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THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

C

August 26, 1980

EYES ONLY

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for Preservation Purposes**

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CLS*

Subject: CPI inflation in the next several months

We forecast the CPI monthly, but never refer to it publicly or even release it to other agencies. The table below compares the forecast we made a month ago with our latest one.

<u>CPI inflation, annual rate</u>	<u>July</u> (actual)	:	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u> (forecast)	<u>Nov.</u>	<u>Dec.</u>
Old forecast	2.9	:	7.7	6.6	9.0	11.0	12.2
New forecast	0.0	:	7.7	8.5	10.0	12.6	13.6

(The September CPI is the last one published before November 4.)

In a forecast done three weeks ago, CWPS estimated the August increase at a 6-1/4 percent rate and September at 8-3/4 percent.

The increase in the current CEA forecast over our earlier estimates is solely based on what has been happening to mortgage interest rates. Previously, we had assumed they would rebound about 1/2 percentage point from their July low. We now have them rising by 1.1 percentage points.

These are relatively conservative forecasts; we have leaned a bit on the pessimistic side. For example, we have gasoline and fuel oil prices rising at 10 to 15 percent annual rates during the remaining months of the year. The annual rate of food price increases is assumed to average 13 percent between now and December.

Over the next two months, therefore, inflation is likely to run in the 7 to 9 percent range. The final months of the year are likely to see a spurt back into double-digit inflation because of food prices and the delayed effect of increased mortgage interest rates. If mortgage interest rates stop rising, the 1981 CPI inflation rate should be in the neighborhood of 9 to 9-1/2 percent.

QUOTE
BACK CHANNEL
THE WHITE HOUSE
EYES ONLY THE PRESIDENT
FOR HAND DELIVERY TO SUSAN CLOUGH

MR. PRESIDENT:

1. I AM NOT A MOYNIHAN FAN BUT, NEVERTHELESS, CALL TO YOUR ATTENTION HIS ARTICLE IN THE AUGUST 19 WALL STREET JOURNAL. THERE HE SUGGESTS THAT THE U.S. RAISE THE OPEC QUESTION AND GIVE LEADERSHIP TO A SOLUTION WHICH TAKES INTO ACCOUNT THE WORLD'S NEED FOR OIL. SENATOR MOYNIHAN MAKES A STRONG ARGUMENT FOR AN INITIATIVE ON OUR PART AT THE ELEVENTH SPECIAL SESSION OF THE U.S. I BELIEVE IT WORTH YOUR ATTENTION.

2. CONGRATULATIONS ON THE NOMINATION FOR A SECOND TERM. THE RECORD SAYS YOU ARE ENTITLED TO ONE. BOTH YOUR AMBASSADOR AND HER ASSISTANT ARE PROUD TO REPRESENT YOU.

SIGNED
PHILIP (PHA)

AUGUST 22, 1980

UNQUOTE

**Electrostatic Copy Made
for Preservation Purposes**

(This is a message from Ambassador Alston (Canberra) to the President)

August 27, 1980

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J

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
SUBJECT: Liberal Party Letter**Electrostatic Copy Made
for Preservation Purposes**

Attached is a draft of the Liberal Party letter that I mentioned to you earlier. It is lengthy, but, as you can see from the attached letter to you from the Liberal Party, a detailed response is needed to answer their concerns.

Charlie and Jody's comments have been incorporated. The Foreign Policy section was written by NSC and approved by Zbig.

I discussed the letter this morning with Bob Strauss and Hamilton. They believe it is essential that the letter be approved today, so it can be delivered tomorrow. At their suggestion, I am inviting Mario Cuomo here today to review the letter. I do not anticipate any major changes by him. If there are any, I will point them out to you in the signature copy we will prepare once you approve the basic text.

DRAFT

To Donald Harrington

In my initial response to your letter of June 17, 1980, I enumerated the reasons why I believed the policies and accomplishments of my Administration in the past 3½ years have been responsive to the commitments of the Liberal Party. I would now like to share with you my vision of the future. I think you will agree that it is compatible with the goals of the Liberal Party and I hope the Party will therefore decide to endorse the Carter-Mondale ticket.

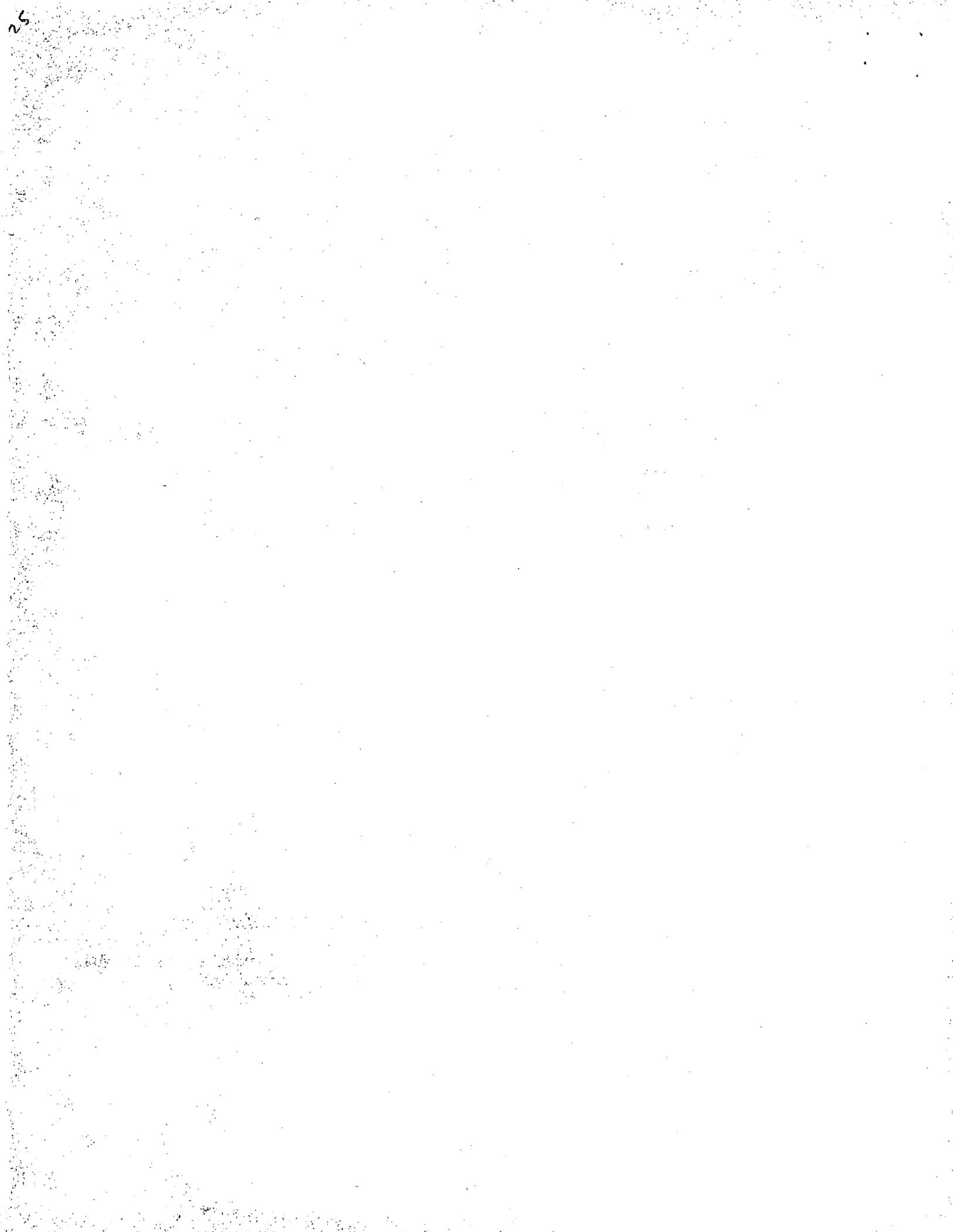
The Liberal Party of New York always has been a critical, independent force for progressive ideals. In this election, we face a fundamental choice between the forces of reaction and those of progressive ideals. In this fight I certainly want and need you by my side. I renew my assurance that my Administration will remain in close and regular contact with you. The next four years will see a further enhancement of the close communication between your party and Democratic Presidents since Roosevelt.

I will instruct key members of my White House Staff and Cabinet to be certain your views are obtained on major policy initiatives and that the regular contact I have pledged occurs not only with me personally but with my official family.

In responding to your communication, I will follow the specific outline which you have provided.

1. A New Economic Initiative

I share your view on the need for a new economic initiative, which will create jobs, provide an accelerated recovery from the recession and deal with the structural problems in our economy that you have identified -- high inflation, low productivity, inadequate capital investment, tax inequities, heavy Social Security taxes and major industries and areas in distress. The Carter Administration believes that these problems cannot be solved through continued recession or high unemployment. Rather, they will respond to economic policies which directly confront the structural problems of our economy, rekindle growth and reduce our unacceptably high unemployment problem without reigniting inflation and, indeed, while contributing to our fight against inflation. I do not and will not passively accept current or projected rates of high unemployment.



As I described in detail in my earlier responses, I have already vastly expanded the Federal government's commitment to jobs:

-- doubling the Job Corps; increasing CETA by 50%; doubling our employment and training budget; increasing our investment in youth by almost 100%; developing the targeted jobs tax credit and the Title 7 CETA program which provides training incentives to the private sector to hire the hardcore unemployed.

But more needs to be done and will be done. My Administration's economic renewal program, which I have just announced, will be my highest legislative priority after the election.

It will create 450,000 additional jobs in its first 12 months and over 900,000 additional jobs by the fourth quarter of 1982. It is responsive to your memorandum in a variety of ways:

-- It offsets the impact of the increased Social Security taxes you mentioned, mandated for January 1, 1981, without reducing revenues for the Social Security trust funds, by a highly progressive tax credit equal to these tax increases.

-- It corrects an inequity in the tax code by beginning the elimination of the marriage penalty, which penalizes the increasing number of households with two earners.

-- It will provide, through refundable investment tax credits, aid for hard-pressed industries such as steel and automobiles, referred to in your memorandum, which do not have the income to avail themselves of other tax incentives.

-- These refundable credits will also assist those new small business firms which have no initial earnings but are willing to commit funds to investment.

-- It will begin the development of a new economic planning process, which you mention, through a tripartite National Industrial Revitalization Board.

-- It will create an Industrial Development Authority to provide loans, loan guarantees, and grants on a selective, targeted basis to industries.

-- It will strongly encourage new capital formation by an accelerated depreciation proposal and new incentives for research and development.

-- It will provide incentives for industries which expand or locate in high unemployment areas.

In short, it is an exciting, dynamic, job-creating initiative.

2. Commitment to a Full Employment Economy

I am committed to a full employment economy. My Administration helped draft and lobbied hard to pass the Humphrey-Hawkins Full Employment Act. I share the commitment in the Democratic Party Platform to implement that Act. The economic renewal program which you suggested in our June meeting and which I have announced will help advance that goal. In addition, I am taking the following actions referred to specifically in your memorandum.

-- Fighting to maintain the level of public service jobs against repeated Congressional efforts to cut these jobs.

-- Urging passage of a \$1 billion anti-recession fiscal assistance program, which is part of the overall program I just announced, to aid hard-pressed State and local governments.

-- Urging Congress to expand unemployment benefits on a carefully targeted basis to provide 13 additional weeks of coverage above and beyond existing law.

-- Continuing my efforts to pass and fund the \$2 billion Youth Act of 1980 to provide over 450,000 job slots for our disadvantaged young people. We must first pass the Act before considering funding beyond this major amount. If the Youth Act is as successful as we believe, then is the time to consider additional funding.

-- Announcing an expanded effort to weatherize our homes and public buildings so that we put Americans back to work saving energy, to implement the newly-signed Northeast Corridor program to rebuild railroad beds, and to help our ports export more coal.

-- Fighting to improve the Trade Readjustment Assistance program for workers displaced by imports.

-- Providing funding in FY 1981 for the Child Health Assurance Program and continuing to strengthen human service programs. Critical programs like Food Stamps were not reduced and should not be.

As you know, I am committed to a policy of careful and prudent budgeting, and to an unremitting fight against inflationary increases in the Federal budget. A new Federal spending program cannot deal with every perceived national problem. But I believe that the anti-inflationary objectives we both share can be achieved by a selective approach which intelligently distinguishes between wasteful Federal expenditures and innovative programs which meet important human needs.

3. Energy Policy

I fully agree with you that "[a] critical determinant of our economic health and national security is our energy policy." I have spent an enormous amount of time getting the public and the Congress to recognize the full gravity of our energy problem - and with considerable success. We have reversed the generation-long increase in our foreign oil dependency and will import 1½ million barrels per day less oil this year than when I took office in 1977.

In response to the specific items in your memorandum I make the following points:

-- With regard to the major oil companies, I have submitted a proposal to the Congress to sharply limit their ability to acquire other firms. The Treasury Department, with my support, has reduced the tax advantages to which you refer, making it more difficult for the major oil companies to treat their royalty payments as foreign taxes and credit them against U.S. taxes. At the same time I have urged the American people to recognize that our energy problems do not stem simply from the activities of big oil companies, and that as a nation we must take major steps both to conserve energy and expand alternative supplies.

-- I share your strong commitment to public transportation, and have asked that an additional \$13 billion out of the Windfall Profits Tax be spent for mass transit over the course of this decade, over and above the base, which I have already expanded.

I will be expanding my Administration's already significant commitment to incentives for conservation. I have very recently signed into law the new Energy Conservation and Solar Bank and increased its funding as part of my economic renewal program. It will supplement the significant new tax credits Congress has passed at my request which are, in your words, "rewarding home owners, renters, commercial building owners and industrial users for steps to use less energy." These tax credits also encourage the installation of solar equipment. We are expending more on conservation than on synfuels, which will be financed by loan guarantees and price guarantees. It is my goal that 20% of our nation's energy use should come from solar energy by the year 2000. This is a goal we must meet.

-- We have just vastly stepped up our research and development of renewable energy sources, on top of the tripling of our investment over the past 3½ years in solar energy, as a result of the new Solar Bank and the major new gasahol program I supported and recently signed into law as part of S.932.

-- We are embarking on intensified research into the effects of the expanded use of coal, including an acid rain study. As you suggest, we are accelerating the conversion of oil-fired utility plants to coal, both through the Fuel Use Act of 1978, which I supported and which has led to numerous conversions, and through sponsorship of the Utility Oil Backout bill now in Congress. This bill would save 1 million barrels of foreign oil per day by providing funds out of the Windfall Profits Tax to provide incentives for the utility industry to make the conversions to which you refer.

-- We are fighting in Congress to expand the level of low and moderate income heating assistance to \$2.4 billion per year in the coming years. I will carefully monitor the impact of rising oil prices on the poor in years to come to determine the appropriate level of assistance.

I understand your concerns about nuclear energy. It is for this reason that I have asked my Administration to work with the Nuclear Regulatory Commission to implement over 40 recommendations of my Commission on the Three Mile Island Accident. I have supported a moratorium on new licenses until these safety measures are put into place, at which point licensing should resume. I also have submitted a proposal to Congress to deal responsibly with nuclear wastes.

But we will need nuclear energy in the near term to reduce our dependence on foreign oil. The responsible approach is not to now halt the use of nuclear power, but to take every possible step to ensure that it is used safely. Of course, I support the Democratic Party Platform's hope that ultimately other sources of power will be available to generate the power nuclear energy now supplies.

I do recognize the critical importance of "the New York subway system as a major line of defense in energy utilization." Not only am I committed to additional funding for mass transit as I have previously described, but I have proposed and Congress is in the course of passing, a formula change which will be of major importance to the New York transit system, providing additional assistance based, for the first time, on rider use.

4. Proportional Federal Investment in the Northeast

Since the beginning of my Administration, we have worked closely with the Conference of Northeast Governors and with the Northeast-midwest Congressional Caucus on improving the Federal government's targeting to the Northeast and North Central States and other distressed areas. Under my Administration the Northeast gained jobs. This progress must continue.

As part of my urban policy, incentives were developed for new investment in distressed areas through new programs like the Urban Development Action Grant and the re-targeting of over 100 existing Federal programs, to distressed areas. I am now seeking Congressional passage of an expanded and more highly targeted Economic Development Act program, which will be of major value to the States to which you refer, including New York State.

The targeted investment tax credit and the Industrial Development Authority, which I have proposed as an integral part of my economic renewal program, will also provide powerful new incentives to help revitalize these areas.

Further, I have issued Executive Orders to construct new Federal buildings in, rather than outside, urban areas, and to increase Federal procurement in labor surplus areas with high unemployment, such as the Northeast.

As you suggest, I will gladly review existing cost of living formulas, as well as energy credits, to assure that all regions of the country, including the Northeast, are being fairly treated. I will continue to seek the most effective military deployment the nation can achieve.

Finally, I have already proposed to the Congress Federal employee pay reform which would tie pay scales to wages in localities, which would benefit Federal employees in New York State.

5. Health, Education and Welfare Services

I agree with you, as I did with the Democratic Party Platform, that a balanced national budget should not come at the cost of economic and social misery for the disadvantaged. I am proud of my efforts to expand programs like Medicaid, WIC, Food Stamps, mental health, aid for the handicapped and elderly, and Title XX.

My position on welfare reform is that embodied in my Party's 1980 Platform - support for federal assumption of the local welfare burden and a phased reduction of the States' burden. This is of critical importance to the fiscal health of New York City. My pending welfare reform bill, which has passed the House, is a first step toward this goal.

