country, their bags brimming with instant quack cures -- self-proclaimed compassionate people whose spending proposals promise everything, but deliver us only one thing: an unwanted boom and recession sequence with excessive levels of inflation and unemployment.

I urge you, as intelligent and objective citizens, to ask yourselves a few fundamental questions. How could the most dynamic economic system in the world become vulnerable to the problems of double-digit inflation and record postwar unemployment simultaneously? As a people where did we lose our way?

Economists argue about this a good deal and most politicians prefer to ignore the question entirely, seeking instead to capitalize on the effects of the problems. But to me there is no real mystery about how we got here, nor what we must do to return to more sustainable patterns of economic growth.

To an objective observer, the first and most glaringly obvious fact is that our economic problems do not stem from a lack of compassion, concern or vision on the part of the Federal government. Since President Eisenhower left office:

-- The number of domestic spending actions for social problems has increased tenfold, from 100 to over 1000 individual programs.

-- The American people have spent over one trillion dollars on social programs for people and communities in a well-intended effort to improve the quality of life even though the level of dissatisfaction continued to increase at an even faster pace.

-- The staple of our national life has become politicians with grand visions and even grander promises of what can be accomplished if they can just spend more of our money and be given greater authority over our lives.

So over the past 15 years, the government has tried many, many solutions. Yet the problems persist and our people grow more frustrated, disillusioned, and cynical. This doesn't mean there are no answers. It means only, I would suggest, that we have been taking fundamentally the wrong approach. We suffer not from a lack of government action, but from an excess of government action. The trouble with the Federal government is that it is trying to do more than its resources permit, to do many things it cannot do very well, to do some things it should not do at all, and to do all these things at the same time. Excesses in governmental action have been most damaging to three critical areas affecting the economy:

- fiscal policy
- monetary policy
- regulatory policy

No one who has followed the pattern of Federal spending in recent years can fail to be depressed by its explosive growth.

-- The Federal budget has quadrupled in 15 years. In Fiscal Year 1962 Federal spending first topped the \$100 billion level. In Fiscal Year 1977 we will see Federal outlays of over \$400 billion. Government spending is growing much faster than our ability or willingness to pay for it.

-- We have had 16 budget deficits in 17 years;

-- We have doubled the national debt to over \$600 billion during the last ten years. It took 75 years for our national debt to reach one billion dollars. Today, the government spends over \$1 billion each day and the national debt increases \$1 billion every week. The annual interest on this debt in Fiscal Year 1977 will be \$45 billion and will represent the third largest expense in the Federal budget.

The Federal Government today is the nation's biggest single employer, its biggest consumer and its biggest borrower. And if the postwar spending trends were to continue until the end of the century, total government outlays would account for almost 60 percent of the gross national product. That unfortunate pattern would result in the government taxing and spending more than half of the total economic output of America. If the government achieved that degree of dominance over our lives, many of the economic, political and social freedoms we now take for granted would be lost.

The alarming fact is that in every country in which the government's share of economic activity has increased rapidly to a dominating level there has been a tendency to move toward instability, toward minority government and toward a threat to the continuation of a free society.

The issues involved are by no means narrow economic ones. They concern fundamental principles of equity and of social stability. The problem of growing government spending is that however good the intentions behind the growth are, those intentions are not achieved; instead, the growth in government spending makes low-income people worse off, undermines social cohesion and threatens the very foundation of a free and representative government.

The excessive growth of government spending has also disrupted our financial system. Partly to accommodate the federal government's borrowing needs in the private markets, there has been a significant shift in monetary policies. From 1953 to 1965 the money supply of the United States was growing at approximately 2-1/2% and we enjoyed relative price stability. From 1965 to the present, however, the average rate of growth of the money supply has more than doubled. Is it any accident that during that same period we have had spiraling inflation?

This past decade has also witnessed an accelerating growth in the administrative and regulatory powers of governments at all levels. Government agencies now directly regulate over 10 percent of everything bought and sold in the United States and indirectly regulate almost every other part of the private economy. It is increasingly obvious that this cumbersome regulatory system has too often stifled innovation and competition and has added billions of dollars each year to the price of consumer and business products. The government does have a legitimate responsibility to protect the public interest and specific

abuses have occurred; but the degree of government intervention has reached such a level of irritation that individuals and businesses are demanding relief from the incredible power of the army of more than 100,000 government regulators. Just to fill out the necessary forms, the American people must now spend over 130 million work hours a year. That translates into an annual cost of approximately \$20 billion.

Americans are increasingly aware that something is wrong with the system but they unfortunately don't understand how the economy is supposed to function. It is no exaggeration to state that most Americans are economically illiterate.

Our whole economic system is based on the basic market principle that products which people are willing to pay for will be produced, and that a fair price will produce an adequate rate of return. Things for which people are not willing to pay an adequate price will not be produced. This is not only the essence, but the genius, of the free enterprise system. Arbitrary and politically motivated controls and regulations that strangle the profit motive can only, in the long run, make the consumer as well as the producer suffer. Once the incentive to produce more of a product is removed, supplies inevitably decrease and what follows is sharply higher prices, or rationing, or both.

When you objectively add it all up, the facts of excessive government spending, excessive expansion of the money supply and excessive governmental regulation, one conclusion seems inescapable: Our inflation and our resulting unemployment were made in Washington, D.C. Our current Federal budget is equivalent to about \$2,000 for every man, woman, and child in this country. Our national debt equals almost \$3,000 for every citizen. And government regulation adds approximately \$2,000 to the costs of purchases made by each American family every year. How can anyone make the case that the increase in governmental benefits has in any way kept up with the increase in governmental costs?

The fact is that governmental excesses of the past 15 years became the strong underlying cause of inflation during the 1960's. They remain so today. The rise in spending has added enormously to the aggregate demand for goods and services in the economy, thus forcing up prices. And the government's heavy borrowing needs require it to soak up 80 percent of all new long-term loanable capital, leaving only 20 percent to the entire private sector, which

nevertheless must produce virtually all our goods and services and employ 83 percent of our workforce. This massive government demand for funds has been an important factor in the persistent rise in interest rates, and the strains in the financial markets.

The evidence is in and it proves conclusively that big government, far from being our greatest source of prosperity and material security, as some people would have us believe, has now become a direct threat to our survival as a free society. And that is why I must appeal to you this morning not only for your support, but also for your direct participation in a massive effort to preserve the economic freedoms that have given this country both the greatest prosperity and the greatest freedom ever known to man. For what is now at stake is not just the survival of this or that industry. What really hangs in the balance is the survival of the private sector and the individual liberties which have never long survived the loss of economic freedoms.

The problem is a matter of both policy and perception. Bad perception leads inevitably to bad policy, and I am firmly convinced that, taken together, misunderstanding and misdirection of the American economy have become the central underlying problem of our times. Unfortunately the perception of what is right or wrong is too often inaccurate, because it is described inaccurately as a superficial division between those who "care" and those who are "callous."

Many of today's young people view those who consistently advocate bigger government as the saviors of the modern world out to rescue the persecuted underdog. On the other hand, those who advocate less government and the strengthening of free enterprise are often dismissed out of hand as greedy exploiters out to make a fast buck for themselves or their companies. Because image is so all-important and bad news is big news, those who supposedly "care" are often afforded greater media exposure to expound on all our social ills and to claim they can cure them by increasing government spending and then having the Federal Reserve System create the credit needed to cover the resulting deficits. In reality, of course, this is no cure at all. It is this same destructive approach that is at the very root of the problems we are struggling with today. Big government isn't the solution; it is the problem.

People who have never seen what happens to countries with state-controlled economies simply have no standard for comparison.

They have never witnessed the long lines of workers and housewives who have to queue up for hours outside state-owned food and department stores in order to buy a poor selection of overpriced food staples and dreary state-manufactured clothing and merchandise.

They don't realize what a miracle of variety, efficiency and productive competition the average American shopping center would represent to nine-tenths of the world's people.

They have never asked themselves why a country like the Soviet Union, with some of the largest, richest tracts of grainland in the world, but with a government-owned and operated agricultural system, cannot even feed its people without turning to American farmers who own their own land, make their own decisions guided by the incentives of a free market place, and feed not only our own people, but millions of others as well.

They have never lived in countries where the seemingly idealistic dream of a non-profit, propertyless society has turned into a nightmare reality -- where the state and the state alone dictates what kind of education you will receive; whether or not you will be allowed to travel; what kind of job you can have; what you will be paid; what merchandise you can buy with your earnings; where you will live; where you will receive medical treatment; and, ultimately, where you will be buried. In essence, a society where the individual has no meaning. For as Alexander Hamilton warned us so long ago, "power over a man's substance amounts to power over his will."

Just as importantly, they have not seen first-hand the political and social aftermath in free societies where the government has destroyed or eroded private enterprise -- the economic decay that follows, the demoralization of the population and often even the massive emigration of skilled workers and professionals indispensable to economic growth and vitality.

Despite this overwhelming evidence of experience, we who insist on the superiority of the free enterprise system, emphasizing its competition, efficiency, and profitability seem to be losing the debate. We tend to converse in slogans and labels, while the proponents of big government speak in more appealing and seemingly more humane terms. This is unfortunate. To me it would be difficult to imagine any greater irony. For even the most cursory glance at history shows us that the American economy is the most successful the world has ever known -- precisely because it is an

essentially humane creation of the people, by the people, and for the people.

The performance of our economy proves this. In the period since the early 1960's -- a period during which one abuse after another has been inflicted upon our private sector, it has nevertheless managed to outperform all others.

The private sector is the source of five out of every six jobs in America, and it provides directly and indirectly, almost all the revenue for the rest of the jobs in our all-too-rapidly expanding public sector.

It is the foundation for defense security for ourselves and most of the Free World.

It is the productive base that pays for government spending to aid the elderly, the jobless, the poor, the dependent and the disabled. That is why I am sick and tired of apologizing for free enterprise. For far from being the anti-human caricature painted by political demagogues, the American private sector is in reality the mightiest engine for social progress and individual improvement ever created.

In a nutshell, all of the material and spiritual values that make our country unique and make us so proud to be Americans could not exist without the free enterprise system. Yet many people still fail to understand the crucial link between our economic and our political freedoms. Destroy one, and the others will soon disappear.

This is the crucial theme that must be communicated broadly and deeply into the national consciousness: The American production and distribution system is the very wellspring of our nation's strength -- the source of abundance and the base on which our hopes for a better future lie. America can solve its pressing problems if it preserves and continues to improve this immensely productive system. But only by committing ourselves to this process can we safeguard the freedoms that made it all possible. Let us make that our common resolve.

