

9/4/80

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THE WHITE HOUSE
WASHINGTON

The attached was received in
our office and is forwarded
to you for your information.

Rick Hutcheson

NAME Ronald (Bo) Ginn

1662

TITLE Congressman

Requested by Frank Moore
Bill Cable

CITY/STATE Millen, Georgia

Date of Request _____

Phone Number--Home () _____

Work () 225-5831

Other () _____

INFORMATION (Continued on back if necessary)

Bo Ginn and four other Georgia Democrats (Doug Barnard, Jack Brinkley, Bill Evans and Ed Jenkins), voted for the Eckhardt amendment which gutted the railroad deregulation bill reported from committee.

TALKING POINTS

1. I am calling to ask for your support of the Stagers-Rahall compromise to the rail deregulation bill. This compromise provides much

NOTES: (Date of Call 9-4)

Will help Ga Power & AEA opposed

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greater protection for shippers than the original bill reported from committee, but also offers the railroads significant regulatory reform.

2. Bob Eckhardt, who has opposed the bill's provisions, is still not satisfied with this compromise. However, his key ally in offering the weakening amendment to the bill which narrowly carried in July, Congressman Nick Rahall, is strongly supporting this new compromise.
3. Most of the utilities are still not on board the Staggers-Rahall compromise. However, compromise is a two-way street, and this new amendment meets the key demands originally made by the utilities. In addition to the railroads and the AFL-CIO, the Staggers-Rahall compromise is now being supported by a very wide range of shippers including coal, steel, car, and chemical companies, as well as the American Farm Bureau.
4. This bill is vitally important to the country's transportation system and the economy, and is very important to me personally. I hope you will be able to support the Staggers-Rahall compromise and oppose other significant amendments, and talk to other members of the Georgia delegation about supporting the compromise as well.

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NAME Gillis Long

1166-3

TITLE _____

CITY/STATE Alexandria, Louisiana

Requested by Moore/Cable

Date of Request 9/5/80

Phone Number--Home () _____

Work () 225-4926

Other () _____

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INFORMATION (Continued on back if necessary)

Gillis Long lead the Louisiana delegation in support of the Eckhardt amendment which gutted the rail deregulation bill reported from Committee. In a letter to you which Stu Eizenstat answered, Long and other members from Louisiana complained that the bill reported from Committee left the railroads too much freedom to set their own rates and would hurt shippers of coal, chemicals and other commodities, and especially utilities.

NOTES: (Date of Call 9-4)

*done - Will try to help
J*

TALKING POINTS

1. I am calling to ask for your support of the Staggers-Rahall compromise which will be offered to the rail deregulation bill, and I hope that you will oppose other significant amendments.
2. I know you have been concerned that the rail deregulation bill reported from Committee gave too much rate freedom to the railroads, and I appreciated receiving your letter on this issue. Although Congressman Bob Eckhardt is still not satisfied with the compromise that has been worked out, Nick Rahall was the key cosponsor of the Eckhardt amendment which carried in July, and he is generally supporting the Staggers-Rahall compromise. The compromise moves a long way from the bill reported from Committee, and provides significant protection for shippers.
3. Although utilities are not yet supporting the compromise, a wide array of shippers are, including coal, chemical and paper companies which you mentioned in your letter to me. In addition, steel and car companies, as well as the AFL-CIO and the railroads support this new compromise.
4. This bill is vitally important to the country's transportation needs and the economy, and it is very important to me personally. I hope you will be able to support the Staggers-Rahall compromise, and ask other members of the Louisiana delegation to support it as well.

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PT

NAME Thomas P. O'Neill, Jr.

1661

TITLE Speaker of the House of Representatives

CITY/STATE Cambridge, Massachusetts

Requested by Frank Moore
Bill Cable

Phone Number--Home () _____

Date of Request 9/4/80

Work () 225-5111

Other () _____

INFORMATION (Continued on back if necessary)

The Speaker was not in town on the day the Eckhardt amendment was adopted by the House in July. Most of the Massachusetts delegation, and many other northeastern members, voted for the Eckhardt amendment which gutted the rail deregulation bill reported from committee. Although the Speaker does not vote unless there is a tie, we are hoping he will be able to influence his Massachusetts colleagues as well as other northeastern members. He has told the railroads he is

NOTES: (Date of Call 9-4)

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done. will help -

SALUTATIONS -- B'NAI B'RITH

1. PRESIDENT SPITZER...PRESIDENT DAY...AMBASSADOR EVRON...
2. SENATOR LEVIN...SECRETARY KLUTZNICK...SECRETARY GOLDSCHMIDT...
3. MEMBERS & FRIENDS OF B'NAI B'RITH INTERNATIONAL...LADIES & GENTLEMEN:

MR SHALOM DORON - CHM of Bd. B'NAI B'RITH Women
CHILDREN'S HOME. ROS → HOME LAST YEAR - SEVERELY
EMOTIONALLY DISTURBED. 70% RECOVERY. NO DRUGS.
THERAPY IS LOVE: "MOST SUCCESSFUL"

(Jack Spitzer) (Mrs. Grace Day is Int'l Pres. of B'nai B'rith Women)

(Carl Levin)

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~~I AM VERY HAPPY TO BE WITH YOU TONIGHT,~~

WE COME TOGETHER DURING THAT DYNAMIC PERIOD OF CONTROLLED
TURMOIL KNOWN AS ELECTION TIME.

IT IS A TIME WHEN GOOD FRIENDS MIGHT FIND THEMSELVES
IN TOTAL DISAGREEMENT.

A TIME WHEN PARENTS MIGHT BE AT ODDS WITH THEIR SONS AND
DAUGHTERS.

A TIME WHEN LIBERALS ASK IF THE CANDIDATE WILL DO
ENOUGH ... AND CONSERVATIVES ASK IF HE WILL DO TOO MUCH.

(OVER)

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(IT IS A TIME WHEN ...)

IT IS A TIME WHEN DISCUSSIONS BECOME DEBATES -- AND
DEBATES TURN INTO HEATED AGRUMENTS.

I understand
~~JACK SPRITZER TELLS ME~~ IT IS A LOT LIKE TRYING TO
HIRE A NEW RABBI.

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THE WHITE HOUSE
WASHINGTON

9/4/80

Jack Watson

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

Rick Hutcheson

cc: The Vice President
Arnie Miller

| | |
|---|---------------------------|
| | FOR STAFFING |
| | FOR INFORMATION |
| ✓ | FROM PRESIDENT'S OUTBOX |
| | LOG IN/TO PRESIDENT TODAY |
| | IMMEDIATE TURNAROUND |
| | NO DEADLINE |
| | FOR APPROPRIATE HANDLING |
| | LAST DAY FOR ACTION |

ACTION
FYI

| | |
|--|--------------|
| | ADMIN CONFID |
| | CONFIDENTIAL |
| | SECRET |
| | EYES ONLY |

| | |
|---|----------------|
| ✓ | VICE PRESIDENT |
| | JORDAN |
| | CUTLER |
| | DONOVAN |
| | EIDENBERG |
| | EIZENSTAT |
| | MCDONALD |
| | MOORE |
| | POWELL |
| ✓ | WATSON |
| | WEDDINGTON |
| | WEXLER |
| | BRZEZINSKI |
| | MCINTYRE |
| | SCHULTZE |
| | |
| | ANDRUS |
| | ASKEW |
| | BERGLAND |
| | BROWN |
| | CIVILETTI |
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| | GOLDSCHMIDT |
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| | HUFSTEDLER |
| | LANDRIEU |
| | MARSHALL |

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| | MILLER |
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| | AIELLO |
| | BUTLER |
| | CAMPBELL |
| | H. CARTER |
| | CLOUGH |
| | FIRST LADY |
| | HARDEN |
| | HERTZBERG |
| | HUTCHESON |
| | KAHN |
| | MARTIN |
| ✓ | MILLER |
| | MOE |
| | MOSES |
| | PETERSON |
| | PRESS |
| | RECORDS |
| | SANDERS |
| | SHEPPARD |
| | SPETH |
| | STRAUSS |
| | TORRES |
| | VOORDE |
| | WISE |

THE WHITE HOUSE
WASHINGTON
September 3, 1980

Jack
Let Fritz work
out the political
problems first - with
Wasserman, at least.

J

MEMORANDUM FOR THE PRESIDENT

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FROM:

JACK WATSON *Jack*
ARNIE MILLER *AA*

SUBJECT:

Federal Communications Commission (FCC)

In our earlier memo (attached) we identified three areas of difficulty which would prevent us from removing Quello: (1) support for him among our friends in the industry; (2) support for him in the Italian-American community; and, (3) the difficulty in confirming Lopez.

(1) Wasserman and Valenti still oppose replacing Quello. However, the major reason for their wanting to keep him has been resolved. By a 4-to-3 vote, the FCC overturned the syndicated exclusivity rule which benefitted movie producers at the expense of cable television operators. Quello voted with the minority in support of the movie industry's position. With the syndicated exclusivity rule behind us, the major reason for their opposition to Lopez no longer exists. Steve Ross, who because of syndicated exclusivity also favored Quello very strongly, no longer objects to your removal of him. However, he insists that this be kept in strict confidence.

(2) The Italian-Americans should be placated by recent, significant appointments (Albert Carnesale, Chairman of the Nuclear Regulatory Commission; Bartlett Giamatti, Member of the National Council on the Humanities; Vincent DeVita, Director of the National Cancer Institute; and, Nicholas Bua, District Judge for Northern Illinois) and by your recent decision to award the Congressional Medal of Honor to Anthony Casamento. We can announce Judge Bua (the second Italian to be nominated to the United States Circuit Court) simultaneously with, or immediately after, Lopez to cushion the negative reaction from the Italian-Americans.

(3) Roy Greenaway, Senator Cranston's A/A, told us that the decision needs to be made now if we are to have any realistic chance of confirmation.

There is a strong case from both a political and a policy perspective that favors replacing Quello with Lopez.

