Emily Anne Staples Tuttle papers.

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Joint Statement of Principles

The third element of the SALT agreement is a joint statement of principles for the SALT III negotiations. In this joint statement, the sides have agreed to pursue further reductions and further qualitative limitations on strategic systems, as well as resolution of the issues covered by the protocol. In addition, each side is explicitly permitted to bring up any other pertinent topic it wishes to discuss.

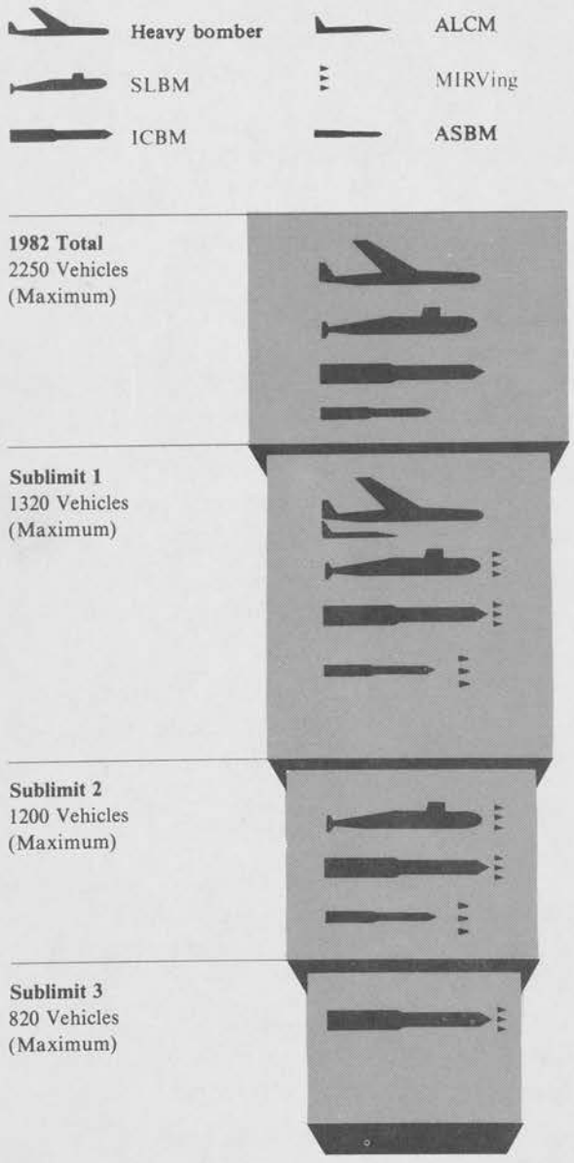
Backfire

The Soviet Union has undertaken commitments not to increase the rate of production of the Backfire bomber above its current rate and to limit upgrading of the capabilities of this aircraft. The freeze on the Backfire production rate at its current level means that the Soviets are committed not to produce more than 30 Backfires per year. The United States considers the obligations set forth on Backfire as essential to the integrity of the obligations of the treaty as a whole. The commitments by the Soviet Union regarding Backfire have the same legal force as the rest of the SALT II agreement. Thus, if the Soviet Union were to violate these commitments, the United States could withdraw from the treaty.

Acronyms

ALCM: air-launched cruise missile
ASBM: air-to-surface ballistic missile
ICBM: intercontinental ballistic missile
MIRV: multiple, independently-targetable reentry vehicle
NTM: national technical means
RV: reentry vehicle
SALT: Strategic Arms Limitation Talks
SLBM: submarine-launched ballistic missile

Allotment of Strategic Nuclear Delivery Vehicles



Department of State Publication 8980

General Foreign Policy Series 314

Released April 1979

SALT II

The Agreement in Brief

United States Department of State
Washington, D.C.

The Agreement in Brief

The SALT II agreement is composed of three parts.

A treaty which will be in force until December 31, 1985.

A protocol to the treaty which will be in force until December 31, 1981, covering certain issues not yet ready for long-term resolution; and

A joint statement of principles for future negotiations which constitutes a set of guidelines for the SALT III negotiations.

The SALT II Treaty

The SALT II treaty itself provides for:

An equal aggregate limit on the number of strategic nuclear delivery vehicles—ICBM launchers, SLBM launchers, heavy bombers, and air-to-surface ballistic missiles (ASBM's) with ranges over 600 km. Initially, this ceiling is 2,400, but it will be lowered to 2,250 by the end of 1981.

An equal aggregate limit of 1,320 on the total number of MIRV'ed ballistic missile launchers and heavy bombers equipped for launching cruise missiles with ranges over 600 km.

An equal limit of 1,200 on the total number of MIRV'ed ballistic missile launchers and a limit of 820 on the number of launchers of MIRV'ed ICBM's.

Ceilings on the throw-weight and launch-weight (i.e., total missile weight) of light and heavy ICBM's.

A ban on the testing and deployment of new types of ICBM's with one exemption for each side (including a definition of a new type of ICBM based on missile parameters).

A freeze on the number of RV's on current types of ICBM's, a limit of 10 RV's on the one exempted ICBM for each side, a limit of 14 RV's on SLBM's, and a limit of 10 RV's on ASBM's.

A limit of 28 on the average number of ALCMs with ranges over 600 km deployed on heavy bombers.

A ban on the testing and deployment of ALCMs with ranges over 600 km on aircraft other than those counted as heavy bombers.

A ban on construction of additional fixed ICBM launchers and on any increase in the number of fixed heavy ICBM launchers.

A ban on heavy mobile ICBM's, heavy SLBM's, and heavy ASBM's.

A ban on certain types of strategic offensive systems not yet employed by either side, such as ballistic missiles with ranges over 600 km on surface ships.

An agreement to exchange data on a regular basis on the numbers deployed for weapons systems constrained in the agreement.

Advance notification of certain ICBM test launches.

Verification

In addition, the treaty includes a number of provisions related to verification. The sides have agreed that verification of the provisions of the agreement will be by national technical means (NTM), and that they will not interfere with each other's NTM. Agreement has also been reached not to use deliberate concealment measures which impede verification by NTM of the provisions of the agreement. A clarification to this agreement notes that any telemetry encryption which impedes verification is banned.

There are also a number of provisions specifically designed to make verification easier. These include, for example, counting rules which require that any missile which has been tested with MIRV's be counted as MIRV'ed, even if it contains a single warhead missile.

Protocol to the SALT II Treaty

The protocol to the treaty, which will remain in force through 1981, provides for the following temporary limitations:

A ban on the flight-testing of ICBM's from mobile launchers and the deployment of mobile ICBM launchers.

A ban on the testing and deployment of ASBM's; and

A ban on the deployment of ground-launched and sea-launched cruise missiles having ranges greater than 600 km.

THE PRESIDENT'S PROGRAM FOR UNITED STATES ENERGY SECURITY

THE WHITE HOUSE

Washington, D.C.

THE PRESIDENT'S PROGRAM FOR UNITED STATES ENERGY SECURITY

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THE PRESIDENT'S PROGRAM FOR ENERGY SECURITY

THE ROOTS OF A CRISIS

In America's first century, we relied almost exclusively on abundant supplies of renewable energy resources — wood, wind and water. During that period, growth and development were limited not by resources — which were plentiful and readily available — but by a relatively primitive state of technology.

In America's second century, we built the world's most industrialized economy, and in doing so, we shifted our energy base from abundant renewable resources to an almost total reliance on depletable fuels such as oil, coal and natural gas.

For nearly 100 years, the United States has prospered while the availability and price of energy were not pressing concerns to Americans. Economic growth and increased energy consumption went hand-in-hand; we assumed we could not have one without the other; we developed casual and wasteful ways toward our non-renewable energy resources.

Since WW II, we have become dependent on one depletable fuel in particular: oil. Our use of coal has actually declined over the past 25 years; natural gas has played nowhere near the role that oil has played in our energy economy.

This dependence on oil was of no immediate concern as long as two conditions existed:

- We had the ability to produce domestically all the oil that we needed.
- Foreign-produced oil was cheap and available.

Both conditions were with us through the 1960s. As late as 1968, the U.S. was still producing enough oil to be an oil-exporting nation. Foreign-produced oil was so cheap that we imposed tariffs on it to protect domestic production from being undercut by a glut of cheap oil from abroad.

Why then, just ten years later, does America face an energy crisis — one that is dramatically acute and that threatens to be with us for at least the remainder of this century, and for some years beyond that?

Insufficient foresight is one reason. As early as the 1950s, a few petroleum geologists and economists were calling attention to the approaching depletion of cheap U.S. oil. In 1971, U.S. proved *resources* began a steady decline, and U.S. oil *production* peaked at 11.3 million barrels per day. Rather than turn to development of other U.S.-controlled fuel sources, we instead shifted our reliance to foreign sources of oil. We did little about our energy wastefulness, generally, or our oil wastefulness, specifically. We behaved as if foreign-produced oil would indefinitely meet our energy needs with the same mistaken reliance we had earlier placed on domestically-produced oil.

Unexpected events are the other reason. The 1973 OPEC oil embargo and subsequent price hikes rudely awakened America to the twin facts that foreign oil was no longer going to be cheap and no longer could we assume that it would be readily available. No longer did we control the means of production. By 1973, a handful of nations produced 40 percent of our oil supplies. They signalled dramatically in 1973, and again in 1979, that they had their own ideas about what price oil would sell for. Our lack of control was bluntly confirmed by the 1978-79 cutoff of Iranian oil production.

THE MEANING OF THE CRISIS

We are now and for the foreseeable future heavily and dangerously dependent on a single fuel source — imported oil — that:

- Is in relatively short supply worldwide and will continue to diminish with production and use;
- Is not ours to produce, nor to set prices for.

This situation — for which there is no immediate quick-fix — imposes heavy costs on our nation.

The visible costs to our economy are:

- In 1971, the U.S. imported 3.9 million barrels per day and paid $4 billion for that oil to foreign producers. By 1977, the U.S. was importing 8.8 million barrels of oil per day and paying $45 billion to foreign producers. In 1979, almost half of our oil needs will come from imports and, with the surge of prices from the Iranian disruption, the total import bill will exceed $56 billion; in 1980, the bill could reach $70 billion — more than $300 for every man, woman and child in the country.
- Oil imports at increasingly high prices have fueled domestic inflation, raising the prices of transportation, heating, and nearly everything else we buy. Every American's standard of living has been reduced because the U.S. economy must give up more and more goods and services to pay for the same amount of foreign oil.
- Oil imports helped create huge trade deficits in 1977 and in 1978, which in turn accelerated depreciation of the dollar. The value of the American dollar has declined by over 30 percent in relation to the currencies of other industrialized nations since 1973.
- Disruptions and upheavals, and small changes in world supplies, can have immensely punishing consequences for our economy and our quality of life. The 1973 oil embargo had major effects on U.S. supplies, even though it amounted to only a 10 percent reduction in the world oil supply. Recent events in Iran quickly and dramatically disrupted American economic activity.

The less visible costs are to our national security:

- In 1979, the U.S. will import about 30 percent of the OPEC-controlled world export market. This growing dependence on the production decisions of the OPEC nations threatens our national security.
- Our large consumption of oil from the Middle East — an area highly susceptible to conflict — could strain our alliances with nations which, in some cases, depend even more heavily than we do on that region for oil.
- In a national emergency we might be too dependent on uncertain sources for urgent energy supplies.

THE OUTLOOK

Unless we take strong action, the future outlook is grim.

The recent disappearance of gas lines does not mean that the underlying problems have gone away. They still exist and are getting worse. U.S. energy security is more at risk with each passing day.

A number of widely divergent predictions have been made regarding our energy future. The inability of the "experts" to agree on either the magnitude of the problem or the nature of the solution has tended to increase public skepticism and confusion. However, though there are some uncertainties, there are several fundamental points on which there is general agreement:

- At best, future U.S. oil production will continue at current levels of about 10 million barrels per day; it could continue to decline.
- Throughout the 1980s, world oil production probably will not significantly exceed the current level of 65 million barrels per day.
- In the absence of the Administration's energy program (both newly proposed and previously enacted), 1990 oil imports could be as high as 13 to 14 million barrels per day, or one-third of the world import/export trade, and total U.S. payments to foreign producers for imported oil could amount to 1 to 1.4 *trillion* dollars over the 1980s.
- With the combination of tight world supplies and large U.S. imports, the price of oil will continue to rise, and the U.S. could become more vulnerable to interruptions in supply from the OPEC countries.

WHAT NEEDS TO BE DONE

No single quick-fix or politically popular action is going to pull the nation through its near-term crisis or place it on a solid energy basis for future generations. To put us on that safer footing, and to protect our interests and manage our needs in the necessary transition period:

First, we must *reduce our oil imports:* boldly, dramatically, and now.

Second, we must *conserve energy.* This means we must become *energy-efficient* as a nation, not wasting the energy that we have. It means decoupling economic growth from energy extravagance. Energy is raw material in our economy just as metal or water is; we profit from using it wisely, just as American business has profited from efficient use of other raw materials.

Third, we must *encourage the maximum feasible exploration of our remaining domestic oil reserves* as partial substitutes for our current reliance on foreign sources.

Fourth, we must pursue the environmentally sound and commercially feasible *development and use* of coal and synthetic fuels, as well as nuclear power, as *alternatives to oil.* Particularly, we must greatly increase our use of coal, our most plentiful domestic resource.

Fifth, we must *develop solar and renewable energy sources* that can help meet current and future energy needs with minimum damage to our environment and without depleting our energy resource base.

Sixth, no matter what we do, foreign oil will continue to play a key role in our nation's energy picture over the next several years. We must be prepared to *handle emergencies* — to ensure that an interruption in supplies, or an abrupt price hike, does not create economic and social havoc or endanger our national security.

THE PRESIDENT'S PROGRAM

The President's program can best be understood in light of the ways it responds to the six national needs.

1. **Oil Import Reduction.**

   Imports of oil have risen dramatically. In 1961, they accounted for less than one-fifth of American consumption. Today, they account for nearly half. Our annual import bill has risen from $7 billion to $50 billion, on its way to $70 billion in 1980. The President's energy program is designed to stem this tide.

   The President's energy program will reduce projected 1990 imports from 13 to 14 to about 4 to 5 million barrels of oil per day, substantially improving our national energy security.

   In the short term, President Carter has announced that net U.S. oil imports for 1979 will be held to levels below the ceiling of 8.5 million barrels per day agreed to at the Tokyo Economic Summit in June. Future target quotas will be established on a year-to-year basis after that.

2. **Conservation and Fuel Use Efficiency.**

   Increasing energy supplies through investments in a strategy of diversified fuel sources is one important side of the energy equation; reducing excess and wasteful demand is the other. Since the President's first energy plan in 1977, conservation has been the cornerstone of the Administration's energy policy. Conservation is itself an alternative energy source, in that it is cheaper to save a barrel of oil than to buy one, either from foreign sources or at home.

   The President's program to conserve and use efficiently all energy sources is far-reaching because conservation requires thousands of actions by all Americans where they work, live and play. Among major Federal actions, the President's program calls for:

   - Requiring utilities to provide energy audit programs to both commercial buildings and residential customers.
   - Requiring utilities to offer long-term, low-cost financing to their residential and commercial customers for conservation improvements.
   - Providing an interest subsidy so that owners of oil-heated residential or commercial buildings can more easily install conservation measures.
   - Spending additional billions of dollars over the coming decade to improve the nation's mass transportation system and automobile fuel efficiency.

3. **Increasing Domestic Oil Production.**

   While U.S. oil sources are no longer large enough to supplant foreign oil in meeting our energy needs, the U.S. still has the potential to produce, by 1985, over a million barrels of new oil per day. However, the price controls on domestic crude oil imposed in 1973 have had the perverse effect of discouraging domestic oil production, and they must be eliminated in order to provide the necessary production incentives.

   From 1976 to 1978, the stifling system of price controls discouraged exploration for new reserves in untapped areas and experimental procedures to recover additional oil from depleted reserves through tertiary recovery processes.

   To remedy this situation, the President's program calls for:

   - The gradual decontrol between now and September 30, 1981, of domestically produced conventional crude oil.
   - The immediate decontrol of domestically produced "heavy" oil, a more expensive type of crude to refine (of which the U.S. has an estimated reserve of 10 billion barrels).
   - Increased domestic production on the Outer Continental Shelf, in on-shore leases, and from the National Petroleum Reserve on the North Slope of Alaska.

4. **Increased Use of Abundant Domestic Resources.**

Only a relatively small portion of our oil imports can be replaced with increased domestic oil production. Other substitute fuel sources that are both economically sound and environmentally appropriate are a critical ingredient in the nation's energy future and are abundant domestic resources. The President's program includes two related efforts:

- Substitution of abundant domestic energy resources for oil by utilities.
- Stimulation of production and utilization of unconventional fuel sources.

Substitution

The President has proposed legislation to require utilities to reduce their current use of 1.5 million barrels per day of oil by 50 percent by 1990 in a program that includes incentives through grants and/or loan guarantees to encourage utilities to invest in new non-oil fired generators.

Synthetics and Unconventional Fuel Sources

The most ambitious, long-term component of the President's program concerns the commercially feasible development and use of synthetic fuels and unconventional gas.

- In the *synthetic fuels* program the Energy Security Corporation would make available billions of dollars in investment incentives for the private sector for the production of synthetic fuels, both liquids and gases, from coal, biomass, peat and oil shale.
- The *unconventional natural gas* program includes a tax credit incentive for the production of gas from gas basins in the Rocky Mountains, Devonian shales in the Appalachian basin, geopressurized aquifers in the Gulf of Mexico, and coal seams, as well as a request to the Federal Energy Regulatory Commission to remove price controls on such natural gas.

5. **Solar and Renewable Energy Sources.**

The President's program calls for an increasing reliance on solar and other renewable energy resources which are virtually inexhaustible. The President has set a national goal of providing 20 percent of our total energy needs from solar and renewable energy resources by the year 2000.

The solar program calls for:

- Creation of a Solar Bank to provide interest subsidies for home improvement loans and mortgages to finance the purchase and installation of solar energy systems.
- Tax credits for construction of new passive solar multi-family and commercial buildings, for the installation of solar thermal equipment to produce heat in agricultural non-industrial applications, and for the purchase and installation of woodburning stoves in residences.

Other renewable energy initiatives include:

- A permanent exemption from the federal gasoline excise tax for gasoline containing at least 10 percent alcohol made from grain as well as other biomass, and other measures to increase gasohol production and use.
- A 15 percent tax credit for individuals for the purchase of high efficiency woodburning stoves.
- Loans and other inducements to private sector corporations to develop fuels from biomass.

6. **Emergency Measures.**

Many of these efforts will not begin to pay off in import savings for many years. In the foreseeable future, the U.S. will continue to depend to a lesser, but still significant extent on foreign oil. We must ensure that we can withstand disruptions in the supply of oil, should they occur. The President's program has three important initiatives in this regard:

- *Standby Gasoline Rationing.* The President has asked the Congress to join with him, on a priority basis, to ensure that he has the authority to develop a standby rationing plan which will permit us to manage an emergency supply interruption fairly.
- *State Conservation Plans and Targets.* The President is urging Congress to enact legislation which will permit him to set State-by-State targets for conservation of gasoline and other fuels to ensure that we can deal with future supply interruptions.
- *Regional Petroleum Reserves.* As part of the Strategic Petroleum Reserve program, and in order to help assure that all regions of the country will be adequately protected in the event of a severe supply interruption, the windfall profits tax will provide funds to store 10 million barrels of residual fuel oil in the Northeast region; 10 million barrels of fuel oil in Gulf Coast storage sites for use in the Northeast; and 3 million barrels of crude oil and jet fuel in Hawaii.

THE NECESSARY MACHINERY TO IMPLEMENT THE PROGRAM

If it is to work, the President's program requires financial and procedural support as bold and ambitious as the program's goals. The President has proposed a three-part effort to finance and implement his energy initiatives.