Thank you.



HUD NEWS

U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-6980

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REMARKS PREPARED FOR DELIVERY

By

CARLA A. HILLS

Secretary of Housing and Urban Development

at the

HABITAT

United Nations Conference on Human Settlements

Vancouver, British Columbia

Canada

June 1, 1976

Mr. President, Mr. Secretary General, distinguished delegates -- Ladies and Gentlemen:

The President of the United States has sent me here committed to a constructive and cooperative role in these discussions -- and to help bring about that enduring spirit of peaceful, global habitat to which this international assemblage is dedicated.

President Ford gave me this message, before I left Washington, to deliver to you, here, in person:

"Your Conference will focus world attention on a challenge which confronts us all -- how to enhance human dignity in the villages, towns and cities where people live. It is an imposing task. It will take all the imagination, determination and perserverance that people and their governments can summon.

"In a few weeks the United States will celebrate a great milestone in its history -- the 200th anniversary of American independence. This will serve as an occasion for pondering the lessons of two centuries of experience -- of the successes and failures and how we all may benefit from them as we contemplate our future.

"In this sense, the Conference on Human Settlements which is intended to make possible a global exchange of experience comes at an especially appropriate time for us Americans. Our history is a reflection of other peoples in other places. Throughout our existence as a nation, we have been enriched by ideas brought to our shores by millions of immigrants from all parts of the globe and by those who did not stay but whose ideas left an enduring impression on our lives and human settlements. The Conference will provide us with yet another means by which we can benefit from the wealth of experience of others and add new dimensions to our vision of our next 100 years.

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"There is no task more compelling than the improvement of man's condition. The recommendations you make could have a profound and lasting influence on all of us. The United States will cooperate with you in seeking to chart paths that offer the promise of better and fuller lives for all people and habitats truly worthy of man "

Signed: Gerald R. Ford

As we search for the key to what President Ford calls "habitats worthy of man," the people of our planet have a right to expect that our actions here are worthy of man! We will be judged, not so much on our skills in the arena of world politics, but in our willingness to lay aside the debates that divide us and concentrate on the greater needs that brought us here in the first place.

HABITAT is a creative challenge. Since it is certain that our often sterile -- and too often rigid -- thinking of the past will not serve the awesome needs of the future, this Conference demands a radical change in our entire perception of human settlements. Above all it calls for a long range comprehensive approach to the problems and opportunities of human settlements rather than dealing separately and short range with each contributing factor.

We are here because we have much to learn from each other; much to take back with us for possible application to similar national problems of our own. For, although the numbers and the problems are global -- unifying us in resolve -- the choice of action by the nations here assembled will be defined in the long run by national application dictated by local needs, local economics, local customs and local experience.

The experience of my country is set against the backdrop of our fundamental belief in a free society in which the establishment of public policy is based on the active participation and involvement of all our citizens.

It is the combined voice, and force, of all our citizens, representing all sides and all aspects of the question of human settlements which provide our national government with the critical information and judgment essential to balancing the opposing forces of inevitable growth and finite resources, while responding to our needs.

Never has the flexibility of our national institutions been more challenged than by our experience in urbanization. In the space of less than 100 years we have moved from a sparse agrarian society to a crowded urban society. In the process we have experimented with hundreds of programs and virtually thousands of institutional arrangements to deal with this change.

Both our mistakes and our triumphs have been highly visible to us -- and to the rest of the world -- and offer a laboratory of hard lessons to other nations at this Conference, now, and long after HABITAT has been adjourned.

We are here to share the knowledge we derived from the approaches we have tried -- both those that worked and those that failed.

For example, we know now that in spite of the support of urbanists and government officials, in spite of our noble intentions and hard work, and in spite of strong public and private financing -- wholesale urban renewal can destroy the culture, spirit and social fabric of an urban neighborhood.

That is not to say that urban development is no longer one of the most important priorities of my nation -- which it most certainly is -- but it is an admission of our failure to recognize the hazards.

We learned by that mistake, and now rather than by clearing them out, up-rooting the residents and rebuilding the neighborhood from the ground up we are reclaiming our center-cities by preserving and restoring and adding.

With resources so scarce, we must be creative in the re-use of every existing and serviceable resource that remains in the neighborhood larder.

As a nation of the world, our experience and our lessons cannot be isolated from the global experience. Indeed, the discovery and development of the Western Hemisphere -- and the establishment of my country -- was part of that global experience.

Today, as the rapid shrinking of our planetary habitat affirms the naivete of some of our past concepts, we must concede that:

- . . . No nation's growth and development can be insulated from the global economy -- nor from the necessity of positive international cooperation of the kind we are engaged in right here.

For sound national planning benefits the entire world community; and cooperative international effort augments the effectiveness of national programs.

We cannot shirk our obligations -- as world citizens -- to the needs of the many poor people and poor nations among us. Together, we do have the technical ability to provide a suitable quality of life for every living member of the human race today. The question is our moral commitment to that oldest quest of humanity -- a world without poverty.

It is clear that the increasing number of human beings in settlements, resulting both from high birth rates and from migration, critically complicates the task of providing a higher quality of life for each and calls for a rededication to the World Population Plan of Action adopted almost unanimously in Bucharest in 1974 and now being effectively implemented in many parts of the world.

It is also clear that we cannot achieve a world without poverty without the establishment of an expanding world economy. Good intentions alone will not turn the magic key. We cannot accomplish it with a one-way flow of funds from the richer nations to the poorer nations -- a method tried and found wanting, both by the nations who have borne the heavy burden and by those who have felt their national pride compromised by a relationship of continuing dependency on the good will of others.

Thus, we bring to this Conference a number of practical international programs -- tempered by our national experience and faithful to the fundamental beliefs of the American people -- particularly responding to the expressed concerns of developing nations.

The United States emphasizes four areas of priorities and programs to assist those countries:

Food production, distribution and nutrition.

Population planning and health.

Education.

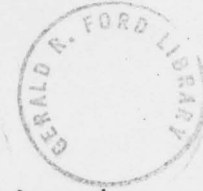
Human resources.

Each of these is essential to the establishment of human settlements policy -- but, until now, we have tended to deal with them individually.

HABITAT itself, in its comprehensive approach to the human settlement, reinforces our national determination to effect changes in some of our assistance programs:

First: To achieve improved rural/urban balance, we are developing new integrated and comprehensive approaches to help nations who wish to strengthen their rural regions. This would focus on the development of market towns as an alternative to the boundless growth of single urban centers. It is aimed at the increase of agricultural production -- and with it, the sound development of rural regions.

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Second: We are turning to a more comprehensive approach to providing shelter for the urban poor.

One of our most important instruments for this is our Housing Investment Guarantee Program, which has financed more than \$1 billion of shelter projects, and which is now the largest single source of international financing for shelter. At its inception, this was a program for those of moderate income. We are shifting that emphasis to meet the needs of the poor.

The Housing Investment Guarantee Program will be used increasingly to assist the poor to help themselves, in two ways: (1) by financing sites and services for those who build or complete their own housing; and (2) by financing the improvement of slum and squatter settlements to provide better living conditions.

Third: We will support the integration of major development components -- appropriate technology and credit for small producers, family planning, health, nutrition, and education -- so that the programs will provide better opportunities for the poor to expand their incomes and gain easier access to the services they need.

Fourth, in technology. Last month, at the United Nations Conference on Trade and Development, Secretary Kissinger outlined the most comprehensive effort ever put forward by the United States to deal with the application of technology to development. Many of the programs have important relevance to human settlements activities.

Satellite technology offers enormous promise as an instrument for development and human settlements planning. Remote sensing satellites can be used to collect data on land use, soil types, transportation and demographic patterns. Supplemented by other means, they can be used to prepare maps to identify features important to regional planning. Remote sensing can help foresee and evaluate natural disasters and is particularly useful in isolated areas.

Modern communication technologies, including satellites, have a large, untapped potential to improve education, training, health services, food production and other activities.

We are intensifying our research and development of technology in two other areas in order to improve housing, especially for the poor.

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These include new low-cost materials, designs and construction techniques which do not depend so much on the use of highly skilled labor, capital intensive equipment or costly imported materials; and low cost structures resistant to natural disasters for use in disaster-prone areas.

Obviously, since every nation is different, all of our scientific advances will not be appropriate to all nations. But, we offer access to the technologies which help the United States in managing our urban/rural environment -- both as an insight to our national experience and as evidence of our desire to share our accumulation of knowledge with developing countries whose urban growth is already out-pacing our own.

Few subjects are more central to the improvement of our habitats than the utilization of water resources. The technology of storing, transporting and purifying water is fundamental to the health and even the survival of human settlements.

The United States will encourage its universities, institutes and training centers to establish special programs for students and personnel of developing nations -- in business, industrial problems, public management, health, welfare and related socio-economic fields.

My Government will encourage formation of a Technology Corps -- to parallel our Executive Service Corps -- to work with and help train local officials in the new and complex problems of human settlements management.

And we are committed to helping expand the capabilities of the United Nations International Center for Exchange of Technological Information. To that end, the United States already has moved to improve and speed up the Center's access to the existing information centers of our country.

The sole object is to deliver the maximum usable settlements information to the developing countries in the minimum time and with the least number of bars to ready accessibility.

My Government offers this Conference and the nations of the world the best of what we have to contribute -- not out of charity nor a sense of beholden indebtedness.

The resources of the world -- wherever located -- are vital to all of us; as is the world economy by which we all must live.

At the 7th Special Session of the United Nations, last September, our nations agreed on an agenda of mutual international action. Since that time we have moved forward with historic international negotiations on trade and finance.

We have accomplished much. We still have much to do.

To conclude with the words of Secretary Kissinger:

"Materially, as well as morally, our destinies are intertwined. There remain enormous things for us to do. We say (once more) to the new nations of the world: We have heard your voices. We embrace your hopes. We will join your efforts.

"We are committed to our common success."

Thank you.

DEPARTMENT of the INTERIOR

news release

For Release on Delivery 3:00 p.m. (EDT), June 4, 1976

REMARKS OF SECRETARY OF THE INTERIOR THOMAS S. KLEPPE
BEFORE THE SANTA MONICA ROTARY CLUB
SANTA MONICA, CALIFORNIA, JUNE 4, 1976

Today I want to review for you what we have been doing at the Interior Department during the past seven months to meet the challenges of the energy crisis and at the same time protect the environment.