I share your strong commitment to enactment of a comprehensive plan for national health insurance. It has been and will remain a very high priority of my Administration.

6. Presidential Leadership in Equal Opportunity

One of the areas of which I am most proud has been the civil rights record of this Administration. We have vigorously and effectively enforced the civil rights laws. We have instituted a new dual prosecution procedure, which permits a Federal investigation and prosecution of local crimes which may violate the Federal civil rights law of individuals. This procedure is now being used in Miami which, as your memorandum states, is "a grim reminder of the unfinished agenda of civil rights in this country."

We have obtained Congressional concurrence of a major strengthening and consolidation of the Equal Employment Opportunity Commission, a goal long sought by civil rights groups. We have had a strong affirmative action policy in Federal hiring at all levels of government and have significantly increased the percentage of Blacks, Hispanics and women in key roles in the Federal government.

As you know, one of the most lasting impacts a President can have on a country is his judicial appointments, since they serve for life and transcend the Constitutional limitation on Presidential service. It is therefore with great pride that I can point to the fact that I have appointed more Blacks, Hispanics and women to the Federal bench than all previous Presidents of the United States combined. I believe that my judicial appointments reflect a desire to have qualified, able, and progressive members of the Federal bench. This will remain my policy in a second term.

I am also now fighting for passage of the Fair Housing Amendments of 1980, which would strengthen the enforcement of the 1968 Fair Housing Act. I have been disappointed by the current enforcement mechanism, which is costly, cumbersome and ineffective in achieving the goals of the 1968 Act. I believe that passage of the 1980 amendments would be the most important advancement in civil rights in over a decade.

We have taken a strong stand supporting affirmative action in critical Supreme Court cases.

I fully agree with you that only Presidential leadership can remove the "ugly scar" of discrimination from our society. I believe my background has qualified me to provide that leadership, and I will continue to provide it.

7. Foreign Policy and National Security

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Since the beginning of my Administration, I have pursued a foreign policy course rooted in our fundamental American values and designed to utilize our strength together with our friends and allies to deter war and build a stable peace.

To achieve these goals requires military strength. But it is also central for a strong America to avoid wasteful defense expenditures. I give no portion of the Federal budget more careful scrutiny and I can assure you that I will continue to do so in the future.

I am proud of having strengthened our nation's defenses, not in the least by eliminating wasteful or obsolete programs, closing unneeded military bases, and tightening the procedures for military procurement. The result is that we have saved billions of dollars in the last several years and will continue those savings into the future. These are savings that will be used to meet our real defense needs and other vital domestic programs as well as ease the burden of taxation and inflation. This has been a personal priority of mine, and I can assure it will continue.

Like you, I also believe that arms alone cannot provide the security within which our values and interests can flourish. Our foreign policy must be directed toward greater international stability, in particular deterring Soviet expansion, controlling arms and settling disputes that could lead to war. Notwithstanding my Administration's strong reaction to the Soviet aggression in Afghanistan -- which will continue as long as that aggression continues -- I intend at the same time to pursue balanced, verifiable arms control arrangements with the Soviet Union. I share your conviction that these arrangements are needed whatever the state of US-Soviet relations and, in some

At the beginning of my Administration, I recognized that American ideals are relevant to this troubling area of foreign policy and to the troubled final decades of our century. Our society has always stood for political freedom. Americans, as the Liberal Party need not be reminded, have always fought for social justice and recognized the need for pluralism. Those values of yours -- of ours -- have real meaning now in a world that is no longer dominated by colonial empires and demands a more equitable distribution of political and economic power.

My Administration has revived the policy emphasis that gives added purpose to our Nation's strength: the wholehearted commitment to promote universal standards of human rights. We do not maintain our power in order to seize power from others. Our goal is to strengthen our freedom and the freedom of others, to advance the dignity of the individual and the right of all people to justice, a good life, and a future secure from tyranny.

respects, that need is greater when US-Soviet relations are worse rather than better.

I have initiated a comprehensive program of arms control. This effort encompasses limits on strategic arms, reduction in conventional and nuclear arms in Europe, the elimination of nuclear testing, control of the transfer of arms to the developing world, curbs on anti-satellite weapons, other restraints on the proliferation of nuclear weapons, and more.

I sincerely hope to be able to move ahead on the ratification of the SALT II Treaty and proceed to the negotiation of deep reciprocal reductions in SALT III. All these efforts will be pursued vigorously with the Soviets to obtain a stable relationship based on reciprocity and mutual trust. In doing so, I have and will continue to work closely with other Western leaders.

I have often stressed that the independence, security and development of the countries of the Third World are very important both to our national security and to our commitment to advancing human rights and meeting basic human needs. Violence and radical revolution thrive in an atmosphere of political repression, economic want, massive unemployment, and hunger. I have increased our requests for foreign economic assistance by more than 50 percent and will continue to press the Congress to meet our responsibility to the countries of the developing world to meet the needs and aspirations of their people peacefully, democratically, and through cooperation with the United States and other countries of the West.

8. Israel

One of the abiding commitments of my Administration is to a strong, secure Israel at peace with its neighbors, living within secure and recognized borders. There is no issue on which I have devoted more of my time and energy than to ensuring lasting peace between Israel and her neighbors. The Camp David Accords are an historic step toward this ultimate result. Our policy in the Middle East has been and will continue to be guided by those Accords.

I want to reaffirm what has been and always will be the position of my Administration -- that we will not negotiate or recognize the PLO unless and until it accepts Israel's right to exist and accepts U.N. Security Council Resolutions 242 and 338. It is long past time for an end to all terrorism and other acts of violence against Israel. I am particularly proud that almost half of all the economic and military assistance which has come to the State of Israel since its founding has come during my Administration. Unlike the policy of the previous Republican Administration, there have been no arms cut-offs or "reassessments" of policy nor will there ever be under a Carter Presidency.

I fully agree with you that issues in the peace process must be negotiated among the parties. We have not and will not unilaterally attempt to impose or predetermine these negotiations. We have acted in good faith as mediators, conciliators and expeditors. I believe that the success of the Camp David talks and the Israel-Egyptian peace treaty are evidence of our effectiveness in this role.

9. Equal Rights Amendment

I fully subscribe to the sentiments which you express about the Equal Rights Amendment. My family and I have spent countless hours in seeking ratification of the Equal Rights Amendment, after successfully getting Congressional approval of the extension of the time for ratification. I will not rest until the ERA becomes part of the Constitution.

10. Separation of Church and State

One of my strongest personal tenets is the belief that separation of church and state is "one of the pillars of our free society." In this regard, I have opposed efforts at a Constitutional amendment to reverse the Supreme Court's decision banning prayer in public schools. I have also opposed tuition tax credits. I worked with the Congress to pass, instead, the Middle-Income Student Assistance program, which I consider one of the significant accomplishments of my Administration. My position on these church-state issues has been and will remain clear.

I look forward to four years of cooperation and dialogue with the Liberal Party of New York State in exploring ways to deal with the problems and challenges which our nation faces.

WHITE HOUSE
WASHINGTON

8/28/80

Jack Watson
Arnie Miller
Lloyd Cutler

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

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

8/28/80

Mr. President:

There are two vacancies to be filled,
as discussed in the Watson and
Cutler memos.

Rick

THE WHITE HOUSE

WASHINGTON

August 27, 1980

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MEMORANDUM TO THE PRESIDENT

FROM: JACK WATSON
ARNIE MILLER

Jack
AMS

SUBJECT: District of Columbia Superior Court

There are two current vacancies for the Court, and Lloyd's recommendations include three names: Henry Greene, Dorothy Sellers and Ricardo Urbina.

All three are rated as excellent candidates by various sources. Although Lloyd and others rank Greene first among the three, we prefer Sellers and Urbina.

Urbina is uniformly considered very capable by a cross section of lawyers we consulted, and also by Judge James Belson, Chief Judge of the Civil Division of the Superior Court. There has never been an Hispanic on the Court, although the District's Hispanic population has rapidly increased in the last five years and, according to the Census Bureau, now totals approximately 75,000, or about 12 percent of the District's total number of residents. Urbina also has strong District political support, which includes the Mayor and Bob Washington.

Sellers is highly recommended and there still are only 6 women among the 45 judges on the Court.

Although Greene is obviously capable, there are already 25 white males on the Court. We think you should nominate him for the next vacancy, and we have been advised that we can informally indicate to the judicial nominating commission that we would like another opportunity to review Greene's candidacy when the next vacancy occurs.

← ok

Approve Sellers

✓

Approve Urbina

✓

Approve Greene

J

THE WHITE HOUSE

WASHINGTON

August 27, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: LLOYD N. CUTLER *LNC* (c)

SUBJECT: D.C. Superior Court

There are two vacancies on the D.C. Superior Court, and the local nominating commission has submitted six names for your consideration. Under the applicable statute, we have until late September to send up these nominations. In fact, for there to be any chance of confirmation this year, nominations should be submitted by the end of August.

The Superior Court is a vital institution in this city, and high quality appointments are essential. For years the court was a repository for marginal, politically connected lawyers. The quality of the court has improved markedly during this Administration, but you have appointed only fifteen of the forty-four judges on the bench and much remains to be done.

Of the six candidates, Henry Greene is by far the best. He is a white male who has served for a number of years as one of the principal Assistants in the United States Attorney's Office and has supervised that office's Superior Court Division. He knows the court extremely well and is widely regarded as a thoroughly competent lawyer with a balanced temperament.

As the attached letter from Griffin Bell indicates, Griffin strongly supports Greene for appointment to the Court.

There are two other good candidates -- Dorothy Sellers, a white woman in private practice, and Ricardo Urbina, a black Hispanic male who teaches at Howard Law School. I believe that Sellers is clearly the better of the two. She is a talented lawyer and is endorsed by the former Chief Judge of the United States Court of Appeals for the District of Columbia, where she served as a law clerk. Urbina is strongly supported by Mayor Barry. Bob Washington, the local party leader, advised Arnie Miller today that his preferences are Sellers, Urbina and Greene, in that order. Hispanic groups have also supported Urbina.

Your most recent appointment to this court was a black male. Of a total of fifteen appointments you have made to this

court, six are white males, two are white females, two are black females, and five are black males. There are now no Hispanics on the court.

This court badly needs more top quality judges. I therefore recommend Greene and Sellers, in that order. Urbina is less capable in my judgment, but is qualified, more so than some sitting judges on the court.

The Attorney General concurs with my views on the merits of the three candidates.

Approve Greene _____

Approve Sellers _____

Approve Urbina _____

cc: Jack Watson
Arnie Miller

KING & SPALDING

2500 TRUST COMPANY TOWER

ATLANTA, GEORGIA 30303

404/572-4600

BY HAND

August 27, 1980

Dear Lloyd:

I enclose material on Henry Greene, an applicant for appointment to the Superior Court of the District of Columbia.

Mr. Greene is an excellent man and was one of the three people recommended by me to the President for the position of United States Attorney in the District. Charles Rupp was selected from the list of three.

Mr. Greene is a first rate lawyer and would be an excellent appointee to the Superior Court. To help his case I have had a judgeship summary prepared on the court and the history of appointments in the Carter administration. It is the front page in the attachment.

One last thing: it is quite helpful to a court--particularly a large court--to have a mix of judges with strong intellect and managerial experience. Henry Greene has both and would help the court.

I will appreciate your help in this matter.

Warm wishes,



Griffin B. Bell

Enclosures

The Honorable Lloyd Cutler
Counsel to the President
The White House
Washington, D. C. 20500

August 25, 1980

1. President Carter has made fifteen appointments to the Superior Court, and two additional vacancies remain to be filled. Those appointments have included 5 black males (Judges Webber, Pratt, Bowers, Kennedy and Gardner), 2 black females (Judges Wagner and Barnes), 6 white males (Judges Scott, Shuker, Weisberg, Wolf, Morrison and Schwelb), and 2 white females (Judges Kessler and Harriet Taylor). Thus, 9 of 15 of his appointments, or 60%, have been blacks or women.

2. The present makeup of the Superior Court includes 11 black male judges, 3 black female judges, 25 white male judges and 3 white female judges. In addition, there are 2 vacancies. Thus, 17 of the 42 active Superior Court judges, or over 40%, are blacks or women.

3. The 7 black judges appointed to the Superior Court by President Carter (Judges Webber, Wagner, Pratt, Bowers, Kennedy, Barnes and Gardner) have increased the number of black Judges on the Court from 11 at the time President Carter was inaugurated to 14 at the present time; and 3 of the black judges who resigned from the Court during President Carter's term were elevated by him to other courts (Judges Penn and Johnson to the United States District Court and Judge Pryor to the District of Columbia Court of Appeals).

4. President Carter has appointed four women to the Superior Court, including two blacks (Judges Barnes and Wagner) and two whites (Judges Kessler and Harriet Taylor). His appointments have increased the number of women on the Court by 50% (from 4 to 6). Moreover, the two women on the Court who resigned during President Carter's term (Judges Johnson and Joyce Green) did so because they were elevated by President Carter to the United States District Court for the District of Columbia, tripling (from 1 to 3) the number of women judges on that Court.

5. Of the last four vacancies on the Superior Court, three have occurred as the result of the death (Judge Daly) or retirement (Judges Burka and Sorrell) of white male judges; one has occurred as the result of the elevation of a black female judge (Judge Norma Johnson) to the United States District Court. One of those vacancies has been filled by a black female (Judge Iraline Barnes) and one by a black male (Judge William Gardner). Two vacancies remain-- those presently under consideration by the President.

If Judge Bell has any questions concerning this information, or concerning Henry Greene, he should feel free to call Mr. Charles Ruff (202-633-1706).

Resume of
HENRY F. GREENE

3263 Beech Street, N.W.
Washington, D.C. 20015

724-6185 (Office)
363-1797 (Home)

Professional
Experience

1977 to present

Director, Superior Court Operations, United States Attorney's Office for the District of Columbia, with responsibility for supervising the largest litigating division of the United States Attorney's Office, including 79 attorneys and 72 support personnel working in the Felony Trial Division, Grand Jury and Misdemeanor Trial Sections, Career Criminal Unit, Victim-Witness Assistance Unit and Citizens' Complaint Center. Major responsibilities include general supervision over all litigation in Superior Court, policy determinations, planning and establishing goals for the prosecution of local criminal offenses, consultation with attorneys concerning, and review of prosecutive decisions in major cases, training of new Assistants concerning ethical obligations and prosecutorial conduct, and daily consultation with Assistants concerning trial problems, charging decisions and ethical conduct.

1972 to 1977

Executive Assistant United States Attorney for the District of Columbia, with responsibility for advising and generally assisting the United States Attorney in the performance of his responsibilities and in matters of major office policy, including representation of the United States Attorney in working with the courts and with Federal and District of Columbia government agencies, representation of the United States Attorney on the District of Columbia Criminal Justice Coordinating Board, testifying before Congressional committees, developing standards and goals for the office, interviewing attorney applicants, briefing and arguing significant cases on appeal, developing new theories and methods of prosecution and coordinating their implementation within the office, and serving as Acting United States Attorney in the absence of the United States Attorney and the Principal Assistant.

1970 to 1972 Administrative Assistant United States Attorney for the District of Columbia, with responsibility to supervise, and advise the United States Attorney concerning, all administrative activities of his office, including hiring, training, transfer and promotion of attorneys, and consultation with the United States Attorney concerning matters of major office policy.

1968 to 1970 Assistant United States Attorney for the District of Columbia, with responsibilities as a felony and misdemeanor trial assistant, and as Deputy Chief of the then-Court of General Sessions (misdemeanor trial) Section.

1966 to 1968 Law Clerk to Judge William B. Bryant of the United States District Court for the District of Columbia.

part-time,
1967 to 1969 Faculty Member, "The Heights", Washington, D.C. . . . Taught course on "The Legal Process" and directed legal research projects for senior high school students in the District of Columbia.

summer, 1965 Law Clerk to Attorney Edward J. McCormack, Jr., Boston, Massachusetts.

summer, 1964 Law Clerk to Attorney Floyd B. McKissick, McKissick and Burt, Durham, North Carolina (grant from Law Students Civil Rights Research Council).

Education

1963 to 1966 Columbia Law School, New York City, N.Y. 10027. . . Received LL.B. degree in June, 1966 . . . Finalist and member of best team, Harlan Fiske Stone Honor Argument . . . Chairman, Columbia Law School Forum and Moderator-Producer, Columbia Law Forum of the Air (WKCR-FM) . . . Co-chairman, Columbia chapter, Law Students Civil Rights Research Council.

1959 to 1963 Harvard College, Cambridge, Mass. 02138 . . . Received A.B. degree, cum laude, in June, 1963 . . . Dean's List (senior year) . . . News, Sports and Public Affairs Director of Harvard Radio Broadcasting Company (WHRB-FM) and Moderator-Producer of Harvard Radio Forum . . . President, Harvard-Radcliffe Young Democratic Club (1961-1963).

other ABA-LEAA National Workshop on Reduction of Court Delay and the Cost of Litigation (May, 1979). . . Deputy Attorney General's Public Policy Seminar (December, 1976). . . Attorney General's Senior Executive Seminar (November, 1974). . .United States Attorney's Management Seminar (December, 1973).

Professional Memberships

Member of the Bars of the District of Columbia (admitted June 19, 1967) and the Supreme Court of the United States (admitted June 22, 1970).

District of Columbia Bar (unified). . . Chairperson of Division on Courts, Lawyers and the Administration of Justice (1977-1978). . . Member (1978 to present) and Vice Chairperson (1979 to present) of the Legal Ethics Committee of the Bar. . .Member of Bar's Committee on Continuing Legal Education (1979 to present). . . Member of Lawyer Referral and Information Service Committee (1978-1980).