1. **Windfall Profits Tax.**

With domestic oil selling at the world price, OPEC price increases will produce unearned windfall profits for domestic producers, far above the level needed to induce new oil discovery and production. Fundamental fairness requires that we use some of this windfall to prevent one segment of the economy from

benefitting unfairly at the expense of all others. The windfall profits tax, rather than the American citizens' hard-pressed tax dollar, should finance the drive to reduce our oil imports.

Proceeds of the tax will be used for:

- A massive effort to produce synthetic fuels and natural gas as substitutes for imported oil.
- Interest subsidies and easier credit terms for homeowners who make energy conservation investments.
- New tax credits for the use of solar energy, wood stoves and a permanent exemption from Federal excise taxes on gasohol.
- A Solar Bank to encourage the use of solar energy with subsidized loans.
- Tax credits to encourage the production of oil from shale and natural gas from new, unconventional sources.
- New buses for our nation's cities, the rehabilitation of subway systems, and the development of more fuel efficient cars.
- Special assistance for those families who will bear the heaviest burdens of rising energy costs.

The Windfall Profits Tax is the key to the President's program. Without it, the program simply cannot be financed.

2. **Energy Security Corporation.**

In order to tap all available means of reducing oil imports, the President has proposed that billions of dollars in revenues from the Windfall Profits Tax be committed to an independent, Congressionally-chartered Energy Security Corporation (ESC). The Corporation — which will be exempt from most of the restrictions which apply to Federal agencies — will *not* be in the energy production business. Rather, it will have a mandate to assist the development, by the private sector, of synthetic fuels and unconventional natural gas.

3. **Energy Mobilization Board.**

Federal, State and local regulation has become so complex that a geothermal power plant on the West Coast would involve at least 25 agencies, 72 public hearing requirements, multiple environmental impact statements, and 12 potential opportunities for judicial challenge.

As a central element in his strategy for restoring national energy security, President Carter has proposed the establishment of an Energy Mobilization Board in the Executive Office of the President. While ensuring that environmental standards are met, the EMB will, in the President's words,"...slash through red tape and bureaucratic obstacles and set absolute deadlines for actions at the Federal, State and local levels."

The EMB's purpose is simple: to designate non-nuclear energy facilities critical to our import reduction goals, and, for each of them, to convert disparate, disconnected proceedings and requirements into a single, coordinated and expedited decision process.

BALANCING THE EQUITIES IN IMPLEMENTATION

The transition from an era of cheap and abundant oil to one in which America's energy supplies are diversified will not come about without economic disruptions. Unless corrective measures are taken, some people could unduly profit; others could suffer. The President's program is designed so that the equities in moving the nation toward energy security are balanced. This is accomplished by the Windfall Profits Tax — which will assure that some do not unduly profit — and two programs to ensure that persons living on low and fixed incomes can better deal with the necessary and inevitable rises in the price of energy.

1. *The Special Energy Allowance* program is intended to help alleviate the impact of oil price decontrol and recent OPEC price increases on low-income households. Assistance under this program will be in the form of cash payments to qualifying low-income households. In FY 1980 qualifying households will include those receiving Supplemental Security Income (SSI) and Aid for Families with Dependent Children (AFDC). In FY 1981, eligible households will include those receiving SSI payments and those which meet standards similar to those in the food stamp program.

2. *The Energy Crisis Assistance* program is designed to provide energy relief to poor families facing an energy-related crisis. Such a crisis could include potential shut-off of home heating service, shortages of home energy fuels, and severe weather conditions causing a temporary disruption in the supply of normally used home energy fuels.

THE CHALLENGE

Americans have faced threats before and have turned them into challenges that they overcame. In the '30s, Americans adopted the bold innovations of the New Deal to overcome the Great Depression. In the '40s, we joined together to overcome a grave threat to our national security. In the '60s, we engineered the conquest of space with a total dedication and great technological breakthroughs.

We need not be timid about our ability to overcome the energy crisis. Solving the energy crisis — greatly reducing our intolerable dependence on foreign oil — is a tough challenge. But it can and must be met.

WHAT CAN CITIZENS DO?

Many Americans are now asking, "How can I save energy?" Individual actions can make an enormous difference.

Relatively minor investments in weatherizing your home — by caulking doors and windows, sealing pipes and ducts, closing fireplace dampers when not in use — can save individuals several hundreds of dollars each year, and save America hundreds of thousands of barrels of imported oil each day. Your public utility may already be offering free advice to you on these steps, and will be required to do so next year. Tax credits are available for home insulation expenses.

Cost-free steps in operating your home will also save you money and save oil for America. Thermostats set at 78 degrees in the summer can save significant cooling costs, depending on where you live. Lowering heating and water heater temperatures also makes a great difference.

Transportation is the other area where costless steps can save millions of barrels of imported oil. Use public transportation, car pools, van pools. Keeping your car tuned and your tires properly inflated can increase your mileage up to 10 percent. Obeying the 55 mph speed limit will get you many more miles per gallon.

Individual actions like these can make each of us an energy producer.

We can also become involved in developing energy conservation action plans in our communities, businesses, unions and civic organizations. We need to learn more about conservation incentives that Congress has already authorized, and let our voices be heard on additional initiatives such as those proposed in the President's energy security program.

WHAT CAN THE CONGRESS DO?

Congress has a critical role in leading America toward energy security, and special responsibilities which must be exercised if we are to meet the challenge.

The Members and Committees of Congress have already taken some significant steps toward meeting the energy security challenge. Parts of the President's program are based on ideas that originated in Congress. Other parts have already been enacted in the National Energy Act of 1978. The House has already acted on the key windfall profits tax proposal, passing it in a form similar to the President's proposal and compatible with the overall strategy.

But this progress is not enough. Congress must act decisively on a strong energy security program this year. The challenge facing the Congress is to meet the challenge facing America.

Tips for Energy Savers

U.S. Department of Energy
Washington, D.C. 20585

THE WHITE HOUSE

WASHINGTON

FELLOW AMERICANS:

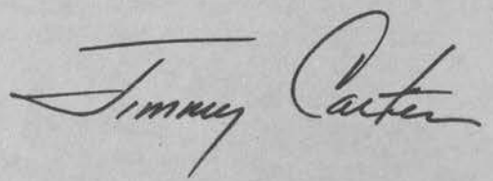
Today, America faces the most serious domestic challenge that it is likely to face in our lifetimes - the energy challenge.

Our ability to meet this challenge will help determine whether we will be able to maintain our American way of life during the closing decades of the 20th century. If we ignore the challenge today by failing to act, our children will pay a heavy price for our short sightedness.

The challenge is that domestic demand for energy keeps rising faster than domestic supply. Any program that seeks to deal with that imbalance must begin restraining this runaway growth in energy demand.

We have a National Energy Plan to help meet the challenge. Its cornerstone is conservation, in industry, in transportation, in the home. Its success will depend on the cooperation, dedication and commitment of the American people.

These "Tips for Energy Savers" can be a tool in our fight to curb energy demand. Much of our Nation's finite energy is used inefficiently. The suggestions contained in this booklet help you to curb that waste, and save yourselves money as well. By saving energy we can protect jobs, the environment, and the basic American standard of living, not only for ourselves, but also for our children and grandchildren. We must succeed.



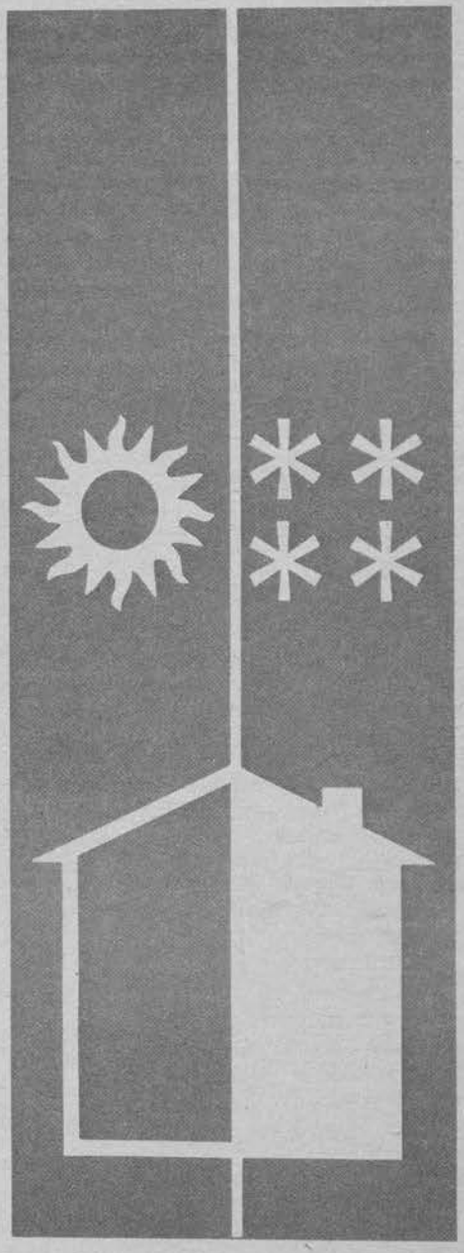
How to Save Energy and $$$ . . . At Home

Most of our residential energy, 70 percent, is used to heat and cool our homes. An additional 20 percent goes for heating water, the second-largest home energy user and expense. The remaining 10 percent goes into lighting, cooking, and running small appliances.

We can cut our energy use and help control living costs by making our homes energy efficient, even if we have to spend some money to do it. The money we spend now can help hold down energy costs.

Caution: Some older people may require higher indoor temperatures— above 65° F at all times—to avoid accidental hypothermia, a possibly fatal drop in body temperature. People with circulatory problems or those taking certain types of drugs (e.g., phenothiazines, commonly used to treat anxiety and nausea) may also be vulnerable. In such instances, follow a physician's counsel on both winter and summer thermostat settings in your home.

Protect Your Home From Outside Heat and Cold



About 40 million single-family homes in the United States are not adequately protected from outside weather, according to Department of Energy estimates.

Here are some tips to make sure yours is not one of them.

Insulate

No matter how you heat or cool your home, you can reduce the load on your heating and cooling equipment by as much as 20 to 30 percent by investing a few hundred dollars in insulation. That's about as much as it would cost you to buy a color television set. But the benefits of insulation—lower utility costs—continue for years.

- **Find out if your home needs insulation.** Your needs will depend on the climate in which you live and the amount of insulation, if any, you already have. For guidance, consult with a reputable insulation dealer in your community or with your local building inspector or county agent.
- **Find out about R-values** before you buy your insulation materials. Then buy the thickness of insulation that will give you the R-value you should have. (See Heating Zone Map, page 14.)

R-values or numbers are insulation efficiency ratings. The "R" stands for resistance to winter heat loss or summer heat gain. The higher the R-number, the more effective the insulating capability. The numbers should appear on packages of all insulation materials: mineral, glass fiber, or rock wool batts or blankets; foam or loose fill materials that are poured or blown into insulation spaces; or rigid board insulation.

If the insulation you buy doesn't have the R-value written on the package, ask the salesperson to write the R-value on your receipt for future references.

Sources for R-value information include: Department of Energy; National Bureau of Standards, U.S. Department of Commerce; American Society of Heating, Refrigeration and Air Conditioning Engineers (ASHRAE); and insulation manufacturers.

- **Insulate or increase the amount of insulation in your attic floor or top floor ceiling** to a minimum of R-26 for these spaces.

  If you have old insulation in your attic, you probably won't be able to judge its R-value. But if you have less than 6 inches of old insulation, chances are you need more to bring the insulation level up to the recommended level. (See the heating zone map for guidance.)

  Investment costs could range from $80 to $600. Heating and cooling savings should range from somewhere around 5 percent, if you are adding to present insulation, to as much as 30 percent if you have no insulation.

- **Don't insulate over eave vents or on top of recessed lighting fixtures or other heat-producing equipment on the attic floor.** Also, keep insulation at least 3 inches away from the sides of these types of fixtures.
- **Consider insulating exterior walls.** This is an expensive measure that requires the services of a contractor, but it may be worth the cost if you live in a very hot or very cold climate. There should be enough space in the walls to accommodate blown-in insulation that is at least R-11 to R-13 in most construction except masonry.

  Costs range from 60 cents to 90 cents per square foot. Savings could amount to 16 to 20 percent of utility costs.

- **Insulate floors over unheated spaces** such as crawl spaces and garages.

Costs could range from $200 to $400. Savings could amount to about 8 percent on your heating and cooling costs.

Draft-Proof Windows and Doors

- **Test your windows and doors for airtightness.** Move a lighted candle around the frames and sashes of your windows. If the flame dances around, you need caulking and/or weatherstripping.

  Try slipping a quarter under the door. If it goes through easily, you need weatherstripping.

- **Caulk and weatherstrip doors and windows.** It's easy to do yourself. Caulking and weatherstripping materials cost about $25 for the average house (12 windows, 2 doors). Savings in annual energy costs could amount to 10 percent or more.

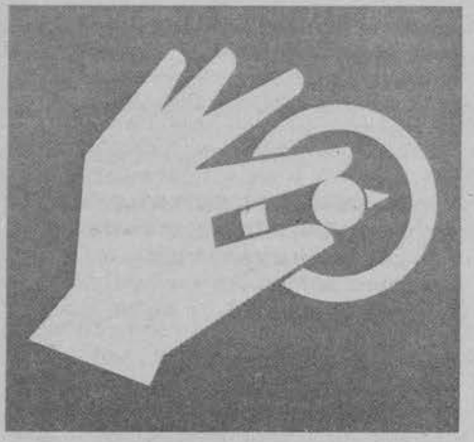
If every gas-heated home were properly caulked and weatherstripped, we'd save enough natural gas each year to heat about 4 million homes.

- **Install storm windows.** Combination screen and storm windows (triple-track glass combination) are the most convenient and energy efficient because they can be opened easily when there is no need to run heating or cooling equipment.

  Alternatives range from a heavy-duty, clear plastic sheet on a frame (about $10-$15 each), to clear plastic film which can be taped tightly to the inside of the window frames (a total of about $10 for the average home).

  Savings in reduced space heating costs for any of these types of protection can amount to as much as 15 percent a year. Adding storm doors in very cold or very hot climates could increase these savings.

Heating and Cooling



Heating and cooling our homes account for most of our residential energy costs. Don't waste any of that precious conditioned air, whether you pay for it yourself or pay your landlord for it.

During both heating and cooling seasons . . .

- **Close off unoccupied rooms** and shut their heat or air-conditioning vents; or turn off room air-conditioners. (This does not apply if you have a heat pump system. Leave it alone; shutting vents could harm a heat pump.)

- **Use kitchen, bath, and other ventilating fans sparingly.** In just 1 hour these fans can blow away a houseful of warmed or cooled air. Turn them off just as soon as they have done their job.

- **Keep your fireplace damper closed unless you have a fire going.** An open damper in a 48-inch square fireplace can let up to 8 percent of your heat out the chimney.

Heating Energy Savers

Don't turn the heat on until you have to. On cool evenings use your fireplace instead and add a blanket at night.

With heating equipment . . .

- **If you use electric furnace heating, consider a heat pump system.** The heat pump uses thermal energy from outside air for both heating and cooling. Costs for these pumps run from about $2,000 for a whole-house unit to about $425 for room size. But they can cut your use of electricity for heating by 30 to 40 percent and also might provide some savings in cooling costs.

- **If you plan to buy a new gas heating system,** ask your gas utility or public service commission about the savings potential of electronic ignition. Ask also about possibilities for retrofitting the system you may already own.

- **Consider the advantages of a clock thermostat for your heating system.** The clock thermostat will turn the heat down for you automatically at a regular hour before you retire and turn it up again before you wake. While you can easily turn your thermostat back at night and up again in the morning yourself, the convenience of a clock thermostat may be worth the $40 to $90 cost to you.

- **Consider buying a properly sized furnace that incorporates an automatic flue gas damper.** This device reduces the loss of heat when the

furnace is off. (Contact your gas utility or oil supplier for guidance.)

- **Insulate heating ducts in unheated areas.**

- **Don't use your fireplace for supplemental heating when your furnace is on** unless you take one of the measures suggested below to lessen the loss of heated air from the house.

  The warmth from a fire on the hearth generally doesn't radiate through the house; the heat gain is confined to the room with the fireplace. And when your furnace is on, too, a considerable amount of heated air from the rest of the house flows into the fireplace and goes wastefully up the chimney. Then the temperature in other rooms of the house goes down, and the furnace uses more fuel to raise it to the level controlled by the thermostat. So you use more fuel, rather than less, when the furnace and fireplace are both going.

- **Lessen heat loss if you use your fireplace when the furnace is on:**

  — **Lower the thermostat setting to between 50° F and 55° F.** Some warmed air will still be lost, but the furnace won't have to use as much fuel to heat the rest of the house to these temperatures as it would to raise the heat to 65° F. (Note: See Caution on page 1.)

  — **Close all doors and warm air ducts entering the room with the fireplace, and open a window near the fireplace about ½ to 1 inch.** Air needed by the fire will be provided through the open window, and the amount of heated air drawn from the rest of the house will be reduced.

  — **If you have a simple open masonry fireplace, consider installing a glass front or a glass screen**. This will cut down on the loss of warmed air through the flue.

When the heat is on . . .

- **Lower your thermostat to 65° F during the day and 55° F at night.** You can save on your fuel costs for every degree you reduce the *average temperature* in your home. (Note: See Caution on page 1.)

- **Keep windows near your thermostat tightly closed,** otherwise it will keep your furnace working after the rest of the room has reached a comfortable temperature.

- **Have your oil furnace serviced at least once a year,** preferably each summer to take advantage of off-season rates. This simple precaution could save you 10 percent in fuel consumption.

- **Clean or replace the filter in your forced-air heating system each month.**

- **Check the duct work for air leaks about once a year if you have a forced-air heating system.** To do this, feel around the duct joints for escaping air when the fan is on.

  Relatively small leaks can be repaired simply by covering holes or cracks with duct tape. More stubborn problems may require caulking as well as taping.

- **If you have oil heat, have your service man check to see if the firing rate is correct.** Chances are it isn't. A recent survey found that 97 percent of the furnaces checked were overfired.

- **Don't let cold air seep into your home through the attic access door.** Check the door to make sure it is well insulated and weatherstripped, otherwise you'll be wasting fuel to heat that cool air.

- **Dust or vacuum radiator surfaces frequently.** Dust and grime impede the flow of heat. And if the radiators need painting, use flat paint, preferably black. It radiates heat better than glossy.

- **Keep draperies and shades open in sunny windows; close them at night.**

- **For comfort in cooler indoor temperatures, use the best insulation of all—warm clothing.**

  The human body gives off heat, about 390 Btu's per hour for a man, 330 for a woman. Dressing wisely can help you retain natural heat.

  Wear closely woven fabrics. They add at least a half degree in warmth.

  For women. Slacks are at least a degree warmer than skirts.

  For men and women. A light long-sleeved sweater equals almost 2 degrees in added warmth; a heavy long-sleeved sweater adds about 3.7 degrees; and two lightweight sweaters add about 5 degrees in warmth because the air between them serves as insulation to keep in more body heat.

If every household in the United States lowered its average heating temperatures 6 degrees over a 24-hour period, we would save more than 570,000 barrels of oil per day.

Cooling Energy Savers

Overcooling is expensive and wastes energy. Don't use or buy more cooling equipment capacity than you actually need.

Regarding air-conditioning equipment . . .

- **If you need central air-conditioning, select a unit with the lowest suitable capacity and highest efficiency.** A larger unit than you need not only costs more to run but probably won't remove enough moisture from the air.

  Ask your dealer to help you determine how much cooling capacity you need for the space you have to cool and for the climate in which you live.

- **Make sure the ducts in your air-conditioning system are properly insulated,** especially those that pass through the attic or other uncooled spaces.
- **If you don't need central air-conditioning, consider using individual window or through-the-wall units** in rooms that need cooling from time to time. Select the lowest capacity and highest efficiency for the rooms you need to cool. As a rule, these will cost less to buy and less to operate.
- **Install a whole-house ventilating fan** in your attic or in an upstairs window to cool the house when it's cool outside, even if you have central air-conditioning.