1. As you know, a seat on the FCC has always been a priority appointment of the Hispanic community. They feel you made such a commitment in 1978. They lost another priority appointment when Apodaca was not chosen to head the Department of Education. Lloyd Cutler will be making a recommendation to you, with which we concur, that you dismiss Herman Sillas, a U.S. Attorney in California. This is a highly charged issue in the Hispanic community. The FCC appointment will go a long way towards minimizing the damage of the Sillas dismissal with Hispanics generally and particularly those in California.
2. Chairman Ferris does not have a consistent working majority for our program of increasing competition and promoting consumer interests. There are a number of key issues which will be voted on this fall, including: (1) new transmission technologies (satellite-to-home broadcasting, two-way data systems, electronic mail service); children's television programming and advertising; and further deregulation of cable-television and radio. The appointment of Lopez would have an effect at the Commission over the next several years, and promote the favorable resolution of many remaining reforms.
3. There has been much press attention focused on this appointment, both for its political and policy implications. A decision to replace Quello would be a strong reminder to the liberal community -- consumer activists, Naderites, and other potential Anderson supporters -- that it is important to keep you in office, because of your record on appointments. It will also help remind them of your excellent record and successes in regulatory reform.
4. If the Republicans should try to block his confirmation, or if Lopez is confirmed, it will make a valuable issue in the fall as you campaign in Hispanic neighborhoods.
5. Lopez is an exceptional, well-qualified Hispanic, who, according to Stu, supports all of our communications policy positions. Quello opposes most of our positions.

Stu and Esther Peterson strongly support the appointment of Lopez from a policy point of view. Chairman Strauss, from a political point of view, feels you should take no action at this time and let Quello remain on the Board through the year. His concerns are both the reaction of the Italian community and of Lew Wasserman. Hamilton informs us he no longer wishes to take a position for or against Quello.

RECOMMENDATIONS:

We strongly recommend that you nominate Peter Lopez to replace James Quello.

_____ approve _____ disapprove _____ delay decision

If you approve Lopez's appointment, we recommend that you call Wasserman and inform him of the decision. It will greatly soften the blow.

_____ approve _____ disapprove

THE WHITE HOUSE

WASHINGTON

August 27, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*

SUBJECT: FCC Appointment

My staff participated in the interviews with Quello, Lopez, and the other people who were considered. Lopez unquestionably would be a better Commissioner in their judgment.

A key issue at the FCC during the past few years has been Chairman Ferris' effort to eliminate anti-competitive regulations and increase diversity in the media. Quello has fought these efforts and voted with the established broadcasting interests. Lopez, on the other hand, shares our general regulatory philosophy.

In addition, my staff and most disinterested observers feel that Quello has done a mediocre job.

COMMENTS ON PETER LOPEZ

Lew Wasserman, Chairman, MCA

Wasserman met with Lopez and found him "very qualified; however, I am still strongly in favor of retaining Quello." When asked if the reasons are as strong as they were a month ago, he (Wasserman) said, "No."

Jack Valenti, President, Academy of Motion Picture Arts and Sciences

Lopez is intelligent, knowledgeable and is superior to the three Carter appointees serving on the FCC. I am strongly and unalterably opposed to replacing Quello. Lopez would not bring the depth of understanding of our industry that Quello has. There are many serious issues to be decided by the Commission which will have a tremendous impact on our industry. We need a balanced Commission which will weigh these decisions carefully -- Jim Quello has proven his ability and I would oppose any attempt to replace him.

Networks

ABC strongly opposes Lopez.

NBC has a policy of never taking positions on nominations.

CBS quietly supports Lopez.

Bill Lilly, Vice President, CBS, Washington

Lopez has an excellent legal mind, is intelligent, and takes the time to find creative solutions to tough problems. He would make a splendid Commissioner. He is very competent, very honest, and would always give broadcasters a fair hearing.

Ev Erlich, Vice President, ABC-Television

Lopez would be a bad appointment. His background is too narrow and he's too young. I don't think he would take a balanced approach to cases. He would be in the pocket of Charlie Ferris all the time. He's too liberal, too much of an activist - very concerned with Hispanic and political causes. He's only interested in creating more minority-owned stations, not in the really important problems the industry faces. We strongly oppose his candidacy.

Moctesuma Esparza, President, Buena Vista Telecommunications
and Moctesuma Esparza Productions

Peter has a tremendous understanding of communications issues, and has a firm grasp of the technological aspects of the industry. He is energetic and has been deeply immersed in the relevant problems. The FCC deals with such a broad spectrum of issues. Peter would be tremendously valuable to the Commission, and would be fair and careful in his approach to cases. This would be a progressive appointment and would be enthusiastically received in the Hispanic community.

Eddie Rubin, Senior Partner, Mitchell, Silberberg & Knupp,
Los Angeles

I recommend him unequivocally. He is an excellent choice for three reasons: (1) his age is an asset -- he would broaden the range of views on the FCC; he is very energetic, hard working and hungry; (2) he is intelligent, has a strong legal background; he knows how to think through a problem and reach an informed decision; and (3) he would bring a combination of talents to the job. He has a strong interest in communications law; he has direct experience setting up a cable TV company and obtaining programming; and he worked in our labor section and knows the management side of the industry. Peter has great negotiating talent and knows when to take a hard line or when to compromise. We don't want to see him leave, but strongly recommend his appointment.

Judge Ibanez, L.A. Superior Court, and Co-Founder/Board Chairman,
Mexican-American Legal Defense Fund

I am impressed with Peter's interest in and knowledge of a wide range of issues. He's been quite active in MALDF. Intellectually he's first rate. If appointed to the FCC he won't be handicapped by believing there is only one solution to a problem, but rather will try new approaches. He is very disciplined. Appointing Peter to this highly responsible position would be a tremendous inspiration to young Hispanics across the country. I give him my highest recommendation.

Clarence Avant, President, Tabu Productions, Los Angeles

Peter is exactly the kind of person President Carter should appoint. Professionally, he has done outstanding legal work for us. The issues facing the FCC over the next decade will change our lives; you need someone like Peter who is well versed in the broad range of matters. As a practical matter, Peter doesn't need this job. There are several people in his law firm who don't understand his desire to serve in the Government. Peter sees this as an opportunity to contribute something to the system which allowed him to work his way up, as well as representing his community in a very important appointive position. I highly commend Peter for his commitment, and highly recommend his appointment to the FCC.

Page Three

Senator Alan Cranston

Peter is an extremely impressive young man who is highly recommended as an intelligent, strongly motivated individual with considerable experience in the telecommunications field. He would make an outstanding choice for the job.

Gordon Stulberg, President, Polygram Pictures, Los Angeles

Peter has an excellent educational background, and extraordinary legal skills. He identifies with his clients and inspires confidence. Being Hispanic, he had to work harder than others to get through college and law school. This made him mature beyond his years. I give him my highest recommendation -- absolutely without reservation.

Vilma Martinez, Mexican American Legal Defense Fund, Los Angeles

Peter is a rising star in our community - both the Hispanic community and the legal community. He has the ability and background to serve on the FCC. I strongly recommend his appointment.

Geoffrey Cowan, UCLA Communications Professor, Member of Corporation for Public Broadcasting

As a law student of mine, Peter was bright, careful, and thoughtful. He reached decisions after careful consideration and research. People in his firm are surprised he is interested in the FCC, because they feel he will become a major lawyer in L.A. and in the entertainment industry. He has a terrific career ahead of him, and certainly doesn't need this as a stepping stone. Peter would be receptive to arguments by public interest groups and industry representatives. He knows both sides and would not favor one over the other. He knows the issues of broadcasting, common carriers and telecommunications - the subjects would not be new to him. Peter's experience is exactly what you should look for in a new Commissioner.

Samuel A. Simon, Executive Director, National Citizens Committee for Broadcasting

The next few years will be a period of technological revolution in the communications industry. If these powerful innovative forces are to be harnessed to serve the public interest, the country needs creative and forward-looking men and women, rather than backward-looking special pleaders for the

Page Four

pecuniary interests of the few, to serve on the FCC.

There has never been an individual of Latin-American heritage on the FCC. Such an appointment would do much to remedy the historic neglect of the needs and interests of Hispanic-Americans by commercial broadcasters.

July 2, 1980

Process
J

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON
ARNIE MILLER-*WA*

SUBJECT: Federal Communications Commission (FCC)

The subject of this appointment is likely to come up during your California trip.

Commissioner James Quello's term expired on June 30. Quello is 66. He is a former broadcaster and station manager from Detroit who was appointed by Nixon in 1974.

This vacancy has become highly controversial. Most of your senior advisors agree that Quello should be replaced. The question is really whether it should be done now or at the beginning of the second term.

Over the last seven years, Quello has developed a reputation as an un-informed "rubber stamp" for the industry who can be relied upon to support the status quo rather than promote policies of deregulation and increasing competition in the communications industry. For these reasons he is strongly supported for reappointment by the broadcast industry and strongly opposed by consumer groups. As a second best position, the industry wants us to delay any action until after the campaign so that they can rely on having six more months of Quello's protection. There are several key votes scheduled for this fall, and the commission often splits 4-3 in favor of the industry.

Quello has mounted a major campaign to be reappointed. He is being actively assisted by Jack Valenti and other members of the broadcasting industry. They have successfully refocused the debate on Quello - shifting it from an industry vs. consumer issue to an ethnic issue.

Quello is an Italo-American. Although not very active in Italian-American affairs or well known in the Italian-American community, he has gotten the support of some Italian-American organizations and the Italian Caucus in Congress. They are angry at the thought of an Italian being replaced by an Hispanic.

As you know, the Hispanic community has had a very special interest in this appointment since the beginning of this Administration. The only other appointments that have been as important to them have been the Ambassador to Mexico and the Secretary of Education. The reason why the Hispanic community cares so much about this appointment is that they see it as an important vehicle in their efforts to develop the image of Hispanics in this country.

Only 17 of the nation's more than 9,000 radio and television stations are owned by Hispanics. Spanish language programming is either very poor or non-existent. Hiring of Hispanics in the broadcast industry is far behind the level of Blacks and women.

Several Hispanic leaders have told us that in a meeting with them in early 1978, in response to a question, you said you would seek to put a Hispanic on the FCC.

Because of these reasons, we feel that appointing a Hispanic to the FCC will go a long way towards turning around that community's disappointment with us regarding appointments.

For the past several months we have been working with Stu's staff and Chairman Ferris in order to find a replacement for Quello. We have interviewed many candidates and have finally identified someone whom we feel is very qualified.

Peter M. Lopez is a partner in the Los Angeles law firm of -- Mitchell, Silberberg & Knupp. During the last six years he has been actively involved in entertainment law, with an emphasis on cable television matters. He is a skilled negotiator and is regarded as being a creative problem solver. He has a firm grasp of the diverse issues that will face the commission in the 1980's. Lopez favors increased competition in the common carrier marketplace, and is knowledgeable about high-technology telecommunications. He would also be an articulate spokesperson for increased minority participation in the broadcast industry. While Lopez is somewhat young (31), Ty Brown, who has served very well as an FCC Commissioner, was 33 when you appointed him.

Lopez earned a B.S. degree in electrical engineering (1971) and a J.D. degree (1974) from U.C.L.A. He has been active in Hispanic and community affairs, serving on the Committee on Latinos in the Media, and the L.A. Mexican American Bar Association. He was appointed by the California Bar Board of Governors to the Special Committee on Equal Rights, and the Special Committee on Human Rights.