If that sounds like a contradiction to you, that was my first reaction last October when President Ford asked me to join the Cabinet.

He said: "Tom, your job is to find a way to develop and use our resources and yet protect, preserve, conserve our environment, our quality of air, our quality of life."

When I went home that night, my thought was that this was the first impossible job I've ever had in my life.

But it's not impossible.

We must do exactly what President Ford ordered if we are to remain a strong and a free country.

We live in a world which is ever more competitive and hostile.

Our continued survival as a free and independent nation is threatened by more than other super powers which might be bent on controlling the world. Only two dozen of the world's countries are free economy democracies -- we are outnumbered six to one.

Small nations with big resources are establishing cartels which inflate the cost of raw materials, and energy, which we must import to maintain our standard of living.

We discovered in 1973 what a terrible impact such cartels can have on the American economy and way of life.

But the energy crisis really began well before 1973, and it did not end with termination of the Arab oil boycott in 1974.

Our domestic oil production peaked at 9.6 million barrels per day in 1970 and has been declining steadily since -- this year it will not be much over 8 million barrels per day. Oil imports cost us about \$3 billion in 1970, more than \$8 billion in 1973, more than \$24 billion in 1974, and about \$27 billion last year. Our bill for this year is going to be much higher -- depending first on what the OPEC nations decide to charge us, and second, how much Bicentennial driving Americans do.

Imports for the first quarter of this year ran at about 40 percent of demand. During one week in March, imports equaled more than 50 percent of demand for the first time in our history.

Dependence on imports is growing even more rapidly than we had feared previously. The Alaskan oil is expected to cause only a temporary and small decline in this reliance.

Added to this ominous condition is our growing dependence on the producers who instituted the 1973 boycott. At the time of the 1973 boycott we had been receiving 22 percent of our imported petroleum from Arab nations -- now it is more than 38 percent. And this is growing rapidly as Canadian and other Western Hemisphere producers cut back their exports to us.

Criticism has been voiced that the Nation has no energy policy. That is not true -- President Ford has an excellent energy policy which we are carrying out.

The principles of President Ford's Project Independence are sound.

The primary immediate role of the Interior Department in the energy crisis is somewhat akin to that of the Dutch boy who put his finger in the dike. We have to try to hold back the flood of imported oil while other steps are being taken to solve the long-range problems.

That is why we have moved as rapidly as environmental prudence and the law would allow in the sale of leases to develop outer continental shelf oil and gas.

Three sales have been held this year -- two in the new frontiers off the shores of southern California and in the region of the Gulf of Alaska, and one sale in an established area in the Gulf of Mexico. Currently we are conducting studies for lease sales in the Atlantic OCS.

In the selection of outer continental shelf tracts, we have been extremely cautious.

A team of scientists and environmental specialists goes over each area on a tract-by-tract basis, drafts an environmental impact statement and holds public hearings.

The Council on Environmental Quality reviews the final statement. Then I delete tracts where possible problems have been indicated. And I can impose additional environmental protection requirements on successful bidders.

In the case of Southern California, the tracts we considered leasing were adjacent to areas in both State and Federal waters now producing oil. After careful study, we deleted 62 of the proposed tracts, including all those in Santa Monica Bay. Then, after further evaluation, we withdrew another four tracts because of potential geologic hazards. Finally, we stipulated the most stringent conditions ever imposed in any OCS lease sale.

Santa Monica Bay was excluded from the last lease sale, and I want to tell you today that the bay will be excluded from the next call for nominations.

We are proceeding with prudent haste because it takes from three to seven years to start production from the outer continental shelf wells. So it will be in the 1980s before many of the leases sold this year will begin producing significant amounts of oil and gas. Further delays could be disastrous to our future.

A second major step we have taken is the formulation of a new coal leasing policy to end a five-year moratorium. This policy will apply to some 85 million acres of coal reserves in Wyoming, Montana, Colorado, Utah, Arizona, New Mexico, and North Dakota.

Our new policy requires that competitive lease sales be held in areas where coal is identified and needed. This would be the first time that bidding would be required for such coal leases, and this would assure a fair return to the American people. We would also require that when coal leases are purchased that coal be produced -- putting an end to coal lease speculation.

And we will require reclamation of mined land.

Strip mining without reclamation is not good business -- not good business for the coal industry, not good business for the government, and certainly not good business for future generations of Americans.

But utilization of our coal is one of the most important steps in our energy sufficiency effort.

We have more coal than the rest of the Free World combined -- enough to last for several hundred years at current rates of consumption. While these vast coal reserves represent fully 90 percent of our energy reserves, coal provides only about 18 percent of our energy consumed.

Seventy-five percent of our energy consumption is provided by oil and gas which makes up only 17 percent of our resource base of proved energy reserves.

So one of our goals is to nearly double our use of coal.

In developing our policies on OCS and coal leasing, we have been as concerned about protecting the environment as we have about drilling and mining. So I look upon these as environmental protection as well as developmental policies.

But the Interior Department is involved in numerous activities which fall totally within the category of environmental protection, and we often find ourselves in opposition to various developmental proposals.

For example, I have intervened to try to stop the building of a dam on the New River in North Carolina because we believe the environmental cost is simply much too high.

We are involved in satellite and computer studies which will help us make recommendations on projects which affect the wetlands. Extensive programs to improve the recreational potential of public lands ... to save endangered species ... to protect the scenic beauty of America ... to convert ugly waste material into usable resources -- these are a few of the hundreds of important programs being conducted at the Interior Department.

I don't get the chance to talk much about these activities which are the fun part of my job. Most of the time is devoted to the tougher issues ... to discussion of the hard decisions ... the controversial matters which are constantly before the Department.

My philosophy in attacking these issues is what I call my ABCs:

"A" is for adjust. We have to adjust to today's conditions and tomorrow's needs.

"B" is for balance. We have to balance off needs against costs -- especially in the matter of energy and environment.

"C" is for compromise. Not a compromise of principle, but a compromise of the competing needs so that we can come up with programs which will serve Americans now and in the future.

And I have added "D" for decision -- not delay.

After receiving all the facts and hearing all the arguments, I am going to make decisions. I do not believe that most of the problems facing us today are in the category of either-or. We don't have to decide between either saving the environment or developing the resources.

With some adjustment, balancing and compromise we usually can come up with solutions which will be in the best interest of all Americans.

So far I have mentioned two of the major efforts in our energy program:

1. Expanded exploration and development of our domestic sources of gas and oil.
2. Utilization of our most abundant fossil fuel, coal.

A third element -- one which has received a great deal of attention in the press lately -- is conservation.

President Ford's Federal Energy Management Program has reduced energy consumption of government agencies more than 24 percent -- a savings equivalent to more than 250,000 barrels of oil daily.

The Administration has proposed legislation such as tax credits for insulation of homes and businesses ... grants to aid low income and elderly people in insulating their homes ... and minimum standards of thermal efficiency for new homes and commercial buildings.

The President has budgeted new funds or greatly increased funding for research and development of new methods of energy conservation.

These are just a few examples.

A fourth element in our program involving the Interior Department is development of unused or under-used resources.

We believe that oil shale will prove economically feasible and environmentally acceptable. We have leased four tracts in Utah and Colorado, and we are proceeding with plans to lease two more late this year or in 1977.

California is leading the way in efforts to develop the geothermal potential of the western states. The success of the Geysers has served to stimulate efforts to develop this promising source of energy, and our program of making federal lands available is proceeding.

Many pieces will have to fall into place over the next decade and over the next quarter century to resolve the energy crisis.

No doubt the pressures of the energy crisis will continue and increase. The dramatic recovery of our economy means there will be an expanding demand for more fuel.

Between April 1975 and April 1976 we gained 3 million 300 thousand jobs. This brought to 87 million 400 thousand the number of Americans who were employed -- more than at any time in our history.

During the next decade we need to add another 15 million jobs for Americans. To do this we must expand our free enterprise system -- not expand our government. President Ford has proposed programs to stimulate the economy and let the free economic system work.

The President has proposed cutting individual income taxes by \$10 billion ... increasing the personal exemption from \$750 to \$1,000 ... enacting an accelerated depreciation allowance ... another investment tax credit ... and another corporate tax deduction.

The President's program is aimed at increasing the spending power of American citizens -- a program which would provide capital for expansion of the economy and which would give our economic system the incentives to keep it moving in the right direction.

And the economy is moving in the right direction -- rapidly.

Gross National Product increased at an annual rate of 7.5 percent during the first quarter of this year.

Spensible income of American families increase \$100 billion over a year ago.

Consumer confidence has doubled.

Farm income is at an all time high.

Farm production is at a record level.

Productivity of American workers is on the increase.

To maintain this, the President is working to keep the private sector healthy. He wants to see the creation of real, productive, permanent jobs -- not make-work, inflationary, temporary, deadend government jobs.

The free enterprise system is capable of providing the jobs, and of solving the energy crisis, if we give it stable conditions under which to operate.

A Federal oil and gas company or a Federal takeover of the entire energy industry would be a disaster. Government cannot operate the 10,000 firms exploring for and producing petroleum, 250 refinery companies, 200,000 gas stations, 5,000 coal mines, 3,000 utilities and so on.

For two centuries private enterprise has done a good job of providing for the needs of Americans. It is private enterprise which has enabled our country to grow so rapidly and change so swiftly while still maintaining the freedoms we cherish.

If we lose our economic freedoms, then we will lose the essence of liberty. It is important that we resolve the energy crisis in a manner which will preserve our liberty and not destroy it.

This is what we have been attempting to accomplish during the past seven months in the Department of the Interior. We believe that our approach can develop our resources, that we are protecting and preserving the environment, and that under President Ford's guidance we are doing this in a manner which will enhance rather than endanger our freedoms.

x x x

THE WHITE HOUSE
WASHINGTON

June 25, 1976



MEMORANDUM FOR THE CABINET

FROM: MARGITA E. WHITE *mew*
Assistant Press Secretary to the President
and Director, Office of Communications

Speeches distributed for the week of June 21 are:

Butz: Remarks before the Rotary International Annual Convention, New Orleans, Louisiana, June 13, 1976, Topic: "Who Will Write the History of Good?"

Usery: Remarks before the 21st Convention of the Brotherhood of Teamsters, Las Vegas, Nevada, June 14, 1976, Topic: Labor in America.

Baroody: Remarks before the Graduating Class of Seattle University, Seattle, Washington, June 6, 1976, Topic: Cynicism in America.