  It will pay to use the fan rather than air-conditioning when the outside temperature is below 82° F. When windows in the house are open, the fan pulls cool air through the house and exhausts warm air through the attic.

When you use air-conditioning . . .

- **Set your thermostat at 78° F,** a reasonably comfortable and energy-efficient indoor temperature.

  The higher the setting and the less difference between indoor and outdoor temperature, the less outdoor hot air will flow into the building.

  If the 78° F setting raises your home temperature 6 degrees (from 72° F to 78° F for example), you should save between 12 and 47 percent in cooling costs, depending on where you live.
- **Don't set your thermostat at a colder setting than normal when you turn your air-conditioner on.** It will NOT cool faster. It WILL cool to a lower temperature than you need and use more energy.
- **Set the fan speed on high except in very humid weather.** When it's humid, set the fan speed at low; you'll get less cooling, but more moisture will be removed from the air.
- **Clean or replace air-conditioning filters at least once a month.** When the filter is dirty, the fan has to run longer to move the same amount of air, and this takes more electricity.
- **Turn off your window air-conditioners when you leave a room for several hours.** You'll use less energy cooling the room down later than if you had left the unit running.
- **Consider using a fan with your window air-conditioner** to spread the cooled air farther without greatly increasing your power use. But be sure the air-conditioner is strong enough to help cool the additional space.
- **Don't place lamps or TV sets near your air-conditioning thermostat.** Heat from these appliances is sensed by the thermostat and could cause the air-conditioner to run longer than necessary.

With or without air-conditioning . . .

- **Keep out daytime sun** with vertical louvers or awnings on the outside of your windows, or draw draperies, blinds, and shades indoors.
- **Keep lights low or off.** Electric lights generate heat and add to the load on your air-conditioner.
- **Do your cooking and use other heat-generating appliances in the early morning and late evening hours whenever possible.**
- **Open the windows instead of using your air-conditioner or electric fan** on cooler days and during cooler hours.
- **Consider turning off the furnace pilot light** in summer, but be sure it's reignited before you turn the furnace on again.
- **Dress for the warmer indoor temperatures.** Neat but casual clothes of lightweight open-weave fabrics are most comfortable.

  A woman will feel cooler in a lightweight skirt instead of slacks. A man will feel cooler in a short-sleeved shirt than in a long-sleeved shirt of the same weight fabric.

Without air-conditioning . . .

- **Be sure to keep windows and outside doors closed during the hottest hours of the day.**
- **Use window or whole-house ventilating fans to cool the house when it's cool outside** (see preceding page for more information about whole-house fans).
- **Use vents and exhaust fans** to pull heat and moisture from the attic, kitchen, and laundry directly to the outside.

If everyone raised air-conditioning temperatures 6 degrees, we'd save the equivalent of 190,000 barrels of oil everyday.

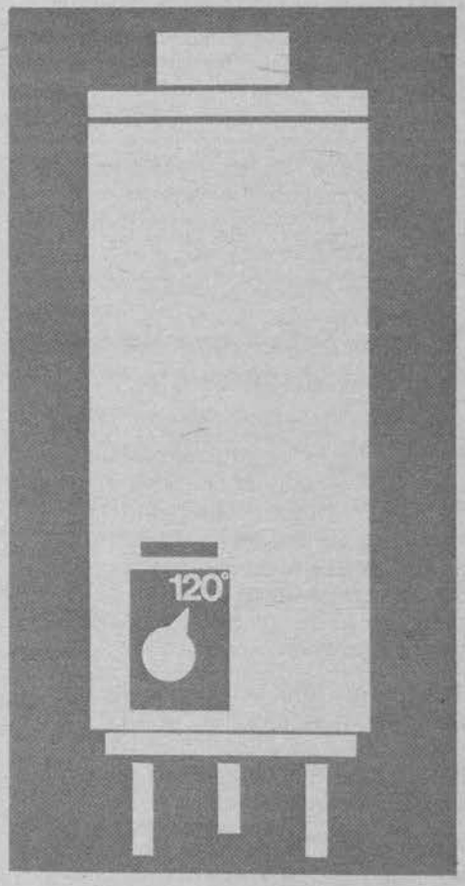
Energy-Efficiency Ratios for Air-Conditioners

If you're in the market for a room air-conditioner before the new labels are in place, you should be aware of the Energy Efficiency Ratio numbers that were developed for these appliances during an earlier voluntary appliance labeling program. They still may be in use in your community.

The Energy Efficiency Ratio (EER) is a number that rates the energy efficiency of similar appliances. The higher the EER number, the more efficient the appliance.

Example: EER's for room air-conditioners can be as low as 5.4 and as high as 11.5. The 11.5-rated room air-conditioner is more than twice as efficient as the 5.4 unit of the same capacity and uses less than half the electrical energy.

Hot Water Energy Savers



Heating water accounts for about 20 percent of all the energy we use in our homes. Don't waste it.

- **Repair leaky faucets promptly.**
- **Do as much household cleaning as possible with cold water.**
- **Insulate your hot water storage tank and piping.**

Water Heaters

Energy-efficient water heaters may cost a little more initially, but reduced operating costs can more than make up for the higher outlay.

- **Buy a water heater with thick insulation on the shell.** While the initial cost may be more than one without this conservation feature, the savings in energy costs over the years will more than repay you.
- **Add insulation around the water heater you now have if it's inadequately insulated,** but be sure not to block off needed air vents. That would create a safety hazard, especially with oil and gas water heaters. When in doubt, get professional help. When the water heater is well-insulated, you should save from $8 to $20 a year in energy costs, much more if it's located in an unheated area of the house.
- **Check the temperature on your water heater.** Most water heaters are set for 140° F or higher, but you may not need water that hot unless you have a dishwasher. A setting of 120° F can provide adequate hot water for most families. If you reduce the temperature from 140° F to 120° F, you could save over 18 percent of the energy used at the higher setting. Even reducing the setting 10 degrees will save more than 6 percent in water heating energy.

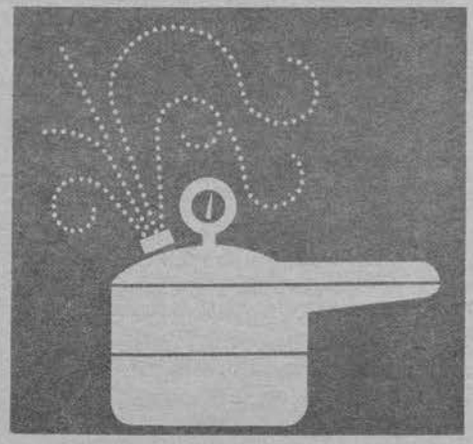
  To determine water temperature, draw water from the heater through the bottom faucet and test it with a thermometer.

Energy Savers in the Kitchen, Laundry, and Bath

Kitchen Energy Savers

Cooking Energy Savers

- **Use cold water rather than hot to operate your food disposer.** This saves the energy needed to heat the water, is recommended for the appliance, and aids in getting rid of grease. Grease solidifies in cold water and can be ground up and washed away.
- **Install an aerator in your kitchen sink faucet.** By reducing the amount of water in the flow, you use less hot water and save the energy that would have been required to heat it. The lower flow pressure is hardly noticeable.
- **If you need to purchase a gas oven or range, look for one with an automatic (electronic) ignition system instead of pilot lights.** You'll save an average of up to a third of your gas use—41 percent in the oven and 53 percent on the top burners.



- **If you have a gas stove, make sure the pilot light is burning efficiently** —with a blue flame. A yellowish flame indicates an adjustment is needed.
- **Never boil water in an open pan.** Water will come to a boil faster and use less energy in a kettle or covered pan.
- **Keep range-top burners and reflectors clean.** They will reflect the heat better, and you will save energy.
- **Match the size of the pan to the heating element.** More heat will get to the pan; less will be lost to surrounding air.
- **If you cook with electricity, get in the habit of turning off the burners several minutes before the allotted cooking time.** The heating element will stay hot long enough to finish the cooking for you without using more electricity. The same principle applies to ovencooking.
- **When using the oven, make the most of the heat from that single source.** Cook as many foods as you can at one time. Prepare dishes that can be stored or frozen for later use or make all oven-cooked meals.
- **Watch the clock or use a timer;** don't continually open the oven door to check food. Every time you open the door heat escapes and your cooking takes more energy.
- **Use small electric pans or ovens for small meals** rather than the kitchen range or oven. They use less energy.

- **Use pressure cookers and microwave ovens if you have them.** They can save energy by reducing cooking time.
- **When cooking with a gas range-top burner, use moderate flame settings to conserve gas.**
- **When you have a choice, use the range top rather than the oven.**

Dishwashing Energy Savers

The average dishwasher uses 14 gallons of hot water per load. Use it energy efficiently.

- **Be sure your dishwasher is full,** but not overloaded, when you turn it on.
- **When buying a dishwasher, look for a model with air-power and/or overnight dry settings.** These features automatically turn off the dishwasher after the rinse cycle. This can save you up to 10 percent of your total dishwashing energy costs.
- **Let your dishes air dry.** If you don't have an automatic air-dry switch, turn off the control knob after the final rinse. Prop the door open a little and the dishes will dry faster.
- **Don't use the "rinse hold" on your machine.** It uses 3 to 7 gallons of hot water each time you use it.
- **Scrape dishes before loading them into the dishwasher** so you won't have to rinse them. If they need rinsing, use cold water.

How to Save Electricity Before it Comes to You

During late afternoon and early evening hours the load on the Nation's electrical systems usually reaches its peak. To meet the heavy demand, electric utilities often must use backup generating equipment that is not energy efficient.

- Try to use energy-intensive appliances such as dishwashers, clothes washers and dryers, and electric ovens in the early morning or late evening hours to help reduce that peakload.

> If everyone scheduled household chores during offpeak hours, the utilities' daily fuel use would be reduced and the Nation's energy would be conserved.

Refrigerator/Freezer Energy Savers

- **Don't keep your refrigerator or freezer too cold.** Recommended temperatures: 38° F to 40° F for the fresh food compartment of the refrigerator; 5° F for the freezer section. (If you have a separate freezer for long-term storage, it should be kept at 0° F, however.)
- **If you're buying a refrigerator, it's energy economical to buy one with a power-saver switch.** Most refrigerators have heating elements in their walls or doors to prevent "sweating" on the outside. In most climates, the heating element does not need to be working all the time.

The power-saver switch turns off the heating element. By using it, you could save about 16 percent in refrigerator energy costs.

- **Consider buying refrigerators and freezers that have to be defrosted manually.** Although they take more effort to defrost, these appliances use less energy than those that defrost automatically.
- **Regularly defrost manual-defrost refrigerators and freezers. Frost buildup increases the amount of energy needed to keep the engine running. Never allow frost to build up more than one-quarter of an inch.**
- **Make sure your refrigerator door seals are airtight.** Test them by closing the door over a piece of paper or a dollar bill so it is half in and half out of the refrigerator. If you can pull the paper or bill out easily, the latch may need adjustment or the seal may need replacing.

Laundry Energy Savers

You can save considerable amounts of energy in the laundry through conservation of hot water and by using your automatic washers and dryers less often and more efficiently.

- **Wash clothes in warm or cold water, rinse in cold.** You'll save energy and money. Use hot water only if absolutely necessary.

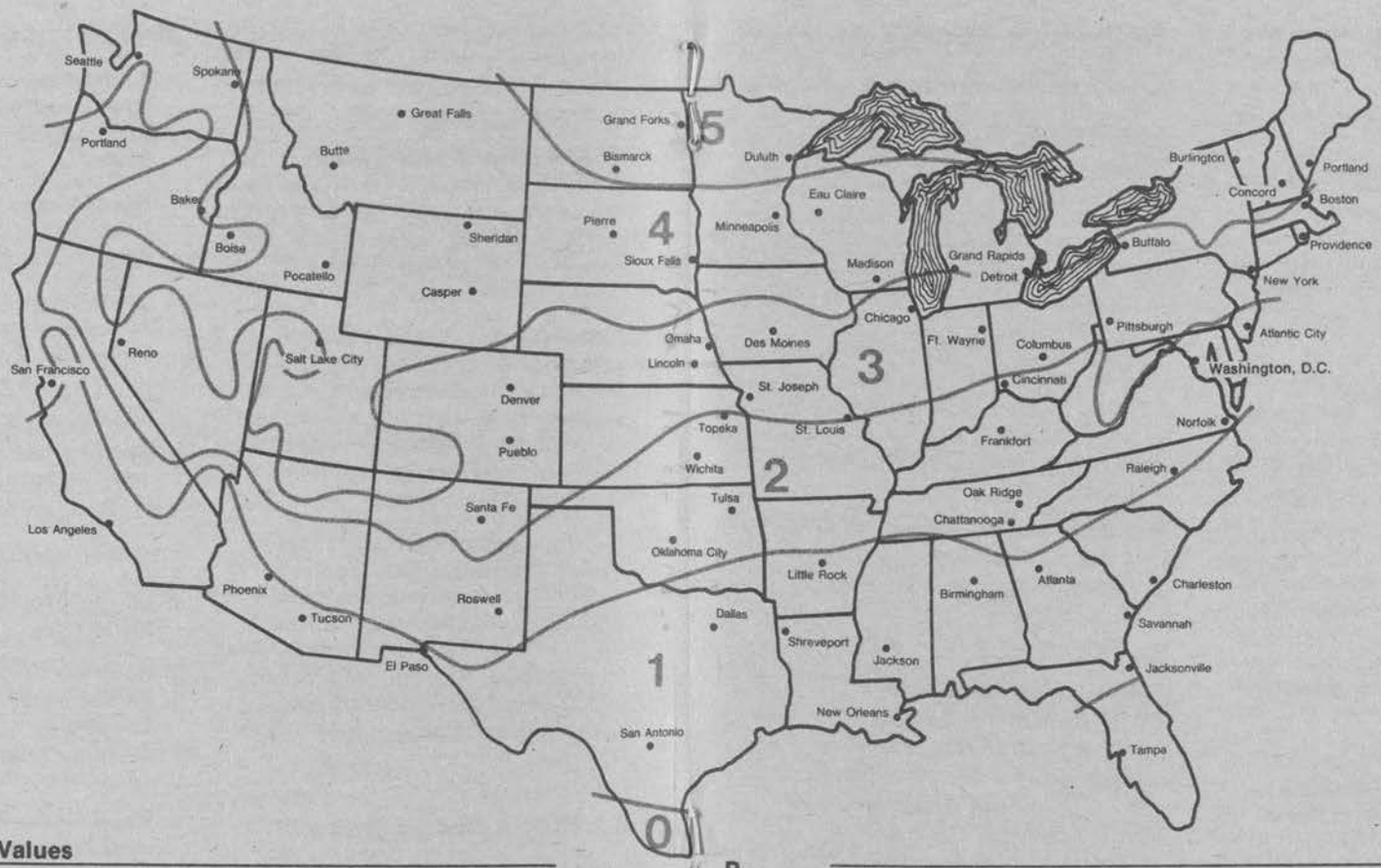
Washing Machines

- **Fill washers** (unless they have small-load attachments or variable water levels), but do not overload them.
- **Use the suds saver if you have one.** It will allow you to use one tubful of hot water for several loads.
- **Don't use too much detergent.** Follow the instructions on the box. Oversudsing makes your machine work harder and use more energy.
- **Pre-soak or use a soak cycle when washing heavily soiled garments.** You'll avoid two washings and save energy.

Clothes Dryers

- **Fill clothes dryers but do not overload them.**
- **Keep the lint screen in the dryer clean.** Remove lint after each load. Lint impedes the flow of air in the dryer and requires the machine to use more energy.
- **Keep the outside exhaust of your clothes dryer clean.** Check it regularly. A clogged exhaust lengthens the drying time and increases the amount of energy used.
- **If your dryer has an automatic dry cycle,** use it. Overdrying merely wastes energy.
- **Dry your clothes in consecutive loads.** Stop-and-start drying uses more energy because a lot goes into warming the dryer up to the desired temperature each time you begin.

Heating Zone Map



Recommended R-Values

Heating Zone	Attic Floors	Exterior Walls	Ceilings Over Unheated Crawl Space or Basement
1	R-26	R-Value of full wall	R-11
2	R-26	insulation, which is	R-13
3	R-30	3½" thick, will depend	R-19
4	R-33	on material used.	R-22
5	R-38	Range is R-11 to R-13.	R-22

R-Values Chart

	Batts or Blankets		Loose Fill (Poured In)		
	glass fiber	rock wool	glass fiber	rock wool	cellulosic fiber
R-11	3½"-4"	3"	5"	4"	3"
R-13	4"	4½"	6"	4½"	3½"
R-19	6"-6½"	5¼"	8"-9"	6"-7"	5"
R-22	6½"	6"	10"	7"-8"	6"
R-26	8"	8½"	12"	9"	7"-7½"
R-30	9½"-10½"	9"	13"-14"	10"-11"	8"
R-33	11"	10"	15"	11"-12"	9"
R-38	12"-13"	10½"	17"-18"	13"-14"	10"-11"

- **Separate drying loads into heavy and lightweight items.** Since the lighter ones take less drying time, the dryer doesn't have to be on as long for these loads.
- **If drying the family wash takes more than one load, leave small, lightweight items until last.** You may be able to dry them, after you turn off the power, with heat retained by the machine from earlier loads.
- **Save energy by using the old-fashioned clothesline.** As a bonus, clothes dried outdoors often seem fresher and cleaner than those taken from a mechanical dryer.

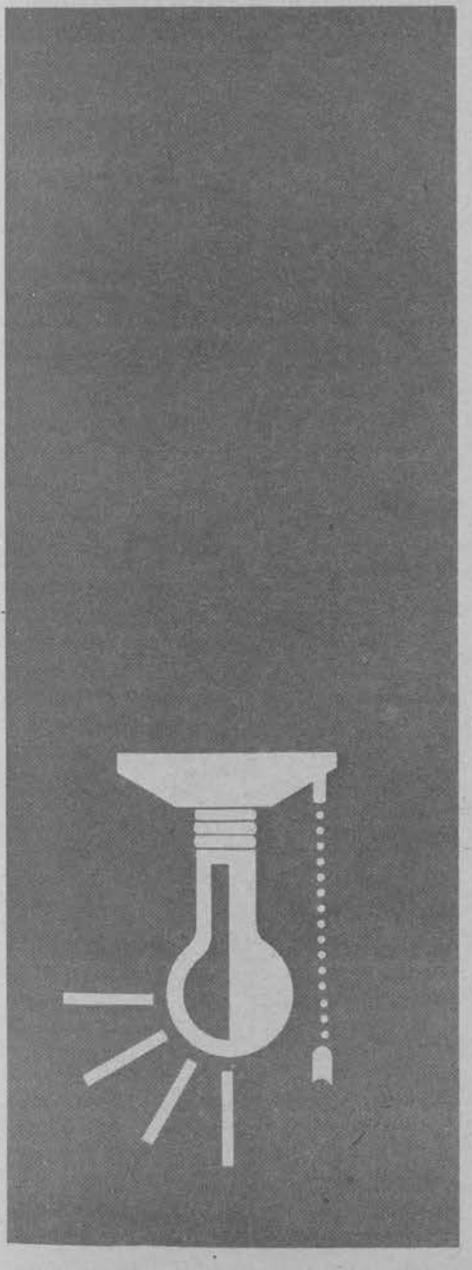
Ironing

- **Remove clothes that will need ironing from the dryer while they still are damp.** There's no point in wasting energy to dry them thoroughly if they only have to be dampened again.
- **You can save ironing time and energy by "pressing" sheets and pillow cases on the warm top of your dryer.** Fold them carefully, then smooth them out on the flat surface.
- **Save energy needed for ironing by hanging clothes in the bathroom while you're bathing or showering.** The steam often removes the wrinkles for you.