We think you should nominate him. If you do, you will be strongly criticized by some people in the industry and by the Italian-American community.

You will be applauded by consumer groups, Common Cause, Ralph Nader, some people in the industry, by people in New Jersey (Quello voted against efforts to give New Jersey its own television station), and by the California Congressional delegation. Obviously you will be applauded by the Hispanic community.

Quello is strongly supported by our friends in the broadcast industry. Although the broadcast industry is generally supporting Reagan, some of our friends - Jack Valenti, Lew Wasserman and Steve Ross - have been strongly opposed to the replacement of Quello. We have asked Wasserman and Valenti to meet with Lopez. Valenti has done that and Wasserman will meet with Lopez next Tuesday in California. Valenti said that he is very impressed with Lopez whom he found more knowledgeable and qualified than our three previous appointees to the FCC. However, Valenti made it clear that while he thinks well of Lopez, he is unalterably opposed to replacing Quello. Wasserman is in Europe and will let us know after he meets Lopez on Tuesday.

While Quello is obviously preferable to the industry they are not all opposed to Lopez. CBS has informed Lloyd Cutler that they would be perfectly comfortable with Lopez.

Quello is strongly supported by the Italian community. Chairman Rodino last week told Frank Moore that this appointment was very important to the Italian-American community. Other members of the senior staff have heard from other members of the Italian Congressional Caucus. While most Italians who call don't know Quello or anything about his ability, this has clearly become a very important issue for them.

Chairman Dingell is also very strongly supportive of Quello, whom he knows from Detroit.

If Lopez is nominated but not quickly confirmed, Ferris will definitely lose the chance to get Quello's vote on several key issues this fall. In the past several months Quello has occasionally modified his pro-industry stance and voted with Ferris in hopes of securing reappointment. However, once Lopez is nominated, Quello will no longer have the incentive to support Ferris. Therefore, it would not be good to nominate Lopez if we weren't sure that he could be confirmed. However, if we move next week we think we can still get Lopez confirmed. Senator Hollings promised Frank that he would move the FCC appointment rapidly if he receives it soon. Alan Cranston has approached Senator Byrd and they will work to confirm Lopez if the Senate receives the nomination soon.

Because of this controversy, Hamilton and Strauss think we should delay this appointment until after the election.

We are strongly inclined to recommend that you replace Quello now because we think it is the right thing to do, and because we think we can minimize the opposition of Wasserman, Valenti and Ross and the Italo-American community.

We also believe that the net gains to be derived from the Hispanic and consumer communities are greater than the objections from the Italians. We feel that it would be better for you to get the matter over with before you enter the fall campaign. Otherwise, you will be confronted by it every time you campaign in Italian or Hispanic areas. If you were to nominate Lopez, we could couple the announcement with some significant Italian-American appointments. Our recommendation to you for the head of the Nuclear Regulatory Commission (Al Carnesale), is Italian. We have asked Ben to help us identify an Italian-American for a judgeship. We have also just named A. Bartlett Giamatti to the National Council on the Humanities.

In the next few days we will continue to try to reduce the negative impact of a Lopez nomination in the ways described above before making a final recommendation to you next week. In any event, we will, of course, brief you fully on the overall political situation. However, we wanted you to be briefed on the issue before your trip to California.

THE WHITE HOUSE
WASHINGTON

9/4/80

Jack Watson

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

Rick Hutcheson



NORTHEAST-MIDWEST CONGRESSIONAL COALITION

U.S. House of Representatives

*Jack -
brief advice
J*

CHAIRMAN

Robert W. Edgar

CO-CHAIRMEN

Frank Horton
Silvio O. Conte
James L. Oberstar

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EXECUTIVE DIRECTOR

Laurence Zabar

MEMORANDUM

TO: President Jimmy Carter

FROM: Representative Robert W. Edgar *B.E.*

DATE: September 3, 1980

ISSUE

Administration support of congressional efforts to modify the Maybank amendment to the defense appropriations bill. The proposed modification would permit the Defense Department to target some non-strategic purchases to private suppliers in high-unemployment areas, a concept embraced in your urban policy initiative announced in March of 1978.

BACKGROUND

Since 1952, it has been the policy of the federal government to target its purchases of goods and services to private businesses in high-unemployment areas. Considering the size of the federal government's annual procurement budget — roughly \$85 billion in 1979 — the rigorous implementation of this policy, known as Defense Manpower Policy Four B (DMP-4B), represents one of the most creative and cost-effective methods of stimulating private-sector economic development in distressed areas.

Unfortunately, the Maybank Amendment has blocked the full implementation of the labor surplus area program. This proviso prohibits the Defense Department from paying a higher price for the goods and services it procures as part of an attempt to help relieve economic distress in high-unemployment areas.

If the Maybank amendment were repealed, the Defense Department could join civilian agencies of the federal government in restricting the bidding on appropriate contracts to firms in areas of high unemployment, providing that a reasonable price could be obtained. Since the Defense Department would continue to face no restrictions in procuring items essential for national security, "appropriate contracts" would exclude major weapons systems, aircraft, electronic systems, and the like.

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President Jimmy Carter
September 2, 1980
Page Two

Every year, the Defense Department buys roughly \$10 to \$15 billion in material and equipment not related to national defense or security, including, for example, uniforms, food, medical supplies, laundry and dry cleaning equipment, screws, pipe and tubing. With repeal of the Maybank amendment, Defense Department procurement officials would restrict the bidding on these kinds of contracts to firms in high-unemployment areas. A reasonable price would be assured, and the number and dollar value of defense contracts flowing into the nation's most economically hard-pressed areas would be substantially increased.

Repeal of the Maybank amendment actually would enhance the nation's military preparedness, by diversifying suppliers of goods and services to the Defense Department and expanding the mobilization base needed for emergency production.

In a time of chronic inflation and economic stagnation, the labor surplus area program provides the federal government with an effective means of stimulating economic activity in areas of concentrated unemployment. The added cost to the government is negligible, and results in reduced federal spending for income maintenance programs such as food stamps, housing subsidies, and unemployment benefits.

CONCLUSION

In early September, Representative Joseph P. Addabbo will offer an amendment to the defense appropriations bill that would modify Maybank restrictions on the labor surplus area program. While the Northeast-Midwest Congressional Coalition will lead the effort in support of this amendment, it is not a regional issue. Roughly one-quarter of the nation's cities and counties are designated as labor surplus areas by the Department of Labor. They are distributed on a relatively even basis across the nation. The Northeast and Midwest have 44 percent of all labor surplus areas, while the South and West have 56 percent.

Jobs — not geography — are at stake here. The labor surplus area program is an important part of your attempt to aid America's distressed urban centers, and the Maybank amendment represents a serious obstacle to the effective implementation of this program. We hope the Administration will support our efforts this year.

Mr. President, my colleagues and I would greatly appreciate an opportunity to meet with you and members of your staff in order to more fully present what we believe is a compelling case for modification of the Maybank amendment this year. We believe that such modification would make a significant contribution in your efforts to realize the national goal of full employment without fueling inflation.

THE WHITE HOUSE
WASHINGTON

9/4/80

Jack Watson

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

Rick Hutcheson

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info to
J Watson
J

August 26, 1980

MEMORANDUM TO: President Jimmy Carter

Attached is the comment and quotation from The Harvard Business Review which I spoke to you about today.

I think there is some substance to this, both in leaders of the manufacturing corporations and particularly in banks. Many of the executives get more concerned about the price of the stock and spend time in making speeches and publicity in order to push the value of their stocks up. Of course, they have to give some attention to this or the stockholders will move them out.

If you find some value and merit in this, I think it should be taken up and commented on or discussed by some of our people like Miller and others having some knowledge and standing in the business community. Also, some of the members of the congress might enjoy chewing on some of the businessmen.

It would be helpful to get in the public view the thought that the leaders of the business community should show evidence that they are developing their capability with modern equipment, etc. or being more productive themselves and trying to deliver better products at less cost. They will have difficulty denying that this is their role and great difficulty showing that they are performing.

If you get into this subject I think it should be directed toward and end up with an invitation for the government, labor and management to work together toward the same goal.

I would think maybe labor might be interested in this subject.

I bought me a fly rod this afternoon and I will be ready soon.

CHK/b

Richard Reeves

It Will Work — For a While

"RE-INDUSTRIALIZATION" is going to be one of the buzzwords of the 1980 presidential campaign.

The word was popularized in the last couple of years by Jack Kemp, the Republican congressman representing Buffalo, N.Y. Kemp defines re-industrialization as government programs designed to promote the formation of capital for new American plants and equipment — federal aid and tax incentives to build new factories and increase American productivity.



It's a nice word and will probably get politicians through the 1980s. But it is no answer to the country's long-term problems of declining productivity and balance of trade. Whatever our politicians say, the United States is not about to regain the industrial dominance it enjoyed from the end of World War II until a few years ago.

* * *

EVEN IF THE GOVERNMENT adopts a Republican plan — or a Democratic variation — to allow, say, United States Steel to manufacture its products as efficiently as Japanese steelmakers, the American advantage would soon disappear. Whatever small advances in technology we made would quickly be copied by other industrial nations where workers are paid less, where people still accept a lower standard of living and still tolerate working conditions that are part of the American past.

The problems of American industry go deeper than the things businessmen and others like to blame: overpaid or lazy workers, government regulations or high oil prices. A big part of the problem is American bosses.

* * *

TWO PROFESSORS at Harvard Business School, Robert H. Hayes and William J. Abernathy, write in the current issue of the Harvard Business Review that there is "prime evidence of a broad managerial failure — a failure of both vision and leadership — that over time has eroded both the inclination and the capacity of U.S. companies to innovate... responsibility for this competitive listlessness belongs not just to a set of external conditions but also to the attitudes, preoccupations, and practices of American managers."

Lawyers and accountants have taken over American industry, the professors argue, and they do what lawyers and accountants do best — make deals and squeeze companies and workers for short-term profit. The bottom-line folk would rather merge than manufacture. And the last thing they are interested in is new ideas, innovation and conceptual breakthroughs don't us immediately in quarterly profit state-

both Democrats and
main line

moving the
industrialization, the
ourselves feel better — for them

Question Man

Wouldn't You Take
Francisco?

9:00 AM

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September 3, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT STRAUSS R.S.S.

SUBJECT: Photo Opportunity for
Congresswoman Geraldine Ferraro
Oval Office, 9:00 am (3 minutes)
Thursday, September 4, 1980

Purpose. The purpose of this meeting is to greet Ms. Ferraro, who agreed to serve as Deputy Chair of the campaign.