Attachments

bcc: White House Senior Staff

JUN 15 1976

WHO WILL WRITE THE HISTORY OF GOOD?

In recent years the history of GOOD has not dominated the news. But then it seldom does. It's hard to make juicy headlines out of the GOOD. So the pages of man's history are filled with strife and struggle, with crisis and conflict, with disaster and disgrace. This is essentially the history of BAD.

Yet, through the centuries, the real history of man has been the history of GOOD. Humanity has slowly been evolving to the point of more compassion, more knowledge, and more hope for the future. But this side of our story has seldom been clearly stated. Too often it has been obscured in the shadow of the bold headline that proclaims the bad and the sordid.

But the history of the good has been present all along. It is present today; day by day, working tirelessly to advance the cause of Peace on Earth, and Good Will Toward Men of every clime and every color.

A question I have asked many times in the past few years is:

WHO WILL WRITE THE HISTORY OF GOOD?

When I spoke recently, I held up for the audience that morning's newspaper. The front page was dominated with headlines on the bad. The right side was filled with the latest scandal in Congress. The other side of the front page featured a distress story about the failure of education to teach our children to read and write well.

I then asked the crowd -- had anything good happened that last day that should have been reported in this newspaper? I rather facetiously turned back to page 2, to page 3, and to page 4. I did not see what I was looking for.

Yet on that very same day a team of U.S. scientists had met in the fields of Russia with their counterparts from the Soviet Union. The group had exchanged information on agriculture and crop production which would insure better eating for all people everywhere.

Those scientists -- coming from two nations with widely varying political and economic philosophies, nations that only a short while ago were threatening to blow each other into nuclear oblivion -- were cooperating together eagerly, working for the common Good. Now I'd call that very good news, news that will in the long run be far more significant than the petty scandals we usually call news.

Indeed, the fruits of knowledge and human advancement that will grow from the seeds sown by those scientists will be the only lasting news 50 or 100 years hence. What made the headlines of the BAD in the papers that day will be less than a paragraph -- a mere footnote -- in the pages of history.

The point is:

There is a real history of good to be written, and I would like to talk about it from the standpoint I know best: from daily life here in the United States.

I believe that our own nation is a GREAT Nation because it is a GOOD Nation.

This is a GOOD Nation because of our form of government.



It is democratic, and it is representative. It works in spite of a few imperfections here and there. I believe it has far fewer imperfections than any other system we can compare it with. It is more shockproof than any other system. This nation has been through some traumatic times in the last 2 decades, and our form of government has come out of it looking better than ever.

This is a GOOD Nation because it was founded on the concept of human dignity -- and we work to maintain that concept today.

Our government exists essentially to serve the individual human being and to enhance his happiness and welfare. That fundamental precept is written into our basic philosophy, and into the articles which form the foundation of our government. As long as we keep sight of this we will do all right.

This is a GOOD Nation because of the freedom it gives to the human mind.

It is good because of our freedom of inquiry and our system of universal education. This philosophy was deeply embedded into this country in its earliest days by the men and women who put this Nation together.

Thomas Jefferson was among the greatest of those early Americans, because of his dream of what America could become -- and among his greatest words are these:

"I have sworn upon the altar of God, eternal hostility against every form of tyranny over the mind of man."

We should never forget that pledge. We should each work to renew it, everyday. Jefferson was not speaking of the tyranny of kings, the tyranny of dictators, or the tyranny of despots. He was speaking of the tyranny of ignorance, the tyranny of prejudice, the tyranny of superstition, the tyranny of half-truth, the tyranny of untruth.

Many of those tyrannies float about today, and when they do, they threaten the very fabric from which this Nation is made -- the freedom of inquiry and the right of the mind of man to dream, to grow, and to achieve. Our continued goodness as a Nation will depend upon our success in thwarting such tyranny.

This is a GOOD Nation because our founding documents and much of our literature constantly remind us that we are a Nation under God, as do many other parts of our daily lives.

When I take a quarter from my pocket, I find inscribed on it the words, "In God We Trust." That same inscription is on every coin and every piece of currency you carry. This basic trust in a Supreme Deity is a fundamental characteristic of the United States of America. It continually provides an extraordinary source of power and inspiration for all of us who would use it.

While only a little over half of the American people are official church members, somehow the effect is felt by all of us as a Nation. It serves us well.

This is a GOOD Nation because it gives our people the freedom to use their personal energies and creativity. This freedom has cracked many technological barriers to put science to work for the improvement of human happiness and human welfare. It has put electricity and central heating and air conditioning in our homes. It has brought the marvels of television, and radio, and communication via satellite.

We have been able to raise the general level of health in this country far above the level of man's greatest dreams only 50 years ago.

When I was a youngster, we always expected to find a couple of families with kids out of school because there was a sign on their door at home that said "Quarantined -- Diphtheria Here" or "Scarlet Fever Here." We have eliminated that. We now have effective vaccines against almost all of the childhood diseases that used to cause the tragedy of childhood death.

A sizeable percentage of the younger members of this audience sit here today, healthy and vigorous -- instead of being a statistic in the courthouse -- because science has wiped out polio, and typhoid, and scarlet fever. Most of these accomplishments have been made by my own generation. I am proud of these accomplishments.

I am also proud of my generation's record in helping the poor.

I am proud of my generation's record in agriculture. We have made great progress in the job of satisfying man's most fundamental need for food. After all, in many respects, the history of mankind is the history of the quest for food. The quest for food lies back of many of the armed conflicts that have engulfed nations throughout the history of the world.

America leads the world in food production; this is a great blessing -- provided by the hard work of our family farmers.

It was Mahatma Gandhi, over a quarter century ago, who remarked that "Even God dare not approach a hungry man except in the form of bread." There is no point in talking to starving people about human freedom or human dignity or democracy. When a man is starving, the first thing on his mind is attaining his daily bread. America, today, has that bread. Our farmers feed our own people and share with consumers around the world.

Yet, with all these advances, big challenges await all those who would choose to write the next chapters in the history of good.

One of the main challenges in front of all people, of all nations, is energy. For just a moment, let me explore with you a new dimension of that challenge; again, from the standpoint I know best: Agriculture.

Agriculture is basically an energy converting industry. One of the main aspects of the energy problem is the conversion of radiant energy of the sun into a form humans and animals can use -- into the form of food. Very frankly, our record in this area could stand substantial improvement.

One summer afternoon a few years ago back at Purdue University, as I saw the sunshine through my office window, I wondered how much energy hits an acre of land each day. I phoned the Dean of Engineering, who was once a professor of thermodynamics. I asked him to give me an idea, in terms I could understand, of how much solar energy lands on an acre of land on an average day.

He made a quick calculation and responded -- "Energy roughly equivalent to 4 tons of coal for one day."

Then I asked him another question: Assuming we have an 125-bushel corn crop from that acre, how much energy is that equivalent to: He figured everything into it and responded -- "Energy roughly equivalent to 4 tons of coal for one year." Then I had a concept I could grasp.

In our best agriculture, we have learned to capture in one whole year as much energy as God pours on that acre every day. We think that is pretty good. As a matter of fact, it is pretty lousy. We capture only 1/360th part of that energy -- less than three-tenths of one percent.

So for those who would contemplate writing new chapters in the history of good, turn your imagination loose for a moment. If we can learn how to double corn yields so we can get 250 bushels per acre, we can capture 1/180th part of that energy -- or one-half of one percent. If we can learn how to quadruple corn yields to 500 bushels, we can capture 1/90th part of that energy -- or roughly one percent of it. Yet, the remaining 99 percent would continue to pour down, free for the taking.

This may seem to be a very bad record of energy conversion in agriculture. However, I am told that agriculture is by far and away the best converter we have of radiant energy from the sun.

So we must better our performance in energy conversion and in many other fields -- and we will better it if we keep the mind of man free to dream, and keep the incentives there for converting that dreaming into action.

I believe this is one of the keys to this country's proud record of achievement over the last 200 years. America is great because of our insistence on the right of everybody to be different, to dissent, to achieve, to dream, to accomplish, to succeed, and to fail.

We have been a nation of entrepreneurs -- of "money-makers." The incentive system works. Any of those of you who come out of essentially rural communities have seen this incentive system work firsthand on our farms which are typically family entrepreneurial units -- with capital on the line, taking risks, working hard, not punching the 40-hour clock, not taking weekends off -- always with the hope of making a profit.

Our incentive system has been and will likely continue to be under heavy attack. Yet, it provides better living for more people than any other system has ever managed to do throughout history. It built this country from a struggling, developing nation to world leader.

Our system has been strengthened today because it has been tested in the past.



Such has always been the history of good: Adversity, testing, challenges -- meeting those challenges and conquering them. This has also been the history of America. In a broader sense, it has been the substantial history of man throughout the eons, wherever he may have lived.

The United States is a Great Nation because it is a Good Nation.

This is a Great World because it is a Good World. It is a Good World because so many people in so many different lands, each in his own way, have continued to believe in, strive for, and occasionally help write the history of GOOD.

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News

United States
Department
of Labor



Office of Information

Washington, D.C. 20210

CONTACT: Donald Smyth
OFFICE : (202) 523-7316
AFTER HOURS:(301) 933-8112

USDL - 76-927

FOR RELEASE: 11 A.M. (P.D.T.)
Monday, June 14, 1976

REMARKS PREPARED FOR DELIVERY BY
SECRETARY OF LABOR W. J. USERY
AT THE
21st CONVENTION
OF THE
INTERNATIONAL BROTHERHOOD OF TEAMSTERS
LAS VEGAS, NEVADA
JUNE 14, 1976

JUN 15 1976

I was delighted when my friend and your President, Frank Fitzsimmons, asked me to take part in the 21st Convention of the International Brotherhood of Teamsters.

I've had several opportunities over the years to work closely with Fitz and a number of other leaders of the Teamsters. And I can tell you that I've enjoyed those experiences. I've enjoyed them because I have found that when it comes to representing their members, Teamsters leaders are always prepared and professional.

It's a proper coincidence, I believe, that your 21st Convention is being held during our Bicentennial year -- and just a few weeks before we celebrate Independence Day.

It is proper because your forebearers -- those rugged individuals who hooked up a team of horses to a wagon in colonial times -- made commerce in America possible.

They, too, came to recognize the need for unity.

And from the humble beginning of the Team Drivers International Union of 1899 -- with its 18 locals and 1,200 drivers -- you have grown to an organization of two-million members in hundreds of occupations, whose lives are made better through the conditions negotiated in 40,000 contracts.