Bathroom Energy Savers

- **Take showers rather than tub baths,** but limit your showering time and check the water flow if you want to save energy. It takes about 30 gallons of water to fill the average tub. A shower with a flow of 4 gallons of water a minute uses only 20 gallons in 5 minutes. Assuming you use half hot and half cold water for bathing, you would save about 5 gallons of hot water every time you substitute a shower for a bath. Thus, if you substituted just one shower for one bath per day, you would save almost 2,000 gallons of hot water in a year.
- **Consider installing a flow restrictor in the pipe at the showerhead.** These inexpensive, easy-to-install devices restrict the flow of water to an adequate 3 to 4 gallons per minute. This can save considerable amounts of hot water and the energy used to produce them over a year's time. For example, reducing the flow from 8 to 3 gallons a minute would save the average family about $24 a year.

Lighting Energy Savers



It's easy to use more light than you need.

More than 16 percent of the electricity we use in our homes goes into lighting. Most Americans overlight their homes, so lowering lighting levels is an easy conservation measure.

Indoor Lighting

- **Turn off lights in any room not being used.**
- **Light-zone your home and save electricity.** Concentrate lighting in reading and working areas and where it's needed for safety (stairwells, for example). Reduce lighting in other areas, but avoid very sharp contrasts.
- **To reduce overall lighting in non-working spaces,** remove one bulb out of three in multiple light fixtures and replace it with a burned-out bulb for safety. Replace other bulbs throughout the house with bulbs of the next lower wattage.
- **Consider installing solid state dimmers or hi-low switches** when replacing light switches. They make it easy to reduce lighting intensity in a room and thus save energy.
- **Use one large bulb instead of several small ones in areas where bright light is needed.**
- **Use long-life incandescent lamps only in hard-to-reach places.** They are less energy efficient than ordinary bulbs.
- **Need new lamps?** Consider the advantages of those with three-way switches. They make it easy to keep

lighting levels low when intense light is not necessary, and that saves electricity. Use the high switch only for reading or other activities that require brighter light.

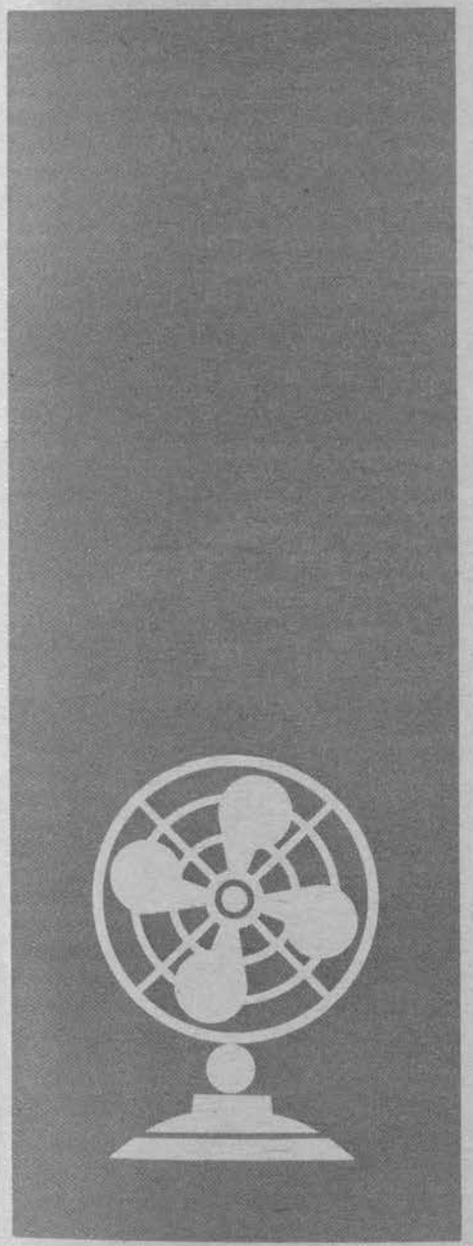
- **Always turn three-way bulbs down to the lowest lighting level when watching television.** You'll reduce the glare and use less energy.
- **Use low-wattage night-light bulbs.** These now come in 4-watt as well as 7-watt sizes. The 4-watt bulb with a clear finish is almost as bright as the 7-watt frosted bulb but uses about half as much energy.
- **Try 50-watt reflector floodlights in directional lamps** (such as pole or spot lamps). These flood lights provide about the same amount of light as the standard 100-watt bulbs but at half the wattage.
- **Try 25-watt reflector flood bulbs in high-intensity portable lamps.** They provide about the same amount of light but use less energy than the 40-watt bulbs that normally come with these lamps.
- **Use fluorescent lights whenever you can; they give out more lumens per watt.** For example, a 40-watt fluorescent lamp gives off 80 lumens per watt and a 60-watt incandescent gives off only 14.7 lumens per watt. The 40-watt fluorescent lamp would save about 140 watts of electricity over a 7-hour period. These savings, over a period of time, could more than pay for the fixtures you would need to use fluorescent lighting.
- **Consider fluorescent lighting for the kitchen sink and countertop areas.** These lights set under kitchen cabinets or over countertops are pleasant and energy efficient.
- **Fluorescent lighting also is effective for makeup and grooming areas.** Use 20-watt deluxe warm white lamps for these areas.
- **Keep all lamps and lighting fixtures clean.** Dirt absorbs light.
- **You can save on lighting energy through decorating.** Remember, light colors for walls, rugs, draperies, and upholstery reflect light and therefore reduce the amount of artificial light required.

Outdoor Lighting

- **Have decorative outdoor gas lamps turned off, unless they are essential for safety, or convert them to electricity.** Keeping just eight gas lamps burning year-round uses as much natural gas as it takes to heat an average-size home for a winter heating season.

  By turning off one gas lamp, you might save from $40 to $50 a year in natural gas costs.
- **Use outdoor lights only when they are needed.** One way to make sure they're off during the daylight hours is to put them on a photocell unit or timer that will turn them off automatically.

Appliance Energy Savers



About 8 percent of all the energy used in the United States goes into running electrical home appliances, so appliance use and selection can make a considerable difference in home utility costs. Buying an energy-efficient appliance may cost a bit more initially but that expense is more than made up by reduced operating costs over the lifetime of the appliance.

Energy efficiency may vary considerably though models seem similar. In the next few years it will be easier to judge the energy efficiency of appliances with the Government's appliance labeling program. (See page 21 for details.) In the meantime, wise selection requires a degree of time and effort.

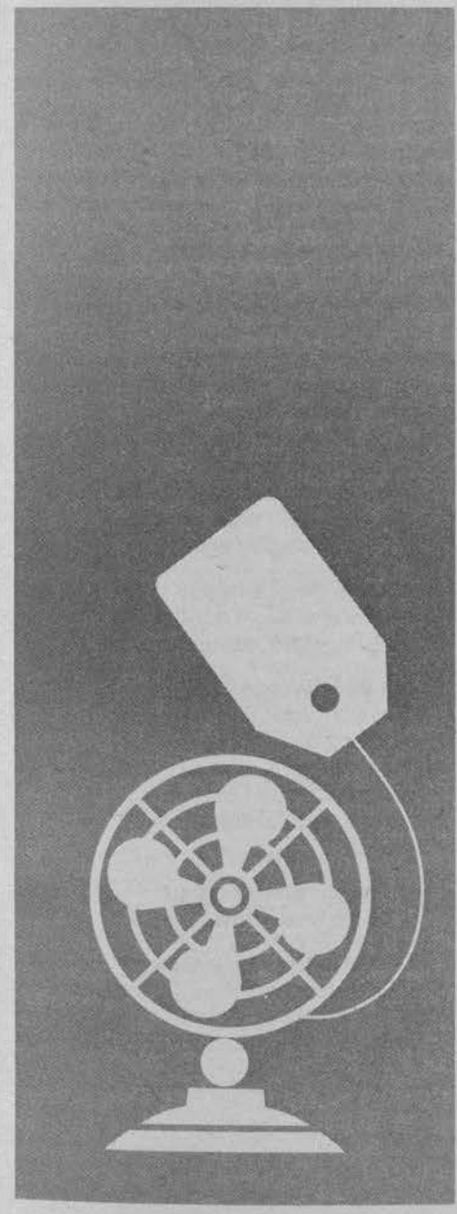
You will find a number of tips on how to save energy when buying or using appliances in other sections of this booklet, but here are a few general ideas to consider.

- **Don't leave your appliances running when they're not in use.** It's a total waste of energy. Remember to turn off your radio, TV, or record player when you leave the room.
- **Keep appliances in good working order** so they will last longer, work more efficiently, and use less energy.
- **When buying appliances, read labels carefully.** Compare energy use information and operating costs of similar models by the same and different manufacturers. The

retailer should be able to help you find the wattage of the appliance.

- **Before buying new appliances with special features, find out how much energy they use compared with other, perhaps less convenient, models.** A frost-free refrigerator, for example, uses more energy than one you have to defrost manually. It also costs more to purchase. The energy and dollars you can save with a manual-defrost model may be worth giving up the convenience.
- **Use appliances wisely;** use the one that takes the least amount of energy for the job. For example: toasting bread in the oven uses three times more energy than toasting it in a toaster.
- **Don't use energy-consuming special features on your appliances if you have an alternative.** For example, don't use the "instant-on" feature of your TV set. "Instant-on" sets, especially the tube types, use energy even when the screen is dark. Use the "vacation switch," if you have one, to eliminate this waste; plug the set into an outlet that is controlled by a wall switch; or have your TV service man install an additional on-off switch on the set itself or in the cord to the wall outlet.

The Appliance Labeling Program



This labeling program is designed to help consumers shop for energy-saving household appliances and equipment. It is being developed by the Department of Energy and the Federal Trade Commission as a result of the Energy Policy and Conservation Act, signed into law on December 22, 1975.

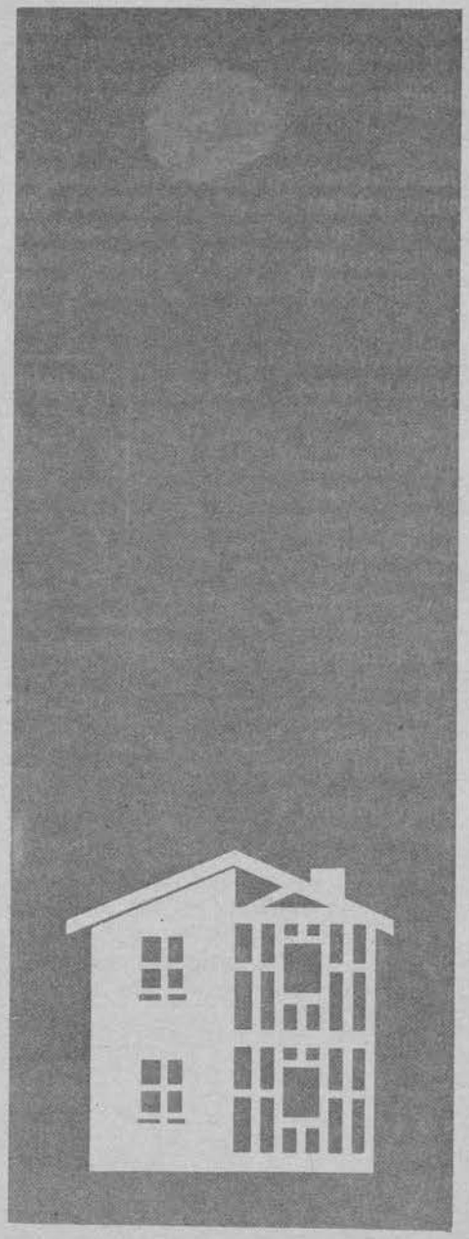
Under that law, manufacturers must place labels showing estimated annual operating costs on all models of the following:

- Central air-conditioners
- Clothes dryers
- Clothes washers
- Dishwashers
- Freezers
- Furnaces
- Home heating equipment, not including furnaces
- Humidifiers and dehumidifiers
- Kitchen ranges and ovens
- Refrigerators and refrigerator-freezers
- Room air-conditioners
- Television sets
- Water heaters

Appliance testing, labeling, and public information procedures are currently being developed. You should be hearing about the appliance labels, as they become available in 1979, through Government information programs.

For further information about the appliance labeling program, write Conservation and Solar Applications, U.S. Department of Energy, Appliance Program, Washington, D.C. 20545.

Building or Buying a Home



Energy-wasting mistakes can be avoided if you consider climate, local building codes, and energy-efficient construction when you build or buy a home. In either case, the following energy conservation ideas should help you keep down home utility bills.

When Building a Home . . .

- **Consider a square floor plan.** It usually is more energy efficient than a rectangular plan.
- **Insulate walls and roof to the highest specifications recommended for your area.***
- **Insulate floors, too, especially those over crawl spaces, cold basements, and garages.***
- **If the base of a house is exposed, as in the case of a mobile home, build a "skirt" around it.**
- **Install louvered panels or wind-powered roof ventilators** rather than motor-driven fans to ventilate the attic. Only use a motor-driven fan if it can be used for whole-house ventilating during cool periods.
- **Consider solar heat gain when you plan your window locations.**

  In cool climates, install fewer windows in the north wall because there's little solar heat gain there in winter.

  In warm climates, put the largest number of windows in the north and east walls to reduce heating from the sun.

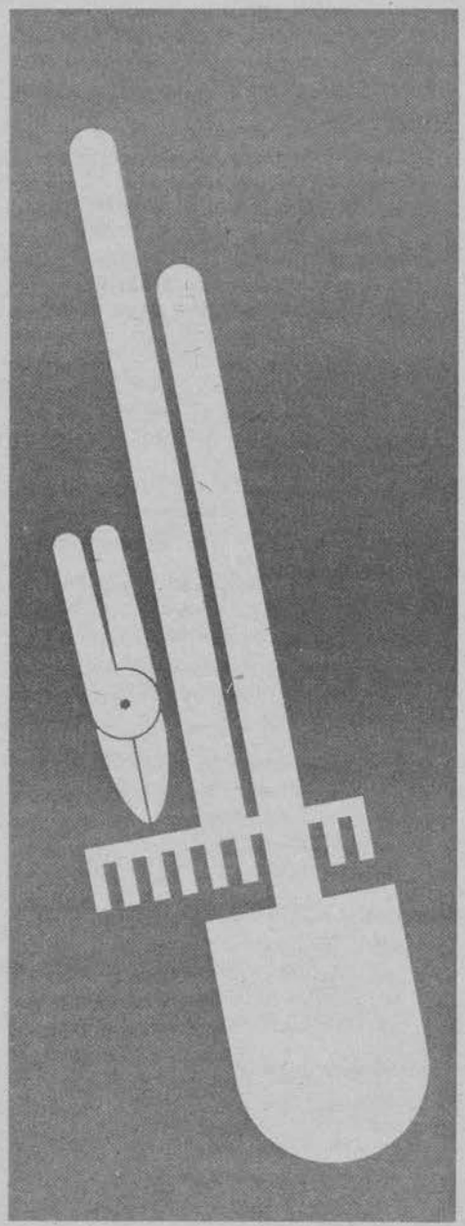
*See Heating Zone Map

- **Install windows you can open** so you can use natural or fan-forced ventilation in moderate weather.
- **Use double-pane glass throughout the house.** Windows with double-pane heat-reflecting or heat-absorbing glass provide additional energy savings, especially in south and west exposures.
- **Place your refrigerator in the coolest part of the kitchen,** well away from the range and oven.
- **Install the water heater as close as possible to areas of major use** to minimize heat loss through the pipes; insulate the pipes.
- **If you live in a warm climate, remember that light-colored roofing can help keep houses cooler.**

When Buying a Home . . .

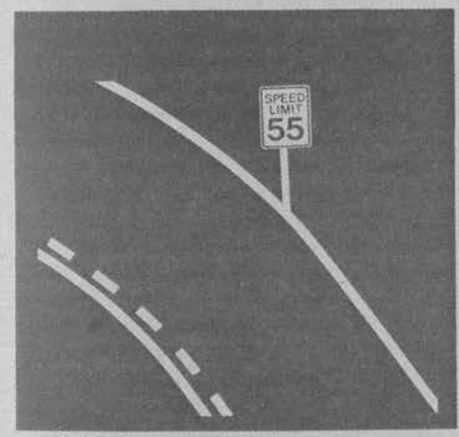
- **Consider all the ideas mentioned for building a house.**
- **Ask for a description of the insulation and data on the efficiency of space heating, air-conditioning, and water heating plants,** or have an independent engineer advise you about the efficiency of the equipment. Ask to see the utility bills from the previous year but remember to adjust them for current utility rates. Even some *new* houses don't have insulation in the exterior walls. Be sure to check.
- **Consider the need for additional insulation or replacement of equipment.** If improvements are necessary, you may want to seek an adjustment in the purchase price to cover all, or a reasonable share, of the costs.

Yard and Workshop Energy Savers



- **Plant deciduous trees and vines on south and west sides of the home** to provide shade in the summer and sunshine in the winter.
- **Do not allow gasoline-powered yard equipment to idle for long periods.** Turn off the equipment when you finish one job and restart it when you're ready to resume work.
- **Use hand tools, hand lawn mowers, pruners and clippers whenever possible.**
- **Maintain electrical tools in top operating condition.** They should be clean and properly lubricated.
- **Keep cutting edges sharp.** A sharp bit or saw cuts more quickly and therefore uses less power. Oil on bits and saws reduces friction and therefore also reduces power required.
- **Buy power tools with the lowest horsepower adequate for the work you want to do.**
- **Remember to turn off shop lights, soldering irons, gluepots, and all bench heating devices right after use.**

On the Road

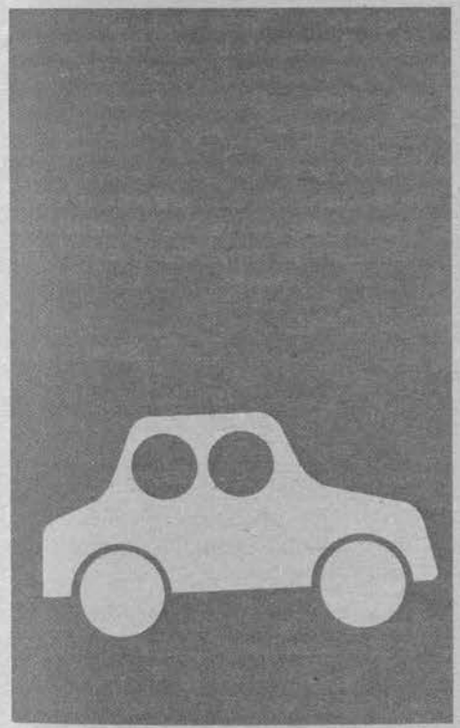


We all can improve on our conservation efforts on the road. Here are some of the ways. . .

- **Use public transportation, a motorcycle, a moped, or a bicycle, or walk to work.**
- **Share your ride.** Join a carpool or a vanpool. About one-third of all private automobile mileage is for commuting to and from work.
- **Go shopping with a neighbor occasionally.** If the average occupancy (currently 1.3 people per commuter car) were increased by just 1 person, each commuter would reduce his costs, energy consumption, and driving stress. And the nationwide gasoline savings—which would reduce our reliance on more expensive imports—would be more than 600,000 barrels per day.
- **Eliminate unnecessary trips.** Can you find one driving trip per week that could be handled by telephone or combined with another trip?
- **Vacation at home this year.** Discover nearby attractions. But, if you are going away, remember to turn off lights, lower heating temperatures in winter, and turn off air-conditioning in summer.
- **Choose a hotel or campground close to where you live.** A nearby hotel or campground often can provide as complete and happy a change from routine as one that is hundreds of miles away.
- **Plan to stay in one place** if you vacation away from home. "Hopping around" takes transportation energy.
- **Take a train or a bus instead of the family car.** Save gasoline and relax.
- **Rediscover the pleasures of walking, hiking, and bicycling during your vacation.** They're the most energy-conserving means of transportation and the healthiest for most people.
- **Observe the 55-mph speed limit** on the highway. Most automobiles get about 20 percent more miles per gallon on the highway at 55 mph than they do at 70 mph.
- **Accelerate smoothly and moderately.** Achieve your desired speed quickly, and then keep a steady pressure on the accelerator, just enough to maintain speed.
- **Drive at a steady pace.** Avoid stop-and-go traffic. Frequently check the traffic situation well ahead of you. Adjust your driving to avoid unnecessary, wasteful accelerations and decelerations.