Background. You spoke to Ms. Ferraro on Monday, September 1, 1980 and asked her to join the campaign. Hamilton followed up on your directive to talk with her but was unable to attend the meeting with her yesterday, which was attended by Bob Strauss and Tim Kraft. She will have just attended her first 8:00 am daily political meeting with campaign and Sr. Staff leadership, when she meets with you.

Participants. The President, Congresswoman Geraldine Ferraro and Bob Strauss.

Press. White House Photographer. (Press Office is also trying to arrange for her to meet the press after her greeting with you.)

Talking Points.

Thank her for her willingness to take on this special responsibility in the midst of her own race.

Remind her of the important help she will be to the campaign--nationally and particularly in New England.

You are excited to know that she will be participating actively in campaign strategy and also providing some guidance on labor and women's issues.

THE WHITE HOUSE
WASHINGTON
9/4/80

Jody Powell

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

Rick Hutcheson

cc: Phil Wise
Fran Voorde

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

August 29, 1980

Jody
J

**Electrostatic Copy Made
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MEMORANDUM FOR: THE PRESIDENT
FROM: JODY POWELL *JJP*
SUBJECT: Jewish New Year "Interview" with
Israeli Television

Israeli Television's Washington correspondent, Dan Raviv, asks to tape a short (six to seven minutes) talk with you for broadcast in a special program being done in Israel for the New Year holiday Rosh Hashana. The format would permit you to make a statement directly to Israeli viewers and give Raviv a one question follow-up.

Robert Hunter of the NSC staff has drafted the attached example of what such a statement could contain and Dr. Brzezinski and I both believe the opportunity is worth taking.

It would be best to set the taping for next Friday, September 5, or, at the latest, Monday, September 8, in the Oval Office, requiring no more than ten minutes of your time with Raviv.

If you approve this event, the NSC press office will work out the arrangements with Raviv, including advance agreement on his follow-up question, and the speechwriters can give you a more polished text.

Approve Disapprove *for Monday*

*P.S. we now know that follow-up
will be, "Will policy change in the
second term?"* *JJP*

DRAFT STATEMENT FOR ISRAELI TELEVISION

I am pleased to speak with the people of Israel on the joyous occasion of Rosh Hashanah -- Jewish New Year 5741. It is a time both to recall what has happened in the past, and to look toward the future.

Rosh Hashanah falls this year on an historic anniversary. It has been two years since I met at Camp David with Prime Minister Begin and President Sadat. For thirteen days and nights we worked together, seeking one overriding objective: a secure and lasting peace in the Middle East. All the hopes and fears of many generations came together at that time. And we succeeded, largely because of the courage and vision of your Prime Minister and of the President of Egypt.

Then peace came -- a real peace between Israel and Egypt, for the first time since Israel's rebirth as a modern state. The people of America joined our friends in Israel in rejoicing at that achievement.

Now my country is working as a full partner with Israel and Egypt to complete the process so hopefully begun at Camp David -- the realization of a full and final peace between Israel and all of its neighbors. For the past sixteen months, we have labored together to make possible the next great step towards that vital goal. Much remains to be done. But the commitment of all three parties is clear; and to that I add my own personal commitment:

to do all that I can to make possible the realization of the ancient dream of the Jewish people -- security and peace in the land of your fathers.

As this New Year begins, I want to reaffirm the commitment of the American nation and its government to the indestructable ties of friendship between us and the people of Israel. Together, we share a special relationship -- a unique relationship -- based on deep devotion to the same moral and democratic ideals. The United States is now and forever committed to a secure and free Israel, blessed with independence and peace -- an Israel whose security and well-being are fundamental to our own strategic, political, and moral concerns.

So I join you at this New Year in looking to a future of hope and promise. May this be the year of the next great steps towards a permanent and lasting peace.

Thank you.

9:05 AM

THE WHITE HOUSE

WASHINGTON

September 3, 1980

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MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
FRANK MOORE

SUBJECT: Meeting with House-Senate Conferees on EDA Bill

September 4, 1980

9:05 a.m.

Roosevelt Room

Press Plan: None

Purpose:

The meeting is designed to emphasize the importance of the EDA bill to the Administration, and to offer compromises that we hope will break the Conference deadlock.

Participants:

Senator Jennings Randolph (Chairman, Senate Public Works Committee)
Senator Quentin Burdick (Chairman, Economic Development Subcommittee)
Senator William Proxmire (Chairman, Senate Banking Committee)
Senator Robert Stafford (Ranking Minority Member of Senate Public Works Committee)
Congressman Bizz Johnson (Chairman, House Public Works Committee)
Congressman Bob Roe (Chairman, Economic Development Subcommittee)
Congressman Paul Hammerschmidt (Ranking Minority Member of Economic Development Subcommittee)

Background:

You will open the meeting and emphasize the importance of the EDA bill to the Administration and the country. You can leave after your opening comments. Stu then will try to work out a compromise with the Conferees. If a compromise can be worked out, you may want to return to congratulate them.

The compromise that we will propose involves the House dropping the \$2 billion counter-cyclical public works program. In exchange, the Administration and the Senate would agree to a \$500 million increase in the authorization and a \$200 million increase in the appropriation for the basic EDA program. The additional funds would come from the budget authority and appropriations included in your economic renewal program, so no addition to the deficit would be required. OMB, Commerce and we all support this proposal.

TALKING POINTS

- I want to thank you for coming to the White House to discuss the EDA bill.
- I have a very simple message today. We're all friends of EDA here, so I need not speak in great detail.
- First, the reauthorization of EDA is extremely important to the health of our Nation's economy. As we face high unemployment throughout the country, I can think of no bill pending in Congress that can do more to revitalize our private sector economy. This bill is needed to help restore our Nation's economic health, and to further the economic progress of our citizens.
- Second, we are counting on EDA to implement much of our economic revitalization effort. Without an EDA bill that includes all of the new development financing tools, we will not be able to begin the industrial revitalization process that is so essential to many communities and regions throughout our Nation.
- Finally, by allowing the Conference deadlock to persist, we are depriving thousands of American workers of jobs that otherwise would be created. The EDA bill passed both the House and Senate almost one year ago. It passed both bodies by wide margins and received strong bipartisan support. The bill has been hung up in Conference for more than nine months. I don't think that we can ask the unemployed and the economically troubled communities to wait any longer.
- Stu will brief you on some ideas that we have for possible compromises in the Conference. I hope that you will give them serious consideration.
- Let me conclude by saying that I'm very concerned that we're running out of time to get this bill enacted this year. I hope that you will walk out of the White House today with an agreement on the general outlines of a compromise.
- I'll be right down the hall if you need me.

[No salutations]

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Bob Rackleff
Draft A-1; 9/2/80
Scheduled Delivery:
Thur, Sept 4, 11:30 AM
Sheraton-Washington

Remarks to the AFL-CIO General Board

Thank you, Lane, for your kind introduction.

It is an honor as President to meet again with the General Board of the AFL-CIO. I have gotten to know many of you personally, and I have benefitted from your advice.

For instance, one Board member advised me, "Mr. President, the way to gain support is to be soft-spoken. You don't need to raise your voice." That advice came from Jerry Wurf.

Another member advised me, "Mr. President, don't be inflexible. You must always be ready to compromise." That advice came from Teddy Gleason.

Finally, another Board member told me, "Mr. President, remember that you set an example for the whole nation. Make sure you watch your language." That came from George Hardy.

Susan
ok
J

1 2

That's only some of the sound advice I have heard from you.

Handwritten mark resembling a stylized '3' or a bracket with a '2' above it.

Almost four years ago to the day, I met with the General Board. Soon after that, I was elected President, and Fritz Mondale was elected Vice President of the United States.

We could not have done that without your help, and Fritz and I will always be grateful. We have regarded that support, not as a gift, but as an obligation to the working families of America. With your help, we are going to renew that contract to serve working Americans. ~~For another term~~

Handwritten mark resembling a stylized '3/4' or a bracket with a '3' above it.

Four years ago, a changing of the guard began. We ended eight years of Republican neglect of our country's most complex problems. Instead, we began to face up to these problems, and to begin building the lasting solutions. These last 3-1/2 years

TO TELL THE

AMERICAN PEOPLE THE TRUTH

have not been easy. But they have been creative years. Today we can face the future much better prepared than before.

4 } 5

A

of a different kind

The changing of the guard has taken place ~~(as well)~~ in the labor movement.

We all miss George Meany deeply. For a quarter-century, he embodied the American labor movement. He was the spirit and strength of working America.

That torch has now passed to the able hands of Lane Kirkland and Tom Donahue. It has fallen to them and to you to carry on the great unfinished work of the labor movement.

5 } 6

Change has also come to your Executive Council. I share with you the loss of a man whom I respected as you did, Paul Hall. And I share your pride in congratulating your newest Executive Council members, Bill Konyha, John Sweeney, and Joyce Miller.

I share another bond with all of you. As leaders, we are concerned, above all, with the future.

657

Each one of us knows that there are no shortcuts or substitutes for hard work in the struggle for a humane, decent world to pass on to our children.

The November election will help determine if that struggle is successful. Seldom has the choice been so clear.

~~Seldom have the differences of two candidates been so great.~~

The American people will be choosing not just between two men, not just between two parties -- but between two futures.

758

believe

I ~~[am sure that]~~ Americans ~~[will choose wisely, that they]~~ will once again choose a future of ^{thoughtful} change and human progress.

~~to continue the ambitious work we set out to accomplish.]~~ **TO GET ON WITH THE JOB**

WE HAVE BEGUN.

In recent days, our country has drawn inspiration from the workers of Poland. We have been inspired ~~[by their peaceful determination]~~ under the most difficult possible circumstances, by their discipline, their tenacity, and their courage

They have shown the world not just how to win a victory for labor, but also that the hunger for human rights is everywhere. ~~[They accomplished this for themselves, without any interference from the outside.]~~ They and the government of Poland have shown how a society which deals frankly with **- FREE FROM INTERFERENCE BY FOREIGN POWERS -** its problems can strengthen itself.

We are pleased at what has happened in Poland, and we wish them Godspeed ^{TOWARD} ~~[and]~~ a future of prosperity, peace, and freedom.

OK, if you say this with a smile - lightly

Let me add this: In our country, some people who have **SEEM TO BE A LOT MORE SUPPORTIVE OF** praised the Polish workers' strike ~~[are practicing a double~~ **STRONG TRADE UNIONS OVERSEAS THAN THEY ARE HERE AT HOME.** standard. ~~They are full of praise for labor rights elsewhere.~~

~~But their unrelenting efforts here have sought to cripple trade unions in the United States.~~

To me, there is only one standard -- free trade unions for working people everywhere.