Those early teamsters, like the teamsters of today, made a mighty contribution to building and securing a system of economic liberty through private enterprise.

Frank, I don't know if you planned it this way, but your convention is opening on the same day that we pay honor to the symbol of our principle of freedom -- the American flag.

It was on June 14, 1777, less that a year after we declared our independence, that the Continental Congress chose the design for a new flag -- a design that they believed would portray the unity of the 13 struggling colonies. The delegates voted "that the flag of the 13 United States be 13 stripes, alternate red and white: that the Union be 13 stars, white in a blue field representing a new constellation."

Well, that constellation has grown and become closer knit with the addition of 37 stars.

And today it is looked to from every part of the world as the symbol of a strong and dynamic republic committed to liberty and justice.

There are a hundred Americans today for every one who lived in the 13 colonies 200 years ago.

And our growth -- materially, spiritually and in numbers -- has not come without difficulty.

We have been tested many times -- militarily, economically, politically and socially. Each time we have met the challenge, and each time we have emerged stronger.

For the past two years, we have been fighting to overcome the worst recession to hit our nation since the Great Depression of the 30's.

In 1974, the words "double-digit" had become synonymous with "double-trouble."

We had double-digit inflation -- double-digit interest rates -- and worst of all, nearly double-digit unemployment.

But, in our tradition, we are fighting back.

Inflation, which two years ago was running at a rate of 14 percent a year, fell to a 3 percent rate in the first four months of this year.

The prime rate of interest -- so important in the purchase of the equipment your members operate -- has dropped from 12 percent to 7 percent.

Unemployment, which peaked just shy of the 9 percent mark a year ago, has steadily dropped back to a level of 7.3 percent.

And today more Americans -- 87,700,000 of us -- are

working than ever before in our history. That's an increase of two-and-a-half million jobs in the last six months -- and two-and-a-half million paychecks that will be spent on goods that your members transport.

While production limped along during those dreary times, it has bounced back sharply in 1976. Our Gross National Product -- the measure of the goods and services that we produce -- rose at a rate of 8-and-a-half percent in the first three months of this year.

That figure might mean more if we translate it into dollars. If the GNP maintains that level of expansion for the full year, 200-billion dollars will be added to our economy.

Now there are a number of respected voices in the land saying: "That's not good enough."

And I agree that we have more to do before the recovery can be considered a full-blown success.

But we have developed a healthy head of steam, and we are headed in the right direction.

There are still some nagging problems that must be resolved.

Fitz, you addressed one of them in your column in this month's issue of the International Teamster. I'm referring to the delicate position we will continue to

find ourselves in so long as we are dependent on foreign sources for a major supply of our oil.

We were stung hard by the Arab oil boycott of 1973 and 1974. That boycott was a strong contributor to the inflation rate that debilitated our economy.

We imported 32 percent of our petroleum supply from foreign sources in 1973. Today we are importing 40 percent, according to the Federal Energy Administration.

The FEA tells us that we can expect that trend to continue for the next two years.

Some of the pressure will be relieved at that time.

Relief will come with the flow of petroleum from Alaska, where your members are working in harsh climates around the clock to get the job done.

Additional relief is expected as we take greater advantage of the untapped oil supplies that lie under the Outer Continental Shelf.

These new sources of energy fuels -- combined with an effective conservation program -- will help to dampen the potential for another fuel crisis until we have fully developed and placed in production other methods of securing petroleum -- from coal and shale, for example.

The precarious supply, as well as the rising cost of fuel gives us an added incentive for getting the

greatest possible benefit out of every gallon that we consume.

This leads to another area where improvement can bring us substantial rewards -- the area of increased productivity.

In the trucking industry, this translates into securing more efficient equipment, and using it more effectively.

If we should fail in our objectives in these areas -- well, it might be that we'll be back hitching up a team of horses to a wagon when there is a load to be hauled.

I have every confidence that we will pass the tests that have come our way.

That confidence is all the greater because of my experience with your negotiating team during this year's negotiation of the master freight agreement in Chicago.

Your president and the union's bargaining team showed from the beginning that they were determined to bring to the members the finest contract possible.

Through the days and weeks of tough bargaining, I could sense that while your leadership was seeking the very best for the members, they were also keenly aware of their obligation to the national interest.

And management shared that concern.

I was in constant touch with President Ford during those days of decision, and I was able to relay my conviction that both parties were displaying an attitude of reason and responsibility.

The President held to his strong trust in the free collective bargaining process.

He rejected the strong pressure that was applied by those who wanted the government to interfere through a Taft-Hartley injunction.

And in the end, his faith was justified by an agreement that received overwhelming approval of your members.

I have no doubt that the national interest was served by letting the collective bargaining process work -- by letting the parties dig out their own solutions to their own problems.

It is my sincere hope that this year's bargaining results have established the framework for the development of many years of labor-management peace between the Teamsters and the trucking industry.

I know that your president shares in that desire.

I know because I have had the opportunity to work with him on a number of programs over the years --



including those of the Joint Labor-Management Committee for the Retail Food Industry, which Fitz was so instrumental in creating.

His strong belief that labor and management can both profit by working together on problems of mutual concern was further acknowledged two weeks ago when President Ford appointed him a director of the new National Center for Productivity and Quality of Working Life.

I know that his contribution to this committee will help it to succeed in its goal, which is to encourage labor-management cooperation to enhance productivity and the quality of working life.

To the degree that the Center succeeds, Americans will have a more bountiful life.

Bringing a better life to all Americans is what we're all about. The International Brotherhood of Teamsters and the United States Department of Labor share in that goal.

There is no higher calling -- and no work is more rewarding.

The second sentence in the Act that established the Department of Labor 63 years ago laid down for us a mission that is as valid today as it was then. That sentence says:

"The purpose of the Department of Labor shall be to foster, promote, and develop the welfare of the wage earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment."

I am confident that your actions this week will add to the strength of all of us who are dedicated to fulfilling that mission -- to helping the worker in America.

As I said earlier, it is fitting that your convention take place at this particular time in our Nation's history.

Just 20 days from today, Americans will join together in paying tribute to the Bravery of those who 200 years ago issued our Declaration of Independence.

At that time, 56 men mutually pledged to each other "our lives, our fortunes and our sacred honor" in their determination to create a society of liberty through law.

They held certain truths to be self-evident.

All men are created equal, they said,

And they declared that all men are endowed by their creator with certain unalienable rights -- the right to life, to liberty, and to the pursuit of happiness.

They pledged themselves to the proposition that those rights should be secured through a government that receives its power from the consent of the governed.

Nearly all of those 56 men did indeed lose their fortunes. Some lost their lives.

But their unblemished honor stands today as our heritage.

So in this Bicentennial year, let us pledge to devote our lives to protecting this cherished heritage -- and making it stronger so that future generations will be able to look back and say that this was a golden era in the movement toward freedom for all people.

Let us pay honor to our tradition of freedom that is founded on our Declaration of Independence . . . that is protected by our constitution and the Bill of Rights . . . and that is protected by those who continue to insist that the ideals expressed in these documents apply to all people.

No other society in the entire history of the world has been able to enjoy and protect for two centuries the liberty that is ours.

We Americans alone have been able to create, develop, defend and enhance a democratic system that for 200 years has guaranteed that every individual:

- * has the right to assemble -- or not assemble.
- * has the right to speak freely -- or keep his mouth shut.
- * has the right to believe in God as he chooses --

or to not believe at all.

* has the right to publish or broadcast without censorship.

* has the right -- the legal right -- to life, liberty and the pursuit of happiness.

Our obligation is to see to it that the torch of liberty that has been passed to us reaches future generations with a flame that still burns bright -- a flame that will light the way for others.

REMARKS BY

WILLIAM J. BARCODY, JR.
Assistant to the President
For Public Liaison

Before The
Graduating Class of
SEATTLE UNIVERSITY

Seattle, Washington
Sunday June 6, 1976

JUN 15 1976

HOLD FOR RELEASE: Sunday, June 6, 1976 3:00 p.m. PDT

FRIENDS AND FELLOW ALUMNI OF JESUIT EDUCATION.

THERE IS A STORY ABOUT WINSTON CHURCHILL IN HIS LATE YEARS--THAT HE WAS INVITED TO ADDRESS A GROUP MUCH LIKE THIS ONE, ON AN OCCASION MUCH LIKE THIS ONE, DURING A PERIOD OF RELATIVELY RECENT HISTORY THAT WAS CONFUSED, ANXIOUS AND APPREHENSIVE, ALSO MUCH LIKE THIS ONE.

THE OLD MAN, THEN IN HIS EIGHTIES, WALKED OUT TO FACE THE GRADUATES, FIXED THEM WITH A FIRM STARE AND STOOD IN SILENCE FOR WHAT ALMOST BECAME AN EMBARRASSINGLY LONG TIME. FINALLY, SLOWLY AND DELIBERATELY HE SPOKE THREE WORDS ONLY. "NEVER GIVE UP," CHURCHILL SAID AND THEN WALKED OFF, HAVING SHARED WITH THEM THE LESSON A LIFETIME HAD TAUGHT.

I DO NOT HAVE THE SAME GIFT OF BREVITY--AS YOU WILL SOON SEE--BUT MY MESSAGE IS ESSENTIALLY THE SAME, AND ALL THE MORE APPROPRIATE FOR YOU WHO HAVE AS YOUR THEME, "SERVICE TO HUMANITY."

THAT THEME IS AN UNCHARACTERISTICALLY HOPEFUL ONE FOR A GROUP OF YOUNG AMERICANS IF YOU ACCEPT THE CURRENT COMMON WISDOM THAT YOUNG PEOPLE--AND THE NOT SO YOUNG--ARE TURNED OFF, TUNED OUT, CYNICAL AND APATHETIC. HOPE IS A VIRTUE SOMEWHAT OUT OF VOGUE THESE DAYS. ALIENATION, APATHY, CYNICISM ARE ALL THE RAGE THIS SEASON AND SERVICE TO HUMANITY AND

THE HOPEFULNESS SUCH SERVICE IMPLIES ARE--HASN'T ANYONE TOLD YOU?--NOT IN VOGUE.