- **Minimize braking.** Anticipate speed changes. Take your foot off the accelerator as soon as you see a red light or slowed traffic ahead.
- **Don't let the motor idle for more than a minute.** Turn off the engine. It takes less gasoline to restart the car than it takes to let it idle. Generally there is no need to press the accelerator down to restart the engine.
- **Don't overfill your tank.** Remove the nozzle or ask the gas station attendant to remove it when the automatic valve closes. This will eliminate any chance of spillage.
- **Plan your trips carefully.** Select routes that will allow you to consolidate errands and avoid congested areas.
- **Use your head** before you drive. Plan your trips. Try to use these tips as you drive. Record your gasoline use, and try to get more miles per gallon out of your car.

Buying a Car



Study the Market Before You Buy

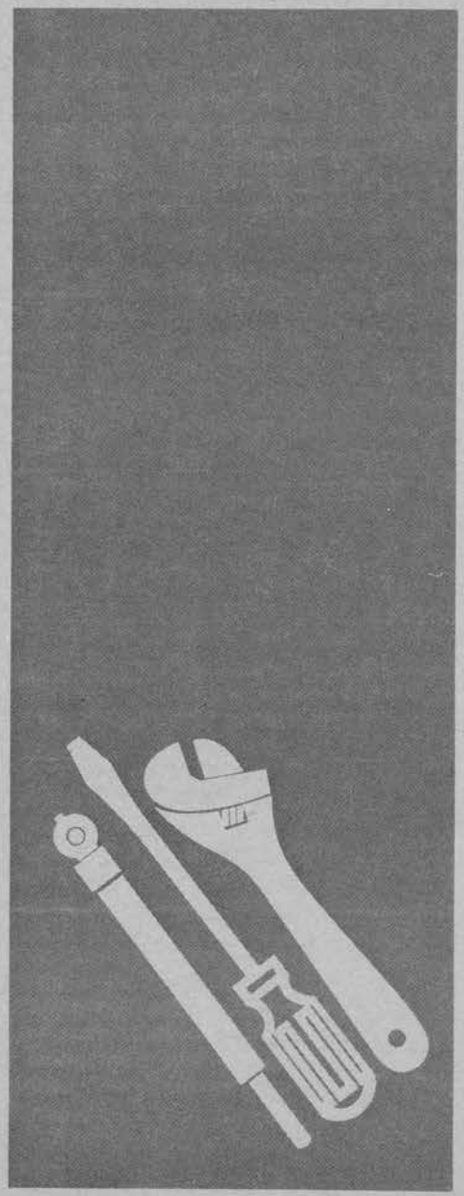
Ask your dealer for a free copy of the latest "EPA/DOE Gas Mileage Guide." Study the fuel economy figures and tables that compare specifications. Review mileage test results publicized by Consumers Union and motor industry magazines. Generally the best fuel economy is associated with low vehicle weight, small engines, manual transmissions, low axle ratio, and low frontal area (the width of the car times its height).

- **Buy the most energy-efficient car of the size and style you want.** Don't let the car price alone determine your choice. Make your decision on the basis of the combination of purchase price and your estimated fuel costs.

Choose Accessories Wisely

- **Purchase only the optional equipment and accessories you really need.** Items like air-conditioning, automatic transmission, and power steering require considerable energy, all of which is derived from burning gasoline. Other equipment, such as power brakes, electric motor-driven windows, seats and radio antennas, require less energy for their operation, but all accessories add to the vehicle weight—and this reduces fuel economy.
- **Don't buy an air-conditioner unless you really need it.** Even when you're not using it, it adds to the weight of the car.
- **If you have a car air-conditioner** or other power-draining accessories, use them sparingly.

Maintaining Your Car



Good car maintenance and a wise selection of accessories can mean fuel economy and dollars saved.

- **Have your car tuned** as needed. Regular tune-ups extend engine life and improve performance. A poorly tuned car could use as much as 3 to 9 percent more gasoline than a well-tuned one. The tune-up will pay for itself in gasoline savings and car reliability.
- **Keep the engine filters clean.** Clogged filters waste gasoline.
- **Use the gasoline octane and oil grade** recommended for your car. If you change the oil yourself, take the used oil to your service station for recycling.
- **Check tire pressures regularly.** Underinflated tires increase gas use. You can lose about 2 percent in fuel economy for every pound of pressure under the recommended pounds per-square-inch.
- **Consider radial tires.** They can mean from 3 to 5 percent improvement in gas mileage in the city, 7 percent on the highway, and 10 percent at 55 mph after the tires are warmed up for 20 minutes. And they last longer, too. Never mix radials with conventional tires.
- **Remove unnecessary weight from the car.** The lighter the car, the less gas it uses. An extra 100 pounds decreases fuel economy about 1 percent for the average car, 1¼ percent for small cars.

In the Marketplace

- **Try to buy products that will last.** More durable products save the energy that would be required to make replacements more often.
- **Buy equipment on the basis of initial cost plus operating costs rather than on the basis of purchase price alone.** Often products that are energy efficient cost more to buy. But over the lifetime of the equipment, you will more than make up the difference in lower operating costs.
- **Buy products made of recycled materials or those that can be recycled**—steel, aluminum, paper, and glass among others. More energy is used in the production of products from virgin materials than from recycled or reclaimed materials. For example, producing steel from scrap requires only one-quarter of the energy it would take when using virgin ores. Making a product from recycled aluminum requires less than 10 percent of the energy that would be needed for the same product made from the ore.
- **When you buy fabrics or garments, try to choose those that can be washed in cold water** and/or require little or no ironing.
- **When shopping for an unusual item, telephone ahead to see if the store has it.** If it doesn't, you save the energy and time of traveling there and being disappointed.
- **Give gifts with year-round benefits.** If you have appliances on your gift list, select long-lasting models that use the least amount of energy.
- **Don't buy motorized equipment or gadgets when hand-operated versions will do.**
- **Buy the household equipment that's right for you.** Purchasing the right equipment for your home and needs, using it wisely, and taking good care of it can reduce energy costs considerably.
- **Bigger isn't necessarily better.** Don't buy a larger or more powerful piece of equipment than you need. Whether it's a furnace, air-conditioner, or water heater, make sure its size and power are right for your home. Ask your dealer, a trade association, or a consumer-interest group for assistance in judging this factor.
- **Comparison shop when buying appliances.** Compare energy use information and operating costs of similar models by the same company and by different manufacturers.

DOE/OPA 0037
September 1978

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SALT II
and
AMERICAN SECURITY

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Strategic Arms Limitation Talks (SALT) between the United States and the Soviet Union have been formally underway since 1969, during the administrations of three American presidents, Richard Nixon, Gerald Ford, and now Jimmy Carter. The purpose of the talks is to promote our national security by reducing the risk of nuclear war through negotiation of mutual limits on strategic nuclear arms. In 1972, the negotiations resulted in the first SALT agreements—the Anti-Ballistic Missile Treaty and the Interim Agreement on Strategic Offensive Arms. Now—after six years of tough bargaining—the two nations have concluded a new agreement, called SALT II.

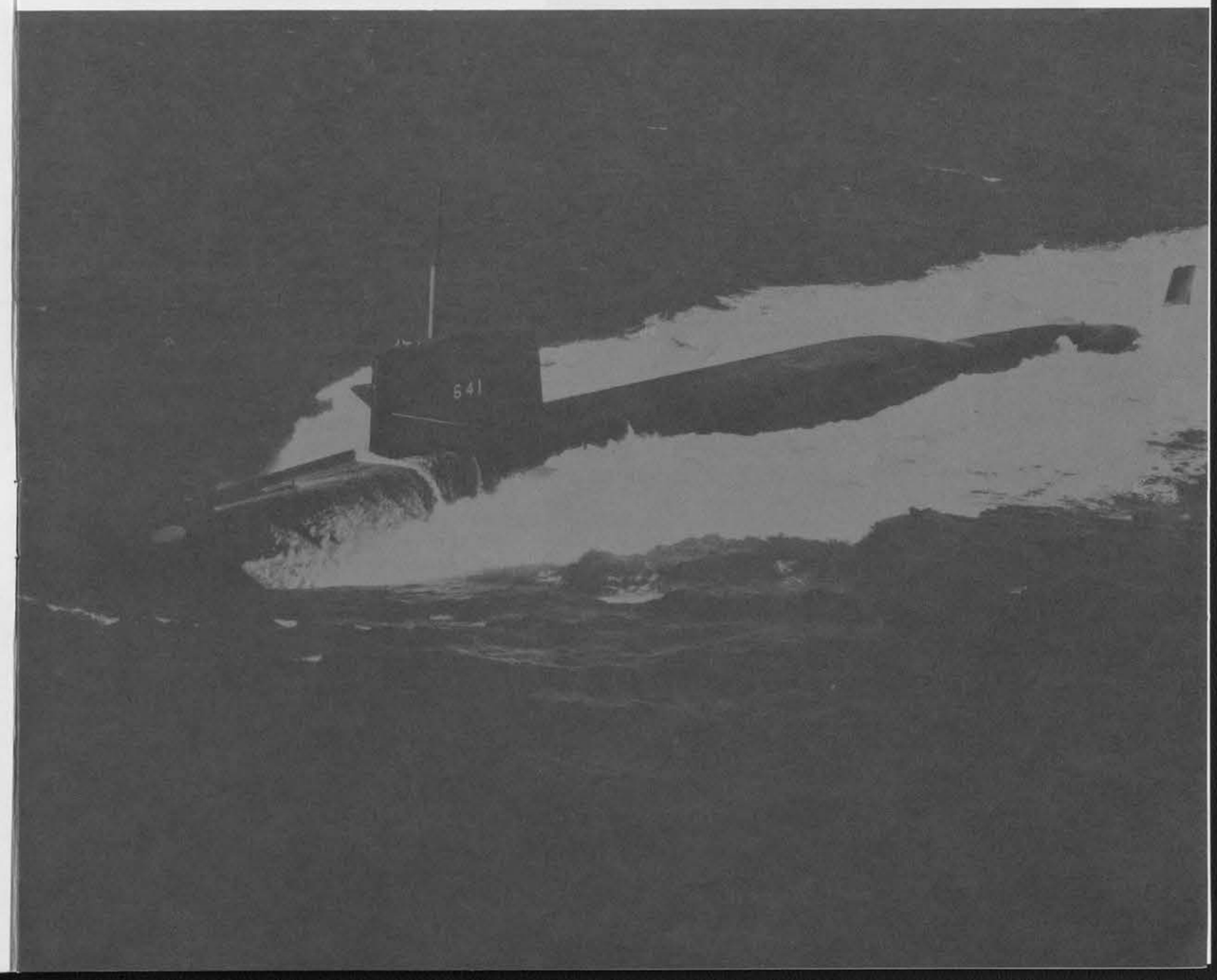
SALT—and all arms control policy—is part of national security policy. Our basic arms control policy and our specific negotiating positions are developed through the National Security Council with the participation of all the responsible agencies and their heads, the Secretary of State, the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, the Director of the Arms Control and Disarmament Agency, and the Director of Central Intelligence. The U.S. SALT Delegation, which negotiated with the U.S.S.R. Delegation in Geneva under instructions approved by the President, had representation from the agencies responsible for national security policy.

In the nuclear age, both military forces and arms control serve our national security. We need a strong and flexible military capability to deter any potential aggressor from attacking and, if deterrence should fail, to defend ourselves and our allies. Our nuclear and conventional forces—land, sea, and air—are designed for these missions.

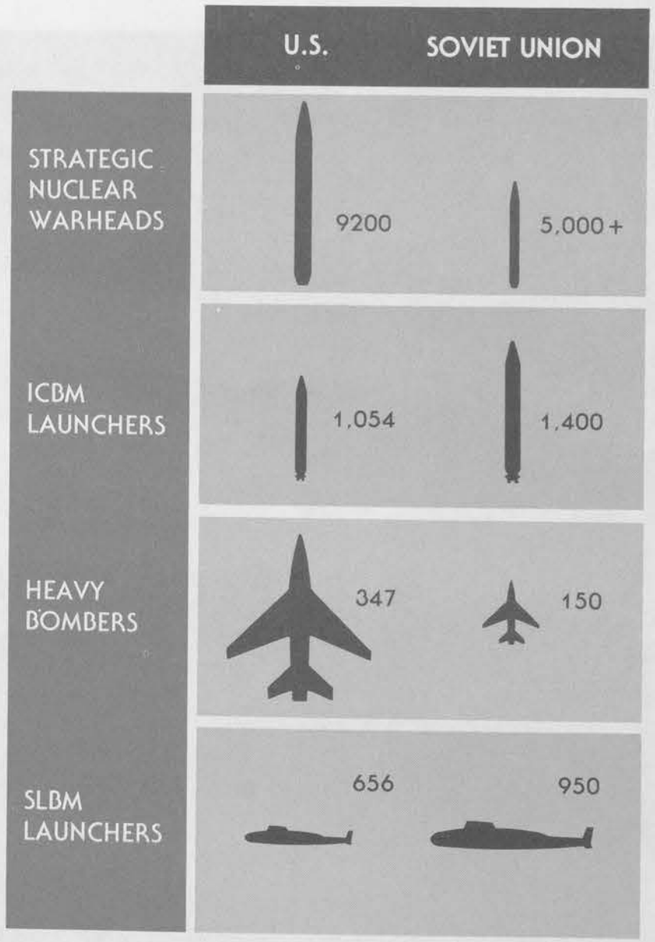
As the nuclear arms race developed, however, both the United States and the Soviet Union recognized that an unlimited arms race might endanger rather than preserve the security of both nations. This recognition gave birth to the SALT process, which, in its simplest terms, seeks equitable and adequately verifiable limitations on strategic arms to enhance the national security of both countries.

In SALT, the stakes are enormous. The fact that nuclear weapons have not been employed in warfare for over 30 years should not cause us to ignore the awesome consequences of nuclear war. Weapons with intercontinental ranges and previously unimagined explosive power can destroy in minutes what it has taken centuries to build. Although we are confident of our ability to maintain nuclear deterrence and a clear balance in strategic forces, without a new agreement we could face the possibility of an escalating arms race, increased tension between this nation and the Soviet Union, and a greater risk of the catastrophe of nuclear war. SALT may well be the most important negotiation the United States has ever undertaken.

A national debate is underway on this most serious of issues. Below are answers to some of the questions that Americans are asking about SALT II and American security.



Which nation has stronger strategic forces today, the United States or the Soviet Union?



In terms of overall strategic nuclear power, the two nations are roughly equal. Both sides have immensely powerful strategic nuclear forces that can bring catastrophic devastation to each other or any other attacker.

In terms of specific forces, the United States leads in some categories; the Soviets lead in others. Today, for example, we have about twice as many deliverable strategic nuclear warheads. The Soviets have more and larger land-based missiles, but ours are more accurate. We have a substantially larger heavy bomber force, a greater percentage of which is on alert, and our bombers are more capable; the Soviets have extensive air defenses, whereas U.S. air defenses are minimal. Both nations possess secure retaliatory weapons on ballistic missile-firing submarines. The Soviet Union possesses a larger number of submarines and submarine-launched ballistic missiles (SLBMs); however, the United States has far more of its strategic nuclear weapons at sea on its submarines than does the Soviet Union.

Although the Soviets are making major efforts to catch up, we continue, in most cases, to be far ahead of the Soviet Union in economic and technological strength—important for preserving strong strategic capabilities in the future. Looking to this future, both sides are modernizing their forces so that each may always maintain powerful and secure strategic nuclear power.

What is in the SALT II agreement?

SALT II consists of a Treaty which will remain in force through 1985, a Protocol which will expire at the end of 1981, and a Statement of Principles which establishes general guidelines for subsequent negotiations, SALT III.

Each country initially will be limited to an equal total number of 2400 strategic nuclear delivery vehicles, a ceiling which will be reduced to 2250 by the end of 1981. Within this overall ceiling, there will also be three important sublimits:

—a 1320 sublimit on launchers of land-based intercontinental ballistic missiles (ICBMs) equipped with multiple independently targetable reentry vehicles (MIRVs), launchers of MIRVed submarine-launched ballistic missiles (SLBMs), MIRVed air-to-surface ballistic missiles (ASBMs), and airplanes equipped for long-range cruise missiles;

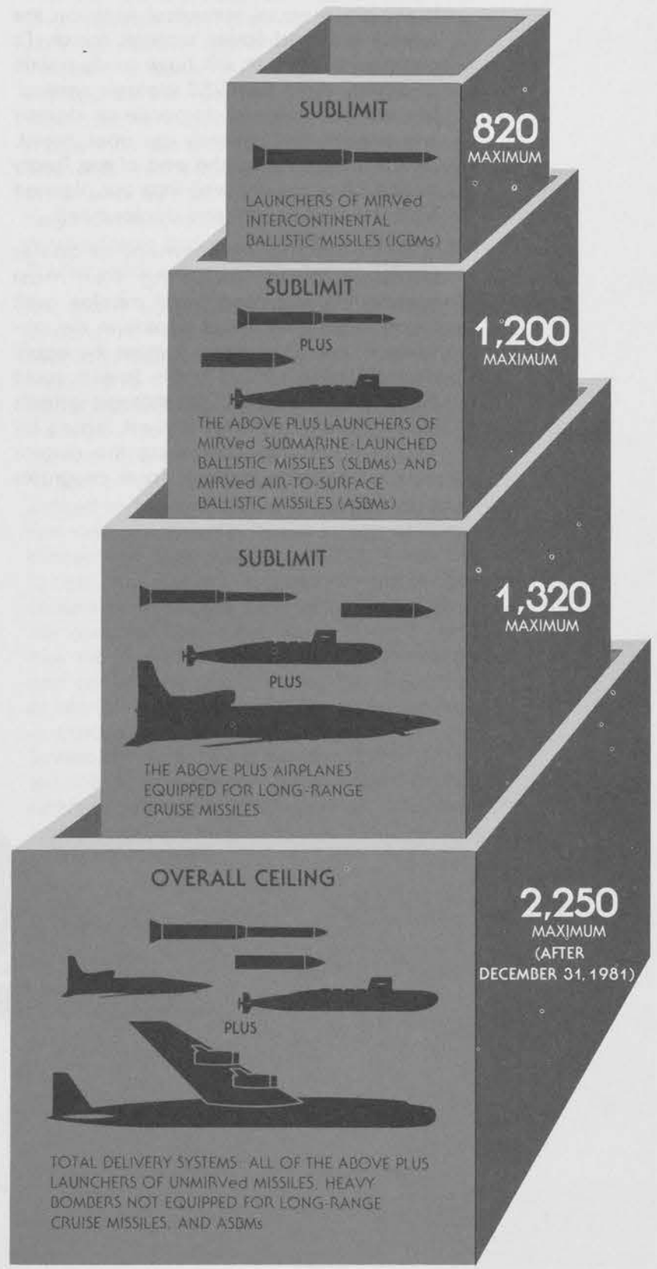
—within the 1320, a 1200 sublimit on launchers of MIRVed ballistic missiles (ICBMs, SLBMs, and ASBMs); and,

—within the 1200, an 820 sublimit on launchers of MIRVed ICBMs.

The sublimits on MIRVs are important, because the use of MIRVs rapidly increases the ability of each side to strike a greater number of targets on the other side.

In addition to numerical limitations and ceilings, SALT II will contain measures to slow the qualitative race in weapons technology. For example, for the period of the Treaty, each nation will be permitted only one new type of ICBM; the number of reentry vehicles allowed on strategic missiles will be limited; and there will be limits on the launch-weight (total missile weight) and throw-weight of strategic missiles.

The Protocol includes such temporary measures as a ban on the deployment of launchers of mobile ICBMs and limitations on the deployment of long-range ground- and sea-launched cruise missiles.



What will the SALT II agreement mean for American security?