The Polish workers have demonstrated something you and I have long known -- that free trade unions are a basic instrument of democracy, and that human rights and labor rights are indistinguishable.

that the resolve of the Polish workers was strengthened by the solidarity of free trade unions around the world -- including the AFL-CIO.

I cannot help but believe ~~that much of the yearning for freedom throughout the world comes from the example and leadership of the AFL-CIO~~ *10* *11*

At home, American labor has helped lead this country through a half-century of unprecedented social and economic progress. Every advance in this half-century -- Social Security, civil rights, Medicare, aid to education, one after another -- came with the support and leadership of American labor. You have represented all the people, not just your members. You have been the voice of forgotten people everywhere. *11* *12*

Thirty-two years ago, Harry Truman said, "It is time that all Americans realized that the place of labor is side by side

with the businessmen and with the farmer, and not one degree lower."

~~We can no longer ignore this advice -- the economic stakes are too high. It is time for our country to accept labor as an equal partner in our economic life. ~~It is time to lay aside the dangerous fantasy of a "union free environment."~~ It is time instead to build a partnership for both economic prosperity and justice in our future.~~

12513

In the last 3-1/2 years, we have begun to establish, bit by bit, such a partnership of government, labor, and business.

We expanded Construction Coordinating Councils to ease local problems in that key industry. We brought labor into international trade negotiations in a meaningful way. We established the Coal Commission, the Steel Tripartite Advisory Committee, and the Automobile Industry Committee to help chart the future in those areas. To fight inflation, we established

the National Accord and Pay Advisory Committee to seek lasting, equitable solutions. 13514

Last week, we took another step forward with what can be central to rebuilding our nation's industrial base -- the President's Economic Revitalization Board composed of leaders from American labor, industry, and the public. Heading the Board will be Irving Shapiro, of DuPont, and Lane Kirkland. 145

For the first time, we can build a consensus for our economic future. The Board will advise me on the full range of issues. It will recommend the outlines for an industrial development authority -- to help mobilize both public and private capital, including employee pension funds, to restore and create jobs in areas affected by economic dislocation.

involved in nothing less than a redefinition of
We are ~~[redefining]~~ the way ~~[that]~~ labor, business, and government ~~[relate to each other]~~ *work together!* ~~It is~~ not ~~easy,~~ but you *will be* and I realize ~~[it is necessary]~~ *that it is absolutely essential* to have creative ideas from

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all segments of our country.

15 }
16 }

This consensus-building must mean that, once and for all, we recognize the legitimate rights of labor. I am still with you for passage of common situs legislation. I will veto any attempt to repeal Davis-Bacon. I will resist any effort to weaken minimum wage or occupational safety and health protection.

This country needs, and I support, Labor Law Reform. I

~~believe that Labor Law Reform is essential to any progressive industrial policy~~] ^{will} and I stand with you until we get it passed. I

16 }
17 }

As I have faced the immense economic challenges of this decade, I cannot forget the great help labor has been. You have helped forge our nation's first energy policy. As a nation, we have learned that we must reduce our dangerous dependence on foreign oil. And we have cut oil imports by 20 percent.

We have begun the immense task of rebuilding our nation's energy base -- creating a new synthetic fuels industry, using American resources, conserving energy, keeping American capital here, and creating millions of American jobs.

17 5 18

When the history of these years is written, I believe it will say that on energy we fundamentally altered our nation's future for the better. I believe it will also say that we began a fundamental rebuilding of our nation's industrial base.

The program I announced last week, which you helped write, will continue to fight inflation, and at the same time will create a million new jobs in the next two years.

18 5 19

More important, we will put new, more efficient tools in the hands of American workers. We will provide jobs in growing, competitive industries which can meet and turn back foreign

I have no doubt that American workers can compete with any in the world -- if we give them the tools to turn out more products, more rapidly, while their tools have grown less efficient.

and technology to do the job! I intend to do just that! 19 5 20

19 [20

We will direct investments to communities and industries hit hard by economic change. We will help retool our automobile industry to produce the fuel-efficient cars that the public wants to buy.

We will help modernize our basic industries, like steel, and encourage high-technology industries. We will help rebuild our cities and towns with job-producing investments.

We will rebuild our transportation system both to carry goods and to improve public transit.

20 [21

Finally, we will invest heavily in our human resources. We will provide new training and new skills to workers hit by sudden economic change. We will strengthen existing programs for those lacking the skills needed for the future.

up along non inflationary

Two years ago, we passed the Humphrey-Hawkins Act to reaffirm our commitment to the goal of full employment. This year, we are laying the foundation ~~to ensure~~ reaching that

for []

goal -- a foundation of secure energy supplies, greater productivity, steady economic growth, and stable prices.

21 } 22

In the next few years, we must also continue our urban policy that has begun to reverse the decline of many cities. We must gain passage of our welfare reform proposals that would lift 1-1/2 million families out of poverty and reduce the financial burden on state and local governments.

We must enact our proposed expansion of youth employment programs, to provide skills and jobs for hundreds of thousands of young people.

22 } 23

I stand ready with you to help enact national health insurance, [~~to rid from this land the fear of illness~~]

~~I don't think~~
~~NHI will quite~~
~~do that! jeb~~

We must strengthen our maritime industry, both for our economic security and military security.

Finally, I want the United States to continue to stand

for peace in the world. We have been at peace for 3-1/2 years, a peace based on both our military and moral strength. With your help, we have reversed an eight-year decline in defense spending. Our military power is unsurpassed today, and will stay that way as long as I am President.

23 24

That strength allowed us to negotiate the SALT II agreement successfully. We ratified the Panama Canal Treaties, and have sustained our foreign aid programs.

We helped bring together two ancient enemies. The people of Egypt and Israel no longer face each other across barbed wire. Instead, they talk face-to-face, and through their ambassadors, about the right road to peace. Three years ago, few dreamed that such a thing could be possible.

24 25

We can be proud that the United States once again stands up in defense of human rights, including trade union rights, throughout the world.

Let me add that we must expand human rights at home, also, by ratifying the Equal Rights Amendment.

We have accomplished much together, often against great odds. We have had to take the heat for unpopular decisions. When we have spoken the truth, it has not always been welcome. We have faced our problems squarely.

25 26

The American labor movement was built on realism, persistence, and democratic values. Our nation's future depends on those same qualities -- qualities which today are still abundant in the American people.

More remains for us to do, and we must fight for it. But we are fighting for it shoulder-to-shoulder, and together, we will win.

#

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Received 10:12 from
Gordon Stewart

Pls edit / approve +
I'll put on paper

MEMORANDUM FOR: THE PRESIDENT
FROM: JODY POWELL
GORDON STEWART
SUBJECT: AFL-CIO Insert -- Selective Service

This is the insert you requested. We suggest it be placed near the end, on page 14, after the following paragraph.

"We have accomplished much together, often against great odds. We have had to take the heat for unpopular decisions. When we have spoken the truth, it has not always been welcome. We have faced our problems squarely."

Insert ... faced our problems squarely -- and together.

As Union leaders you understand above all the importance of solidarity. I can think of no finer recent example of solidarity than your support for the tough measures I took in response to the Soviet invasion of Afghanistan.

Our solidarity helped to strengthen the will of the nation -- and in turn of the free world.

Today I am pleased to say the Selective Service has informed me that 93% of our young men ^{have} registered for the draft. We expect that number to rise still further.

These young men -- like the membership of the AFL-CIO -- contradict those who say America lacks the courage to face the future. We are meeting the Soviet challenge, despite controversy and political opposition, as a free democratic society must -- by facing the facts and acting together.

End Insert. "The American labor movement was built on realism, persistence, and democratic values. Our nation's future depends on those same qualities -- qualities which today are still abundant in the American people.

More remains for us to do, and we must fight for it. But we are fighting for it shoulder-to-shoulder, and together, we will win."

#

11:20 AM

THE WHITE HOUSE
WASHINGTON

September 3, 1980

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MEMORANDUM FOR THE PRESIDENT

FROM: ALFRED MOSES *al*

SUBJECT: Drop-by Meeting with the President by
Leaders of the National Conference on Soviet Jewry
Thursday, September 4, 1980, 11:20 a.m.
Oval Office

I. PURPOSE OF MEETING:

Leaders of the National Conference on Soviet Jewry will drop-by to be photographed with the President in the Oval Office. The chairman, Burt Levinson, will speak for not more than one minute and will hand you an aides-memoire. The list of names of persons attending the meeting is attached at Tab A.

II. BACKGROUND:

As you know, the numbers of Soviet Jews emigrating last year was at an all time high of some 50,000. The numbers started to decrease late last year. And this decrease has continued in 1980. For the first six months of this year there were only about 15,000 emigrees. The number of emigrees in July was 2,500, but new approvals for the month were less than 700. The number of new arrivals in Vienna last month was only 770 (Soviet Jews receive transit visas for Vienna only).

Your Administration has an excellent record on this issue. Hardship cases are taken up periodically by the Secretary of State with his Soviet counterpart, the last such exchange having taken place in Vienna when Secretary Muskie met with Gromyko in May of this year.

Our delegation to the 1977 Belgrade Session of the CSCE, headed by Arthur Goldberg, took a firm stand on Soviet Jewry. Our delegation to the Madrid Conference has been instructed to take an equally firm position this year. You referred to this in your White House speech on July 29 at the ceremony commemorating the Fifth Anniversary of the Helsinki Accords. Max Kampelman, who is well known to the leaders of the National Conference, is co-chairman of the U.S. delegation to the Madrid Conference.