Member, District of Columbia Superior Court Advisory Committees on Criminal Rules (1978 to present), the Federal Rules of Evidence (1974) and Pretrial Mental Competency Examinations (1974-1977). . .Member, Citizens' Complaint Center Advisory Board (1978 to present).

Member (representing the United States Attorney), District of Columbia Criminal Justice Coordinating Board and Chairman, Administration of Justice Committee (1974-1975) and Systems Development Committee (1975-1976). . .United States Attorney's representative on the District of Columbia's Criminal Justice Supervisory Board (1979 to present).

Member of Judicial Conferences for the District of Columbia Circuit (1974-1980) and District of Columbia Courts (1976-1980). . .Member of Judicial Conference Committee on the Implementation of the American Bar Association's Standards of Criminal Justice in the District of Columbia (1972-1974). . .Member of Advisory Panel to Joint Committee on Criminal Defense Services of the Judicial Conference and the District of Columbia Bar (unified) (1975).

Member, American Bar Association (1974 to present) and Sections of Criminal Justice, and Individual Rights and Liberties. . . Chairperson, Pretrial Release Committee (1977-1978) and Committee on Rules of Evidence and Criminal Procedure (1979-1980). . . Member, Committees on Federal Rules of Evidence and Procedure (1975 to 1977), Habeas Corpus (1975), Pretrial Release (1976), Prosecution Function (1978-1979) and Task Force to Update Standards relating to Function of the Trial Judge, Trial by Jury, Speedy Trial, Sentencing and Probation (1977-1979).

Attorney General Civiletti's Task Force on Police Use of Deadly Force (1979 to present) . . . Attorney General Levi's Task Force on Prosecutorial Discretion (1976). . . Deputy Attorney General's Task Force on a Local Prosecutor for the District of Columbia (1979).

Treasurer, Columbia Law School Alumni Association (District of Columbia) (1978-1980).

Trustee, William B. Bryant Portrait Trust Fund (1979-1980).

Publications

Criminal Jury Instructions for the District of Columbia (Chairperson of Criminal Jury Instructions Committee and Editor, 2nd edition, 1972, 3rd edition, 1978, and case update lists, 1979 and 1980). . . "Voiceprint Identification: The Case in Favor of Admissibility", Voiceprint Identification: Admissible Evidence?, A.B.A., 1976, and 13 American Criminal Law Review 171 (1975). . . Book Review of Against Our Will, 65 Georgetown Law Journal 857 (1977) . . . "The Prosecutor's Role in the Pretrial Release of Criminal Defendants", Pretrial Problems of the Prosecutor (National College of District Attorneys, 1977). . . Criminal Trial Manual, United States Attorney's Office for the District of Columbia (Editor, 1977 edition).

Awards

Recipient of Federal Bar Association's Younger Lawyer Award (1975) for "outstanding service to the United States" by "demonstrating legal competence, industriousness and achievement of the highest order". . .

Department of Justice Director's Award from Executive Office of United States Attorneys (1979) for "outstanding service to the Office of the United States Attorney". . . Assistant United States Attorneys Association Harold J. Sullivan Award (1978), presented to the "Assistant United States Attorney who best exemplifies the selfless devotion, personal courage, professional fairness and advocacy of the late Harold J. Sullivan". . . Department of Justice Special Achievement Award (1971), "in appreciation and recognition of sustained Superior Performance of Duty". . . American Correctional Association Certificate of Appreciation (1972), for significant contribution to the development and success of "Project Crossroads", a pretrial diversion program. . . Marvin E. Preis Award (1978), presented by the Young Lawyers Section of the Bar Association of the District of Columbia for "outstanding achievement". . . District of Columbia Bar Award of Merit (1979) for "exceptional performance" as a member of the Legal Ethics Committee of the Bar.

Personal

Born June 17, 1941 in New York City. . . Married to Karen Ann Kapala on August 6, 1966 at Wellesley, Massachusetts. . . Two children, Christopher Bryant Greene (born July 12, 1969) and Jonathan David Greene (born November 27, 1971). . . Coach, D.C.-Maryland youth soccer (M.S.I.) team (1978-1979). . . Cubmaster, Pack 52, Washington, D.C. (presently).

8/28/80

Jack Watson

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

Rick Hutcheson



U.S. Department of Justice

Office of the Associate Attorney General

Washington, D.C. 20530

Jack
J

MEMORANDUM FOR: Jack H. Watson, Jr.
Assistant to the President

FROM: John H. Shenefield *JHS*
Associate Attorney General

RE: Iranian Student Project at Federal
Correctional Institution, Otisville,
New York, and Metropolitan Correctional Center,
New York, New York, August 2-5, 1980

You asked for a report on the above project. Based upon my preliminary investigation, these are my tentative findings:

are they being deported?

1. Of the 192 Iranians involved, it now appears that only approximately five individuals are in any significant way "out of status" and may therefore be subject to deportation proceedings for violations of the immigration laws. This figure is derived from the initial investigations done on August 2-5 and from an independent re-check done over the last two weeks by INS personnel in Washington at the personal direction of the Acting Commissioner.

2. For reasons which are still unclear and which should be explained shortly when an INS Office of Professional Responsibility investigation is completed, some number, perhaps as many as 30-50, of the Iranian males may have been released without any investigative checks being done on the data provided by them to the INS investigators. The re-check mentioned above has already determined that only one of those released on this basis may be "out of status," so that no harm resulted from this error.

3. Notwithstanding press allegations which repeated charges made by certain INS officers, no orders of any kind were given by either INS or Justice Department officials in

Washington to release the Iranians without verification of the information they gave to the investigators. To the contrary, the Assistant Commissioner for Investigations and the Acting General Counsel of the INS personally flew up to the FCI and instructed the investigators on the procedures by which deportation proceedings might be initiated against any of the Iranians found to be "out of status." Elaborate preparations were laid for conducting such proceedings, and personnel were standing by in New York City to accept bonds from any of the students so classified.

4. So far as I can determine, there were no bad faith or malicious decisions made to release the Iranians. Three senior INS officials from Washington and New York City arrived at the FCI shortly before 6:00 p.m., Tuesday, August 5, and were told orally by the INS supervisor on the scene that checks had been done on all the 172 males and these showed only two individuals were "out of status." Appropriate bonds or other transfers were arranged for those two persons. On that basis, and only after they received this report (which corroborated telephone reports they had gotten from the same supervisor over the preceding 48 hours), they authorized the release of the Iranians.

5. Clearly, there is a discrepancy between the report made by the supervisor to his superiors and what may, in fact, have occurred at the FCI. This is a very serious managerial problem, and following the completion of the investigation described above, the Department and the INS will take any corrective or disciplinary measures deemed necessary.

6. However, in viewing this entire operation, I feel compelled to note that, notwithstanding this problem, the Justice Department, INS, Bureau of Prisons, U.S. Marshals Service, Defense Department, Air Force, and state and local authorities worked effectively together and on virtually no notice. They moved the Iranians from Washington, conducted the investigations, and then moved them back to Washington without serious incident or any harm or injury being done to any of the Iranians, despite their lengthy fast and weakened physical condition. This was a massive and delicate project, fraught with potential for disruption and repercussions in Tehran. The personnel from all these agencies understood the responsibility they bore, and I think generally they discharged it well.

I would be happy to come over and brief you more fully on the details of my review of the facts if that would assist you. Please let me know if you wish to have such a briefing.

8:15 AM

THE WHITE HOUSE

WASHINGTON

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MEETING WITH MEMBERS OF CONGRESS

Wednesday, August 27, 1980 and
Thursday, August 28, 1980
8:15 - 8:30 a.m. (15 minutes)
State Dining Room

From: Frank Moore *FM*
Zbigniew Brzezinski *ZB*

- I. PURPOSE. To discuss the International Monetary Fund and Multilateral Development Bank legislation with undecided Members. (There are some supporters among the invitees. Chairman Reuss, whose responsibility this legislation is, will be among the group on Thursday.)

The authorization bill for the IMF has been placed on this week's House floor schedule, but it will actually be considered late next week at the earliest.

The IDA VI authorization legislation may be considered around mid-September, if the IMF passes by a comfortable margin.

II. BACKGROUND, SCENARIO, PARTICIPANTS AND PRESS ARRANGEMENTS

- A. Background. We are holding these breakfasts at the request of Secretary Miller because he believes it is crucial to persuade undecided Members of Congress about the importance to our own economy and the world of the International Monetary Fund and the Multilateral Development Banks.
- B. Scenario. You will open the meeting. After you leave Secretary Miller will give a more detailed explanation of the legislation. His remarks will be followed by a question and answer session. Tom Ehrlich, Director of IDCA, will close the meeting.
- C. Participants. See complete lists at Tab A.
- D. Press Arrangements. White House photo.

ATTENDEES AT CONGRESSIONAL BREAKFAST ON WEDNESDAY, AUGUST 27, 1980

AT 8:00 A.M. IN THE STATE DINING ROOM

Rep. Donald J. Albosta	(D/Mich)	Secretary William Miller	(Treasury)
Rep. Glenn M. Anderson	(D/Calif)	Fred Bergsten	(Treasury)
Rep. Beryl F. Anthony	(D/Ark)	Donald Terry	(Treasury)
Rep. Edward P. Beard	(D/RI)		
Rep. Douglas Bereuter	(R/Neb)	Thomas Ehrlich	(Director, IDCA)
Rep. Mario Biaggi	(D/NY)	Roger Cochetti	(IDCA)
Rep. James Blanchard	(D/Mich)		
Rep. John Breaux	(D/La)	Brian Atwood	(State)
Rep. William Broomfield	(R/Mich)		
Rep. John Buchanan	(R/Ala)	Frank Moore	(White House)
Rep. Clair W. Burgener	(R/Calif)	Bill Cable	(White House)
Rep. John J. Cavanaugh	(D/Neb)	Henry Owen	(White House)
Rep. William Clinger	(R/Pa)	Madeleine Albright	(White House)
Rep. Robert W. Davis	(R/Mich)		
Rep. Edward Derwinski	(R/Ill)		
Rep. Brian J. Donnelly	(D/Mass)		
Rep. Charles Dougherty	(R/Pa)		
Rep. Allen E. Ertel	(D/Pa)		
Rep. Thomas B. Evans	(R/Del)		
Rep. Dante Fascell	(D/Fla)		
Rep. Hamilton Fish	(R/NY)		
Rep. Wyche Fowler	(D/Ga)		
Rep. Bill Frenzel	(R/Minn)		
Rep. Sam Gibbons	(D/Fla)		
Rep. Benjamin Gilman	(R/NY)		
Rep. Dan Glickman	(D/Kans)		
Rep. Henry B. Gonzalez	(D/Tex)		
Rep. Albert Gore	(D/Tenn)		
Rep. William H. Gray	(D/Pa)		
Rep. William Green	(R/NY)		
Rep. Kent Hance	(D/Tex)		
Rep. Margaret Heckler	(R/Mass)		
Rep. Henry J. Hyde	(R/Ill)		
Rep. Abraham Kazen	(D/Tex)		
Rep. Ray Kogovsek	(D/Colo)		
Rep. John La Falce	(D/NY)		
Rep. Matthew McHugh	(D/NY)		
Rep. Parren Mitchell	(D/Md)		
Rep. Philip R. Sharp	(D/Ind)		
Rep. J. William Stanton	(R/Ohio)		
Rep. Chalmers Wylie	(R/Ohio)		

* * *

8:20 AM

THE WHITE HOUSE

WASHINGTON

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MEETING WITH MEMBERS OF CONGRESS

Thursday, August 28, 1980
8:20 - 8:35 a.m. (15 minutes)
State Dining Room

From: Frank Moore TM
Zbigniew Brzezinski ZB/ma

- I. PURPOSE. To discuss the International Monetary Fund and Multilateral Development Bank legislation with undecided Members. (There are some supporters among the invitees. Chairman Reuss, whose responsibility this legislation is, will be among the group.)

The authorization bill for the IMF has been placed on this week's House floor schedule, but it will actually be considered late next week at the earliest.

The IDA VI authorization legislation may be considered around mid-September, if the IMF passes by a comfortable margin.

II. BACKGROUND, SCENARIO, PARTICIPANTS AND PRESS ARRANGEMENTS

- A. Background. We are holding these breakfasts at the request of Secretary Miller because he believes it is crucial to persuade undecided Members of Congress about the importance to our own economy and the world of the International Monetary Fund and the Multilateral Development Banks.
- B. Scenario. You will open the meeting (the Members will have eaten). After you leave, Secretary Miller will give a more detailed explanation of the legislation. His remarks will be followed by a question and answer session. Tom Ehrlich, Director of IDCA, will close the meeting.
- C. Participants. See complete list at Tab A.
- D. Press Arrangements. White House photo.

III. ISSUES FOR DISCUSSION - TALKING POINTS

The importance of pending legislation for the International Monetary Fund (IMF) and the Multilateral Development Banks (MDBs):

Before the end of this session of Congress, the House will consider legislation to authorize and fund continued U.S. participation in the International Monetary Fund and the International Development Association -- the World Bank's concessional loan window.

Both of these institutions are vital to the economic and strategic interests of the United States and deserve full Congressional support.

There is concern however, both here and abroad, about Congressional willingness to approve a continued leadership role for the U.S. in these institutions. These concerns were raised in the recent economic summit at Venice.

Congressional failure to approve commitments which have been carefully worked out with our allies would be a disastrous signal of retreat in our foreign policy and could have equally adverse consequences to our long-term economic self-interest.

The Senate passed the necessary authorizing legislation for these institutions by wide margins earlier in the year, so American leadership in these institutions now rests with the House.

Secretary Miller will be talking to you in greater detail about these programs, but I want to take a few minutes now to outline the critical nature of these institutions to our country.

1. The U.S. depends on a healthy world economy.

Exports account for one of seven manufacturing jobs and one-third of farm output in this country. American corporations depend on international business for 30 percent of their total profits. The developing world has been our largest and fastest growing export market, accounting for a 30 percent share of U.S. exports. The ability of developing countries to sustain and expand such imports from the United States -- which have a very considerable impact on U.S. employment -- is determined by their pace of development.

2. The world economy is in a period of great strain.

Growing balance of payments deficits;
Soaring energy costs;
Slower growth; and
Rapid inflation.

3. IMF and MDBs are essential.

The looming economic problems of the next few years will sorely test the capacity of the international economic system to sustain growth and expanding prosperity for all. The IMF and the Multilateral Development Banks are the common defense forces of the world economy. These institutions must have the resources to do their jobs. The IMF is the front line in our efforts to maintain global economic stability. The Multilateral Development Banks promote economic progress.

4. Role of International Monetary Fund.

A quota increase for the IMF is vital to permit growth in world trade and investment, by helping to finance short-term balance-of-payments deficits with temporary credits. In exchange for assistance, the Fund requires necessary discipline over national economic policies.

The quota increase will give U.S. access to more resources to defend the dollar, if necessary (as in November 1978), because we can immediately borrow foreign currencies to defend our own position. The U.S. is historically the second largest user of the fund.

It will enable us to maintain U.S. influence as the largest and most powerful member of the IMF, and thus our leadership role in international financial matters.

The U.S. subscription to the IMF is not foreign aid. It is important to note that the U.S. share of the quota increase -- \$5.5 billion -- will not result in any net budgetary outlays and, therefore, does not in any way contribute to a budget deficit.

5. Role of Multilateral Development Banks

The developing world is entering a critical period with the difficult international economic environment aggravating the already serious problems of widespread poverty. The Multilateral Development Banks are the most cost-effective catalysts for development in the world today. For example, they are able to lend \$50 for every \$1 which the U.S. pays into them (by tapping other donor countries and the private capital markets).

Our national interests require support for the free market system and an environment which fosters economic growth and political stability throughout the developing world. One need only scan the list of the largest development bank borrowers (Mexico, Brazil, India, Korea, Pakistan, Egypt, Indonesia, Colombia, Kenya and Turkey) to grasp the importance of the MDBs to U.S. strategic and economic interests.

The expanded scope of MDB lending for energy and food production underscores the vital role these banks are playing in finding solutions to our critical global problems by promoting development in the Third World. The World Bank and IDA alone plan to finance by 1985 projects that will expand energy output equivalent to 2 1/2 million barrels of oil daily. Of course, every additional barrel of oil produced increases the world supply and lessens the pressure on our prices.

Our own economy benefits from MDB activity. For every \$1 we pay into them, our own economy expands by \$3 as a direct result -- and there is a much greater impact as a result of indirect effects.

The IMF and the MDBs are the centerpiece of the free-world economic system. To the extent that the developing countries look to them for their own future development needs, they will be less tempted by the blandishment of Communist countries.

6. Support for these institutions has been non-partisan over the years; and we hope to count on your support when the bills come to the floor in the near future.

LEGISLATIVE BACKGROUND FOR IMF AND IDA VI LEGISLATION

On June 16, 1980 the Senate approved S. 2271, the IMF quota increase authorization bill, by a vote of 55 yeas to 25 nays; and the IDA VI authorization bill, S. 2422, by a vote of 53 yeas to 24 nays.

The House Banking Committee on May 13, 1980 reported out H.R. 7244, the IMF authorization bill, by a vote of 34 yeas to 4 nays; and H.R. 6811, the IDA VI authorization bill, by a vote of 31 yeas to 9 nays.

The authorization bill for the IMF has been placed on this week's House floor schedule, but it will actually be considered late next week at the earliest.