The new agreement will improve our security in several significant ways:

—It will place equal numerical limits on the overall U.S. and Soviet strategic forces. To comply, the Soviets will have to dismantle or destroy more than 250 strategic systems. We will not have to dismantle or destroy any systems that currently are operational, except possibly near the end of the Treaty period after we are well into our planned Trident nuclear submarine deployments.

—It will hold the deployment of Soviet strategic forces, including their most threatening intercontinental missiles, well below what they could deploy in the absence of an agreement. Without the equal overall ceiling of 2250, the Soviets could have approximately 3000 strategic systems targeted against the United States by 1985—merely by continuing the current pace of ongoing strategic force programs.

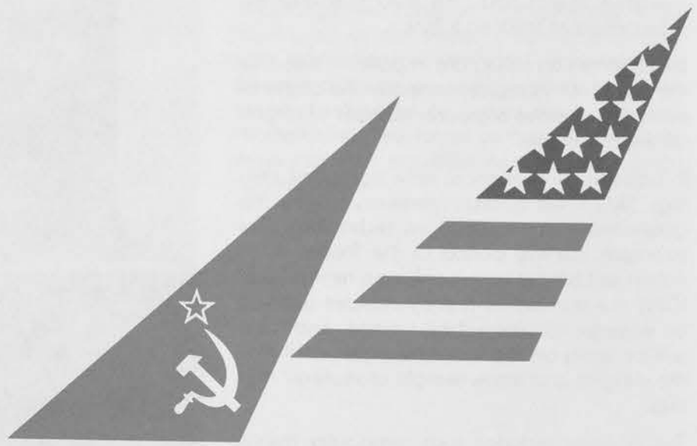
—It will reduce some of the uncertainty in our strategic planning, since we will know the maximum number of strategic systems the Soviet Union will be allowed to deploy.

—It will limit the number of warheads permitted on existing Soviet ICBMs, thus restricting the advantages of larger Soviet ICBM throw-weight.

—It will contain important provisions to help us determine that the Soviets are living up to their obligations in the agreement.

—It will allow us the flexibility we need to continue the strategic programs we require.

In sum, SALT II will provide a framework for maintaining essential equivalence between the United States and the Soviet Union, and it will, in conjunction with an aggressive U.S. strategic force modernization program, contribute to stability in the strategic balance.



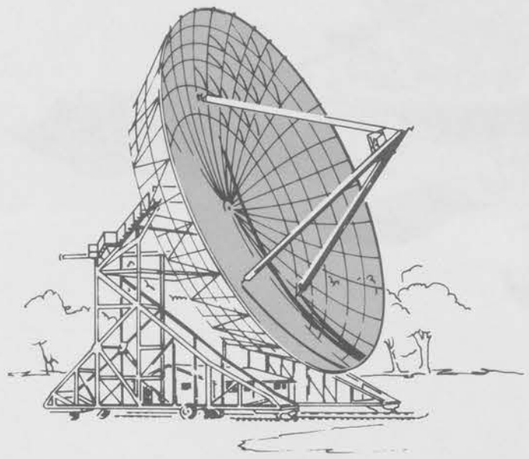
How can we be sure that the Russians will live up to the agreement?

In SALT, we do not rely on trust or Soviet good faith. The 1972 SALT I agreements established the principle that both nations would use their diverse and sophisticated intelligence capabilities—known as "National Technical Means"—to monitor compliance. National Technical Means of verification, such as satellite photography, are very effective. Through them, we are able to monitor the number of strategic nuclear delivery systems the Soviets have, their basic characteristics, and when, where, and how they are tested. We are confident that any cheating on a scale large enough to pose a military risk or affect the strategic balance would be discovered in time to make an appropriate response.

The SALT I agreements prohibited any interference with National Technical Means of verification and any deliberate concealment measures which could impede verification of compliance with the provisions of those agreements. SALT II will keep these prohibitions in force. It should be noted that without a SALT agreement containing such prohibitions, the Soviets would be free to use any and all methods of concealment, making our overall monitoring task far more difficult.

SALT II has been negotiated with verifiability as a key element. SALT II will contain detailed provisions to increase our confidence that we can determine whether the Soviets are, in fact, complying with the agreement. Precise definitions and counting rules have been incorporated. One counting rule, for example, stipulates that any missile of a type ever tested with MIRVs must be counted as a MIRVed missile, whether it actually carries MIRVs or just one warhead. This counting rule, in combination with a similar counting rule for MIRVed missile launchers, has been developed to solve the verification problem created by the fact that National Technical Means of verification cannot tell whether a missle in a silo has one or more than one warhead. Furthermore, in SALT II the Soviet Union will, for the first time in strategic arms negotiations, provide figures on their own offensive forces as part of an agreed data base, figures which we will verify independently.

The SALT I agreements also provided for the establishment of the joint Standing Consultative Commission, a forum in which the United States and the U.S.S.R. address questions about matters relating to implementation of the agreements, including questions of compliance. In the Commission, both sides have raised a number of activities which they judged to be ambiguous or subject to question and which were thus a source of some concern. In each case the United States has raised, the activity in question has either ceased or additional information has allayed our concern. Both sides have made it clear that the dynamic nature of implementation and compliance could require the reopening of any of those subjects or the raising of new questions at any time. Consequently, the Soviets are well aware that the United States will call them to account for any questionable activities relating to their strategic programs and will expect satisfactory resolution of any problems involved.



Under the SALT II agreement, won't our Minuteman missiles be vulnerable to Soviet attack?

With or without SALT, our Minuteman missiles will become increasingly vulnerable to attack by Soviet ICBMs. This is the result of Soviet advances in missile accuracy coupled with the deployment of large numbers of ICBM-carried nuclear warheads. It is not the result of SALT. A major reason why the United States has maintained a balanced strategic nuclear force of land-based ICBMs, submarine-launched ballistic missiles, and heavy bombers is to guard against the potential vulnerability of any one part of our strategic forces. Each element of this force has its own advantages and poses unique problems for the other side. The United States has examined alternative, more survivable methods for basing ICBMs to compensate for the increasing vulnerability of fixed ICBMs. SALT II explicitly permits deployment of mobile ICBM launchers after the Protocol period—which will expire well before such U.S. systems would be ready for deployment.

Furthermore, under SALT terms which limit MIRVed ICBMs and the number of warheads per missile, we are in a much better position to respond to the growing vulnerability of our silo-based ICBM force with a new way of basing our ICBMs. For example, a mobile ICBM basing system, in which ICBMs in cannister launchers are moved between hardened shelters, might not be feasible in the absence of SALT limits as the Soviets could just add warheads to their forces as we added shelters.

The issue of Minuteman vulnerability must be viewed in perspective. The Soviets face substantial uncertainties in planning an attack on our Minuteman missiles: how reliable and accurate will their missiles really be; can they avoid having the explosion of one attacking warhead damage the effectiveness of subsequent attacking warheads; can they be certain of the degree of hardness of our missile silos; and would the United States launch its own ICBMs once it was determined that a massive Soviet ICBM attack was underway, thus leaving only empty holes for the Soviet missiles to hit?

Finally, as Secretary of Defense Harold Brown has stated, the vulnerability of the Minuteman "would not be synonymous with the vulnerability of the United States, or even of the strategic deterrent." This is because Minuteman missiles constitute only a part of our retaliatory forces. Any Soviet planner must realize that even a successful attack on the Minuteman would still leave the Soviet Union vulnerable to massive response by our ballistic missile-firing submarines and heavy bombers. The damage these remaining forces could do would be devastating.

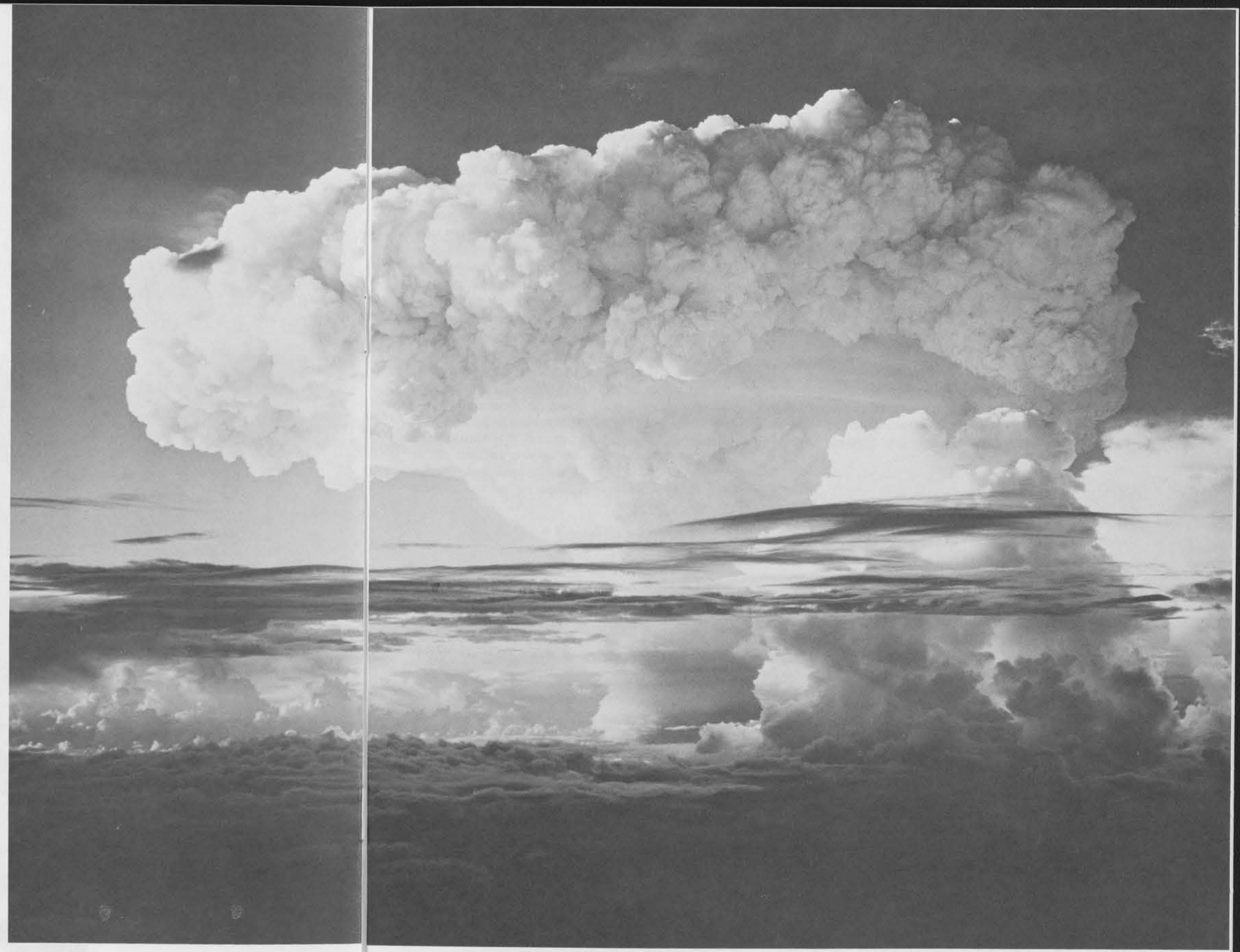
What about Soviet civil defense?

Soviet civil defense cannot change the current strategic weapons balance or the fundamentally disastrous nature of a major nuclear exchange between the United States and the Soviet Union.

The Soviet civil defense program is focused almost exclusively on reducing civilian casualties. As a consequence, civil defense does not play a major role in the strategic balance, since we do not depend on our ability to destroy civilian population to deter Soviet attack. Rather, we base deterrence on our ability to retaliate against and destroy military and industrial targets, a capability which is not significantly affected by Soviet civil defense efforts.

Even if the Soviets were able to reduce civilian casualties, the destruction that our retaliation would bring could mean only catastrophe for the Soviet Union. The immediate effects caused by blast, fire, and fallout would be followed by long-term consequences. Most industries would be destroyed and widespread starvation and death from disease would almost certainly occur. Social order would be weakened to the point of breakdown. There would, furthermore, be large-scale contamination of the environment with unpredictable consequences.

We are monitoring the Soviet civil defense program very carefully. Their civil defense program represents a substantially larger effort than ours. However, compared to the United States, the Soviet Union faces even more imposing civil defense problems: severe climatic conditions, more concentrated urban areas, more population located near industrial targets, and an inadequate transportation system for large-scale evacuation. Despite their civil defense program, there is no possibility that in an all-out nuclear war the Soviets could avoid the deaths of tens of millions of their citizens and the destruction of most of their industrial resources and urban areas. As an analysis by the Central Intelligence Agency concluded: "We do not believe that the Soviets' present civil defenses would embolden them deliberately to expose the U.S.S.R. to a higher risk of nuclear attack."



Thermonuclear Explosion (1952). The awesome scale of this explosion is best appreciated by realizing that this photograph was taken from 50 miles away. The mushroom portion of the cloud went up 10 miles and eventually spread for 100 miles. Another thermonuclear explosion in 1954 spread radioactive fallout over 7,000 square miles, an area larger than the states of Connecticut and Rhode Island combined.

What about the Soviet "Backfire" bomber?

The Soviets have developed a modern, swing-wing bomber which bears the NATO designation "Backfire." Its characteristics fall between those generally attributed to existing heavy bombers and those of older medium bombers (tactical aircraft and medium bombers on both sides are not covered by the SALT ceilings). The Backfire could reach a significant number of targets in the United States on one-way, high-altitude, unrefueled missions. However, close observation over a period of years indicates that this bomber is currently being deployed for use in a theater role or against naval forces and is a replacement for older Soviet medium bombers.

In this regard, it should be noted that the United States has a number of aircraft which, when deployed in forward bases such as in the European theater, are capable of striking targets in the Soviet Union. We have refused to include these aircraft in SALT because they are theater systems and the Soviet forces which they face are not covered by the SALT limits.

Backfire is excluded from the permitted overall SALT totals. However, the Soviets have undertaken commitments which will inhibit the Backfire from assuming an intercontinental role in the future, as well as impose limits on its production rate. These commitments have the same binding status as the SALT Treaty. Although there are no assurances that the Backfire would not be used against the United States in time of conflict, these commitments by the Soviet Union are designed to inhibit the Backfire from being given an operational intercontinental role and to limit its overall strategic potential.

Will SALT II stop us from developing mobile intercontinental ballistic missiles?

No. The Protocol will prohibit each side from deploying mobile ICBM launchers or flight-testing ICBMs from mobile launchers. However, deployment of mobile ICBM launchers is explicitly permitted in the Treaty after the Protocol expires at the end of 1981. The Protocol limits will not have any impact on U.S. mobile ICBM research and development programs since the first test of a U.S. mobile ICBM is not scheduled until 1983. It should be noted that flight-testing, production, and deployment of the Soviet mobile SS-16 ICBM, which has already been developed, is specifically banned for the entire Treaty period, not just the shorter Protocol period.

The United States has studied a number of mobile ICBM-basing concepts, including some involving alternate shelters for each missile, for its new intercontinental ballistic missile, the MX. SALT II will allow deployment of mobile ICBM basing systems of the types we have considered.

Any mobile ICBM basing system would, of course, have to be fully consistent with all provisions—including the verification provisions—of SALT II. The United States will not deploy a mobile ICBM system that would not permit adequate verification of the number of launchers deployed, and other provisions of the agreement. We will insist that any Soviet system meet the same verification standards.

Won't SALT II constrain the United States cruise missile program?

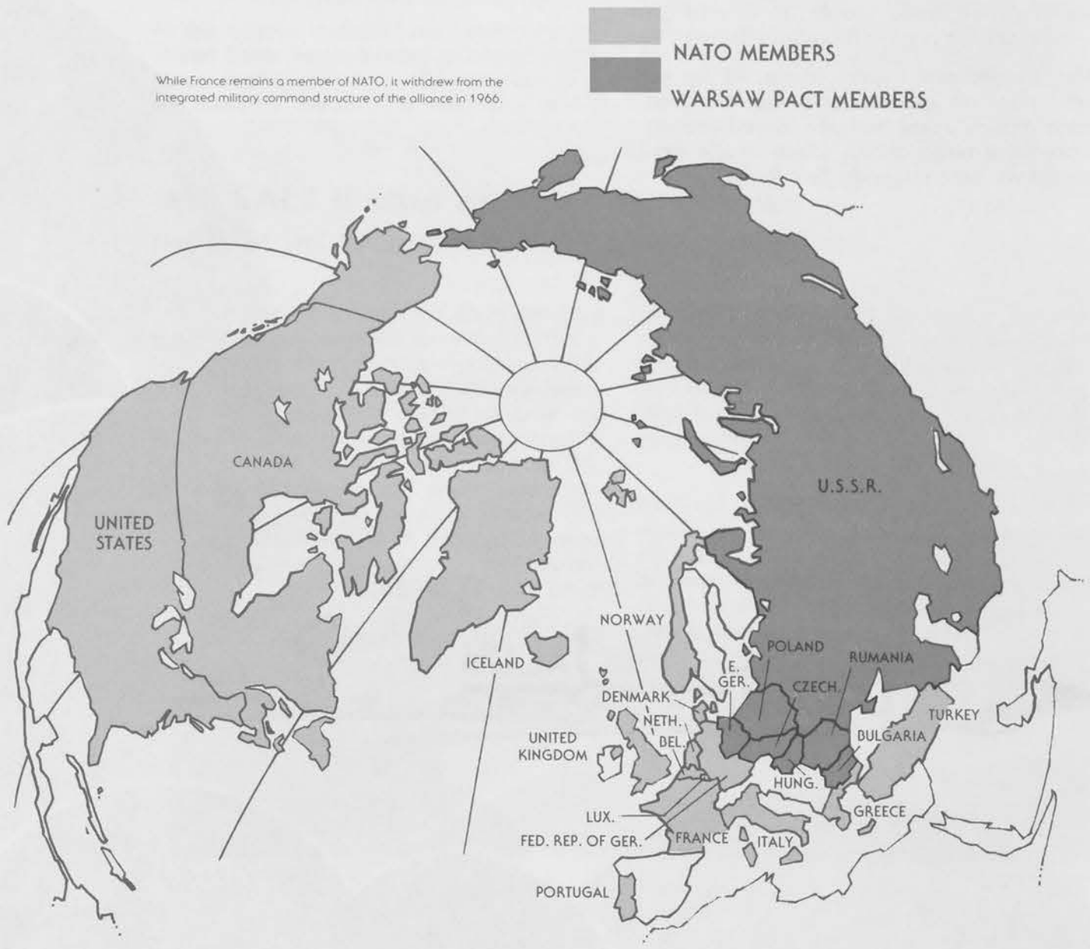
We have been careful to preserve the cruise missile options most important to our defense needs. SALT II will permit us to go ahead with the deployment of cruise missiles of unlimited range on heavy bombers within the 1320 sublimit. The shorter-term Protocol will prohibit deployment of cruise missiles capable of ranges in excess of 600 kilometers (about 375 miles) on sea-based and land-based launchers. However, we will be free to proceed with development and testing of ground- and sea-launched cruise missiles to any range without altering present program schedules.

After the Protocol expires, there will be no limitations on ground- and sea-launched cruise missiles unless mutually agreed upon in subsequent negotiations. Cruise missile limitations will be an agenda item for SALT III.

How will SALT II affect our NATO allies?

SALT II will not place any restrictions on the nuclear forces of France and Great Britain, and it will not limit any of America's nuclear weapons systems located in Europe. There will be no ban on the transfer of cruise missile and other sophisticated technology. SALT, furthermore, will not affect our important efforts to strengthen NATO's conventional forces. We have consulted closely with our allies throughout the course of the SALT negotiations and have taken into account allied security concerns in our negotiating positions. In recent months, allied leaders have publicly stated their support for SALT II.

While France remains a member of NATO, it withdrew from the integrated military command structure of the alliance in 1966.