III. OTHER PARTICIPANTS

A. Press - Open Press

B. White House Staff - Al Moses and Marc Grossman

Leaders of the National Conference on Soviet Jewry
Participating in Photo Session with the President
Thursday, September 4, 1980

TAB
A

GOLD, Eugene
Brooklyn District Attorney
Vice President, National District Attorney's Association
Brooklyn, New York

GOODMAN, Jerry
Executive Director, National Conference on Soviet Jewry (NCSJ)
New York City

LEFTON, Donald
Prominent Hotel Owner and Operator
Vice Chairman, NCSJ
Miami, Florida

LEVINE, Jacqueline
Vice Chairperson, NCSJ
Vice Chairperson, Conference of Presidents of Major
Jewish Organizations
West Orange, New Jersey

LEVINSON, Burton S.
Attorney
Chairman, NCSJ
National Officer of Anti-Defamation League of B'nai B'rith
Los Angeles, California

MAASS, Richard
Former Chairman, NCSJ
Immediate Past Chairman, American Jewish Congress
Former Mayor, White Plains, New York
White Plains, New York

RISEMAN, Mervin
Lawyer
Chairman, Greater New York Conference on Soviet Jewry
Officer, American Jewish Congress
New York City

SMUKLER, Joseph
Lawyer
Vice Chairman, NCSJ
Vice President, Federation of Jewish Agencies in Philadelphia
Philadelphia, Pennsylvania

WOOD, Nan
Secretary, National Council of Jewish Women
Vice Chairman, NCSJ
West Orange, New Jersey

1. THANK YOU, LANE, FOR YOUR KIND INTRODUCTION.
2. { IT IS AN HONOR AS PRESIDENT
3. { TO MEET AGAIN WITH THE GENERAL BOARD OF THE "AFL-CIO".
4. I HAVE GOTTEN TO KNOW MANY OF YOU PERSONALLY,
5. AND I HAVE BENEFITTED FROM YOUR ADVICE. /
6. { FOR INSTANCE, ONE BOARD MEMBER ADVISED ME,
7. { "MR. PRESIDENT, THE WAY TO GAIN SUPPORT IS TO BE SOFT-SPOKEN.
8. { "YOU DON'T NEED TO RAISE YOUR VOICE."
9. THAT ADVICE CAME FROM JERRY WURF. H

Sec MARSHALL

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1. ANOTHER MEMBER ADVISED ME,
2. {"MR. PRESIDENT, DON'T BE INFLEXIBLE.
3. {"YOU MUST ALWAYS BE READY TO COMPROMISE."
4. THAT ADVICE CAME FROM TEDDY GLEASON. #
5. FINALLY, ANOTHER BOARD MEMBER TOLD ME,
6. {"MR. PRESIDENT, REMEMBER THAT YOU SET AN EXAMPLE FOR THE WHOLE NATION.
7. {"MAKE SURE YOU WATCH YOUR LANGUAGE."
8. THAT CAME FROM GEORGE HARDY. #
9. THAT'S ONLY SOME OF THE SOUND ADVICE I HAVE HEARD FROM YOU. #

1. ALMOST 4 YEARS AGO TO THE DAY, I MET WITH THE GENERAL BOARD.
2. SOON AFTER THAT, I WAS ELECTED PRESIDENT,
3. ~~AND~~ ^{I WERE} FRITZ MONDALE WAS ELECTED VICE PRESIDENT OF THE UNITED STATES. /
4. WE COULD NOT HAVE DONE THAT WITHOUT YOUR HELP,
5. ^{WE} ~~AND FRITZ & I~~ WILL ALWAYS BE GRATEFUL.
6. { WE HAVE REGARDED THAT SUPPORT --
7. { NOT AS A GIFT,
8. { BUT AS AN OBLIGATION TO THE WORKING FAMILIES OF AMERICA.
9. { WITH YOUR HELP,
10. { WE ARE GOING TO RENEW THAT CONTRACT TO SERVE WORKING AMERICANS. //

*I BELIEVE IN
RENEWING GOOD
CONTRACTS -*

*12 years ago, in 1968, our country
made a serious mistake in not
supporting Hubert Humphrey*

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1. FOUR YEARS AGO, A CHANGING OF THE GUARD BEGAN.
2. WE ENDED 8 YEARS OF REPUBLICAN NEGLECT OF OUR COUNTRY'S MOST COMPLEX PROBLEMS.
3. INSTEAD, WE BEGAN TO FACE UP TO THESE PROBLEMS,
 TO TELL THE AMERICAN PEOPLE THE TRUTH,
 & TO BEGIN BUILDING THE LASTING SOLUTIONS.
4. THESE LAST 3½ YEARS HAVE NOT BEEN EASY.
5. BUT THEY HAVE BEEN CREATIVE YEARS.
6. TODAY WE CAN FACE THE FUTURE MUCH BETTER PREPARED THAN BEFORE. /

1. { A CHANGING OF THE GUARD OF A DIFFERENT KIND
2. { HAS TAKEN PLACE IN THE LABOR MOVEMENT. /
3. WE ALL MISS ^{PRESIDENT} GEORGE MEANY DEEPLY.
4. FOR A QUARTER-CENTURY, ^{HE} EMBODIED THE AMERICAN LABOR MOVEMENT.
5. HE WAS THE SPIRIT & STRENGTH OF WORKING AMERICA. /
6. THE TORCH HAS NOW PASSED TO THE ABLE HANDS OF LANE KIRKLAND & TOM DONAHUE.
7. { IT HAS FALLEN TO THEM & TO YOU
8. { TO CARRY ON THE GREAT UNFINISHED WORK OF ^{AMERICAN} THE LABOR MOVEMENT. /

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1. CHANGE HAS ALSO COME TO YOUR EXECUTIVE COUNCIL.

2. { I SHARE WITH YOU

3. { THE LOSS OF A MAN WHOM I, ^{LOVED &} RESPECTED AS YOU DID -- PAUL HALL. / ~~READ~~

4. { AND I SHARE YOUR PRIDE

5. { IN CONGRATULATING YOUR NEWEST EXECUTIVE COUNCIL MEMBERS -- BILL KONYHA, ^{CON-YA}

JOHN SWEENEY, [?]

& JOYCE MILLER. /

6. I SHARE ANOTHER BOND WITH ALL OF YOU.

7. AS LEADERS, WE ARE CONCERNED, ABOVE ALL, WITH THE FUTURE. /

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All

1. ~~EACH ONE~~ OF US KNOWS
2. THAT THERE ARE NO SHORTCUTS OR SUBSTITUTES FOR HARD WORK
3. IN THE STRUGGLE FOR A HUMANE, DECENT WORLD TO PASS ON TO OUR CHILDREN./
4. THE NOVEMBER ELECTION WILL HELP DETERMINE IF THAT STRUGGLE IS SUCCESSFUL.
5. SELDOM HAS THE CHOICE BEEN SO CLEAR.
6. THE AMERICAN PEOPLE WILL BE CHOOSING NOT JUST BETWEEN 2 MEN,
NOT JUST BETWEEN 2 PARTIES --
BUT BETWEEN 2 FUTURES. //

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1. I BELIEVE AMERICANS WILL CHOOSE ONCE AGAIN
2. A FUTURE OF THOUGHTFUL CHANGE & HUMAN PROGRESS --
3. TO GET ON WITH THE JOB WE HAVE BEGUN. /
4. IN RECENT DAYS,
5. OUR COUNTRY HAS DRAWN INSPIRATION FROM THE WORKERS OF POLAND. //
6. WE HAVE BEEN INSPIRED BY { THEIR DISCIPLINE,
THEIR TENACITY,
& THEIR COURAGE --
UNDER THE MOST DIFFICULT POSSIBLE CIRCUMSTANCES. /

1. THEY HAVE SHOWN THE WORLD NOT JUST HOW TO WIN A VICTORY FOR LABOR,
2. BUT ALSO THAT THE HUNGER FOR HUMAN RIGHTS IS EVERYWHERE.

3. { THEY & THE GOVERNMENT OF POLAND

4. { HAVE SHOWN HOW A SOCIETY WHICH DEALS FRANKLY WITH ITS PROBLEMS

5. { -- FREE FROM INTERFERENCE BY FOREIGN POWERS -- CAN STRENGTHEN ITSELF. /

6. WE ARE PLEASED AT WHAT HAS HAPPENED IN POLAND.

7. AND WE WISH THEM GODSPEED TOWARD A FUTURE OF PROSPERITY,

{ PEACE,

& FREEDOM. //

LET ME ADD THIS:

IN OUR COUNTRY, SOME PEOPLE WHO HAVE PRAISED THE POLISH WORKERS' STRIKE
SEEM TO BE A LOT MORE SUPPORTIVE OF STRONG TRADE UNIONS OVERSEAS,

THAN THEY ARE HERE AT HOME. //

TO ME, THERE IS ONLY ONE STANDARD --

FREE TRADE UNIONS FOR WORKING PEOPLE EVERYWHERE! //

THE POLISH WORKERS HAVE DEMONSTRATED SOMETHING YOU & I HAVE LONG KNOWN --

THAT FREE TRADE UNIONS ARE A BASIC INSTRUMENT OF DEMOCRACY,

AND THAT HUMAN RIGHTS & LABOR RIGHTS ARE INDISTINGUISHABLE. |

*POLISH GOV'T
& WORKERS HAVE
HAMMERED OUT THIS
ACHIEVEMENT IN THE
BEST INTERESTS OF
THEIR OWN
PEOPLE.*

I CANNOT HELP BUT BELIEVE

THAT THE RESOLVE OF THE POLISH WORKERS WAS STRENGTHENED

BY THE SOLIDARITY OF FREE TRADE UNIONS AROUND THE WORLD --

INCLUDING THE "AFL-CIO". //

THEMSELVES

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1. { AT HOME, AMERICAN LABOR HAS HELPED LEAD THIS COUNTRY
2. { THROUGH A HALF-CENTURY OF UNPRECEDENTED SOCIAL & ECONOMIC PROGRESS.
3. { EVERY ADVANCE IN THIS HALF-CENTURY --
4. { --SOCIAL SECURITY,
5. { --CIVIL RIGHTS,
6. { --MEDICARE,
7. { --AID TO EDUCATION,
8. { ONE AFTER ANOTHER --
9. { CAME WITH THE SUPPORT & LEADERSHIP OF AMERICAN LABOR.
10. { YOU HAVE REPRESENTED ALL THE PEOPLE,
11. { NOT JUST YOUR MEMBERS.
12. { YOU HAVE BEEN THE VOICE OF FORGOTTEN PEOPLE EVERYWHERE. //

1. 32 YEARS AGO, HARRY TRUMAN SAID,
2. { "IT IS TIME THAT ALL AMERICANS
3. { "REALIZED THAT THE PLACE OF LABOR
4. { "IS SIDE-BY-SIDE WITH THE BUSINESSMEN & THE FARMER,
5. { "AND NOT ONE DEGREE LOWER." /
6. WE CAN NO LONGER IGNORE THIS ADVICE --
7. THE ECONOMIC STAKES ARE TOO HIGH.
8. { IT IS TIME FOR OUR COUNTRY
9. { TO ACCEPT LABOR AS AN EQUAL PARTNER IN OUR ECONOMIC LIFE. //

1. IN THE LAST 3½ YEARS, WE HAVE BEGUN TO ESTABLISH, BIT BY BIT,
2. SUCH A PARTNERSHIP OF GOVERNMENT,
LABOR,
& BUSINESS. /
3. { WE EXPANDED CONSTRUCTION COORDINATING COUNCILS
4. { TO EASE LOCAL PROBLEMS IN THAT KEY INDUSTRY.
5. WE BROUGHT LABOR INTO INTERNATIONAL NEGOTIATIONS IN A MEANINGFUL WAY.
6. WE ESTABLISHED THE COAL COMMISSION,
{ THE STEEL TRIPARTITE ADVISORY COMMITTEE,
{ & THE AUTOMOBILE INDUSTRY COMMITTEE --
TO HELP CHART THE FUTURE IN THOSE AREAS.
7. { TO FIGHT INFLATION,
8. { WE ESTABLISHED THE NATIONAL ACCORD & PAY ADVISORY COMMITTEE
TO SEEK LASTING, EQUITABLE SOLUTIONS. /