The full House Appropriations Committee will consider funding for IMF this Thursday, and the IMF appropriations legislation will likely be on the House floor the same day as the authorization bill.

The IDA VI authorization legislation may be considered around mid-September, if the IMF passes by a comfortable margin.

Funding for the IDA VI is contained in the FY 1981 foreign aid appropriations bill which will apparently not be considered until after the election.

THE WHITE HOUSE
WASHINGTON
August 27, 1980

TO THE PRESIDENT

One of the invitees is John Breaux (D/La). He is the author of H.R. 7039, the American Fisheries Promotion Act. You should be aware that he will try to speak to you privately about this bill because he told Japanese representatives that he would be seeing you at breakfast.

The Breaux bill is generally useful for the development of fisheries in our 200 mile Fisheries Conservation Zone. It does, however, raise some serious programmatic, budgetary, and international problems. Foreign governments are especially concerned about the so-called "phase out" provisions designed to eliminate all foreign fishing in U.S. waters.

Secretary Klutznick met with Breaux on Tuesday in one more effort to work out some compromise on the legislation. Breaux was adamant about retaining the "phase out" provision. We will not be able to support his bill if we cannot reach a compromise on that issue and you should make that clear to him. Breaux told Klutznick that if "phase out" is not kept in, he will kill his own bill.

You should also know Elliott Richardson called Dr. Brzezinski to stress his problems with the bill as it relates to the Law of the Sea.

SPECIAL TALKING POINTS FOR JOHN BREAU

I am aware of your Fisheries Bill.

The bill is a good bill except frankly for the foreign phase-out provisions which cause us serious problems. Several foreign governments have raised this with various members of my Administration.

I generally support your effort to assist development of our domestic fishing industry but I must object to the foreign fishing phase out provisions on foreign policy and national security grounds. Mandating the phase out of foreign nations' fishing in our 200 mile Fisheries Conservation Zone is undesirable because foreign countries may retaliate and our ability to leverage favorable trade agreements for our fishing industry is decreased.

I understand that you met with Secretary Klutznick yesterday in an effort to work out a compromise. Apparently you were not able to resolve the problem, but I hope you will be able to do so. If the "phase out" is removed and some cost adjustments are made, we could support the bill. Otherwise we cannot.

ATTENDEES AT CONGRESSIONAL BREAKFAST ON THURSDAY, AUGUST 28, 1980

AT 8:00 A.M. IN THE STATE DINING ROOM

Rep. Silvio Conte	(R/Mass)	Rep. Wes Watkins	(D/Okla)
Rep. Robert Garcia	(D/NY)	Rep. Lester Wolff	(D/NY)
Rep. Robert Giaimo	(D/Conn)	Rep. Joe Wyatt	(D/Tex)
		Rep. Larry Winn	(R/Kans)
		Rep. Sidney Yates	(D/Ill)
Rep. James P. Johnson	(R/Colo)	Rep. Clement Zablocki	(D/Wisc)
Rep. James Leach	(R/Iowa)	Rep. Leo Zeferetti	(D/NY)
Rep. Clarence Long	(D/Md)		
Rep. Jim Lloyd	(D/Calif)	* * *	
Rep. Robert McClory	(R/Ill)		
Rep. Robert McEwen	(R/NY)		
Rep. Gunn McKay	(D/Utah)	Secretary William Miller	(Treasury)
Rep. Stewart McKinney	(R/Conn)	Fred Bergsten	(Treasury)
Rep. Edward R. Madigan	(R/Ill)	Donald Terry	(Treasury)
Rep. Marc L. Marks	(R/Pa)		
Rep. Romano Mazzolli	(D/Ky)	Thomas Ehrlich	(Director, IDCA)
Rep. Dan Mica	(D/Fla)	Roger Cochetti	(IDCA)
Rep. Stephen Neal	(D/NC)	Brian Atwood	(State)
Rep. Bill Nelson	(D/Fla)		
		Frank Moore	(White House)
Rep. David R. Obey	(D/Wisc)	Bill Cable	(White House)
		Henry Owen	(White House)
Rep. J. J. Pickle	(D/Tex)	Madeleine Albright	(White House)
Rep. John Porter	(R/Ill)		
Rep. Nick Joe Rahall	(D/WVa)		
Rep. Ralph Regula	(R/Ohio)		
Rep. Henry S. Reuss	(D/Wisc)		
Rep. Charles Rose	(D/NC)		
Rep. William Royer	(R/Calif)		
Rep. Harold S. Sawyer	(R/Mich)		
Rep. Paul Simon	(D/Ill)		
Rep. Stephen Solarz	(D/NY)		
Rep. Edward Stack	(D/Fla)		
Rep. J. William Stanton	(R/Ohio)		
Rep. Samuel Stratton	(D/NY)		
Rep. Mike Synar	(D/Okla)		
Rep. Tom Tauke	(R/Iowa)		
Rep. Harold Volkmer	(D/Mo)		

THE WHITE HOUSE

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WASHINGTON

ANNOUNCEMENT OF POLICY FOR ECONOMIC RENEWAL

Thursday, August 28, 1980

2:00 p.m.

The East Room

FROM: ANNE WEXLER *AW*
FRANK MOORE

I. PURPOSE

To announce your economic program to revitalize and stabilize the American economy for the 80's.

II. BACKGROUND, PARTICIPANTS, PRESS PLAN

A. Background:

As you know, over the last few weeks, we have conducted a series of consultations with Congress, business, labor, and interest groups on ways to revitalize American industrial productivity.

Thursday's announcement is to be preceded by embargoed briefings for financial and editorial writers, science writers and the White House Press Corp.

Following your East Room announcement and a reception in the State Dining Room, the audience will be subdivided into interest areas and given a detailed briefing of your policy by Bill Miller, Stu Eizenstat, Jim McIntyre and Charlie Schultze. On Friday, EPG members will appear on the morning TV shows and 25 Cabinet and sub-Cabinet officials will visit key cities for media appearances and editorial board briefings. In addition, we will brief 2,000 interest group representatives next week.

B. Participants:

Invited are the Cabinet, Congressional leaders, and leaders from business, labor, state and local government and social action groups. Attached is a list of some of the more prominent persons who have indicated they will attend. We will update this list during the day tomorrow. Many of these people have been briefed by EPG members and will be prepared to make supportive statements.

C. Press Plan:

There will be open press coverage for your remarks; financial, economic and specialized press writers will also attend.

MEMBERS OF CONGRESS WHO HAVE INDICATED THEY WILL ATTEND

SENATE

Daniel Inouye
Gaylord Nelson

HOUSE

Lud Ashley
Edward Bolling
Tim Wirth
Tom Foley
John Brademas
Leon Panetta
John Murtha
Richard Gephardt
Dan Rostenkowski
Mario Biaggi
Henry Nowak
Cardiss Collins
Bob Giaimo
Stan Lundine

PERSONS WHO HAVE INDICATED THEY WILL ATTEND

Business

Clifton Garvin
Chairman, Exxon Corporation

Thomas Murphy
Chairman, General Motors

John Filer
Chairman, Aetna Life Insurance

Donald Trautline
Chairman, Bethlehem Steel Corporation

Harry Jacobs
Chairman, Bache and Company

Ted Brophy
Chairman, GT&E

David Roderick
Chairman, U.S. Steel

Phil Caldwell
Chairman, Ford Motor Company

Tom Clausen
Chairman, Bank of America

Arthur Levitt
Chairman, American Stock Exchange

Stan Crane
Chairman, Southern Railway

Labor

Tom Gleason
President, Longshoreman

John O'Donnell
President, Airline Pilot Association

Daniel Maroney
President, Amalgamated Transit Union

Willard McGuire
President, NEA

Steve Schlossberg
UAW

Bob Georgine
President, Building Trades

Bill Konyha
President, Carpenters Union

Robert White
President, National Alliance of Postal
and Federal Employees

Pascal DiJames
President, Tile and Marble International
Union

State and Local

Governor Brendan Byrne

Governor Hugh Carey

Bobby Crim
Speaker, Michigan House of Representatives

Ernest Morial
Mayor, New Orleans

Carl Officer
Mayor, East St. Louis

George Forbes
President, Cleveland City Council

Others

CORETTA Scott King

Raul Izaguirre
President, National Council La Raza

Pasty Mink
President, ADA

Jacob Clayman
Executive Director, National Council
of Senior Citizens

THE WHITE HOUSE
WASHINGTON

28 aug 80

for the record:

Al Moses received a copy of the
attached.

11:00 AM

THE WHITE HOUSE

WASHINGTON

August 27, 1980

C

MEMORANDUM FOR THE PRESIDENT

FROM: ALFRED H. MOSES *al*

SUBJECT: The Geula Cohen Bill

For your meeting with Jewish leaders tomorrow (Thursday), you should know that a version of your remarks to the similar group on Tuesday was reported in the Israeli press, concerning your talk with Burg about the status of the Cohen Bill on Jerusalem. Burg has asserted publicly that he told us here in Washington that the Cohen Bill would likely pass before the Knesset adjourned for the summer. At Begin's instructions, Ambassador Evron has been contacting senior Administration officials to complain about your reported characterization of your talk with Burg. If questioned about it in your meeting tomorrow, I suggest you should hold fast to what you said Tuesday: that you had reason to believe the Cohen Bill would not be passed, and on that basis asked Ali to get Sadat to restart the talks.

*Get continue to
tell the facts -*

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THE WHITE HOUSE

WASHINGTON

August 27, 1980

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MEMORANDUM FOR THE PRESIDENT

FROM:

ALFRED MOSES *AM*

SUBJECT:

Meeting with Rabbis and Jewish Leaders,
Roosevelt Room, Thursday, August 28, 1980, 11:00 a.m.I. PURPOSE

Similar to Tuesday's meeting, this is a meeting with twenty Jewish supporters from New York.

II. BACKGROUND, PARTICIPANTS AND PRESS

- A. Background: These people are coming as friends of Carter-Mondale and were picked because of their creditability in the Jewish community.

I suggest you talk for approximately five minutes, leaving the remaining 10 minutes for questions.

See attached Talking Points (Tab A).

- B. Participants: See attached list (Tab B).

White House Staff: Al Moses and Sara Seanor.

- C. Question and Answer: See Tab C.

Please note that page 3 of the talking points has been changed from Tuesday's speech.

TALKING POINTS FOR PRESIDENT'S MEETING
WITH JEWISH SUPPORTERS
FROM NEW YORK CITY

TAB A

It is good to be with friends. I appreciate your coming to meet with me. I'm going to be very busy the next ten weeks travelling throughout the country explaining to the American people the difference between a Democratic Administration and a Republican Administration.

As I see it, the difference is whether our government is going to move forward or look backward, whether we as a nation are going to move resolutely and confidently in the next two decades of this century, or look back to a world that never was.

I have read where Ronald Reagan refers in his speeches to the 1920s and people like Jack Dempsey and Will Rogers. They were fine people, but let's not forget Warren Harding, Calvin Coolidge, and Herbert Hoover. They were the political leaders of that era, and I do not believe that they're the right model for today. We have to move forward, not look backward.

We have to look realistically at the problems of our cities.

Irresponsible tax deductions will only add to inflation and make far worse the problems of our urban areas. Our citizens are only now beginning to see the benefit of this Administration's urban policy. Pouring billions of dollars indiscriminately into the defense industry will not solve our economic problems and will do very little for our urban areas, particularly New York City.

Another area in which Governor Reagan and I differ is energy.

We are making progress in reducing our dependence on imported oil. Since 1977 we have reduced our average daily import of oil from 8.5 million barrels to 6.5 million barrels and under the Comprehensive Energy Program, which we now have in place, we will reduce that amount even more over the next decade -- reducing by 50% the amount of oil we imported in 1977. I need not tell you what this means for our country. It will remove the threat of oil embargoes and other forms of political coercion which some OPEC nations might be tempted to try.

I can think of nothing more important, not only for our country,
but also for Israel.

We have made progress over the last 3-1/2 years on human rights.

Last year about 50,000 Soviet Jews emigrated to this country
and Israel. This was the largest number ever. I am deeply

disturbed about the sharp reduction in the number of Jews the

Soviets are allowing to leave at the present time. Last month

the figure was about 2,500 and new approvals were below 1,000.

30,000

Our relations with the Soviet Union have, as you know, been

affected by the Soviet invasion of Afghanistan. But this will

not lessen our efforts. We shall continue to use whatever

influence we have to aid the cause of Soviet Jewry. I stated

this publicly here at the White House last month in connection

with the forthcoming Madrid meetings under the Helsinki Accords.

And I have instructed our delegation in Madrid to present this

issue as forcefully as possible.

I do not want to do all the speaking, I want to hear from you.

But there is a final word or two I want to say about our policies in the Middle East.

I know that questions have arisen about the policy this Administration will follow if I am re-elected. No doubt you are being asked this question in your own communities. I want you to tell your friends that there will be no change in my Administration's commitment to the security and well-being of Israel. This is not a matter of political expediency but of my own conviction -- both as President and as a person, that the interests we share in common with Israel form the basis for a firm link between our two countries that will not be broken.

We may disagree with the government of Israel from time to time. This is to be expected. It has happened many times over the 32 years of Israel's existence. We have disagreements with other allies, but it doesn't affect the basic relationship

between our countries. The same thing is true concerning Israel.

Under my Administration we have provided approximately one-half of the aid -- both military and economic -- that Israel has received in the last 32 years. As I stated in my acceptance speech, we have never threatened to slow down or stop this aid, and as long as I am President we never shall. Nor will we impose a peace on Israel as George Ball and some others have suggested.

Our role is that of a full partner with Egypt and Israel in a common search for peace. We have not dictated terms to Israel and we never shall. This would be an affront both to Israel's democratic process and to my personal belief of what is right and proper in relations between friendly governments.

A last point which I hope you will carry with you to your friends. When I was elected President this country was facing an Arab boycott which sought to tell American businesses where

they could do business and with whom. My predecessor and two of the leading members of his Cabinet, Simon and Kissinger, blocked efforts to pass effective legislation to combat the Arab Boycott.

When I became President, we worked with the Congress and with American Jewish leaders -- and some outside businessmen as well -- to put on the books effective legislation. Many people in the business community and even some politicians said we should not do it -- that it would affect our relations with Saudi Arabia and other Arab nations. I did not buy this then and I do not subscribe to it now. I shall always do what is right and proper in the interest of our country and in the interest of justice and I shall let the political consequences take care of themselves.

JEWISH SUPPORTERS
August 28, 1980

NEW YORK

Zahava BURACK	Westchester, New York
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Francis EHRENBERG	Chairman of the Board Rumford National Graphics Valley Stream, New York
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Rabbi Bernard MANDELBAUM	New York, New York
Bernard NUSSBAUM	Attorney Wachtell, Lipton, Rosen & Katz New York, New York

TAB
B

NEW YORK

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Kalman SULTANIK	Executive Co-President World Confederation of United Zionists New York, New York
Professor Aaron TWERSKI	Former Dean Hofstra Law School New York
Rabbi Amiel WOHL	Senior Rabbi Temple Israel of New Rochelle New York

Q's and A's

Q: Last week in the Security Council, the U.S. abstained rather than voting "no" on a Resolution that called on all members to move their embassies from Jerusalem. Some persons have commented that this represents a change in our government's position on Jerusalem, and indicates that we no longer recognize Israeli sovereignty over at least West Jerusalem.

A: Senator Muskie in his statement made it very clear that we considered this portion of the Resolution to be without force and not binding. He also said that we reject it. Secretary Muskie made it clear that our government would not allow the Security Council to impose sanctions against Israel. If the Security Council's action had been binding on members we would have vetoed it.

As for our position on Jerusalem, this has not changed.

I do not want to get into the questions of sovereignty and other legal terms. Our position is that Jerusalem should remain undivided and that there should be free access to the holy places for persons of all faiths.

The ultimate status of Jerusalem will be the subject of future negotiations. We have consistently called on all parties to refrain from taking any actions that will make the resolution of this issue more difficult, or will lessen the likelihood of a peaceful solution to the problems of the Middle East. I recognize the strong feelings that exist on this subject in Israel, and in the Jewish community in our country. I share these feelings, but during a period of negotiations, it is important that the concerned parties act in a constructive way.

out 8/28

THE WHITE HOUSE

WASHINGTON

August 27, 1980

C

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*

Attached for your signature is the Liberal Party letter, the text of which you approved yesterday. Since you read the letter, Mario Cuomo has suggested, and I have incorporated a few stylistic changes. There are no substantive changes.

Joel McCleary approves of the letter, but wants you to understand that it does not insure the Liberal Party's endorsement. In Joel's view, we are still in an uphill battle for that.

After you sign the letter I will have it hand-delivered to Ray Harding of the Liberal Party and a copy to Governor Carey.

**Electrostatic Copy Made
for Preservation Purposes**

CARTER/MONDALE RE-ELECTION COMMITTEE, INC.

Robert S. Strauss, Chairman
Tim Kraft, National Campaign Manager
S. Lee Kling, Treasurer

2000 L STREET, N.W., WASHINGTON, D.C. 20036

(202) 887-4700

August 28, 1980

To Donald Harrington

In my initial response to your letter of June 17, 1980, I enumerated the reasons why I believed the policies and accomplishments of my Administration in the past 3½ years have been responsive to the commitments of the Liberal Party. I would now like to share with you my vision of the future. I think you will agree that it is responsive to and compatible with the goals of the Liberal Party and I hope the Party will therefore decide to endorse the Carter-Mondale ticket.