YOU KNOW ALL THE REASONS FOR PESSIMISM, ALL THE REAL WORLD DILEMMAS THAT ARGUE AGAINST HOPE. YOU MUST KNOW AND YET, UNLESS I MISREAD YOUR THEME--OR YOU DO--YOU PERSIST IN YOUR HOPEFULNESSS THAT SERVICE, REAL SERVICE, CAN BE RENDERED, THAT HUMANITY WILL RECEIVE IT AND THAT IN THE LONG SWEEP OF TIME THEREBY YOUR SERVICE--AND YOU--SOMEHOW WILL MAKE A DIFFERENCE.

FOR WHAT IT MAY BE WORTH TO YOU AND WHATEVER SUPPORT IT MAY OFFER, I AM HOPEFUL ABOUT YOUR HOPE; FIRST, THAT IT WILL PREVAIL AGAINST TODAY'S MORE FASHIONABLE ATTITUDES AND SECOND THAT IT WILL BE REALIZED.

OBVIOUSLY THE OPPORTUNITIES FOR SERVICE, AND CERTAINLY THE NEED FOR IT, ARE AS GREAT NOW AS EVER IN THE LONG HISTORY OF HUMANKIND. JUST AS OBVIOUSLY THE NEED FOR SERVICE--THE DESPERATE CRYING--OUT DEMAND FOR IT--WILL NOT SOON DIMINISH. BUT THE CYNIC MAY TELL YOU THAT THE EFFICACIOUS OPPORTUNITIES FOR PROVIDING SERVICE WILL.

HE MAY SAY WITH THAT CERTAIN RING THAT HALF TRUTHS ALWAYS HAVE, THAT THE CHURCH HAS LOST ITS MISSION, THE FAMILY HAS LOST ITS INTEGRITY, THE NEIGHBORHOOD HAS LOST ITS NEIGHBORLINESS, THAT COMMUNITIES IN GENERAL HAVE LOST THEIR COHESIVENESS, THAT GOVERNMENT HAS LOST ITS EFFICACY AND THAT PEOPLE HAVE LOST THEIR COMMON SENSE.

THE CYNIC, IN SHORT, POINTS OUT WITH THE RUDENESS PSEUDO REALISTS HAVE, THE FACT THAT WHEN ASKED WHAT, AND/OR WHOM THEY TRUST THESE DAYS, PEOPLE RESPOND "NOTHING AND NO ONE." GLOOM, DOOM AND THEIR PROPHECY SEEM THE ORDER OF THE DAY. PRESENT AN AMERICAN TODAY WITH A SILVER LINING AND HE LOOKS FOR THE CLOUD. AGAIN TO TWIST A GREAT CHURCHILL LINE, "NEVER IN THE COURSE OF HUMAN HISTORY HAVE SO MANY WHO HAVE HAD IT SO GOOD FELT SO BAD."

THE QUESTION IS WHY.

AND THE SIMPLE ANSWER IS BOUND TO BE INCOMPLETE, THOUGH I HOPE STILL ILLUMINATING.

WE TRUST SO LITTLE NOW BECAUSE IN THE PAST WE TRUSTED TOO MUCH.

WE HAVE A CRISIS NOT JUST OF CONFIDENCE, BUT A CRISIS OF AUTHORITY, OF LEGITIMACY, OF FUNCTION AND THE LATTER THREE ARE RELATED, INDEED THEY ARE A SECULAR ANALOGUE TO THE TRINITY--EACH ATTRIBUTES OF THE SAME REALITY.

FOR SIMPLICITY'S SAKE, LET US SPEAK OF THE INDIVIDUAL AND FOR THE SAKE OF OUR ANALOGY, LET US SPEAK FIRST OF AUTHORITY, FOR IT IS OUT OF AUTHORITY THAT THE OTHER TWO SPRING. AUTHORITY HAS TO DO WITH WHAT YOU ARE. YOU HAVE AUTHORITY IF YOU ARE ONE. PARENTAL AUTHORITY IS YOURS IF YOU ARE A PARENT. MEDICAL AUTHORITY IS YOURS IF YOU KNOW MEDICINE. TEACHING AUTHORITY IS

YOURS IF YOU KNOW YOUR SUBJECT.

LEGITIMACY, ON THE OTHER HAND HAS TO DO WITH THE RECOGNITION OF YOUR AUTHORITY AND THERE IS ALWAYS THE DANGER THAT IT WILL HAVE LESS TO DO WITH WHAT YOU ARE THAN WITH WHAT YOU ARE PERCEIVED TO BE AND THAT THE TWO WILL NOT BE THE SAME. A LICENSED DOCTOR HAS LEGITIMACY NO MATTER WHAT HE KNOWS ABOUT MEDICINE. A LICENSED TEACHER HAS LEGITIMACY BY VIRTUE OF THE LICENSE AND NOT THE COMMAND OF THE SUBJECT. A PARENT, GOOD OR BAD HAS LEGITIMACY AS PARENT--AND A JEALOUSLY PROTECTED RIGHT OF PARENTHOOD--BY VIRTUE OF THE COMMUNITY'S RECOGNITION OF THE VALUE OF FAMILY.

AND YOU, AS GRADUATES WHO HAVE EARNED THE DEGREES YOU WILL BE AWARDED HERE TODAY, HAVE LEGITIMACY THEREBY AS EDUCATED MEN, WHETHER YOU CHOOSE TO REMAIN SO OR NOT.

THE TRICK, OF COURSE, IS TO ENSURE A SOCIETAL ORDERLINESS IN WHICH THE LEGITIMACY WHICH IS GRANTED YOU APPROXIMATES THE AUTHORITY OF WHAT YOU ARE.

IF THE TWO ARE TO COME TOGETHER, THEY WILL DO SO AT THE LEVEL OF FUNCTION, WHICH IS NEITHER WHAT YOU ARE NOR WHAT YOU ARE PERCEIVED TO BE, BUT RATHER IS WHAT YOU DO.

IF WHAT ONE DOES HAS NO RELATION TO WHAT ONE IS OR TO WHAT ONE IS "SUPPOSED" TO BE, THEN WHAT ONE DOES WILL DIMINISH AT LEAST ONE'S OWN AUTHORITY AND LEGITIMACY. IN THE INDIVIDUAL CASE OF YOU, WHOSE GOAL IS SERVICE TO HUMANITY, IT MAY, IF IT HAPPENS, ALSO MEAN THAT YOU HAVE GIVEN UP.

BUT TO RETURN TO OUR MORE FUNDAMENTAL QUESTION OF WHY DO WE FEEL SO BAD WHEN THINGS ARE SO GOOD, AND TO MY SIMPLE ANSWER THAT WE TRUSTED TOO MUCH, LET US NOW BROADEN OUR SCOPE FROM THE INDIVIDUAL TO INSTITUTIONS; SPECIFICALLY, TO THE INSTITUTION OF GOVERNMENT.

GOVERNMENT'S FUNCTION IS TO ESTABLISH AND MAINTAIN CONDITIONS NECESSARY FOR PEOPLE TO PURSUE THE GOOD LIFE. IF THAT INDEED IS WHAT GOVERNMENT DOES, IF THAT INDEED IS WHAT PEOPLE EXPECT IT TO DO AND IF THAT INDEED IS WHAT IT OUGHT TO BE DOING IN THE FIRST PLACE, THEN THERE IS A BALANCE AND AN ORDERLINESS ABOUT WHICH NOTHING MORE NEED BE SAID.

IT OUGHT NOT AND CAN NOT BE GOVERNMENT'S FUNCTION TO DEFINE THE GOOD LIFE. IT IS NOT GOVERNMENT'S FUNCTION TO DEFINE THE VALUES WHICH ENNOBLE. THAT IS A JOB FOR OTHER INSTITUTIONS: THE CHURCH, THE FAMILY, THE SCHOOL, THE COMMUNITY.

BUT HERE AGAIN THE CYNIC WOULD INTERVENE WITH THAT RUDENESS REALISTS HAVE--AND THERE IS A LITTLE OF THE CYNIC (I HOPE) IN ALL OF US. HE WOULD POINT OUT THE AWFUL TRUTH THAT GOVERNMENT HAS USURPED THE FUNCTION OF THE OTHER VALUE-GENERATING INSTITUTIONS AND SOUGHT TO DEFINE AND THEREBY TO CONTROL THE GOOD LIFE.

THE CYNIC ALSO WOULD POINT OUT THAT GOVERNMENT MUST DEFINE VALUES IN TERMS IT KNOWS, USUALLY QUANTITATIVE TERMS AND STATISTICAL TERMS, AND ALWAYS, EVERYWHERE AND CONSTANTLY IN TERMS OF GOVERNMENT REGULATION-- A SORT OF SECULAR VARIANT ON THE THEOLOGICAL NOTION OF ACTUAL GRACE.

AND THE CYNIC IN THIS CASE WOULD BE RIGHT AS FAR AS HE WENT, WHICH IN THE GENERAL CASE OF CYNICS IS NO FURTHER THAN THE MORE OR LESS ACCURATE IDENTIFICATION OF PROBLEMS. THE CYNIC WOULD BE RIGHT IN HIS OBSERVATIONS THAT GOVERNMENT HAS GONE TOO FAR, USURPING FUNCTIONS WHICH IT HAS NO AUTHORITY TO DEAL WITH AND WHICH IT CAN NOT LEGITIMATELY CARRY OUT. IN SO DOING GOVERNMENT HAS UNDERMINED THE AUTHORITY OF THOSE OTHER INSTITUTIONS OF SOCIETY: FAMILY, THE CHURCH, THE COMMUNITY, BY DEPRIVING THEM OF THEIR PROPER FUNCTION.

FURTHER, ONE COULD POINT OUT THAT BY ASSUMING A FUNCTION IT COULDN'T PERFORM, GOVERNMENT NOT ONLY UNDERMINED THESE INSTITUTIONS IT ALSO UNDERMINED ITS

OWN AUTHORITY AND ITS OWN LEGITIMACY.

BUT THAT IS AS FAR AS CYNICS CAN GO. THE CYNIC WOULD BE WRONG IF HE OR SHE WENT FURTHER THAN THE OBSERVATIONS ABOUT AMERICA'S PRESENT CONDITION AND CONCLUDED, AS CYNICS OFTEN DO, THAT AS A RESULT ALL WHO ENTER AMERICA'S THIRD CENTURY MUST ABANDON HOPE, THEREBY ABANDONING CHURCHILL'S DICTUM AND, IN SHORT, GIVING UP.