1. THIS CONSENSUS-BUILDING MUST MEAN THAT, ONCE & FOR ALL,
2. WE RECOGNIZE THE LEGITIMATE RIGHTS OF LABOR. #
3. I AM STILL WITH YOU FOR PASSAGE OF COMMON SITUUS LEGISLATION. #
4. I WILL VETO ANY ATTEMPT TO REPEAL DAVIS-BACON. #
5. I WILL RESIST ANY EFFORT
6. TO WEAKEN MINIMUM WAGE OR OCCUPATIONAL SAFETY & HEALTH PROTECTION. #
7. THIS COUNTRY NEEDS -- & I SUPPORT -- LABOR LAW REFORM.
8. AND I WILL STAND WITH YOU UNTIL WE GET IT PASSED. #

1. AS I HAVE FACED THE IMMENSE ECONOMIC CHALLENGES OF THIS DECADE,
2. I CANNOT FORGET THE GREAT HELP LABOR HAS BEEN.
3. YOU HAVE HELPED FORGE OUR NATION'S FIRST ENERGY POLICY.
4. { AS A NATION,
5. { WE HAVE LEARNED THAT WE MUST REDUCE OUR DANGEROUS DEPENDENCE ON FOREIGN OIL.
6. AND WE HAVE CUT OIL IMPORTS BY 20%.
7. WE HAVE BEGUN THE IMMENSE TASK OF REBUILDING OUR NATION'S ENERGY BASE --
8. -- CREATING A NEW SYNTHETIC FUELS INDUSTRY,
9. -- USING AMERICAN RESOURCES,
10. -- CONSERVING ENERGY,
11. -- KEEPING AMERICAN CAPITAL HERE,
12. -- AND CREATING MILLIONS OF AMERICAN JOBS.

H

1. WHEN THE HISTORY OF THESE YEARS IS WRITTEN,
2. ~~I BELIEVE~~ IT WILL SAY
3. THAT ON ENERGY WE FUNDAMENTALLY ALTERED OUR NATION'S FUTURE FOR THE BETTER.
4. I BELIEVE IT WILL ALSO SAY
5. THAT WE BEGAN A FUNDAMENTAL REBUILDING OF OUR NATION'S INDUSTRIAL BASE.
6. THE PROGRAM I ANNOUNCED LAST WEEK, WHICH YOU HELPED WRITE,
7. WILL CONTINUE TO FIGHT INFLATION,
8. ~~AND AT THE SAME TIME~~ WILL CREATE A MILLION NEW JOBS IN THE NEXT 2 YEARS. #

IN ADDITION TO ONGOING PROGRAMS, PROPOSALS
PREVIOUSLY SUBMITTED TO CONGRESS, & NORMAL
RECOVERY,

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1. MORE IMPORTANT,
2. WE WILL PUT NEW, MORE EFFICIENT TOOLS IN THE HANDS OF AMERICAN WORKERS.
3. { WE WILL PROVIDE JOBS IN GROWING, COMPETITIVE INDUSTRIES
4. { WHICH CAN MEET & TURN BACK FOREIGN COMPETITION.
5. I HAVE NO DOUBT THAT AMERICAN WORKERS CAN COMPETE WITH ANY IN THE WORLD --
6. IF WE GIVE THEM THE TOOLS & TECHNOLOGY TO DO THE JOB!
7. I INTEND TO DO JUST THAT! //

1. { WE WILL DIRECT INVESTMENTS
2. { TO COMMUNITIES & INDUSTRIES HIT HARD BY ECONOMIC CHANGE.
3. { WE WILL HELP RETOOL OUR AUTOMOBILE INDUSTRY
4. { TO PRODUCE THE FUEL-EFFICIENT CARS THAT THE PUBLIC WANTS TO BUY./
5. { WE WILL HELP MODERNIZE OUR BASIC INDUSTRIES -- LIKE STEEL --
6. { AND ENCOURAGE HIGH-TECHNOLOGY INDUSTRIES./
7. WE WILL HELP REBUILD OUR CITIES & TOWNS WITH JOB-PRODUCING INVESTMENTS./
8. { WE WILL REBUILD OUR TRANSPORTATION SYSTEM
9. { BOTH TO CARRY GOODS & TO IMPROVE PUBLIC TRANSIT./

1. FINALLY, WE WILL INVEST HEAVILY IN OUR HUMAN RESOURCES.
2. WE WILL PROVIDE NEW TRAINING & NEW SKILLS
3. TO WORKERS HIT BY SUDDEN ECONOMIC CHANGE.
4. WE WILL STRENGTHEN EXISTING PROGRAMS
5. FOR THOSE LACKING THE SKILLS NEEDED FOR THE FUTURE. //
6. { TWO YEARS AGO, WE PASSED THE HUMPHREY-HAWKINS ACT
7. { TO REAFFIRM OUR COMMITMENT TO THE GOAL OF FULL EMPLOYMENT.
8. { THIS YEAR, WE ARE LAYING THE FOUNDATION FOR REACHING THAT GOAL --
9. { A FOUNDATION OF SECURE ENERGY SUPPLIES,
 { GREATER PRODUCTIVITY,
 { STEADY ECONOMIC GROWTH,
 { & STABLE PRICES. //

1. IN THE NEXT FEW YEARS,
2. WE MUST ALSO CONTINUE OUR URBAN POLICY
3. THAT HAS BEGUN TO REVERSE THE DECLINE OF MANY CITIES.
4. { WE MUST GAIN PASSAGE OF OUR WELFARE REFORM PROPOSALS
5. { THAT WOULD LIFT 1½ MILLION FAMILIES OUT OF POVERTY
& REDUCE THE FINANCIAL BURDEN ON STATE & LOCAL GOVERNMENTS. //
6. WE MUST ENACT OUR PROPOSED EXPANSION OF YOUTH EMPLOYMENT PROGRAMS,
7. TO PROVIDE SKILLS & JOBS FOR HUNDREDS OF THOUSANDS OF YOUNG PEOPLE. //

1. I STAND READY WITH YOU TO HELP ENACT NATIONAL HEALTH INSURANCE.
2. WE MUST STRENGTHEN OUR MARITIME INDUSTRY,
3. BOTH FOR OUR ECONOMIC SECURITY & MILITARY SECURITY.
4. FINALLY, I WANT THE UNITED STATES TO CONTINUE TO STAND FOR PEACE IN THE WORLD.
5. WE HAVE BEEN AT PEACE FOR 3½ YEARS --
6. A PEACE BASED ON BOTH OUR MILITARY & MORAL STRENGTH.
7. WITH YOUR HELP, WE HAVE REVERSED AN 8-YEAR DECLINE IN DEFENSE SPENDING.
8. OUR MILITARY POWER IS UNSURPASSED TODAY,
9. AND WILL STAY THAT WAY AS LONG AS I AM PRESIDENT. #

1. THAT STRENGTH ALLOWED US TO NEGOTIATE THE "SALT II" AGREEMENT SUCCESSFULLY.
2. WE RATIFIED THE PANAMA CANAL TREATIES,
3. AND HAVE SUSTAINED OUR FOREIGN AID PROGRAMS.//
4. WE HELPED BRING TOGETHER 2 ANCIENT ENEMIES.
5. THE PEOPLE OF EGYPT & ISRAEL NO LONGER FACE EACH OTHER ACROSS BARBED WIRE.
6. INSTEAD, THEY TALK FACE-TO-FACE, & THROUGH THEIR AMBASSADORS,
ABOUT THE RIGHT ROAD TO PEACE.
7. THREE YEARS AGO, FEW DREAMED THAT SUCH A THING COULD BE POSSIBLE.//

BEGIN'S CALL

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1. WE CAN BE PROUD THAT THE UNITED STATES
2. { ONCE AGAIN STANDS UP IN DEFENSE OF HUMAN RIGHTS,
3. { INCLUDING TRADE UNION RIGHTS -- THROUGHOUT THE WORLD. /
4. { LET ME ADD THAT WE MUST EXPAND HUMAN RIGHTS AT HOME, ALSO,
5. { BY RATIFYING THE EQUAL RIGHTS AMENDMENT.
6. WE HAVE ACCOMPLISHED MUCH TOGETHER, OFTEN AGAINST GREAT ODDS.
7. WE HAVE HAD TO TAKE THE HEAT FOR UNPOPULAR DECISIONS.
8. WHEN WE HAVE SPOKEN THE TRUTH, IT HAS NOT ALWAYS BEEN WELCOME.
9. WE HAVE FACED OUR PROBLEMS SQUARELY. /

1. AS UNION LEADERS YOU UNDERSTAND ABOVE ALL THE IMPORTANCE OF SOLIDARITY.
2. { I CAN THINK OF NO FINER RECENT EXAMPLE OF SOLIDARITY
3. { THAN YOUR SUPPORT FOR THE TOUGH MEASURES I TOOK
4. { IN RESPONSE TO THE SOVIET INVASION OF AFGHANISTAN.
5. OUR SOLIDARITY HELPED TO STRENGTHEN THE WILL OF THE NATION --
& IN TURN OF THE FREE WORLD.
6. { TODAY I AM PLEASED TO SAY THE SELECTIVE SERVICE HAS INFORMED ME
7. { THAT 93% OF OUR YOUNG MEN HAVE REGISTERED FOR THE DRAFT.
8. WE EXPECT THAT NUMBER TO RISE STILL FURTHER.
9. { THESE YOUNG MEN -- LIKE THE MEMBERSHIP OF THE "AFL-CIO" --
10. { CONTRADICT THOSE WHO SAY AMERICA LACKS THE COURAGE TO FACE THE FUTURE.
11. WE ARE MEETING THE SOVIET CHALLENGE,
12. DESPITE CONTROVERSY & POLITICAL OPPOSITION,
13. AS A FREE DEMOCRATIC SOCIETY MUST --
14. BY FACING THE FACTS & ACTING TOGETHER. /

11:15 AM

THE WHITE HOUSE

WASHINGTON

September 3, 1980

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MEMORANDUM FOR THE PRESIDENT

FROM: GENE EIDENBERG *Gene*

SUBJECT: Photo Opportunity for Al McGuire
Oval Office
11:15 a.m.
Thursday, September 4, 1980

Purpose

The purpose of this meeting is to greet Al McGuire whom you recently appointed as Chairman of the President's Council on Physical Fitness and Sports (PCPFS). McGuire has been serving as a member of the Council since November 1978 before you selected him to replace Governor Apodaca who resigned.