The Liberal Party of New York always has been a critical, independent force for progressive ideals. In this election, we face a fundamental choice between the forces of reaction and those of progressive ideals. In this fight I certainly want and need you by my side. I renew my assurance that my Administration will remain in close and regular contact with you. The next four years will see a further enhancement of the close communication between your party and Democratic Presidents since Roosevelt. I will instruct key members of my White House staff and Cabinet to be certain your views are obtained on major policy initiatives and that the regular contact I have pledged occurs not only with me personally but with my official family.

In responding to your communication, I will follow the specific outline which you have provided.

1. A New Economic Initiative

I share your view on the need for a new economic initiative, which will create jobs, provide an accelerated recovery from the recession and deal with the structural problems in our economy that you have identified -- high inflation, low productivity, inadequate capital investment, tax inequities, heavy Social Security taxes and major industries and areas in distress. The Carter Administration believes that these problems cannot be solved through continued recession or high unemployment. Rather, they will respond to economic policies which directly confront the structural problems of our economy, rekindle growth and reduce our unacceptably high unemployment problem without re-igniting inflation and, indeed, while contributing to our fight against inflation. I do not and will not passively accept current or projected rates of high unemployment.

As I described in detail in my earlier responses, I have already vastly expanded the Federal government's commitment to jobs:

-- Doubling the Job Corps; increasing CETA by 50%; doubling our employment and training budget; increasing our investment in youth by almost 100%; developing the targeted jobs tax credit and the Title 7 CETA program which provides training incentives to the private sector to hire the hardcore unemployed.

But more needs to be done and will be done. My Administration's economic renewal program, which I have just announced, will be my highest legislative priority after the election.

It will create 450,000 additional jobs in its first 12 months and over 900,000 additional jobs by the fourth quarter of 1982. It is responsive to your memorandum in a variety of ways:

-- It offsets the impact of the increased Social Security taxes you mentioned, mandated for January 1, 1981, without reducing revenues for the Social Security trust funds, by a highly progressive tax credit equal to these tax increases. This credit will be available to both employers and employees, and will be refundable to employers, including State and local governments. This refundability will provide important fiscal relief for New York.

-- It corrects an inequity in the tax code by beginning the elimination of the marriage penalty, which penalizes the increasing number of households with two earners.

-- It will provide, through refundable investment tax credits, aid for hard-pressed industries such as steel and automobiles, referred to in your memorandum, which do not have the income to avail themselves of other tax incentives.

-- These refundable credits will also assist those new small business firms which have no initial earnings but are willing to commit funds to investment.

-- It will begin the development of a new economic planning process, which you mention, through a tripartite National Industrial Revitalization Board.

-- It will create an Industrial Development Authority to provide loans, loan guarantees, and grants on a selective, targeted basis to industries.

-- It will strongly encourage new capital formation by an accelerated depreciation proposal and new incentives for research and development.

-- It will provide incentives for industries which expand or locate in high unemployment areas.

In short, it is an exciting, dynamic, job-creating initiative. There will be \$5 billion in new FY '81 program money to aid in this effort.

2. Commitment to a Full Employment Economy

I am committed to a full employment economy. My Administration helped draft and lobbied hard to pass the Humphrey-Hawkins Full Employment Act. I share the commitment in the Democratic Party Platform to implement that Act. The economic renewal program which you suggested in our June meeting and which I have announced will help advance that goal. In addition, I am taking the following actions referred to specifically in your memorandum.

-- Fighting to maintain the level of public service jobs against repeated Congressional efforts to cut these jobs.

-- Urging passage of a \$1 billion anti-recession fiscal assistance program, which is part of the overall program I just announced, to aid hard-pressed State and local governments.

-- Urging Congress to expand unemployment benefits on a carefully targeted basis to provide 13 additional weeks of coverage above and beyond existing law.

-- Continuing my efforts to pass and fund the \$2 billion Youth Act of 1980 to provide over 450,000 job slots for our disadvantaged young people. We must first pass the Act before considering funding beyond this major amount. If the Youth Act is as successful as we believe, then is the time to consider additional funding.

-- Announcing an expanded effort to weatherize our homes and public buildings so that we put Americans back to work saving energy, to implement the newly-signed Northeast Corridor program to rebuild railroad beds, and to help our ports export more coal.

-- Fighting to improve the Trade Readjustment Assistance program for workers displaced by imports.

-- Providing funding in FY 1981 for the Child Health Assurance Program and continuing to strengthen human service programs. Critical programs like Food Stamps were not reduced and should not be.

As you know, I am committed to a policy of careful and prudent budgeting, and to an unremitting fight against inflationary increases in the Federal budget. A new Federal spending program cannot deal with every perceived national problem. But I believe that the anti-inflationary objectives we both share can be achieved by a selective approach which intelligently distinguishes between wasteful Federal expenditures and innovative programs which meet important human needs.

3. Energy Policy

I fully agree with you that "[a] critical determinant of our economic health and national security is our energy policy." I have spent an enormous amount of time getting the public and the Congress to recognize the full gravity of our energy problem - and with considerable success. We have reversed the generation-long increase in our foreign oil dependency and will import 1½ million barrels per day less oil this year than when I took office in 1977.

In response to the specific items in your memorandum I make the following points:

-- With regard to the major oil companies, I have submitted a proposal to the Congress to sharply limit their ability to acquire other firms. The Treasury Department, with my support, has reduced the tax advantages to which you refer, making it more difficult for the major oil companies to treat their royalty payments as foreign taxes and credit them against U.S. taxes. At the same time I have urged the American people to recognize that our energy problems do not stem simply from the activities of big oil companies, and that as a nation we must take major steps both to conserve energy and expand alternative supplies.

-- I share your strong commitment to public transportation, and have asked that an additional \$13 billion out of the Windfall Profits Tax be spent for mass transit over the course of this decade, over and above the base, which I have already expanded.

I will be expanding my Administration's already significant commitment to incentives for conservation. I have very recently signed into law the new Energy Conservation and Solar Bank and increased its funding as part of my economic renewal program. It will supplement the significant new tax credits Congress has passed at my request which are, in your words, "rewarding home owners, renters, commercial building owners and industrial users for steps to use less energy." These tax credits also encourage the installation of solar equipment. We are expending more on conservation than on synfuels, which will be financed by loan guarantees and price guarantees. It is my goal that 20% of our nation's energy use should come from solar energy by the year 2000. This is a goal we must meet.

-- We have just vastly stepped up our research and development of renewable energy sources, on top of the tripling of our investment over the past 3½ years in solar energy, as a result of the new Solar Bank and the major new gasohol program I supported and recently signed into law as part of S.932.

-- We are embarking on intensified research into the effects of the expanded use of coal, including an acid rain study. As you suggest, we are accelerating the conversion of oil-fired utility plants to coal, both through the Fuel Use Act of 1978, which I supported and which has led to numerous conversions, and through sponsorship of the Utility Oil Backout bill now in Congress. This bill would save 1 million barrels of foreign oil per day by providing funds out of the Windfall Profits Tax to provide incentives for the utility industry to make the conversions to which you refer.

-- We are fighting in Congress to expand the level of low and moderate income heating assistance to \$2.4 billion per year in the coming years. I will carefully monitor the impact of rising oil prices on the poor in years to come to determine the appropriate level of assistance.

I understand your concerns about nuclear energy. It is for this reason that I have asked my Administration to work with the Nuclear Regulatory Commission to implement over 40 recommendations of my Commission on the Three Mile Island Accident. I have supported a moratorium on new licenses until these safety measures are put into place, at which point licensing should resume. I also have submitted a proposal to Congress to deal responsibly with nuclear wastes.

But we will need nuclear energy in the near term to reduce our dependence on foreign oil. The responsible approach is not to now halt the use of nuclear power, but to take every possible step to ensure that it is used safely. Of course, I support the Democratic Party-Platform's hope that ultimately other sources of power will be available to generate the power nuclear energy now supplies.

I do recognize the critical importance of "the New York subway system as a major line of defense in energy utilization." Not only am I committed to additional funding for mass transit as I have previously described, but I have proposed and Congress is in the course of passing, a formula change which will be of major importance to the New York transit system, providing additional assistance based, for the first time, on rider use.

4. Proportional Federal Investment in the Northeast

Since the beginning of my Administration, we have worked closely with the Conference of Northeast Governors and with the Northeast-Midwest Congressional Caucus on improving the Federal government's targeting to the Northeast and North Central States and other distressed areas. Under my Administration the Northeast gained jobs. This progress must continue.

As part of my urban policy, incentives were developed for new investment in distressed areas through new programs like the Urban Development Action Grant and the re-targeting of over 100 existing Federal programs, to distressed areas. I am now seeking Congressional passage of an expanded and more highly targeted Economic Development Act program, which will be of major value to the States to which you refer, including New York State.

The targeted investment tax credit and the President's Economic Revitalization Board, which I have proposed as an integral part of my economic renewal program, will also provide powerful new incentives to help revitalize these areas.

Further, I have issued Executive Orders to construct new Federal buildings in, rather than outside, urban areas, and to increase Federal procurement in labor surplus areas with high unemployment, such as the Northeast.

As you suggest, I will gladly review existing cost of living formulas, as well as energy credits, to assure that all regions of the country, including the Northeast, are being fairly treated. I will continue to seek the most effective military deployment the nation can achieve.

Finally, I have already proposed to the Congress Federal employee pay reform which would tie pay scales to wages in localities, which would benefit Federal employees in New York State.

5. Health, Education and Welfare Services

I agree with you, as I did with the Democratic Party Platform, that a balanced national budget should not come at the cost of economic and social misery for the disadvantaged. I am proud of my efforts to expand programs like Medicaid, WIC, Food Stamps, mental health, aid for the handicapped and elderly, and Title XX.

My position on welfare reform is that embodied in my Party's 1980 Platform - support for federal assumption of the local welfare burden and a phased reduction of the States' burden. This is of critical importance to the fiscal health of New York City. My pending welfare reform bill, which has passed the House, is a first step toward this goal. I will work with Governor Carey, Senator Moynihan and Mayor Koch to make its passage a major priority of my Administration. The Liberal Party can be an important part of making the dream of welfare reform a reality.

We have recently entered discussions with Governor Carey which could very well lead to a breakthrough on administrative actions for relief of some of New York's overwhelming Medicare/Medicaid burdens. We hope the Liberal Party will become involved in assisting with this effort.

I share your strong commitment to enactment of a comprehensive plan for national health insurance. It has been and will remain a very high priority of my Administration.

6. Presidential Leadership in Equal Opportunity

One of the areas of which I am most proud has been the civil rights record of this Administration. We have vigorously and effectively enforced the civil rights laws. We have instituted a new dual prosecution procedure, which permits a Federal investigation and prosecution of local crimes which may violate the Federal civil rights law of individuals. This procedure is now being used in Miami which, as your memorandum states, is "a grim reminder of the unfinished agenda of civil rights in this country."

We have obtained Congressional concurrence of a major strengthening and consolidation of the Equal Employment Opportunity Commission, a goal long sought by civil rights groups. We have had a strong affirmative action policy in Federal hiring at all levels of government and have significantly increased the percentage of Blacks, Hispanics and women in key roles in the Federal government.

As you know, one of the most lasting impacts a President can have on a country is his judicial appointments, since they serve for life and transcend the Constitutional limitation on Presidential service. It is therefore with great pride that I can point to the fact that I have appointed more Blacks, Hispanics and women to the Federal bench than all previous Presidents of the United States combined. I believe that my judicial appointments reflect a desire to have qualified, able, and progressive members of the Federal bench. This will remain my policy in a second term.

I am also now fighting for passage of the Fair Housing Amendments of 1980, which would strengthen the enforcement of the 1968 Fair Housing Act. I have been disappointed by the current enforcement mechanism, which is costly, cumbersome and ineffective in achieving the goals of the 1968 Act. I believe that passage of the 1980 amendments would be the most important advancement in civil rights in over a decade.

We have taken a strong stand supporting affirmative action in critical Supreme Court cases.

I fully agree with you that only Presidential leadership can remove the "ugly scar" of discrimination from our society. I believe my background has qualified me to provide that leadership, and I will continue to provide it.

7. Foreign Policy and National Security

Since the beginning of my Administration, I have pursued a foreign policy course rooted in our fundamental American values and designed to utilize our strength together with our friends and allies to deter war and build a stable peace.

To achieve these goals requires military strength. But it is also central for a strong America to avoid wasteful defense expenditures. I give no portion of the Federal budget more careful scrutiny and I can assure you that I will continue to do so in the future.

I am proud of having strengthened our nation's defenses, not in the least by eliminating wasteful or obsolete programs, closing unneeded military bases, and tightening the procedures for military procurement. The result is that we have saved billions of dollars in the last several years and will continue those savings into the future. These are savings that will be used to meet our real defense needs and other vital domestic programs as well as ease the burden of taxation and inflation. This has been a personal priority of mine, and I can assure it will continue.

Like you, I also believe that arms alone cannot provide the security within which our values and interests can flourish. Our foreign policy must be directed toward greater international stability, in particular deterring Soviet expansion, controlling arms and settling disputes that could lead to war. Notwithstanding my Administration's strong reaction to the Soviet aggression in Afghanistan -- which will continue as long as that aggression continues -- I intend at the same time to pursue balanced, verifiable arms control arrangements with the Soviet Union. I share your conviction that these arrangements are needed whatever the state of the US-Soviet relations and, in some respects, that need is greater when US-Soviet relations are worse rather than better.

I have initiated a comprehensive program of arms control. This effort encompasses limits on strategic arms, reduction in conventional and nuclear arms in Europe, the elimination of nuclear testing, control of the transfer of arms to the developing world, curbs on anti-satellite weapons, restraints on the proliferation of nuclear weapons, and more.

I sincerely hope to be able to move ahead on the ratification of the SALT II Treaty and proceed to the negotiation of deep reciprocal reductions in SALT III. All these efforts will be pursued vigorously with the Soviets to obtain a stable relationship based on reciprocity and mutual trust. In doing so, I have and will continue to work closely with other Western leaders.

I have often stressed that the independence, security and development of the countries of the Third World are very important both to our national security and to our commitment to advancing human rights and meeting basic human needs.

Violence and radical revolution thrive in an atmosphere of political repression, economic want, massive unemployment, and hunger. I have increased our requests for foreign economic assistance by more than 50 percent and will continue to press the Congress to meet our responsibility to aid the countries of the developing world to meet the needs and aspirations of their people peacefully, democratically, and through cooperation with the United States and other countries of the West.

At the beginning of my Administration, I recognized that American ideals are relevant to this troubling area of foreign policy and to the troubled final decades of our century. Our society has always stood for political freedom. Americans, as the Liberal Party need not be reminded, have always fought for social justice and recognized the need for pluralism. Those values of yours -- of ours -- have real meaning now in a world that is no longer dominated by colonial empires and demands a more equitable distribution of political and economic power.

My Administration has revived the policy emphasis that gives added purpose to our Nation's strength: the wholehearted commitment to promote universal standards of human rights. We do not maintain our power in order to seize power from others. Our goal is to strengthen our freedom and the freedom of others, to advance the dignity of the individual and the right of all people to justice, a good life, and a future secure from tyranny.

8. Israel

One of the abiding commitments of my Administration is to a strong, secure Israel at peace with its neighbors, living within secure and recognized borders. There is no issue on which I have devoted more of my time and energy than to ensuring lasting peace between Israel and her neighbors. The Camp David Accords are an historic step toward this ultimate result. Our policy in the Middle East has been and will continue to be guided by those Accords.

I want to reaffirm what has been and always will be the position of my Administration -- that we will not negotiate or recognize the PLO unless and until it accepts Israel's right to exist and accepts U.N. Security Council Resolutions 242 and 338. It is long past time for an end to all terrorism and other acts of violence against Israel. I am particularly proud that almost half of all the economic and military assistance which has come to the State of Israel since its founding has come during my Administration. Unlike the policy of the previous Republican Administration, there have been no arms cut-offs or "reassessments" of policy nor will there ever be under a Carter Presidency.

I fully agree with you that issues in the peace process must be negotiated among the parties. We have not and will not unilaterally attempt to impose or predetermine these negotiations. We have acted in good faith as mediators, conciliators and expeditors. I believe that the success of the Camp David talks and the Israel-Egyptian peace treaty are evidence of our effectiveness in this role.

9. Equal Rights Amendment

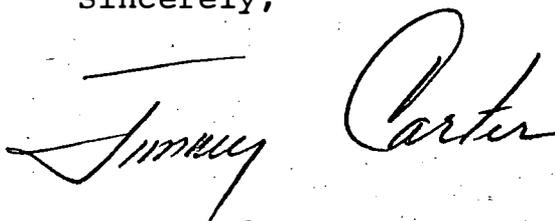
I fully subscribe to the sentiments which you express about the Equal Rights Amendment. My family and I have spent countless hours in seeking ratification of the Equal Rights Amendment, after successfully getting Congressional approval of the extension of the time for ratification. I will not rest until the ERA becomes part of the Constitution.

10. Separation of Church and State

One of my strongest personal tenets is the belief that separation of church and state is "one of the pillars of our free society." In this regard, I have opposed efforts supporting a Constitutional amendment to reverse the Supreme Court's decision banning prayer in public schools. I have also opposed tuition tax credits. I worked with the Congress to pass, instead, the Middle-Income Student Assistance program, which I consider one of the significant accomplishments of my Administration. My position on these church-state issues has been and will remain clear.

I look forward to four years of cooperation and dialogue with the Liberal Party of New York State in exploring ways to deal with the problems and challenges which our Nation faces. Having seen the new jobs program I have announced, it should be clear to you that your suggestions and recommendations have had an important impact. I thank you for your help.