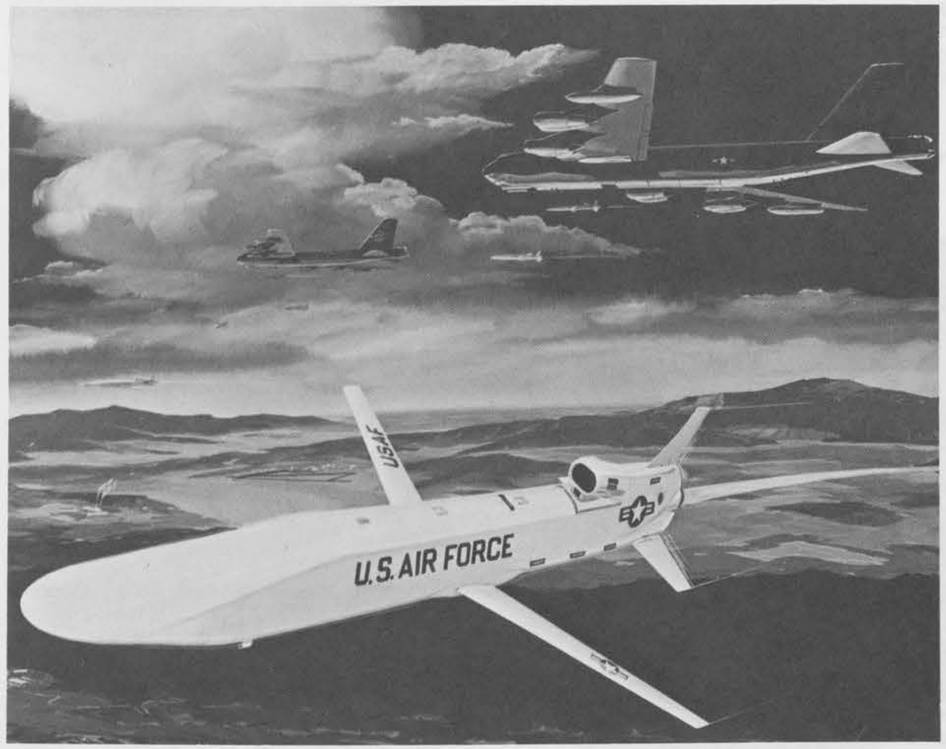


Do the cancellation of the B-1 bomber and the decision to defer the production of the "neutron bomb" relate to SALT II?

Nothing in SALT II prohibits us from deploying either the B-1 or the "neutron bomb."

The B-1 decision was not an arms control decision. It was made separately from SALT, in the interest of providing the United States with a strong, efficient, and cost-effective national defense. Instead of the B-1 bomber, we have chosen to develop cruise missiles and particularly, in the near term, to equip some of our existing bombers with highly accurate, long-range cruise missiles to insure the continued effectiveness of our bomber force. This decision will result in a dual threat—manned penetrating bombers and cruise missiles—to Soviet air defenses in future years.

The neutron warhead is not a strategic weapon and therefore has not been discussed at SALT. It is a tactical weapon designed to counter Soviet tank forces in Central Europe. The neutron warhead has not been cancelled; the decision on its full production and deployment has been deferred—to see if appropriate, meaningful restraint by the Soviet Union will make its production and deployment unnecessary. Production of some of the warhead's components is, however, underway.



Why should we sign a SALT agreement with the Soviet Union when that country promotes instability in Africa and other parts of the world?

Negotiating and signing a SALT agreement does not mean that we approve of Soviet foreign or domestic policies or their form of government. It is precisely because we have fundamental differences with the Soviets that the need to bring the nuclear weapons competition under control is so compelling.

Our relationship with the Soviet Union is a mixture of cooperation and competition. If we can cooperate, we will. Where we must compete, we will compete. SALT in no way limits our right and responsibility to promote our interests and to respond to Soviet behavior which adversely affects those interests. The United States will continue to oppose Soviet policies where they conflict with ours.

Without SALT the inevitable competition will, however, grow even more dangerous. Each crisis, each confrontation, each point of friction, as serious as it may be in its own right, will take on an added measure of significance and an added dimension of danger. It would occur in an atmosphere of unbridled strategic competition, and deteriorating strategic stability.

SALT is worth pursuing if, and only if, by itself, it promotes our national security. Three Presidents have negotiated SALT II with that security first and foremost in mind. SALT II, in conjunction with our ongoing defense programs, improves our national security by supporting continued strategic nuclear stability and by reducing the risk of nuclear war.

SALT II is in our national interest, because it is a carefully negotiated and responsible agreement that will make our nation and the world more secure, even as we continue competition with the Soviet Union elsewhere around the globe.

Will SALT II really slow the arms race?

Yes. While there is still a long way to go, the SALT process has already slowed the arms race.

In SALT I, the United States and the Soviet Union curtailed an expensive and possibly destabilizing competition in defensive missiles by agreeing to mutual limitations on anti-ballistic missile (ABM) systems. Deployment of ABMs could have stimulated the further expansion of offensive strategic forces to offset them. In the Interim Agreement on Strategic Offensive Arms, the United States and the Soviet Union froze land-based and submarine ballistic-missile launchers at the levels existing or under construction in 1972. The freeze stopped the Soviet buildup of ICBM launchers. The agreement permitted the Soviets to have a greater total number of ICBM and SLBM launchers than the United States for the duration of the Interim Agreement. We, however, were left with more deliverable strategic warheads and other advantages.

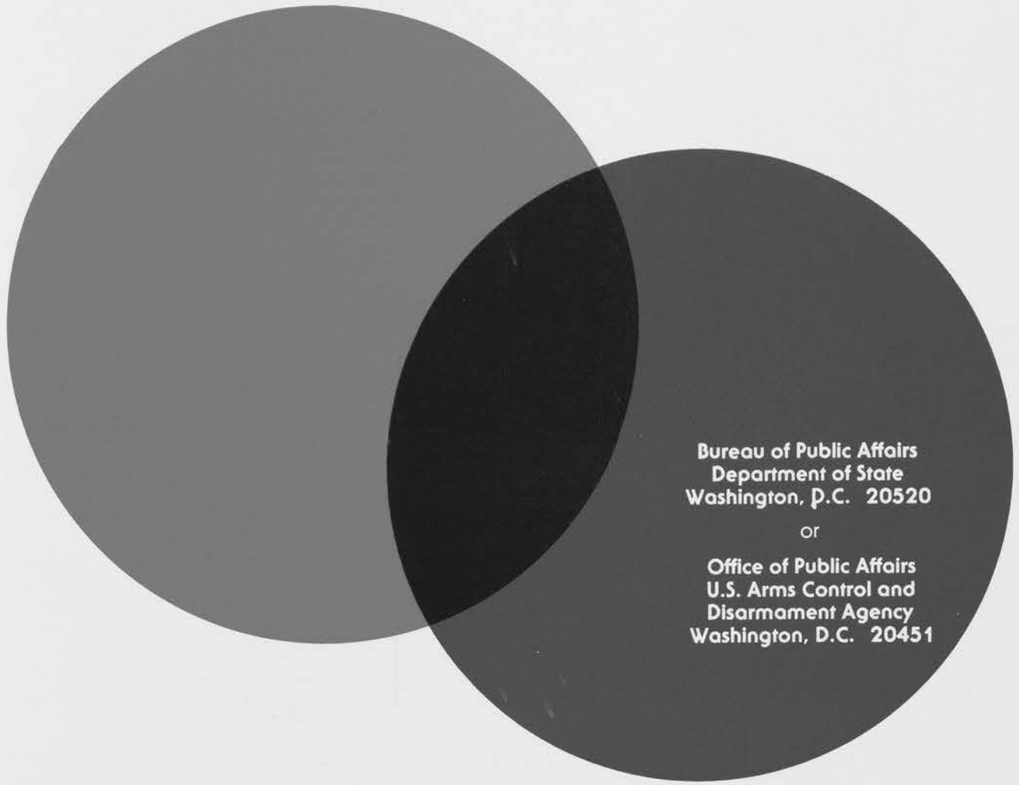
SALT II establishes equal aggregate ceilings for strategic nuclear delivery vehicles (ICBM and SLBM launchers and heavy bombers), and equal sublimits on launchers for missiles carrying MIRVs. Establishment of such equality in numbers will require the Soviet Union to reduce by over 250 its total of operational strategic systems, the first actual reductions in the history of offensive strategic nuclear arms negotiations.

To slow the qualitative arms race in weapons technology, the new agreement, for example, limits both countries to one new type of ICBM and limits the number of warheads that can be carried on strategic ballistic missiles. The Statement of Principles for SALT III lays a general framework and foundation for further progress in reducing the nuclear arsenals of both sides and for further restrictions on qualitative improvements.

It is important to realize what might happen in a world without SALT II. An expansion of the strategic arms competition, at significant monetary cost, could follow, with an increasing danger that future weapons systems could increase the incentives to resort to nuclear weapons in time of crisis.

SALT II represents an opportunity to take a major step to enhance stability—based on an equitable and adequately verifiable agreement. The new agreement also will maintain the efforts of both sides to continue the search for further agreements on the entire range of arms limitations.

If you would like to receive more information about SALT, or if you would like to arrange for a speaker to address your school, church group, or organization, please write to:



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THE RECORD OF

PRESIDENT CARTER'S ADMINISTRATION

A SUMMARY

October 1979

THE RECORD OF PRESIDENT CARTER'S ADMINISTRATION

During his Administration, President Carter has worked toward the basic goals of:

- ✓ Ensuring our Economic Strength and Independence
- ✓ Adapting Government to Meet the Changing Needs of our Society
- ✓ Restoring Basic American Values
- ✓ Preserving Peace Through A Strong Defense

The progress and the achievements made toward each of these goals are described briefly in this summary.

SUMMARY

(1) ENSURING AMERICA'S ECONOMIC STRENGTH AND INDEPENDENCE

The President has worked to achieve this goal by reducing taxes, reducing unemployment, and reducing the Federal budget deficit, and by fighting inflation through a program of government restraint and voluntary private sector cooperation. He has moved to ensure economic independence by developing a comprehensive national energy program which will reduce America's future dependence on foreign oil.

ECONOMY

Tax Cuts

- -- $28 billion in tax cuts in 1977-1978.
- -- These tax cuts will save Americans $35 billion in 1979 and $40 billion in 1980.

Employment

- -- $21 billion economic stimulus package in 1977 (directed toward low income and unemployed).
- -- Nationwide unemployment rate reduction of 25% (for blacks a 14% unemployment reduction; for youth a 26% increase in employment; and for women 4.3 million additional jobs over 1976).
- -- 8.3 million jobs created (greatest 27-month employment growth in America's history).
- -- Employment of over 97.5 million Americans (highest level in history; highest percentage of the workforce in history).

Federal Budget

- -- Federal deficit spending reduction of $36 billion (over 50% reduction in 3 years).
- -- Federal spending reduced from 22.6% to 21.5% of GNP.

Economic Growth

- -- 27-month consecutive real GNP growth.
- -- Personal savings increase of 35.5%.
- -- Real GNP increase of 10.4%.
- -- Corporate profits up 49.5%.
- -- Dividends up 30.8% to stockholders.
- -- Housing starts up 50% in first 2 years.
- -- Real business investment increased 19.1%.

Inflation

- -- The Council on Wage and Price Stability has been monitoring more than 1,000 businesses using the price guidelines and publicly identifying violators.
- -- More than one million union employees reached agreements which complied with the President's voluntary wage guidelines.
- -- The rate of price increases in the sectors of the economy covered by the wage price standards have been one-half of the overall inflation rate, and the rate of increase in hourly wages (during the first nine months of 1979) was actually lower than during the comparable period of 1978.
- -- The Consumer Price Index, excluding energy cost, was at about the same 8% growth level during July-September 1979 as it was for the same periods of 1977 and 1978. Thus the basic nonenergy inflation rate has been kept at an even level over the past several years.

-- An accord with labor to participate fully in the Administration's voluntary anti-inflation program (representing the first time that the government and labor have reached a common understanding on economic principles to combat inflation), will assist the anti-inflation program and ensure greater labor and business participation.

-- A Pay Advisory Committee and a Price Advisory Committee were established to provide anti-inflation participation for Labor, Business and Government cooperation.

ENERGY

National Energy Policy

-- First comprehensive National energy package proposed by a President; 65% of program enacted in 1978.

-- Creation of the Department of Energy (consolidating energy programs of seven different agencies).

-- Proposed energy program in July of 1979 which, when combined with program enacted in 1978, will reduce U.S. imports of oil by 67% by 1990.

Conservation

-- Energy conservation programs and incentives (those enacted which will save 1.0 million barrels of oil per day by 1980; additional proposed measures will save another 1.5 million barrels per day by 1990).

-- Enacted first residential energy conservation tax credits.

-- Proposed $6 billion residential conservation program.

-- Mandated 5% reduction in annual energy use in Federal buildings.

-- Mandatory automobile fuel efficiency standards for each model year through 1985.

-- Proposed $900 million grant program to provide 50% of cost for insulation and conservation measures in schools and hospitals.

-- Mandatory nonresidential building temperature restrictions.

Increased Energy Development

-- Proposed Energy Security Corporation (to develop 2.5 million barrels of oil from alternate fuel sources).

-- Proposed Energy Mobilization Board (to eliminate red tape in construction of energy facilities).

-- Phased decontrol of domestic crude oil (producing more than 800,000 barrels per day by 1985).

-- Gradual decontrol of natural gas (assuring interstate gas supplies ending 30 years of congressional stalemate).

-- Committed to a doubling of coal production by 1985 (will be aided by coal conversion initiatives enacted in 1978, and proposed conversion program to require utilities to reduce their oil use by 50% by 1990).

Solar and Renewable Resources

-- Tripled funding for solar and renewable resource development.

-- Committed to 20% of the nation's energy from solar and other renewable resources by the year 2000.

-- Established the Solar Energy Research Institute; increased solar research and development funding by 40%.

-- Proposed creation of Solar Bank to provide $2 billion over next ten years to aid in the financing of solar homes.

-- Enacted first solar tax credits.

-- Enacted first gasohol tax credits; tripled Federal funding for gasohol.

Tax on Windfall Profits

-- Proposed tax to recover windfall profits (to be used for energy-related purposes not otherwise being met) such as:

- Extensive commitment to alternative energy development (goal of producing equivalent of 2.5 million barrels of oil from alternate energy sources).
- Additional $16 billion for mass transit and auto fuel efficiency improvements over 10-year period.
- $24 billion over 10-year period to assist low-income households with increased energy cost.

International Energy Cooperation

-- Tokyo Summit agreement (7 industrialized nations agreed to limit imports as a way of restraining world-wide consumption).

-- Alaska natural gas pipeline agreement (Canada/U.S. agree on pipeline construction; pipeline to carry 5% of our total natural gas supplies).

-- Mexican natural gas agreement (assures U.S. of additional natural gas at reasonable price).

(2) ADAPTING THE GOVERNMENT TO MEET THE CHANGING NEEDS OF OUR SOCIETY

The President has worked to reshape the government and make it more efficient.

MORE EFFECTIVE GOVERNMENT

Reorganization

-- Civil Service Reform (first overhaul since 1880's).

-- Seven reorganization plans (proposed, approved and implemented).

-- Creation of Department of Energy.

-- Creation of Department of Education (giving education a cabinet level voice in the Federal government).

Eliminating and Reducing Regulations

-- Airline deregulation (annual consumer savings of $2.5 billion; opens more routes and increases competition).

-- Elimination of 1,000 OSHA regulations; exempted 40,000 small businesses from OSHA reporting requirements.

-- Proposed trucking deregulation (will save consumers billions of dollars and increase competition).

-- Proposed railroad deregulation (will rebuild a competitive, viable rail system nationwide).

Limit Government Bureaucracy

-- Reduction of 20,000 permanent Federal government employees by end of 1979.

-- Reduction of paperwork by nearly 15% throughout the government; 25% reduction at HEW.

MEETING SOCIAL AND HUMAN NEEDS

Health Care

-- Proposed National Health Care Plan (will provide catastrophic coverage to all Americans and comprehensive care to 15 million low-income persons).

-- Proposed Hospital Cost Containment (will save consumers $50 billion over a 5-year period).

Protection for Older Americans

-- Saved Social Security System (averted certain bankruptcy to protect the 34.7 million Social Security beneficiaries).

-- Age Discrimination Act (eliminated forced retirements for Federal workers; raised mandatory retirement age from 65 to 70 for private sector).

-- Older Americans Act amendments (simplified and strengthened economic protection for older Americans).

Protection for the Poor

-- Proposed Welfare Reform (will create 660,000 jobs; provide nearly $1 billion in fiscal relief).

-- Food Stamp Reform (allows 2.2 million additional eligible low-income Americans to receive benefits).

-- Humphrey-Hawkins Full Employment Act (expresses first commitment of Federal government to full employment).

-- Minimum Wage increases each year from 1977 through 1980.

Education

-- 60% funding increase for education programs.

-- Created a Cabinet-level Department of Education.

-- Middle Income Student Assistance Act (1.2 million additional students eligible for college aid).

Urban Policy

-- Developed Nation's first comprehensive urban policy (13 of 19 proposals enacted in 1978).

-- More than 100 administrative changes to improve urban focus and targeting of existing Federal programs.

-- Creation of the Urban Development Action Grant Program (providing $1.5 billion in grants to leverage private sector investment and create jobs in urban areas).

-- Additional 1 million units of Federally-Assisted Housing for low and moderate income renters and homeowners.

-- New York City assistance (providing loan guarantees to ensure fiscal recovery of New York).

-- Proposed Countercyclical Fiscal Assistance Program (to provide up to $1 billion for urban areas).

-- $2 billion expansion for elderly and handicapped housing.

-- 1500% increase in Economic Development Grants.

Agricultural and Rural Policy

-- Nation's first farmer controlled grain reserve established (ensures stable grain markets).

-- Farm prices up 35% overall since 1977.

-- Net income for farmers approaching highest level in history.

-- Agricultural exports -- set records in 1977 and 1978; with another record year expected in 1979.

-- Enacted Rural Health Clinics Act (providing 1.5 million Americans unique access to primary health care).

-- Streamlined $2.5 billion in water and sewer funds for rural areas.

NATURAL RESOURCES AND ENVIRONMENT

Protection

-- Removed 115 million acres of Alaska from development by executive action.

-- Strip Mining Act (first Federal standards).

-- Clean Air Act and Clean Water Act amendments (strengthening the vital protections provided by those Acts).

-- Omnibus National Parks Act (created 15 new national parks).

-- Outer Continental Shelf Leasing Act (first reform in 25 years).

-- Major initiatives to improve urban environments, including a new $725 million program to upgrade urban parks.

-- Proposed $1.6 billion superfund to clean up oil and chemical and hazardous waste sites.

(3) RESTORING BASIC AMERICAN VALUES

President Carter has worked to restore to the Federal government the basic values which Americans have a right to expect from their leaders.

Human Rights

-- Reassertion of America's traditional commitment to human rights.

-- Negotiation of prisoner exchange with Soviet Union.

-- Expanded protection and assistance to refugees (such as the Vietnamese boat people).

-- $60 million commitment to assist Cambodian refugees.

Integrity and Openness

-- Enacted Ethics Act (required for the first time full financial disclosure by all high-ranking government officials).

-- Inspectors General (placed in each Federal agency to oversee honesty and integrity of Federal spending and to root out fraud and abuse).

Equality and Equal Opportunity

-- Equal Rights Amendment (worked to secure ratification deadline extension).

-- D.C. Voting Rights Amendment (helped to pass effort to secure full voting representation for D.C.).

-- Senior Management Appointments (more blacks, Hispanics, and women appointed to senior positions in the administration than by any previous President).

-- Doubling of Federal purchases from minority businesses.

-- Judges (appointed more blacks, Hispanics, and women to Federal courts than all previous Presidents combined).

Anti-Discrimination

-- Increased funding and staffing for enforcement of civil rights laws to highest levels in history.

-- Anti-foreign boycott law (led effort to enact).

-- Affirmative Action (filed amicus briefs in Bakke and Weber cases on behalf of affirmative action).

-- Handicapped Regulations issued (Section 504 Regulations issued to prohibit discrimination against the handicapped).