FOR THE CYNIC REJECTS HOPE AND IS THEREFORE BLIND TO HOPEFUL SIGNS AND PORTENTS. THE CYNIC AND I CAN AGREE THAT WE HAVE SERIOUS--ALMOST OVERWHELMING PROBLEMS, PROBLEMS COMPOUNDED IF NOT CAUSED BY THE UNDERLYING PROBLEM OF DECLINING CONFIDENCE IN ALL OF SOCIETY'S INSTITUTIONS, BE THEY GOVERNMENTAL AND PUBLIC AND FUNCTION-
USURPING OR PRIVATE AND PERSONAL AND FUNCTIONALLY USURPED.

THE CYNIC FAILS TO SEE THAT THERE IS A DEVELOPING WAY OUT IN THE NEW POLITICS OF THE LEFT AND THE NEW POLITICS OF THE RIGHT. THESE ARE NOT ESSENTIALLY SO MUCH LEFT AND RIGHT AS THEY ARE ESSENTIALLY "NEW." AND BOTH HAVE SO MUCH MORE THAT UNITES THEM THAN DIVIDES THEM THAT I AM CONFIDENT THEY ULTIMATELY WILL MERGE INTO A NEW POLITICS OF THE CENTER. THE SAVING GRACE OF THIS NEW POLITICS WILL NOT BE GOVERNMENT REGULATIONS--

FAR FROM IT. IT WILL BE --IT IS, IN FACT--THAT THE NEW POLITICS WILL TEND NOT TO TRUST GOVERNMENT TOO MUCH AND BECAUSE OF THAT WILL ONCE AGAIN BE ABLE TO TRUST ENOUGH. THAT IS TO SAY, IT WILL TEND TO RESTORE BALANCE BETWEEN THE PUBLIC AND THE PRIVATE.

IN THE LAST FEW DECADES GOVERNMENT, AND THE OLD POLITICS WHICH MOTIVATED IT, SHARED THE FUNDAMENTAL PREMISE THAT WHAT INDIVIDUALS COULDN'T DO FOR THEMSELVES HAD TO BE DONE BY GOVERNMENT.

THERE BEING--IN THIS EVER MORE COMPLICATED WORLD-- EVER SO MUCH MORE WHICH INDIVIDUALS REALLY COULDN'T DO FOR THEMSELVES, THERE SEEMED ALWAYS MORE AND MORE FOR GOVERNMENT TO DO--AND RETURNING TO OUR THEME--FOR GOVERNMENT TO DO IN SERVICE TO HUMANITY.

IN SUCH A FORMULA, SERVICE TO HUMANITY BEGAN TO EQUATE WITH GOVERNMENT SERVICE. A DEMANDING AND CRYING--OUT HUMANITY DESPERATELY IN NEED OF SERVICE BEGAN TO LOOK TO GOVERNMENT NOT AS ONE AMONG MANY SERVICE PROVIDERS, BUT AS FIRST A NECESSARY AND LATER AS THE ONLY SUFFICIENT PROVIDER OF SERVICES.

AND NOT ONLY THE "NEEDY," BUT ALL OF US IN NEED, BEGAN TO PERCEIVE ALL OTHER INSTITUTIONS AND TRADITIONAL PROVIDERS OF SERVICES AS INCREASINGLY INSUFFICIENT AND UNNECESSARY.

WE BEGAN, IN SHORT, TO LOOK AT GOVERNMENT AND TO TRUST TOO MUCH, AND TO EXPECT TOO MUCH AND, SUBSEQUENTLY, TWO THINGS HAPPENED.

FIRST, BECAUSE WE EXPECTED MORE FROM GOVERNMENT, WE SUFFERED GREATER DISAPPOINTMENT WHEN IT FAILED. AND, AS A SOCIETY, THE SUM TOTAL OF OUR DISAPPOINTMENT REACHED THE POINT OF CRITICAL MASS IN THE '60's AND THE EARLY '70's, AS YOU WELL KNOW.

WE HAD LOOKED FOR MORE FROM GOVERNMENT AND WHAT WE GOT WAS LESS--STREET RIOTS AND CAMPUS UNREST. VIETNAM, WATERGATE AND RECESSION. EACH WAS AN EVENT ALIEN TO WHAT WE HAD COME TO EXPECT FROM GOVERNMENT IN AMERICA. AND THE SUM OF EACH EVENT ADDED TOGETHER HAD THE EFFECT FINALLY OF ALIENATING MANY OF US FROM WHAT WE HAD COME TO BELIEVE WAS AMERICA.

BUT BEFORE WE ENDED UP ALIENATED FROM THAT GREAT AND AUTOMATIC PUBLIC INTEREST PROTECTION MACHINE WE HAD COME TO THINK AMERICAN GOVERNMENT WAS, WE BECAME ALIENATED FROM OURSELVES. THE PUBLIC INTEREST WAS ALL, THE PRIVATE WAS NOTHING. THE PUBLIC AND GOVERNMENTAL WAS SANCTIFIED AND THE PRIVATE AND PERSONAL WAS PROFANIZED. LONG BEFORE WE BECAME DISILLUSIONED WITH GOVERNMENT,

WE ALLOWED THE PRIVATE TO FALL INTO DISREPUTE, WHICH IS TO SAY THAT WE BECAME DISILLUSIONED WITH OURSELVES.

IF THERE IS BOTH AN OLD POLITICS AND A NEW, AS I BELIEVE THERE IS, THEN THIS DISILLUSIONMENT MUST BE A LEGACY OF THE OLD. AND THE VALUE OF THE NEW POLITICS WILL LIE IN ITS CAPACITY FOR RESTORING OUR PERSPECTIVE ON THE WORTH OF BOTH GOVERNMENT AND INDIVIDUAL, THE VALUE OF BOTH THE PUBLIC AND THE PRIVATE.

IN HIS BICENTENNIAL STATE OF THE UNION MESSAGE LAST JANUARY, PRESIDENT FORD CHOSE COMMON SENSE AND A NEW BALANCE AS HIS THEMES. HE TOLD THE AMERICAN PEOPLE THAT HE HAD PLEDGED A NEW DIRECTION TWELVE MONTHS BEFORE AND THAT IT WAS THE RIGHT DIRECTION BECAUSE IT FOLLOWS THE TRULY REVOLUTIONARY AMERICAN CONCEPT OF 1776 WHICH HOLDS THAT IN A FREE SOCIETY THE MAKING OF PUBLIC POLICY AND SUCCESSFUL PROBLEM SOLVING INVOLVES MUCH MORE THAN GOVERNMENT. IT INVOLVES A FULL PARTNERSHIP AMONG ALL BRANCHES AND ALL LEVELS OF GOVERNMENT, PRIVATE INSTITUTIONS AND INDIVIDUAL CITIZENS.

CERTAINLY THE NEW POLITICS I SPEAK OF DOES NOT SEEK THE RADICAL OVERTHROW OF THE OLD AND ITS RELIANCE ON GOVERNMENT. IT SEEKS RATHER TO RE-EMPHASIZE THE PRIVATE AND THEREBY TO RESTORE BALANCE BETWEEN THE PUBLIC AND THE PRIVATE, BETWEEN THE GOVERNMENT AND THE PEOPLE AND THE PEOPLE'S INSTITUTIONS.

IN MUCH THE SAME WAY, WE CATHOLICS KNOW, THE CHURCH
FELL OUT OF BALANCE FOR A TIME BY THE ASSERTION OF THE
ONE PRINCIPLE, THE HEIRARCHICAL, OVER ANOTHER EQUALLY
VALID PRINCIPLE, THAT OF THE COMMUNITY. THEN CAME
VATICAN II WHICH SOUGHT NOTHING MORE THAN RESTORATION
OF BALANCE BETWEEN THE TWO SO THAT NEITHER HEIRARCHY
NOR PEOPLE SHOULD DOMINATE, BUT THAT BOTH COULD PROPERLY
BE FREE TO BE WHAT THEY ARE, BE WHAT THEY ARE SUPPOSED TO
BE AND TO DO WHAT IT WAS THEIR PROPER FUNCTION TO DO.

THE NEW POLITICS SEEKS THE SAME RESTORATION OF BALANCE IN THE SPHERE OF POLITICS, GOVERNMENT AND PUBLIC POLICY. IF WE ARE TO ABANDON ANYTHING AT ALL UNDER THE RUBRIC OF THE NEW POLITICS AS I UNDERSTAND IT, IT IS THIS ONLY-- THE NOTION THAT THERE IS BUT ONE WAY TO SOLVE SOCIAL PROBLEMS AND SERVE HUMANKIND AND THAT IS THROUGH GOVERNMENTAL SOCIAL CONTROLS.

WE ARE BEGINNING TO REALIZE THAT THERE IS A STRONG LINK BETWEEN THE SUCCESS OF COMMUNITIES, SUCCESS OF THE INDIVIDUAL AND A PROPER STRUCTURING OF POLITICAL AUTHORITY. IT IS CLEAR THAT GOVERNMENT MUST VIEW ITSELF IN A DIFFERENT LIGHT. IN THE FUTURE GOVERNMENT MUST STRIVE, INSTEAD OF ATTEMPTING TO PREEMPT ALL PROBLEMS, INSTEAD TO CREATE CONDITIONS WHICH WOULD ENABLE INDIVIDUALS, SPECIFICALLY YOU, TO SERVE HUMANITY IN THE PRIVATE OR THE PUBLIC SECTOR AND WITH EQUAL LEGITIMACY AND DIGNITY IN EITHER. UPON SUCH NOTIONS IS BASED THE MOSAIC AND THE FABRIC OF OUR SOCIETY.

LEST YOU THINK THAT I AM MERELY PROVIDING YOU WITH RHETORIC, LET ME GIVE A SPECIFIC EXAMPLE OF THE POLITICS OF OPENNESS AND THE POLITICS OF PARTICIPATION AS APPLIED TO A SPECIFIC HUMAN PROBLEM.

AFTER THE TRAGEDY OF VIETNAM ENDED IN EARLY 1975, OVER 130,000 VIETNAMESE REFUGEES WERE LEFT HOMELESS.

WE FELT, REGARDLESS OF WHETHER YOU SUPPORTED THE WAR OR NOT, THAT THESE HUMAN BEINGS HAD A MORAL CLAIM TO OUR ASSISTANCE. THEY HAD RISKED THEIR LIVES FIGHTING ON OUR SIDE AND IT WAS CLEAR THEIR LIVES WERE IN JEOPARDY SHOULD THE COMMUNISTS COME TO POWER.

SO WE AGREED TO ALLOW THESE 130,000 UNFORTUNATE PEOPLE TO EMIGRATE TO AMERICA. ONCE ASHORE WE ALSO HAD A MORAL OBLIGATION TO ASSIST THEM IN BECOMING A PART OF OUR SOCIETY.