Sincerely,



Mr. Donald S. Harrington
Chairman
Liberal Party of New York State
1560 Broadway
New York, New York 10026

7/30

Resubmitted and out from
the President 7/30.
Original to Campaign for
handling.

THE WHITE HOUSE
WASHINGTON

Susan-

Jack has cleared this letter with Don Manes and all others that were needed. A few changes have been made and it is ready to go.

Gael

JIMMY CARTER

July 29, 1980

To Donald Harrington

This November, Americans will be asked to make a clear choice on the future direction and goals of our country.

In 1976 the Liberal Party gave me its endorsement and its help in the Presidential election campaign. More importantly, you entrusted me with your vision of more progressive and caring leadership for our nation.

Since then we have fought to fulfill a long agenda of unmet national needs, especially the needs of people whose aspirations and voices have been stifled by the effects of poverty and discrimination. We have not always agreed, but I have sought to act in the spirit of compassion and concern for human values which has characterized the long history of the Liberal Party.

In the last three and a half years we have:

- Brought about a revolution in civil rights enforcement by putting professionals from the civil rights movement in charge of those crucial programs;
- Launched our country's first comprehensive urban policy to help revitalize our cities, involving 15 new proposals enacted into law, changes in over 100 existing programs to bring more aid to urban communities, and a quantum (3000%) leap in funding for urban economic development;

- Worked for and lobbied into law the Humphrey-Hawkins Act making full employment for the first time in history a specific national goal toward which the Congress and the President must strive;
- Greatly expanded funds for programs targeted to the most needy Americans: food stamps, education of the disadvantaged, Head Start, youth employment, public service jobs, legal services for the poor, low income housing and energy assistance, migrant and Indian health, the National Health Service Corps, student assistance, mass transit, and many more;
- Doubled subsidized housing assistance and transformed a demoralized Department of Housing and Urban Development into an effective resource in our national housing program;
- Brought more minorities and women into high level positions in the Executive Branch than ever before in history, and put more women and minorities on the federal bench than all past administrations combined;
- Sustained landmark vetoes to prevent waste of needed national resources through pork barrel water and defense bills;
- Enacted the single largest and most progressive revenue measure in American history -- the Windfall Profits Tax -- to provide the resources needed for our country to solve the energy crisis and cushion the impact of rising energy costs on the poor;

- Ratified the Panama Canal Treaties, removing the single greatest obstacle to closer relations with the people of Latin America;
- Put the United States firmly on the side of majority rule in Africa;
- Negotiated the SALT II nuclear arms limitation agreement with the Soviet Union, which remains a high priority for ratification because it enhances American security;
- Worked to make possible the signing of the Egyptian Israeli Peace Treaty, ending 30 years of bloodshed and establishing peaceful relations between those two countries;
- Rejected absolutely the concept -- advanced by the last Administration -- of conditioning American security assistance to Israel upon the posture the Israeli government chooses to adopt in any negotiation.

It is still an unfinished agenda. We have not yet obtained Congressional approval of urgently needed funding increases for urban and low income assistance programs. We are still pressing for enactment of welfare reform, new urban and youth employment programs and major national health insurance legislation. High inflation and recession have undermined the good progress we made in 1977, 1978 and 1979 toward a full employment economy. We must reduce unemployment without

reigniting inflation and without tax gimmicks that are nothing more than massive giveaways to the rich. And we must ensure that the Equal Rights Amendment is ratified.

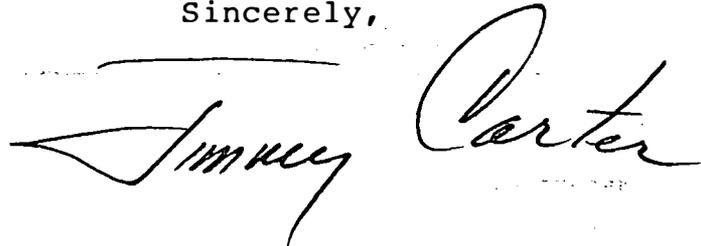
I am committed to putting people to work. Mine has been a job-oriented Administration. I am committed to initiatives to expand job opportunities, boost productivity, relieve tax burdens on working Americans, strengthen our industrial base and build a sound foundation for a healthy, full employment economy.

I know you will join me in the fight to defeat the radical tax plan proposed by Governor Reagan, a plan that would reward the wealthy, punish the poor by depriving them of resources, set off an inflationary explosion, and force the dismantling of programs to protect Americans from the effects of joblessness, ill-health, and poverty.

I am proud of the fact that there has rarely if ever been a battle in Congress over urban or poverty programs in which the New York Liberal Party and I were not working for the same legislative goals.

Attached is a point-by-point response to your detailed policy memorandum. It sets forth my accomplishments and objectives on the issues you raised. I know you will carefully consider the record and on the basis of your own analysis, I believe you will give me your support. The meeting last month was very constructive. I look forward to hearing from you and Ray Harding soon.

Sincerely,

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Mr. Donald S. Harrington
Chairman
Liberal Party of New York State
1560 Broadway
New York, New York 10026

not sent

per your request

*Retype - P 4, 5
9/11/1974*

THE WHITE HOUSE
WASHINGTON

Electrostatic Copy Made
for Preservation Purposes

July 23, 1980

J

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
GAIL HARRISON *GH*

SUBJECT: Response to New York Liberal Party

At the meeting last month, Ray Harding requested your reply to a letter and memorandum prepared by Liberal Party Chairman Donald Harrington.

Attached is a draft reply including a cover letter for your signature to Harrington, and our point-by-point response to the policy issues presented in the Liberal Party memorandum.

While the letter and memorandum offer ample evidence of your strong record on progressive issues, it is doubtful that our response on substantive matters will have much impact on the Liberal Party's endorsement decision. Our New York sources report that considerations such as patronage and collecting as many votes as possible for marginal local candidates appear to be more important to party leaders in determining whom to endorse. We will nonetheless, work to make sure that liberals in New York and elsewhere receive the materials on your progressive record.

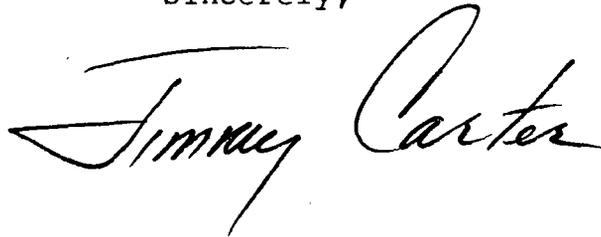
You will note that the draft letter to Harrington suggests a willingness to meet again when Harding and he feel it would be useful. Given the heavy emphasis on the need for personal consultation in your meeting and Harrington's letter, we felt it essential to include such an offer. Based on their concerns, it substantially strengthens the record for a decision to endorse you.

Mario Cuomo agrees with the approach we have recommended.

JIMMY CARTER

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Sincerely,



Mr. Donald S. Harrington
Chairman
Liberal Party of New York State
1560 Broadway
New York, New York 10026

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**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

7/24/80

Mr. President:

The speechwriters have reviewed the attached letter.

Rick/Bill

THE WHITE HOUSE
WASHINGTON

25 Jul 80

FOR THE RECORD

THE ORIGINAL HAS BEEN GIVEN
TO STU EIZENSTAT FOR HANDLING.

THE WHITE HOUSE
WASHINGTON

July 23, 1980

Retype - P 4, 5
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JIMMY CARTER

July 29, 1980

To Donald Harrington

This November, Americans will be asked to make a clear choice on the future direction and goals of our country.

In 1976 the Liberal Party gave me its endorsement and its help in the Presidential election campaign. More importantly, you entrusted me with your vision of more progressive and caring leadership for our nation.

Since then we have fought to fulfill a long agenda of unmet national needs, especially the needs of people whose aspirations and voices have been stilled by the effects of poverty and discrimination. We have not always agreed, but I have sought to act in the spirit of compassion and concern for human values which has characterized the long history of the Liberal Party.

In the last three and a half years we have:

- Brought about a revolution in civil rights enforcement by putting professionals from the civil rights movement in charge of those crucial programs;
- Launched our country's first comprehensive urban policy to help revitalize our cities, involving 15 new proposals enacted into law, changes in over 100 existing programs to bring more aid to urban communities, and a quantum (3000%) leap in funding for urban economic development;

JIMMY CARTER

- Worked for and lobbied into law the Humphrey-Hawkins Act making full employment for the first time in history a specific national goal toward which the Congress and the President must strive;
- Greatly expanded funds for programs targeted to the most needy Americans: food stamps, education of the disadvantaged, Head Start, youth employment, public service jobs, legal services for the poor, low income housing and energy assistance, migrant and Indian health, the National Health Service Corps, student assistance, mass transit, and many more;
- *Insert goes here*
- Brought more minorities and women into high level positions in the Executive Branch than ever before in history, and put more women and minorities on the federal bench than all past administrations combined;
- Sustained landmark vetoes to prevent waste of needed national resources through pork barrel water and defense bills;
- Enacted the single largest and most progressive revenue measure in American history -- the Windfall Profits Tax -- to provide the resources needed for our country to solve the energy crisis and cushion the impact of rising energy costs on the poor;
- Ratified the Panama Canal Treaties, removing the single greatest obstacle to closer relations with the people of Latin America;

JIMMY CARTER

- Put the United States firmly on the side of majority rule in Africa;
- Negotiated the SALT II nuclear arms limitation agreement with the Soviet Union, which remains a high priority for ratification because it enhances American security;
- Worked to make possible the signing of the Egyptian Israeli Peace Treaty, ending 30 years of bloodshed and establishing peaceful relations between those two countries;
- Rejected absolutely the concept -- advanced by the last Administration -- of conditioning American security assistance to Israel upon the posture the Israeli government chooses to adopt in any negotiation.

It is still an unfinished agenda. We have not yet obtained Congressional approval of urgently needed funding increases for urban and low income assistance programs. We are still pressing for enactment of welfare reform, new urban and youth employment programs and major national health insurance legislation. High inflation and recession have undermined the good progress we made in 1977, 1978 and 1979 toward a full employment economy. We must reduce unemployment without reigniting inflation and without tax gimmicks that are nothing more than massive giveaways to the rich. And we must ensure that the Equal Rights Amendment is ratified.

JIMMY CARTER

I am committed to putting people to work. Mine has been a job-oriented Administration. I am committed to initiatives to expand job opportunities, boost productivity, relieve tax burdens on working Americans, strengthen our industrial base and build a sound foundation for a healthy, full employment economy.

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I am proud of the fact that there has rarely if ever been a battle in Congress over urban or poverty programs in which the New York Liberal Party and I were not working for the same legislative goals.

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Sincerely,

X
Mr. Donald S. Harrington
Chairman
Liberal Party of New York State
1560 Broadway
New York, New York 10026

JIMMY CARTER

July 24, 1980

To Donald Harrington

This November, Americans will be asked to make a clear choice on the future direction and goals of our country.

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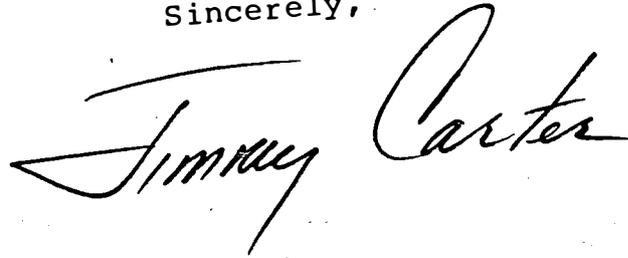
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Mr. Donald S. Harrington
Chairman
Liberal Party of New York State
1560 Broadway
New York, New York 10026

Paid for and Authorized by The Carter/Mondale Presidential Committee, S. Lee Kling, Treasurer. A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C. 20543

1. A NEW ECONOMIC INITIATIVE

Our country has experienced seven recessions since World War II under both Democratic and Republican Presidents.

President Carter is fighting to end the costs to our economy and to individuals as a result of continuing cycles of inflation and recession. Inflation is not an acceptable answer to the problem of unemployment, and unemployment is not an acceptable answer to the problem of inflation. We will not fight inflation with policies designed to cause unemployment to rise.

As swiftly as economic conditions allow, we will submit major new initiatives to boost productivity, relieve tax burdens on working Americans, strengthen our industrial base and build a sound foundation for a healthy, full employment economy.

We reject, and with your support, will defeat the radical tax cut plan proposed by Governor Reagan. It would reward the wealthy, punish the poor by depriving them of resources, ignore the plight of working families and threaten our economy with an inflationary explosion. When coupled with companion Republican proposals for a geometric jump in the rate of increase in the defense budget and an arbitrary ceiling over all expenditures, it would force the systematic dismantling of virtually the entire structure of social programs enacted since the New Deal. It would strip our society of even the most fundamental protections against the effects of joblessness, ill health, poverty and aging.

In place of reactionary Republican tax proposals, President Carter has provided solid leadership to modernize and strengthen our economy and to revitalize our basic industries. Examples of his leadership include:

National Initiatives

- Passage of the President's 1977 Stimulus Package and a 1978 tax cut to stimulate new jobs and investment in the modernization of America's industrial plant and equipment.
- Enactment of the Multilateral Trade Agreements providing increased access for American exports to markets overseas.

- Implementation of programs to promote industrial innovation, bolster support for basic research, and create new technology centers for industries such as shoes.
- Adoption of special policies involving new mechanisms for public and private sector cooperation to revitalize the steel, coal and automobile industries. These initiatives represent the first steps toward a national industrial policy, with new options now under intensive consideration by senior Administration economists. Examples include:

Sectoral Initiatives: Steel

- Creation of a Tripartite Committee to permit closer cooperation among industry, labor and government on the needs of the steel industry.
- Creation of an EDA loan guarantee program to help aging steel plants secure capital for modernization. This program has already resulted in several hundred million dollars in new steel industry investment.
- The creation of the Trigger Price Mechanism as an across the board administrative alternative to product-by-product, country-by-country anti-dumping suits, and the adoption of accelerated procedures for investigation of anti-dumping complaints, if industry or labor selects the anti-dumping in lieu of Trigger Price approach. While the Trigger Price was suspended (in accord with prior understandings with industry) pending disposition of anti-dumping suits, we are carefully monitoring imports to ensure that other countries do not take advantage of the shift in remedies.
- Adjustment of depreciation schedules for the steel industry to help improve cash flow (Acceleration of "useful life").
- Approval of the "bubble" concept to reduce the cost of steel industry compliance with environmental requirements.

Sectoral Initiatives: Auto

- Creation of a Tripartite Auto Industry Committee to foster cooperation among management, labor and government in ongoing and new efforts to restore the health of the industry.

- Enactment of a \$1.5 billion program of federal loan guarantees to assist Chrysler in the transition to smaller and more fuel efficient cars.
- Improvements in industry cash flow of over \$500 million by easing regulatory burdens without sacrificing essential environmental, health and safety goals.
- Agreement by foreign car makers like Honda, Datsun and Volkswagen to invest in jobs and plants in the United States.
- Acceleration of the International Trade Commission's investigation of autoworker complaints of injury as a result of unfair Japanese competition.
- Acceleration of Treasury Department investigation of changes in tax policies to reflect changed economic conditions in the industry.
- Set aside of \$200 to \$400 million in Small Business Administration loan guarantees to help maintain the auto dealer network.
- Approval of \$50 million in new assistance to communities most severely affected by dislocations in the auto industry.

2. COMMITMENT TO A FULL EMPLOYMENT ECONOMY

The overriding purpose of the President's economic policy is to restore the economic conditions which will permit full employment. The budget revisions announced last March were designed to force prohibitively high interest rates down and prevent an even deeper and longer recession with more severe unemployment that we are experiencing today. They were carefully designed to preserve base funding, and in many cases preserve funding increases proposed in January for programs serving low income, unemployed and elderly Americans. That policy has worked. Borrowing costs have fallen at record rates, providing the first essential basis for economic recovery. We are currently assessing all available options and will submit new proposals to restore and create jobs for unemployed Americans without reigniting inflation and driving up interest rates. Our objective is straightforward -- to resume as quickly as possible, in non-inflationary ways, the substantial progress toward full employment achieved in 1977, 1978 and 1979.

While new initiatives are needed to reduce unemployment, we are proud of the following facts:

- Even with the recession, more jobs have been added to our workforce under President Carter than during any other Presidential term in American history.
- Over the past three and a half years, employment among women and minorities has risen much more rapidly than among the population as a whole.
- Last year, 75% of the entire national increase in black youth employment was accounted for by the youth jobs program initiated by President Carter.

President Carter's commitment to the goal of full employment is embodied in the long list of steps that have been taken since January 1977 to create jobs and increase economic opportunities:

Adult Job Opportunities

- Enactment of the Humphrey-Hawkins Full Employment Act. The White House participated in every stage of the drafting and lobbying to win final passage, which would not have been achieved without strong Presidential support. We remain fully committed to the objectives embodied in this Act.