-- Supported the EEOC in its efforts to provide current dispensation and reduce the backlog of discrimination complaints.

Civil Liberties

-- Proposed FBI Charter (charter for the Bureau for the first time in its 50-year history).

-- Foreign Intelligence Surveillance Act (first legislative controls on foreign intelligence surveillance).

-- Individual privacy protection (developed Federal government's first comprehensive program; reduced Federal files on individuals by almost 10%).

(4) PRESERVING PEACE THROUGH A STRONG DEFENSE

The President has succeeded in preserving peace. At the same time, he has taken steps to strengthen our nation's defense capabilities.

National Security

-- No American soldiers killed in combat (first time in over 40 years).

-- SALT II negotiations completed after 7 years of negotiation (most comprehensive nuclear arms limitation ever negotiated).

-- Continued development of the TRIDENT submarine and missile system, and the cruise missile program.

-- Adoption of MX missile system to ensure strategic response capability.

-- 3% real growth in defense spending (reversing declining defense commitments during the decade).

Resolving Regional Conflicts

-- Middle East Peace Treaty.

-- Panama Canal Treaty negotiation (completed negotiation and obtained Senate ratification).

-- Southern Africa (maintained commitment to majority rule; nonrecognition of Muzorewa Government in Zimbabwe-Rhodesia).

East-West

-- Recognition of the People's Republic of China.

Cooperation with Allies

-- Strengthening of NATO.

-- Multi-national Trade Negotiations (completed negotiations and obtained Congressional approval).

-- Improved relationship with Japan.

Global Issues

-- Nuclear Non-Proliferation Act (first statutory controls in the transfer and sale of nuclear materials).

-- Establishment of Nation's first comprehensive conventional arms transfer policy (reduction of U.S. arms sales).

International Economy

-- International intervention to protect value of dollar.

-- Exports have hit record levels on most products.

-- Development of country's first comprehensive trade policy.

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ON BEHALF OF PRESIDENT CARTER, I WOULD LIKE TO INVITE YOU TO THE WHITE HOUSE FOR A MEETING WITH THE PRESIDENT AND SENIOR ADVISORS ON WEDNESDAY, NOVEMBER 14, 1979. YOU WILL BE GIVEN BRIEFINGS ON AGRICULTURE, THE ECONOMY, ENERGY AND FOREIGN POLICY. LUNCH WILL BE SERVED IN THE STATE DINING ROOM.

WE ASK THAT YOU COME TO THE PENNSYLVANIA AVENUE ENTRANCE OF THE OLD EXECUTIVE OFFICE BUILDING AT 10:00 A.M. OUR MEETING WILL CONCLUDE AT 4:15 P.M.

PLEASE TELEPHONE PEARL COLE, BY 5:00 PM WEDNESDAY, NOVEMBER 7, 1979 AT 612/725-2041 TO INFORM US WHETHER OR NOT YOU CAN ATTEND. IF YOU ARE ABLE TO ATTEND, YOUR SOCIAL SECURITY NUMBER AND BIRTHDATE ARE REQUIRED BY THE SECRET SERVICE. WE LOOK FORWARD TO SEEING YOU.

WALTER F. MONDALE
VICE PRESIDENT

21:16 EST

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ITINERARY FOR MINNESOTA VISITORS TO THE WHITE HOUSE

November 13 and 14, 1979

Tuesday, November 13

4:00 pm — Arrive at Minneapolis/St. Paul International Airport
Check in at Northwest Airlines ticket counter (far left desk)

5:00 pm	Depart	Minneapolis/St. Paul	Northwest #68	Dinner
8:05 pm	Arrive	Washington		Non-stop

Upon arrival in Washington pick up luggage that has been checked and board Greyhound bus marked "American Tours" which will be waiting near the Northwest Airlines entrance.
This bus (2 buses) will transport the group to the hotel.

HOTEL: Ramada Inn--Downtown
1430 Rhode Island Avenue, N.W., Washington

Wednesday, November 14

Pack luggage and check out of hotel. Luggage will be placed in Bellman's storage area. If there have been added costs at the hotel, such as telephone calls or meals, please pay for them at the desk.

9:00 am — Board bus for short trip to the White House

9:30 am — Briefing day at the White House begins

4:15 pm — Briefing day concludes
Bus will be waiting at the White House to take the group back to the Ramada Inn-Downtown.

4:45 pm — After Luggage pick-up the bus will proceed the Washington National Airport . Those who do not wish to make use of the airport bus transfer must arrange their own transportation to the airport. (Pre-arranged group airfare will not apply to later flights if the scheduled flight is missed.)

5:55 pm	Depart	Washington	Northwest #85	Dinner
7:22 pm	Arrive	Minneapolis/St. Paul		Non-stop


Mn. Sen.
Doug Johnson


Rep.
Bruce Vento

THE WHITE HOUSE
WASHINGTON

Fritz

Jerry Brown - (Gov. Moonbeam of Calif)
Sell a Z71 and buy a glider -
You can tell where he's going by
Checking the prevailing wind.

Carter

Religious
Tells Truth
Obeys law
Brilliant
Effective

Salt
Panama Canal
China
Legislative record
Piled up natural Gas
Civil Service Reform
Israel - Egypt set.
Progressive
Farm Incomes Up.
Money for Education

THE WHITE HOUSE
WASHINGTON

Pat Harris

Poverty and poor health are a vicious circle. 51,000,000 live in medically underserved areas.

37 Mil - inadequate or no health insurance

16 Mil people below poverty not covered by Medicaid.

432-903 since 1977 increase in community health services.

CHAP - 2 Mil 4 children to be covered

83,000,000 would be covered by ins.

Supported by Carter

Child Health Assurance Program

Catastrophic

Maternal + Child Health

Hospital cost containment not to fall on the backs of employed personnel.

Saying - look at each individual patient.

Incentives to physicians to serve underserved areas - distribution is bad.

THE WHITE HOUSE
WASHINGTON

Programs to deal with teenaged pregnancy. HEW has an interest and a program has been established.

THE WHITE HOUSE
WASHINGTON

Steward Eizenstat -

Goals of domestic policy

1) Re-establish confidence in presidency as an institution.
Ethics bill - would remedy any abuses exposed by Watergate

2) More efficient & effective federal govt. - 20,000 fewer people in fed. govt. than at this time last yr. Consolidation of govt. agencies. Civil Service Reform - revolutary change Private sector incentives in way hired, promoted.
Sr. Executive Service - based on productivity and performance No longer lock-step system.
discarded 1000 regulations - Cost analysis - and benefit look at regulations.
Publishing of a calendar of regulations in advance so

THE WHITE HOUSE
WASHINGTON

that people will be aware of them in advance. Look at cost effective - least onerous way.

3) Targeting

(A) Look at those in greatest need - in urban and rural development area. 19 pieces of leg. to encourage private involvement.

Urban Development Action Grant Program for 1 fed $ - 6 of private leverage

(B) Jobs programs - hard core, youth, disadvantaged, VN vets tax incentive for employers

(C) 400 privately run councils to be managed by local business to train hard core unemployed

4) Reduced budget

$16 bil to $22 bil. Reduction since pres. took office

8 mil new jobs created

Unemployment down 2%

THE WHITE HOUSE
WASHINGTON

Youth employment task force - private sector. education. under direct supervision of V.P.

Inflation

100% increase in price since Dec. 1978.

Tight fiscal policy
Cost effective regulations
Labor accord
Dismantle costly regulatory processes

5) Identify major domestic ~~policies~~ critical areas which pres inherited and had been swept under the rug.
A) Social security policy
B) Agriculture
Set up farmer owned grain reserve program
World grain supply down to greatest extent in 10 yrs.

Energy

1) Greater demand - more people
2) Mid East production will peak in 1990's

THE WHITE HOUSE
WASHINGTON

production incentives
conservation incentives - and penalties
including decontrol.
expanded use of coal
leg. to switch 50% of oil to coal
Emphasis on renewable energy
Solar, parallel incentives
development of synthetic fuels
oil from coal have been available
for 40 yrs.

---

low income assistance for solar
in bill passed by congress -
$2.4 bil ?

THE WHITE HOUSE
WASHINGTON

Zibeg new B.
SEC Broken into two groups.
domestic issues
political - military issues

Situation in Iran - compared to a hijacking - response - firmness with calmness. International standards have been brutally violated - progressively responsive strategy - dealing with a political contest in Iran. Have to take into account internal turbulance.

Cambodia

Moral issue - obligation to respond - we are doing it.

SALT

Need adequate security - our defense can be enhanced by arms control. Defines a new dimension in national security.

Definition of national security

THE WHITE HOUSE
WASHINGTON

are broader than ever before.

1) relevance

2) geo strategic position - has deteriorated
Carter has addressed.

re (1) Panama Canal treaty
Israel - Egypt peace treaty - 1st ever
between Israel + an Arab State
We have a national stake in
position of Israel + also of Arab
States
Normalization of relations w/ China
1st time in 70 yrs. good relations
with Japan and China
Relations with African States
Arms to Morocco. -
No freeze of U.S. will have
Military solutions imposed
on them.
We were born into a Eurocentric
world. no longer! Asia + Africa can
no longer be dominated We must
steer in moderate direction

re (2) increase in defense budget
adopted ~~arms~~ MX

THE WHITE HOUSE
WASHINGTON

long term NATO development program. If not done will be open for political intimidation. With adequate defenses we are less likely to be challenged. Need arms control. Prepare for SALT III.

Criticisms from right neglect to consider dynamics & change. Carter foreign policy. Responds to change. Other side building 40% more than we are - cumulatively. Imbalance in Strategic equilibrium.

MX - land based deterrent system necessary. ~~Act~~ a sea based system will not be as reliable - vulnerable - need to diversify. offers greater stability in a crisis. ? ? who goes 1st! Critical — may force Russia to diversify!

THE WHITE HOUSE
WASHINGTON

Jack Watson

Urban Development Action Grant (UDAG)
493 projects - $9 leveraged 6 times
Expanded loans + loan guarantees.
Small Town and Rural Dev Policy

*Mary Mean
Leadership - character or style?

Alfred Kahn

Inflation - a world wide problem
germany increase in CPI - 7%
Japan 10% Canada 11%
France 13% England 20%
What we are struggling with are consequences of mismanaging government. Growing reliance on government to protect us. Revolution in protection of environment - the work place - more goods + services
Consumers. Flight from money into goods. Future will be taken care of. Were handing out entitlements. We as A society must restrain ourselves
Tums - crunch granola a contraceptive - Dr. instead!
Patient before or after?

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Restrain regulation –
We will be forced to restrain ourselves
by circumstances in 80's.
Social justice within our means.
70% ± national income goes into
wages. oil costs per bbl.
1973 - $2 - 2.20
1974 $11
1979 20
spot. 35-40

Wage-price control - really subsidy

I'm not here to introduce the
Pres. I am the Pres.

Implementation of energy policy
is crucial.

Productive land –
Space shuttle in 1981 budget

AGENDA
MINNESOTA CONSTITUENT BRIEFING DAY
November 14, 1979

10:10am	RICHARD MOE Chief of Staff Vice President Mondale	Room 450 - Old Executive Office Building
10:15am	VICE PRESIDENT MONDALE	
10:30am	SECRETARY PATRICIA HARRIS Health and Human Resources	
11:15am	COFFEE BREAK	
11:30am	STUART EIZENSTAT Assistant to the President for Domestic Affairs and Policy	
12:10am	DR. ZBIGNIEW BRZEZINSKI Assistant to the President for National Security Affairs	
1:00pm	DEPART FOR WHITE HOUSE	
1:15pm	GROUP PHOTO	
1:30pm	BUFFET LUNCH	State Dining Room The White House
2:30pm	HAMILTON JORDAN White House Chief of Staff	East Room The White House
2:45pm	DR. ALFRED KAHN Advisor to the President on Inflation	
3:30pm	THE PRESIDENT	

HOSPITAL COST CONTAINMENT NEARING A VOTE

BACKGROUND REPORT
BY
OFFICE OF MEDIA LIAISON
THE WHITE HOUSE PRESS OFFICE

October 29, 1979

A CRUCIAL VOTE

"A strong and effective health care system absolutely requires establishment of cost containment measures far more effective than we have today. The American people now spend more than 9% of our gross national product on health services, $200 million a year. Hospital costs are rising $1 million per hour, 24 hours a day, 365 days a year. It is time to draw the line on skyrocketing hospital costs."
—President Carter. Statement. 6/12/79

A two-year effort by the Carter Administration to bring hospital costs under control will soon face a critical test in Congress as the U.S. House of Representatives prepares to vote on an amended version of President Carter's Hospital Cost Containment legislation. Similar legislation failed to pass the 95th Congress. The President announced the proposed legislation on March 6, calling the bill the single most important step the 96th Congress can take to:

—Curb inflation. Hospital costs rose at a rate of 12.8% in 1978 and are expected to rise even higher in 1979. It is estimated that hospital cost containment could reduce the Consumer Price Index .5% by 1984.

—Lighten the burden on federal, state and local taxpayers. Federal savings for fiscal 1980-84 would be $22 billion; state and local savings for fiscal 1980-84 would be $6 billion (estimated).

—Reduce the cost of health insurance premiums. Employers would save an estimated $14 billion for fiscal 1980-84 and individuals $5 billion in lower health insurance premiums.

—Lower the direct cost of hospital care for the aged, poor, unemployed and uninsured. Individual out-of-pocket payments for hospital care would be an estimated $6 billion lower in fiscal 1980-84.

A QUICK RECAP

"The first step that I hope the Congress will pass this year to go into effect immediately is hospital cost containment. As you all know, because this is not a competitive industry, hospital costs have been going up twice as fast as the average cost of inflation. So we need hospital cost containment immediately and then to implement the health program on a nationwide basis carefully, methodically, but thoroughly and with a maximum degree of cooperation between me...and others."
—President Carter. Speech. 8/7/79

The Administration-supported hospital cost containment proposal has two parts:

(1) A National Voluntary Limit on the rate of increase in total hospital costs for calendar year 1979. This limit would be based on the general increase in the costs of goods and services purchased by hospitals during 1979 (an inflation allowance); on a population growth factor; and on an

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This Background Report is intended to provide information to assist you in informing the public. Please direct inquiries to Patricia Bario or James Purks, 162 Old Executive Office Building, Washington, D.C. 20500 (202) 456-6623 or 2947.

allowance for the cost of new services provided by the hospital. The 1979 voluntary limit is currently estimated at **11.2%.**

(2) Standby Mandatory Controls which would be applied to individual hospitals on January 1, 1980, should the hospital industry fail to achieve the National Voluntary Limit in 1979.

In order to *encourage voluntary compliance* with the cost standards, exemptions from mandatory controls would be granted to certain hospitals. These would either contain their costs; or would be located in states which, on the average stay within certain limits; or in states with mandatory cost containment programs. Thus, roughly half of the nation's 6,000 community hospitals will be allowed to control costs voluntarily rather than being subject to the standby mandatory controls. Other special categories of health care facilities also will be exempt from the program.

In summary, the Administration bill is intended to be responsive to the concerns of the Congress and the hospital industry by containing these features:

—Mandatory cost controls go into effect only if a voluntary effort does not succeed.

—Hospitals are allowed to pass through all costs, including labor, over which they have no control.

—Emphasis is on encouraging voluntary state-run programs with federal involvement only as a last resort.

—The bill has a "sunset" provision controlling expiration of the program.

WILL IT PASS?

"Although it promises to be a close vote, it is inconceivable that a majority of the House would refuse to join in this effort to attack directly one of the primary causes of inflation and to save billions of federal and state taxpayers' dollars. This is undoubtedly the single most important anti-inflation and budget-saving bills the Congress will face this session. Every member's seriousness in dealing with excessive inflation and wasteful federal spending will be judged — correctly — in large part by his or her vote on this issue."

—President Carter. Statement. 9/26/79

The vast majority of the American people are concerned with inflation and with rising health care costs. Why then, has it been so difficult to get hospital cost containment legislation passed by the Congress? One reason may be the powerful and well-financed lobbying effort being carried on by the hospital industry. Another is the confusion that exists over what hospital cost containment really would mean for hospitals and health care consumers. A third reason is the fact that most Americans don't initially feel the direct impact of rising hospital costs as they do the rising price of gasoline or food. And those who do feel those costs most directly — the elderly, poor, unemployed and uninsured — really can't produce a well-financed lobbying campaign.

THE DEBATE

Opponents of hospital cost containment have used four major arguments. It is useful to explore arguments being used to justify maintaining the status quo which has seen hospital costs double in the last five years.

Argument #1: Hospital cost containment is not needed because the hospital industry's voluntary effort has slowed hospital cost increases.

Response: After 20 months of operation, the hospital industry's voluntary effort has failed to reduce the rate of increase in hospital costs to reasonable rates. Hospital costs continue to soar, with virtually no improvement in productivity or efficiency.

After 12 months of relative moderation, hospital costs have gone up again. In the first seven months of 1979, hospital costs were up 13.3% on an annual basis, while the voluntary effort's goal for 1979 is 11.6%. Significantly, of the 13.3% increase only 9.3% was attributable to inflation in the goods and services purchased by the hospitals and approximately .8% to population growth. The remaining increases were in areas where waste, duplication and inefficiency can be reduced.

The reasons hospital costs traditionally have risen faster than the rate of inflation (15% annually from 1968 to 1978) are built into the system. First of all, more than 90% of hospital bills are paid by third parties — insurance companies, Medicaid or Medicare — so neither the provider (hospital and doctor) nor the consumer (patient) feels the full direct impact of rising costs.

Secondly, customary interactions between the consumer and provider do not take place in the hospital industry — most decisions in the marketplace are made by the provider, not the consumer.

So while the voluntary effort correctly acknowledged the fact that hospital costs were getting out of hand, it does not change the underlying factors that cause excessive increases.

Argument #2: Hospital Cost Containment will just add to the cost of unwarranted government regulations which drive hospital bills up.

Response: Hospital cost containment keeps regulation to a minimum and its actual cost is outweighed by the tens of billions of dollars of savings. The Congressional Budget Office report of May, 1979, concluded that "...the Administration's proposal would minimize federal intervention and red tape." In fact, virtually no extra information is required from hospitals, either under the voluntary limits or the mandatory program. As for existing regulations, *55% of all hospital revenues come from governmental sources.* Given this size investment ($46 billion in fiscal 1979), both state and federal government would be negligent *not* to take a substantial interest in the prudent and careful management of the hospitals.

Argument #3: Hospital Cost Containment will involve the federal government in local health care decisions and will lead to the rationing of health care.

Response: Under the legislation, hospitals are allowed to increase costs each year by an amount necessary to cover inflation, population growth and a reasonable expansion of services. In cases where costs must be held down to meet the limit, each hospital can make savings — by cutting waste or increasing efficiency and productivity — in the areas it, not the federal government, chooses. In states where cost containment has existed for many years, there has been no rationing or reduction in the quality of health care.

A Congressional Budget Office study found, "Hospitals would be given an overall revenue restraint, but they would be left to decide on their own how to meet it. This minimizes federal intervention, since it gives discretion to hospital administrators and medical staffs..."

Argument #4: State mandatory hospital cost containment programs have not worked.

Response: In fact, state programs have been responsible largely for whatever moderation in costs we have seen in recent years. Eight states currently operate successful mandatory cost control programs while maintaining a high level of quality care. In 1978, total hospital expenditures in these states increased 9.8% while the average for the 42 other states was 14%. Limiting growth, reducing wasteful services and increasing efficiency has not led to rationing, to a decrease in the quality of needed health services or to a decline in the health of the public.

A FINAL NOTE

For the past ten years, hospital costs have increased much faster than the overall rate of inflation. While the Consumer Price Index went up a total of **79.7%** from 1969 to 1978, room rates jumped **159.8%**, the total cost of a hospital stay was up **174.4%**, and total hospital expenses increased **237.9%**. And these figures *understate* the real inflationary impact of rising hospital costs, which are passed on to consumers in the form of higher prices (to pay for employer-financed health plans) and higher taxes (to pay for federal, state and local expenditures).