THERE WERE TWO WAYS TO ASSIST THEM. ONE WOULD HAVE BEEN TO BEGIN A MASSIVE WELFARE PROGRAM TO TRAIN, EDUCATE, HOUSE, FEED AND CLOTHE THE REFUGEES. IT WOULD HAVE INVOLVED THE EXPENDITURES OF MILLIONS OF DOLLARS OF THE PUBLIC TREASURY AND THE EMPLOYMENT OF MANY FEDERAL BUREAUCRATS. THIS IS THE WAY SUCH PROBLEMS HAVE INCREASINGLY BEEN HANDLED UNDER THE OLD POLITICS OF THE LAST 40 YEARS. BUT SUCH AN APPROACH WAS REJECTED.

IT WAS REJECTED IN FAVOR OF A MUCH BETTER APPROACH--THE APPROACH OF OPENNESS, PARTICIPATION AND INVOLVEMENT. INSTEAD OF GOVERNMENT DOING, PEOPLE WERE ALLOWED TO DO. GOVERNMENT PROVIDED EXPERTISE AND GUIDANCE WHILE FAMILIES, CHURCHES, NEIGHBORHOOD GROUPS AND OTHER VOLUNTEER ORGANIZATIONS--WHOSE FUNCTION AT LEAST IN PART HAS ALWAYS BEEN THE "SOCIALIZATION" OF INDIVIDUALS--

WERE ALLOWED TO DIRECTLY DEAL WITH THE VIETNAMESE REFUGEES. THROUGH THEIR EFFORTS AND CREATIVE APPROACHES TO THIS PROBLEM THE VIETNAMESE HAVE NOW ALMOST ENTIRELY PASSED THROUGH THIS SOCIALIZATION PROCESS, THAT IS, HAVE BEEN MADE A PART OF OUR SOCIETY. OF COURSE PROBLEMS HAVE REMAINED, BUT IN GENERAL WE HAVE HAD A REMARKABLY EFFICIENT AND HUMANE SOLUTION TO WHAT COULD HAVE BEEN A THORNY PROBLEM.

WHAT WE NOW NEED IS MORE CREATIVE THINKING TO ENACT PROGRAMS SIMILAR TO THE VIETNAMESE REFUGEE PROGRAM IN OTHER SPHERES OF LIFE.

I BELIEVE THAT THE POLITICS OF OPENNESS AND THE POLITICS OF PARTICIPATION WILL BEGIN TO HAVE A REAL MEANING IN AMERICAN LIFE. IT WILL HAVE A REAL MEANING BECAUSE FIRST IT IS THE CORRECT APPROACH TO OUR PRESENT MALAISE. SECOND, AND VERY SIMPLY, I BELIEVE IT WILL BECOME A REALITY BECAUSE INCREASINGLY THE AMERICAN PEOPLE WILL DEMAND IT, AS THEY WILL DEMAND AN END TO THE OLD AND USUAL POLITICS WHICH BECOMES INCREASINGLY A POLITICS OF DESPAIR.

I APOLOGIZE, IN THIS BICENTENNIAL YEAR, FOR THE USE OF BRITISH QUOTES, BUT G. K. CHESTERTON MAKES AN ESSENTIAL POINT. "IT IS THE FIRST PRINCIPLE OF DEMOCRACY:" HE SAYS, "THAT THE ESSENTIAL THINGS IN MEN ARE THE THINGS

THEY HOLD IN COMMON, NOT THE THINGS THEY HOLD SEPARATELY."

IT WAS PERHAPS THE FATAL FLAW OF THE OLD POLITICS THAT IT CREATED BARRIERS TO A RECOGNITION OF THAT FIRST PRINCIPLE. THE OLD POLITICS PLAYED TO PEOPLE'S FEARS AND ENCOURAGED SOME PEOPLE TO DISTRUST THE MOTIVE OF OTHERS. UNDER ITS RUBRIC THE WEALTHY VIEW THE POOR AS A THREAT AND THE POOR ARE ENCOURAGED TO THINK OF THE WEALTHY AS EXPLOITERS. WORKERS SEE MANAGERS HAVING NOT JUST A DIFFERENT SET OF FUNCTIONS BUT A DIFFERENT AND ILLEGITIMATE AND MALEVOLENT SET OF MOTIVES.

AND THIS EXTENDS INTO THE PRESENT WHERE DEBATE ON PUBLIC POLICY CENTERS ALL TOO OFTEN ON THE PRESUMED DARK AND SUSPICIOUS MOTIVES OF THE ADVERSARY.

THE OLD POLITICS HAS ENCOURAGED SOME MEN AND WOMEN-- EVEN SOME PARENTS WHO HAVE CHILDREN THEY NATURALLY WANT THE BEST FOR--TO DENIGRATE AS RACISTS OTHER MEN AND WOMEN--OTHER PARENTS--WHO OBJECT TO BUSING PERHAPS FOR NO DARKER MOTIVE THAN THAT THEY WANT THE BEST FOR THEIR OWN CHILDREN.

THE OLD POLITICS DIVIDES PEOPLE ON THE BASIS OF SUSPICION. SOME ENVIRONMENTALISTS OPPOSE INDUSTRIALISTS NOT SO MUCH FOR WHAT THEY DO AS FOR WHAT THEY ARE, AND THE MOTIVES WHICH A DISFUNCTIONAL POLITICS ILLEGITIMATELY ASSIGNS TO THEM.

SOME CONSERVATIVES DO NOT OPPOSE BUREAUCRATS FOR WHAT THEY DO SO MUCH AS THEY DENOUNCE THEM FOR THEIR IMAGINED MALICIOUS AND AGAIN ILLEGITIMATE INTENT TO DEPRIVE US OF OUR FREEDOM.

THE OLD POLITICS DIVIDES PEOPLE THUS AND SUBSTITUTES DENUNCIATION FOR DEBATE. AND IT ARROGANTLY ASSUMES THAT JUDGMENTAL FUNCTION OF SEPARATING THE SHEEP FROM THE GOATS WHICH OUGHT TO BE RESERVED FOR A MORE TRANSCENDANT THEATER.

SO LONG AS A PEOPLE REMAINS CONVINCED THAT THEY ARE SEPARATED FROM EACH OTHER AT THE FUNDAMENTAL LEVEL OF MOTIVE--THAT IN EFFECT "YOU CAN'T TRUST NOBODY"-- THEN ALIENATION, FRUSTRATION AND DESPAIR WILL BE THE INEVITABLE MANIFESTATIONS OF ILLEGITIMACY, MALFUNCTION AND AUTHORITY'S ABUSE. AND IN SUCH A CIRCUMSTANCE THE ULTIMATE END OF FREE SOCIETY IS JUST AS INEVITABLE.

THE OLD POLITICS REALLY BELIEVED THOREAU'S DICTUM THAT MOST MEN LIVE LIVES OF QUIET DESPERATION. IN FACT, IT BUILT A PUBLIC POLICY CONSENSUS ON THAT FOUNDATION AND WROTE A RECORD OF MASSIVE PROGRAMMATIC FAILURE.

THE NEW POLITICS AS I SEE IT COMING IN AMERICA HAS A MORE POSITIVE PREMISE AND A MORE HOPEFUL PROMISE. HOWEVER, ANY PROGRAMS THAT MAY EMERGE FROM IT CAN ONLY

BECOME MEANINGFUL IF THEY RECEIVE YOUR CREATIVE ENERGIES, YOUR BEST THOUGHTS AND YOUR INVOLVEMENT. CLEARLY IT'S TIME TO LET THE PRIVATE SECTOR COME BACK INTO BALANCE AND ASSUME AN EQUAL PLACE WITH THE PUBLIC. BUT WE IN GOVERNMENT MUST HAVE YOUR HELP IF AMERICANS ARE TO SERVE HUMANITY. SO, I AM OPTIMISTIC AND PREDICT A NEW RENAISSANCE OF THE PRIVATE--AND A NEW AND HAPPIER COOPERATION BETWEEN THE PUBLIC AND THE PRIVATE--IN AMERICA. THERE'S A RENAISSANCE THAT WILL GROW OUT OF THE ASHES OF THE TURMOIL AND OUT OF THE BITTERNESS AND OUT OF THE FRUSTRATION. I THINK THERE CAN BE A NEW SPIRIT OF ACHIEVEMENT IN AMERICA. A NEW QUIET PRIDE, ONE OF SATISFACTION AND ACCOMPLISHMENT AND ACHIEVEMENT.

IN SHORT, I BELIEVE THAT WHAT JOHN XXIII DID FOR THE CHURCH IN RESTORING BALANCE BETWEEN HIERARCHY AND COMMUNITY CAN, INDEED IS, BEING DONE FOR THE SECULAR STATE IN AMERICA THROUGH THE INCREASING PRACTISE OF A POLITICS OF PARTICIPATION AND INVOLVEMENT THAT PROMISES TO RESTORE BALANCE BETWEEN THE PRIVATE AND THE PUBLIC SECTORS IN AMERICA. THIS NEW POLITICS OF THE CENTER--IF PERCEIVED AND ACTED UPON--CAN, IN MY JUDGMENT LEAD TO A COMMON SENSE COALITION IN AMERICA THAT IS FOUNDED ON TRUST AND HOPE AND FAITH IN OUR COUNTRY AND OURSELVES RATHER THAN ON AN INCREASING POLITICS OF CONFRONTATION AND DESPAIR FOUNDED ON DISTRUST AND CYNICISM.

SUCH AN AMERICA WILL AND CAN BE YOURS IF YOU QUITE LITERALLY "KEEP YOUR HOPES UP." IT WILL AND CAN BE YOURS IF YOU WILL CONTINUE TO BLOCK OUT THE CYNICS COUNSEL AND CONTINUE A PROFOUND DISSENT TO THE RUDENESS OF THE PSEUDO REALIST.

IN THIS BICENTENNIAL YEAR LET US NOT JUST CELEBRATE WHAT WAS, 200 YEARS AGO, WHEN THE FOUNDING FATHERS HAD THE COURAGE TO SAY THAT ALL MEN ARE CREATED EQUAL AND HAVE FREEDOM AS THEIR RIGHT.

LET WE, OURSELVES, IN THE HERE OF AMERICA AND THE NOW OF 1976, GO FORTH FROM THIS COMMENCEMENT, WITH OPTIMISM AND CONFIDENCE AND DARING TO SAY IT OURSELVES.