- A doubling of the budget for employment and training.*
- A 50% increase in the CETA program.*
- A new private sector jobs initiative (new Title VII, CETA).
- An additional 400,000 public service jobs to be created through enactment of welfare reform.
- A firm commitment to set-asides in federal public works programs to promote job opportunities for minorities.
- Creation of 400,000 jobs as a result of projects undertaken through the Urban Development Action Grant Program. Through leveraging, this program has produced almost \$6 in private sector investment for every \$1 in federal funding.
- Creation of new programs and expansion of existing grant programs that create jobs in high unemployment areas, including:
 - The first national program to weatherize homes of low income families.
 - A four-fold increase in construction starts of low cost public housing.*
 - A near doubling of funds for production of all subsidized housing.*
 - A 90% increase in funds for the Northeast Rail Project.*
 - A 3000% increase in federal funds for urban economic development.*

Youth Employment Initiatives

- Enactment of the 1977 Youth Employment Projects Demonstration Act which increased federal funding for youth employment from \$2.5 to \$4 billion.
- A new proposed Youth Act of 1980, to increase funding for youth jobs and training from \$4 to \$6 billion over two years.
- A doubling of the Job Corps.*
- Enactment of a new targeted tax credit to promote private sector jobs for the young, the handicapped and the disadvantaged. To date, over 200,000 jobs have been filled as a result of the tax credit.
- Over a million summer jobs for young Americans this year.

*Carter FY 81 compared with Ford FY 78 budget.

3. ENERGY POLICY

Under President Carter's leadership, America has launched a massive, far-reaching and comprehensive program to solve the energy crisis, and to do so in a fair and progressive way.

To finance this program, the President fought for and passed the \$227 billion Windfall Profits Tax, the single largest and most progressive revenue measure in American history.

To spur conservation, and production of solar and other renewable energy resources, we have:

- Established a target of a 20% solar contribution to total energy use by the year 2000.
- Tripled federal funding of solar energy research and development.*
- Created the new \$2.8 billion Conservation and Solar Bank.
- Adopted economic incentives, such as the phase-in of replacement cost pricing, which for the first time is beginning to make solar and conservation competitive with continued heavy dependence upon traditional energy sources.
- Established a new weatherization assistance program which will help weatherize a half million homes this year.
- Enacted the first program of federal assistance to help weatherize public buildings such as hospitals and schools.
- Adopted the first tax on "gas guzzlers" to promote increased fuel efficiency for automobiles.
- Passed new utility rate reform legislation to encourage conservation pricing.
- Enacted first tax credits for homeowners and businesses to make conservation improvements.

To boost production and ensure equitable distribution of American energy supplies, we have:

- Provided increased incentives for production of coal, natural gas, petroleum, solar and renewable energy sources.

*Carter FY 81 compared with Ford FY 78 budget.

- Eliminated the dual pricing system which had denied natural gas supplies to non-producing states.
- Approved the Alaska Natural Gas Pipeline and the Northern Tier Pipeline to deliver North Slope supplies to the lower 48 states.
- Adopted a major new initiative for production of liquids and gases from sources such as coal, oil shale, and biomass.

To protect the environment and ensure that it is not sacrificed in the effort to meet the energy challenge, we have:

- Passed stronger air and water quality amendments.
- Enacted a strong law to govern strip mining.
- Proposed comprehensive programs to deal with hazardous and nuclear wastes.
- Insisted that all new coal-fired power plants be equipped with scrubbers.
- Fought for strong protections to prevent the destruction of irreplaceable wilderness in Alaska.
- Passed a bill to begin to deal comprehensively with the problem of acid rain, with intensified research on the environmental effects of increased coal burning.

These new policies have already made a difference. And the success of the President's conservation and production policies can be seen in the following facts:

- Demand for all petroleum products had dropped nearly 10% in the last year.
- We are importing over 1-1/2 million fewer barrels of oil per day than we did in 1977.
- Our imports of foreign oil this year are down more than 12% compared with the same period in 1979.
- We have more oil drilling rigs in operation today than at any time in the last 25 years, and the number of oil and gas drilling rigs now in operation has increased 25% since 1979.

Much more remains to be done:

- The President has proposed and we are urging the Congress to enact legislation which would permit a tripling of total public investment in mass transit during the next decade.
- We have proposed a shift in the formula for distribution of mass transit funds to bring more resources to the cities in greatest need.
- We must continue to expand incentives for the development of solar and renewable forms of energy and build on the President's historic new Solar and Energy Conservation Bank.
- We must continue to increase emphasis on nuclear safety while we use nuclear energy, with ultimate emphasis on non-nuclear alternatives.
- We must redouble efforts toward conservation and we must ensure that adequate resources are made available to identify and respond to any environmental problems associated with expanded energy production from coal. The President has asked Congress for immediate hearings on the problem of acid rain.

9

4. FEDERAL INVESTMENT IN THE NORTHEAST AND INDUSTRIAL MIDWEST

A central premise of the President's entire legislative program has been a recognition that past federal policies and programs have served to discourage investment in our cities, and especially in the older industrial cities, many of which are located in the Northeast and Midwest. Revitalization of our economy is impossible without a stronger national commitment to urban areas and to the economic health of the Northeast. President Carter has fought for policies and programs to meet this commitment, including:

- America's first comprehensive urban policy emphasizing a dramatic increase in financial aid to cities and urban counties and an across-the-board retargeting of federal assistance programs toward communities and regions that need it most. This effort has generated enactment of 15 new proposals and over 100 changes in existing programs such as Community Development Block Grants and Economic Development Assistance to bring more resources to cities in the Northeast. One new program -- Urban Development Action Grants -- will generate nearly \$10 billion in public and private sector center city investment in the first three years alone.
- The liberalization of the investment tax credit to include modernization of America's existing industrial base, which is heavily concentrated in the Northeast.
- Targeted federal government procurement, facilities and jobs to the high unemployment central cities.
- A \$25 billion (40%) increase in aid to state and local governments since 1977, with the largest increases reserved for programs that benefit our older cities, such as: mass transit (60%), economic development assistance (98%), urban economic development (3000%), UDAG (no program before 1978), public service employment (257%), nutrition assistance (food stamps, WIC, school lunch 193%), and low income energy assistance (no program before 1979).*

This effort to revitalize and diversify the economic base of urban America is showing important results in cities like Baltimore, Toledo, Boston, and New York. While problems still remain, those cities are enjoying a genuine Renaissance.

*Carter FY 81 compared with Ford FY 78 budget.

But the job is far from done. In the future we must build on the progress already begun through:

- National economic policies to restore health to our urban areas. The needs of the Northeast will be fully and fairly reflected in the President's forthcoming economic initiatives.
- Prompt enactment of President Carter's proposal to expand economic development efforts by providing over \$1 billion in new loan guarantees and doubling the number of economic development grants available.
- Enactment of local government revenue sharing, with a modified formula to bring more funds to needy jurisdictions and the President's proposal for \$500 million in transitional aid for cities.
- A thorough evaluation of the urban impact of the tax code to ensure that businesses have the incentives needed for investment in needy areas of our country.

To ease the regional impacts of decontrol, the Windfall Profits Tax will recapture revenues totaling \$227 billion, with a major share of the funds devoted to mass transit, low income energy assistance, conservation, solar and conversion of utilities to coal -- programs which will strongly benefit the Northeast.

5. HEALTH, EDUCATION AND WELFARE

We strongly agree that the federal budget must respond to the needs of the poor. For this reason, the President took the unprecedented step opposing the first budget resolution reported by the House-Senate Conference Committee and fought in both the House and Senate for amendments to increase the allowance for programs designed to serve our cities and those most in need. We have also vigorously resisted irresponsible tax cut amendments, and proposals which would divert resources from more urgent social needs.

The following table illustrates the percentage increases in federal support for human services and low income assistance programs achieved by the Carter Administration, comparing the President's March 1981 budget with the 1978 budget proposed by his Republican predecessor:

-- Education	73%
-- Bilingual and Indian Education	117%
-- Head Start	73%
-- Summer Jobs	66%
-- Housing for the Elderly	107%
-- Nutrition Assistance	200%
-- Legal Services for the Poor	257%
-- Public Service Employment	171%
-- Mass Transit	67%
-- Title XX Day Care	70%

Spanning the complex of human assistance programs, President Carter has added more federal resources to revitalize our cities, provide jobs for the unemployed, improve the education of our children, feed those who are hungry, build mass transit, and provide housing for those who cannot afford it than any President in American history.

We have:

- Enacted a new concentration grant program authorizing a \$400 million increase in education funds to help children who attend inner city schools.
- Enacted the first national youth employment and training program (YEDPA), increased funding from \$2.5 to \$4 billion, and proposed a further \$2 billion expansion of the federal youth effort over the next two years (Youth Act of 1980).

- Dramatically expanded funds to provide better nutrition for low income pregnant women and infants.
- Led the fight for food stamp reforms ensuring benefits for an additional 2.2 million low income Americans.
- Proposed and enacted the largest increase in the minimum wage in American history.
- Proposed the most progressive national health insurance program ever submitted by an American President, providing expanded coverage for senior citizens, the poor, the elderly and expectant mothers and infants, and protecting all Americans from the fear of financial ruin as a result of catastrophic illness. This proposal builds the structure and momentum for fully comprehensive health insurance as soon as economic conditions allow, and would bring over \$800 million in fiscal relief to the governments of New York.
- Proposed a new \$266 million Child Health Assurance Program (CHAP) to provide better preventive and primary health care for disadvantaged children.
- Proposed and enacted a new Child Welfare Act which reforms adoptions and foster care programs to remove incentives which contribute to institutionalization and family break-up and place highest priority on the interests and needs of the child.
- Proposed a welfare reform program which would lift over 2 million Americans out of poverty, provide over 400,000 public service jobs, expand the earned income tax credit for the working poor and provide \$900 million in fiscal relief. The cash assistance bill and a portion of the fiscal relief proposal by the President have already been approved by the House of Representatives.

6. PRESIDENTIAL LEADERSHIP IN EQUAL OPPORTUNITY

Because minorities still suffer from discrimination in housing, education, employment and many other aspects of American life, President Carter has made civil rights legislation, enforcement and affirmative action a top national priority. In the past three and a half years, we have:

- Brought about a revolution in civil rights enforcement by putting professionals from the civil rights movement in charge of those crucial programs.
- Pressed for strong new cease and desist authority to end discrimination in housing (Equal Housing Amendments of 1980).
- Intervened on behalf of affirmative action programs in the Bakke and Weber cases.
- Nearly tripled federal procurement from minority businesses.
- Greatly increased federal assistance for school districts to comply with civil rights requirements.
- Reorganized and greatly strengthened the Equal Employment Opportunities Commission, cutting the time for processing of complaints from two years to two months.
- Established a dual prosecution policy and special units in the Federal Attorney's offices to investigate and prosecute suspected violations of civil rights laws by law enforcement authorities.
- Proposed and secured Congressional approval of a Constitutional amendment to provide full voting rights for the District of Columbia.
- Initiated new Justice Department efforts to combat use of zoning and land use laws to deny civil rights.
- Voluntarily placed the White House under Title VII of the Civil Rights Act.
- Fought Congressional efforts to eliminate school busing as a tool to achieve school desegregation.

- Proposed and vigorously defended the use of minority set-asides in federal programs.
- Appointed more women and minorities to senior government positions than any other Administration in history.
- Appointed more minorities to the Federal bench than all previous Presidents combined.

7. FOREIGN POLICY AND NATIONAL SECURITY

For three and a half years, President Carter has clearly, firmly, consistently and effectively pursued the following foreign policy and national security objectives:

- To protect the peace, strengthen America's defense capability, and resist and whenever possible prevent actions which threaten the peace.
- To reduce as swiftly as possible American dependence on imported oil.
- To negotiate and ratify an effective strategic arms limitation agreement with the Soviet Union.
- To assist in the fight to bring peace to the Middle East in a way which ensures a safe, secure, independent, permanent Jewish state of Israel.
- To restore America's moral leadership and influence among countries of the developing world.
- To promote, through peaceful means, respect for human rights.

An overview of the major challenges facing countries the world over during the last three and a half years reveals the following facts:

- America has taken stronger steps and achieved more dramatic results in reducing our oil import dependence than any other industrialized nation on earth.
- America alone among countries outside the Middle East has been the catalyst for peace -- not on any terms, but on terms which respect the security needs of Israel.
- America has been the most aggressive leader in the world for nuclear arms control, including strategic arms limitation, theater arms limitation, conventional arms limitation and nuclear non-proliferation. We have made major progress toward a comprehensive ban on nuclear tests and on the balanced mutual reduction of conventional forces in Europe. We are determined to broaden the scope of our arms control efforts in follow-on SALT and other negotiations.

- America has moved farther than any other nation on earth to improve relations with the peoples of Latin America and Africa through ratification of the Panama Canal Treaties and our strong support of majority rule in Africa.
- America has done more by far than any other country to resist Soviet aggression through peaceful means, including a major boost in support for NATO, our leadership in implementing across-the-board trade sanctions, and our success in organizing the boycott of the Moscow Olympics.
- America has been the leading world advocate for compassionate policies to deal with the plight of refugees from Southeast Asia.
- America has achieved one of the most important diplomatic breakthroughs of the last decade through the normalization of relations with the Peoples Republic of China.
- America has turned around nearly a decade-long decline in real support for defense, with greatest emphasis on readiness, modernization of existing forces, strengthening of NATO, and new weapons systems which genuinely contribute to our nation's security.

None of these important achievements is complete. Each remains high on President Carter's diplomatic and national security agenda. And none are of stronger and more immediate and personal concern to the President than the peace and security of the Middle East, including:

- The prompt withdrawal of Soviet troops from Afghanistan.
- The safe return of the American hostages from Iran.
- The successful conclusion of the Camp David process.

Positive Soviet action on Afghanistan would facilitate Senate consideration of the SALT II Treaty on its merits as a document which would both enhance American security and reduce the risks of nuclear war. Because American security interests are best served by ratification of the SALT Treaty, the Carter Administration remains firmly committed to it and will press for ratification as soon as approval becomes feasible.

We reject the simple-minded sloganeering of the opposition party in an election year, which would:

- Abandon a generation of American leadership on behalf of arms control.
- Mortgage the economic opportunities of a generation of Americans through unprecedented and unjustified increases in a defense budget which is already growing at a substantial rate.
- Discard peaceful means of deterring Soviet aggression in favor of the rhetoric and recklessness of the cold war.
- Isolate the United States from allies and friends throughout the world.

America can never provide the substance of leadership and simultaneously stand rigid and unchanging to every past policy position in an unpredictable and rapidly changing world. America can never sacrifice fundamental principles, as in the case of the Middle East, to the desires or interests of particular allies. But we can and will continue to exercise leadership in responding to the overriding challenges confronting peoples all over the world -- restoring respect for the sovereignty of nations, promoting the peace, overcoming the energy crisis, resisting the tactics of aggression and terrorism, and building new bonds of cooperation between the industrialized and developing world.

8. ISRAEL

A firm, clear, unequivocal commitment to the security of Israel has always and will always govern Carter Administration policies in the Middle East. From the President on down we have repeatedly stated that the United States will not recognize the PLO and will not negotiate with the PLO unless and until it first recognizes Israel's right to exist and accepts UN resolutions 242 and 338. It is past time for a total end to terrorism against Israel -- and we insist that all parties accept it. Our goal is a just and lasting settlement throughout the Middle East. Unlike other Administrations, we will never condition our aid to Israel to any position Israel may choose to adopt in any negotiation. Indeed, almost half the aid ever given to Israel by the United States -- \$11 billion -- has been requested by the Carter Administration. The only way to secure a meaningful peace is for Israel to make her own judgments regarding the terms of that peace. We have worked tirelessly to construct the Camp David framework and to bring the parties together, and we are determined to continue that process. No President has ever worked harder or more successfully for peace in the Middle East than President Carter. That is a judgment shared by the leaders of Israel, of Egypt and of nations throughout the world.

9. EQUAL RIGHTS AMENDMENT

Having secured Congressional approval of the ERA extension, President Carter continues to press for ratification by the States. We will not rest until the ERA is approved as an Amendment to the United States Constitution.



LIBERAL PARTY

OF NEW YORK STATE

June 17, 1980

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FIRST VICE-CHAIRMAN
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EXECUTIVE DIRECTOR
James F. Notaro

To the Honorable
The President of the
United States
Jimmy Carter
The White House
Washington, D. C.

Dear Mr. President:

The Leadership of the Liberal Party of New York State thanks you for your invitation to visit the White House for an exchange of views on the issues confronting our nation. Almost four years ago you met with Alex Rose and myself at the Waldorf Astoria in New York for a similar purpose. Four years have passed since we have met or conferred.

In previous Administrations, the Liberal Party has enjoyed a continuing relationship with the Presidents it helped elect. The communication between the Liberal Party and Presidents Roosevelt, Truman, Kennedy and Johnson was always both ways. The Liberal Party was their staunch ally in the political wars, and these Presidents gave the Liberal Party sustaining recognition as a positive force for progressive politics.

The recognition the Liberal Party is accustomed to goes beyond the personal relationships of its leaders with Presidents. Far more important, the Liberal Party has sought from its successful candidates support for its ideals and priorities. In return it could offer not only votes in a decisive State in national elections, but its good name as a Party of progressive spirit with a special care for the poor and underprivileged of our land.

The Liberal Party understands the kinds of pressures to which Presidents are subjected. It expects no special privileges. It does expect from those it supports the sustaining friendship and regular consultation with its leaders that is inherent in any meaningful political alliance.

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In this respect, the last three and three quarter years have been disappointing. The Liberal Party Leadership has not been consulted by your Administration. It has not been asked for input or participation in the views or labors of the Federal Government at any level for almost four years.

Mr. President, we are a Party of free and independent spirits. We are proud of our independence. We care about issues. We care about the working people of this country.

We cannot accept deliberate recession accompanied by increasing unemployment as a means of controlling inflation. If you wish our renomination in 1980, you will have to give us convincing reasons in terms of issues, policies and priorities which we believe to be important. The fact that Ronald Reagan is more objectionable is not sufficient reason for our endorsing your candidacy. Our rank and file have given us a clear indication that they would not support us in it!

Frankly, Mr. President, we cannot go along with the drift of your Administration toward conservatism. If the Democrats generally have come to the conclusion that a return to "laissez-faire" economics is the answer to our problems, we believe they will lose the election. Republicans make much better conservatives than do Democrats. If the independents and non voters, who today make up a virtual majority of the electorate, are given a progressive option, we believe they will determine the outcome of the 1980 Presidential election.

Historically speaking, liberalism's best hope in government has been a strong, active Presidency. Progressive liberalism has been peculiarly dependent on aggressive leadership in the Executive Branch of the Federal Government. Consequently, liberalism and dynamic Presidents have enjoyed a symbiotic relationship which has provided mutual political enrichment and fortification. The Liberal Party cannot nominate a Presidential candidate who does not believe in this kind of relationship and in its nourishment.

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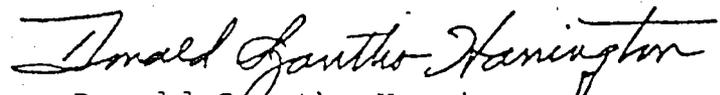
As the 1980's confront us with frightening new problems, they will require of us bold initiatives and aggressive leadership. This is no time for warmed-over programs from the past, and far less for a return to the economics of Herbert Hoover. Presidential leadership on the level of great issues is required. The American people will be found willing to sacrifice if their President will explain clearly why it is necessary, and assure them that all Americans are sharing the burden in accordance with their ability to do so. They do not now have any such assurance.

So far in this campaign there has been little discussion of issues. We do not believe this election can be won without a vigorous, national debate. Therefore, the Liberal Party, in determining whom to nominate for President, will look for a candidate who has cultivated a national constituency founded on clearly articulated, liberal principles, and who has propounded in detail a progressive program as a real alternative to the know-nothing, do-nothing, Republican Reagan approach.

I enclose a Memorandum on National Policy, 1980, summarizing what the Policy Committee of the Liberal Party of New York State deems to be some of the important issues upon which we would judge your, and other, candidacies.

On behalf of our Leadership, let me thank you again, Mr. President, for this opportunity to exchange views. We will be making our decision in Convention next September. In the meantime, you have our good wishes.

Yours sincerely,



Donald Stantho Harrington
Chairman
The Liberal Party of New
York State

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LIBERAL PARTY

MEMORANDUM ON NATIONAL POLICY 1980

In 1976 Jimmy Carter was the Presidential Candidate of the Liberal Party. In 1980 he is seeking Liberal Party renomination. It has become apparent that most Liberals are disappointed with the Carter Administration's failure to implement its 1976 platform. They are urging the Party to consider an independent candidate unless the President implements a more progressive program in accordance with Liberal Party policy positions:

1. A NEW ECONOMIC INITIATIVE

No issue is of greater importance than the health of the American economy. Not only our own welfare, but our influence around the world depend on it. There are now more than eight million unemployed Americans, and the number is increasing. Yet double-digit inflation continues. President Carter was elected, in part, on his commitment not to fight inflation through contrived recession and high unemployment, yet that is precisely what his policies have produced. A new economic initiative to attack the problem immediately, vigorously and comprehensively is required. Clear articulation of such a policy will, we believe, be determinative of any candidate's success in November.

There is evidence that the steel and automobile industries, the back bone of our industrial economy and basis of our military security, are losing out in competition with foreign companies, undermining the livelihoods of millions of Americans. People are worried. They see Recession drifting into Depression. They see other industries becoming shaky. They see the people's taxes being used to favor multi-national corporations. They see tax shelters and loop holes for the rich and the pamering of corporate America, while the Social Security tax upon all the people is vastly increased.

A key element in a new economic initiative should be some plan for governmental assistance in both long and short range industrial planning on an industry-by-industry basis, guided by careful discussions among senior business, labor, governmental and consumer representatives, along with independent experts.

MEMORANDUM ON NATIONAL POLICY 1980

Many industries suffer from aging technology or outmoded production methods. Some should survive, and some should not. Some industries could sell more abroad if they could expand their capacity to develop new products, while others have no such potential but may have other inherent importance for national security. These varying possibilities need to be identified and evaluated. A new economic planning process must be developed with governmental assistance to aid new capital formation and investment on a selective, targeted basis, either directly, or through a new quasi-governmental corporation created for that purpose..

2. COMMITMENT TO A FULL EMPLOYMENT ECONOMY

With unemployment rapidly rising and forty to sixty percent of minority youth structurally unemployed, there is need for a government-sponsored, crash program to create employment. Nothing less than a domestic "Marshall Plan" designed to employ a whole range of strategies to put America back to work will be required. The recession is here. It could rapidly become a Depression. The programs to cushion its impact should have been in place and ready to go. There is ample time between now and the Liberal Convention for the President to make a meaningful commitment to a full employment economy in which useful and rewarding employment opportunities are made available for all adult Americans willing and able to work, with the Federal Government itself as the employer of last resort. We would ask, at the very least, for announcement before the Convention of:

- A triggered public service jobs program of at least two hundred and fifty thousand new jobs for every million additional jobless since January 1, 1980;
- The one billion dollar counter-cyclical fiscal assistance program which was in the Administration's January budget and was cut out in the March budget;
- At least the extent of extended unemployment benefits that was in place before the Administration changed the formula in January 1980;
- One billion dollars in additional outlays in fiscal 1981 for the pending Youth Jobs Act of 1980; and
- The restoration of funds in the 1980-81 budget to restore basic human service programs, including

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the restoration of five hundred million dollars in the budget to save fifty thousand CETA jobs;

- The restoration of four hundred million dollars to support child health assurance programs; and the restoration of two hundred million dollars to restore unemployment benefits for CETA workers; and
- A whole series of targeted programs to build and rehabilitate housing for low income families, to weatherize homes, and public buildings, to rebuild railroad beds, to repair urban streets and other facilities, etc. These programs should be designed to involve immediate job creation, and should employ out-of-work construction workers and other skilled people, as well as those who lack skills. At least ten billion dollars should be invested in this series of programs this year. A serious anti-recession program requires investment of this magnitude. Every percentage point increase of unemployment costs the Federal Government twenty billion dollars in reduced taxes and unemployment insurance. Our program would appear more fiscally prudent.

3. ENERGY POLICY

A critical determinant of our economic health and national security is our energy policy. The public feels peculiarly at the mercy of the big oil companies which, in cooperation with government, encouraged our increasing dependence on foreign oil and highway transportation while the nation's public transit facilities were permitted to run down and all but disappear. The people would be willing to pay a sizeable, across-the-board tax on gasoline if they could see that a large percentage of this would be used for improving and expanding mass transit. Heavily to tax gasoline while not improving mass transit and making it available to areas accessible only to automobiles is once again to put the main burden of the gasoline tax upon the poor.

We remain unduly dependent on imported oil partly because of the tax advantage accorded the big oil companies in buying their oil abroad. This should be corrected. While the era of cheap energy is over, we should be much more careful to see that energy pricing does not exacerbate our economic problems or hurt those least able to afford the extra impact. For the future we should:

- place a higher priority on incentives for conservation and energy efficiency. Comprehensive legislation

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rewarding home owners, renters, commercial building owners and industrial users for taking steps to use less energy could save four million barrels of imported oil a day by 1990. A greater percentage of the windfall profits tax should be earmarked for conservation investment. The President's proposal calls for only one percent of the windfall-tax to be used for conservation. This is totally inadequate; it should be ten times that amount. Conservation techniques have proven the most effective energy-saving strategies yet, and more money should be made available for them than for the synfuels, which have not yet proved themselves to be economic, and which hold far less, long-range promise than renewable energy sources. We would probably do far better to look to natural gas and some coal for a transition fuel, pinning our long-range hopes on solar and other renewable energy sources.

- Vastly stepped up research and development of renewable energy sources, especially all forms of solar energy.
- Place a moratorium on the construction of new nuclear power plants, and begin phasing out existing plants as other sources of power are developed. It becomes increasingly clear that nuclear power is neither economic nor safe, nor has any way yet been found safely to dispose of its waste products.
- Intensify the pace of research into the long-range environmental effects of the use of coal in bringing about basic climatic change. Institute measures to accelerate the conversion of oil-fired utility plants to natural gas or to coal where environmentally feasible.
- Increase low and moderate income heating assistance to an annual level of at least five billion dollars, the current level paying only about one dollar for every four dollars in increased heating bills with which poor people have been burdened.

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- The federal government should move to aid financially New York and similar subway systems so as to keep subway fares down, recognizing that the energy savings made possible by the subways are a boon to the entire nation. New York City, for example, represents thirty-five percent of the nation's mass transit ridership, yet New York receives a much smaller percent of federal mass transit funds. The President should recognize the New York subway system as a major line of defense in energy utilization. It is time to plan for a major transfer of monies from the Highway Trust Fund to the support of mass transit systems. Having been instrumental in moving the American people from mass transit to the highways, the government must now take initiative in redeveloping the mass transit systems.

4. PROPORTIONAL FEDERAL INVESTMENT IN THE NORTHEAST

Numerous studies have shown that there is a negative outflow of tax dollars from the Northeast and North Central States to California, the Sun Belt, the Deep South and border States. The Report of the Conference of Northeast Governors amply supports this proposition.

Referring to the deployment of existing military personnel, for example, only thirteen percent of the armed forces are stationed in the North, which has approximately forty seven percent of the nation's population. For two years, New York State has tried to get the Army to more effectively utilize the facilities at Fort Drum in Watertown. A strong commitment should be made by President Carter to review existing military deployment.

There should be a review of existing cost of living formulas which have short-changed the northern states by billions of dollars. The same holds true for Federal energy credits for solar systems which, because of the increased efficiency of these systems in Sun Belt states, receive twice the economic value of the tax credits than do those living in the Northeast. (The President has failed to support such a review.)

Because of the decontrol of domestic oil, over the next decade a handful of Southern and Western states will gain one hundred and twenty seven billion dollars of new tax revenues. The Treasury calculates these will average three and four tenth billion dollars in Alaska, three billion dollars in Texas, two billion dollars in California and one and two tenth billion in Louisiana. While northern cities battle huge deficits, Texans debate whether to rebate taxes or offer new services. To escape steep taxes, more and more businesses

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will take their jobs to the Sun Belt, and as citizens flee, the Northeast's Congressional influence will dwindle, leading to an every increasing imbalance and mounting human suffering.

5. HEALTH, EDUCATION AND WELFARE SERVICES

We believe that President Carter's economic policies represent a break with the traditional caring-for-the-poor policies of the Democratic Party over the past forty-five years. This break is not shared by the Liberal Party. The Liberal Party cannot support policies which would balance the national budget at the cost of economic and social misery for thirty million Americans who are barely sustaining a marginal economic existence. To meet the human needs of Americans, especially those who live in our large cities, we believe the next Administration must commit itself to:

- Achieving full federal financing of welfare to relieve states and localities of a burden which they do not share equally at the present time. New York City is spending over four hundred million dollars of local tax dollars on welfare, and the State and local governments of New York are spending in total well over one billion dollars in non-federal dollars to pay for welfare. Federal assumption of this burden is essential to achieving a decent welfare program and helping to restore the fiscal stability of state and local governments.
- Enactment of a comprehensive plan for National Health Insurance, covering all Americans, regardless of income or age. The plan should be flexible enough to permit the insured to choose between coverage provided by commercial companies (Blue Cross-Blue Shield), or joining independent health plans, and should be phased in over a decade. New York City is spending three hundred million dollars of local tax levied dollars annually providing health care in its municipal hospitals to people who have neither health insurance nor Medicaid coverage. Comprehensive Health Insurance is thus extremely important to New York City.
- The adjustment of Federal Welfare Allowances to the ever increasing cost of living. It is estimated that the buying power of the welfare allowance of a family of four in New York State has been eroded by seventy percent since 1972 without any commensurate increase in welfare allowances.

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6. PRESIDENTIAL LEADERSHIP IN EQUAL OPPORTUNITY

The recent events in Miami are a grim reminder of the unfinished agenda of civil rights in this country. Minorities still suffer rampant discrimination in housing, employment, education, medical care and, worse still, elementary justice. The great legislative, judicial and executive strides of the fifties and sixties have become a slow shuffle. Only Presidential leadership can revive the sense of conscience, compassion, and commitment which can erase this ugly stain from our social fabric.

7. FOREIGN POLICY AND NATIONAL SECURITY

American foreign policy must be predictable and certain. Our allies and adversaries alike need to know our expectations and the consequences of any actions they may take.

American foreign policy today lacks credibility. Neither our people, our close allies, or our adversaries seem to understand what we want.

The absence of a consistent and cohesive foreign policy fabric, combining an over-arching vision of American diplomatic goals with the varying tactics of implementation in various parts of the world, represents one of the most profound failures of the Carter Presidency.

In considering foreign policy, in its nomination deliberations, the Liberal Party will be attuned to the way in which the Carter Administration, and the other candidates, articulate a sound and comprehensive foreign policy, particularly in three areas.

First, there is needed an exposition of the overall situation, the real nature of the Soviet threat and the concomitant need for America to counter Soviet aggressive tendencies with practical steps designed to achieve that end, and thus lay the ground work for a resumption of the quest of world peace. The Liberal Party believes in a balanced approach to the Soviet Union, one which recognizes the Soviet's special advantages and liabilities in occupying the heartland of the Eurasian land mass. The advantages are easy access through adjacent borders to Europe, the Middle East and Asia. The liabilities stem from its vulnerability to a two or three front war. The special position of the Soviet Union requires it to emphasize conventional armed forces, in which it has far out-built those of the United States and Western Europe in recent years.

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In a period of strategic nuclear standoff, like the present, in which neither of the great powers dares to use its atomic weapons, conventional arms become definitive. In this respect, the Soviet Union has a built-in advantage stemming from the settlement after World War II, the permanent, semi-disarmament of West Germany and Japan. The Soviets need to know that adventurism on their part, in using their advantage in conventional arms could lead to the inevitable rearming of Japan and West Germany. The United States has the advantage so far as conventional military forces are concerned of relative isolation by the Atlantic and Pacific Oceans, but the disadvantage of difficulty in bringing conventional armed might to bear in case of Soviet aggression anywhere along its Eurasian frontiers.

What is required is a period of calm, continuing negotiation, between the United States and its allies and the Soviet Union and its satellites tying in levels of strategic weapons and conventional arms, and leading to eventual, step by step, disarmament and the development of mechanisms for the maintenance of world peace. This will require calm, tough, consistent negotiation, the shrewd use of both the carrot and the stick rather than the kind of erratic policy shifts which have marred previous American efforts.

Specifically, we believe the next Administration should commit itself to the ratification of SALT II and completing negotiations on a comprehensive nuclear test ban treaty. Simultaneously it should give notice that the negotiations concerning SALT III must include conventional weaponry, and preclude future adventurism such as that of the Soviet Union in Afghanistan. Americans must understand, however, that the Soviet aggression in Afghanistan may well have been unwittingly encouraged by the President's vacillation on Angola, Cuba and Iran.

The Liberal Party believes that the President must articulate forthrightly America's true defense needs. If the military requires greater spending for spare parts and conventional arms, the public needs to know about it before misguided efforts to impose wasteful defense systems overwhelm prudent defense planning. The defense budget must be subject to the most minute examination to end the gold-plating of weapons systems, and the acquisition of unnecessary weapons in the strategic area. New investment is clearly needed in the conventional weapons area, and in the personnel area. Our ships must be able to sail and our planes to fly. Mid-career people must feel that continuing their careers in the military is economically feasible; but we must end the implicit formula which has operated to impel investments in unduly technologized and in some cases unnecessary weaponry whenever we seek to strengthen our investments in sensible and needed areas.

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Above all, the President must begin to help the American people understand that the inherently frustrating dilemma underlying Soviet-American relations is that military force, while it can maintain a status quo, can never resolve the nature of U.S. - USSR tensions. War has become too dangerous, threatening the future of the human race itself.

8. ISRAEL

The Liberal Party believes that the President should launch initiatives to salvage the Camp David process, being careful not to isolate Egypt or Israel any further. Here clarity and certainty are especially needed. The United States should make it clear, that it will not negotiate with the PLO so long as it continues to pursue terrorist aims and refuses to acknowledge Israel's right to exist. Iran should have made clear to us and our allies the futility of trying to deal logically with terrorists. We need to make it clear that the issues in the peace process have to be negotiated among the parties, and not predetermined unilaterally by the United States or any other outsiders.

9. EQUAL RIGHTS AMENDMENT

The Equal Rights Amendment constitutes a ratification of one of the oldest commitments made by the signers of the Declaration of Independence. It is necessary because of the continued discrimination against women in employment; in compensation on the job and in promotions in the public and private sectors of our economy. Indeed, shamefully, even in law.

10. SEPARATION OF CHURCH AND STATE

The separation of Church and State is one of the pillars of our free society. The Liberal Party is concerned that conservative forces are chipping away at that historic wall -- especially in the persistent attempt to extend tax credits to parents who have enrolled their children in private schools. The Supreme Court has been clear on this question for nearly two centuries. Presidential candidates should be equally clear.

10. SEPARATION OF CHURCH AND STATE

The President has repeatedly stated his willingness to use the veto if necessary to block legislative proposals, such as tuition tax credits, which are unconstitutional. As a result of his leadership, the Congress in 1978 approved the Middle Income Student Assistance Act as an alternative to a Constitutionally unacceptable tuition tax credit proposal.