Background

The 15 member Council was created in 1956 to enhance the health and physical fitness of the American people. Over the last 3 years the Council has been actively promoting jogging, improving physical education in schools and encouraging the development to the sports medicine profession. Last February you addressed the National Conference on Physical Fitness and Sports for All which was sponsored by the Council. Al McGuire served as Chairman of the opening session.

Al McGuire is a popular TV basketball commentator and former college basketball coach. (In 14 seasons at Marquette University, he took his team to post-season tournaments 10 years in a row, winning the NCAA championship in 1977.) He jogs regularly and will host the annual Milwaukee Journal-Al McGuire Run to raise money for Milwaukee Children's Hospital. (Note: McGuire may ask to join you in your afternoon jog.)

Participants

Bruce Kirschenbaum will introduce Al to you. Mr. McGuire will be accompanied by the Council's Executive Director, Casey Conrad. Press will be limited to a White House photographer, UPI and AP.

Attachment

TALKING POINTS

- o Thank him for serving as Chairman.
- o Express the hope that the work the Council has started to promote physical fitness will continue; especially to implement your charge to improve the physical fitness of military personnel which you made at the Conference last February. Gene Eidenberg and Bruce Kirschenbaum will continue to help you in working with the federal agencies to upgrade our national physical fitness program.
- o Wish him good luck on the White House Symposium on Physical Fitness and Sports Medicine in Washington on October 11 - 12. (Dr. Lukash is serving as the Director.)
- o Wish him good luck with the upcoming Al McGuire run in Milwaukee. McGuire raised a lot of money for the Children's Hospital last year in addition to turning in a respectable time for the five mile race.

THE WHITE HOUSE
WASHINGTON

9/4/80

Bob Hormats

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

Rick Hutcheson

**MEMORANDUM
OF CALL**

TO:

YOU WERE CALLED BY— YOU WERE VISITED BY—

OF (Organization)

PLEASE CALL → PHONE NO. CODE/EXT. _____ FTS
 WILL CALL AGAIN IS WAITING TO SEE YOU
 RETURNED YOUR CALL WISHES AN APPOINTMENT

MESSAGE

Alic Zatech
3432

RECEIVED BY

DATE

TIME

THE WHITE HOUSE
WASHINGTON

9/4/80

Mr. President:

DPS concurs. No comment
from OMB or Butler.

Rick

LAST DATE FOR ACTION: September 5, 1980

THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON
20506

September 2, 1980

Bob
J

MEMORANDUM TO THE PRESIDENT

FROM: Robert D. Hormats *RDH*
Acting

SUBJECT: Recommendation for Action Concerning the
Order of the United States International
Trade Commission Excluding Imports of
Certain Surveying Devices

The United States International Trade Commission (USITC) has referred for your review its order under section 337 of the Tariff Act of 1930 excluding imports of Canadian surveying devices which infringe a U.S. patent and cause substantial injury to the domestic industry. The vote on patent infringement was 5-0. On injury the vote was 3-2. You may a) disapprove the USITC order for policy reasons, b) approve it expressly, or c) take no action, allowing it to become final.

Our concern here is one of precedent for future cases. There is almost no evidence of sales lost to imports by the domestic industry. The domestic producer is now operating at 100% capacity. The determination of injury is based upon evidence that domestic sales increased at a lower rate from 1977 through 1979 than in prior years. No member of the Trade Policy Committee (TPC) agencies found a valid case of injury.] *

The law permits you to disapprove a USITC order only for reasons of public or foreign policy, not because you disagree with a USITC determination of injury. Therefore, the TPC agencies recommend that you allow the USITC order to become final. This can be done simply by taking no action.

TPC agencies also recommend that, in order to deter similar actions by the USITC in the future, you direct the United States Trade Representative to express to the Chairman of the USITC concern that the USITC found injury in a case in which evidence of injury was almost nonexistent. A draft letter is attached.

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Options

Presidential Action Required

1. Take no action

None, the exclusion order becomes final after September 5, 1980, but USTR sends letter expressing President's concerns.

2. Disapproval

The President informs the Commission of his disapproval of the exclusion order prior to September 5, thereby terminating the order.

3. Approval

The President informs the Commission of his approval of the exclusion order prior to September 5, thereby making it final on that date.

Decision

Option 1 (with letter) Recommended by all TPC agencies. ✓

Option 2 _____

Option 3 _____

Attachment

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Bob -
Your letter is
not specific enough
for me to understand
it. Include essence
of starred (*) # -
JC

THE UNITED STATES TRADE REPRESENTATIVE

WASHINGTON

20506

The Honorable
William Alberger
Chairman
United States International
Trade Commission
Washington, D.C. 20436

Dear Mr. Chairman:

The President has asked me to advise the Commission of his concern for the serious policy implications presented by the Commission's action in Investigation No. 337-TA-68, Certain Surveying Devices. While the President has taken no action to disapprove the ordered remedy in this case, were the injury standard in the case to be used as a precedent in a future case, policy considerations would likely dictate disapproval.

During the Administration's review of the case, member agencies of the Trade Policy Committee became concerned about the adverse consequences that cases with similar injury thresholds could have for the foreign economic and political policy of the United States. The Commission could be asked, based upon the precedent set by this case, to find injury each time there are a handful of lost sales and a hypothetical possibility of imports increasing, while all other criteria the Commission traditionally has examined indicate no injury. Imposing and enforcing remedies in such cases would burden Customs Service and Commission resources which could be better utilized in instances where something more than de minimis injury exists.

Sincerely,

Robert D. Hormats
Acting
United States Trade Representative

WASHINGTON

DATE: 02 SEP 80

FOR ACTION: STU EIZENSTAT

ZBIG BRZEZINSKI

JIM MCINTYRE -nc

INFO ONLY: THE VICE PRESIDENT

FRANK MOORE

LONDON BUTLER -nc

SUBJECT: ROBERT HORMATS MEMO RE RECOMMENDATION FOR ACTION
CONCERNING THE ORDER OF THE U.S. INT'L TRADE COMMISSION
EXCLUDING IMPORTS OF CERTAIN SURVEYING DEVICES

LAST DAY FOR ACTION: 9/5/80

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: +
+++++

ACTION REQUESTED: YOUR COMMENTS IMMEDIATE TURNAROUND

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

TRADE POLICY STAFF COMMITTEE

ACTION RECORD

DATE: August 18, 1980

DOCUMENT: 80-125

SUBJECT: USITC Section 337 Investigation on
Certain Surveying Devices

SUBMITTED BY: Office of the United States Trade Representative

~~ATTENDANCE~~ ATTENDANCE / TELEPHONE CLEARANCE:

| <u>Agency</u> | <u>Member or Alternate</u> | <u>Other</u> |
|---------------|--|--------------|
| STR | Doris Whitnack, Acting Chairman; Alice Zalik | |
| Agriculture | | |
| Commerce | William Cavitt; Steve Kaminski | |
| Defense | | |
| Interior | Howard Andersen | |
| Labor | Fernand Lavallee | |
| State | William Edgar; William Diroll | |
| Treasury | William Barreda; Steve Jacobs | |
| USITC | William Hart | |

COMMITTEE DECISION:

Paper approved.

COMMITTEE COMMENT:


Carolyn Frank
Secretary

LIMITED OFFICIAL USE

Problem

On July 7, 1980, the United States International Trade Commission (USITC) referred to the United States Trade Representative (USTR) the report to the President of its finding and recommendation concerning Investigation No. 337-TA-68, Certain Surveying Devices. The investigation resulted from a petition filed on behalf of Gammon Reel, Inc. of San Francisco, California (the petitioner) alleging that an imported surveying device, consisting of a target device into which a plump bob line can could be automatically retracted, infringes U.S. Letters Patent No. 3,172,205 (the '205 patent) in violation of section 337 of the Tariff Act of 1930 (19 U.S.C. 1337). The named respondent is John Woods Survey Equipment, Ltd., Scarborough, Ontario, Canada, (the respondent) a wholesaler of surveying equipment. In addition to actual patent infringement, the petition alleges inducement to infringe, trademark infringement, false designation of origin, appropriation of trade dress, use of know-how, and passing off.

The Commission found unanimously that the imported product infringes the '205 patent but did not find in favor of the petitioner on any of the other allegations. For discussion of issues other than the patent issue, see USITC Publication 1085. By a three to two vote (Chairman Alberger and Commissioner Stern dissenting), the Commission also found an effect or tendency to injure substantially the domestic industry. An exclusion order was issued.

LIMITED OFFICIAL USE

Section 337 provides that the President, for policy reasons, may disapprove orders issued by the USITC under section 337 within 60 days from the date on which the order is referred to him for consideration. Executive Order 11846 delegated to the Trade Policy Committee the responsibility for recommending appropriate action to the President.

Recommendation

That the President take no action to disapprove the exclusion order issued by the USITC in this case, allowing it to become effective on September 5, 1980, and that the Chairman of the Trade Policy Committee send a letter to the Chairman of the USITC expressing the concern of the Committee that any future determination of injury relying upon this case as precedent will be disapproved for policy reasons.

Background

Complainant's petition alleged that respondent's surveying device infringed U.S. Letters Patent No. 3,172,205 issued to complainant on March 9, 1965; that respondent induced others to infringe the claims of that patent; that respondent infringed complainant's registered trademark; that respondent used a false designation of origin; that respondent appropriated complainant's trade dress; that respondent used complainant's know how; and that respondent passed off his product as complainant's.

A public hearing was conducted before the administrative law judge (the ALJ) on January 22-25, 1980. The ALJ recommended that the Commission determine that there is a violation of section 337 in the unauthorized importation into the United States, and sale of, certain surveying devices which infringe complainants' patent the effect or tendency of which is to injure substantially an industry, efficiently and economically operated, in the United States, and that the respondent had induced others to infringe the '205 patent.

The Commission found a violation with respect to infringement of the '205 patent but found negatively on the other allegations in the petition. Although the respondent had asserted that the patent should be found invalid because of prior art and because of obviousness, the Commission indicated that the burden of establishing the invalidity of a patent is on the party asserting invalidity and the respondent had not met that burden.

The respondent asserted that even if the patent were found to be valid, their product did not infringe since it consisted of a metal, two colored target with no string guides, into which a 7 foot string automatically retracted while the patent claims specified a housing including a target with string guide means, with an automatically retractable string and an attached plumb bob. The Commission stated in its rationale that infringement can be found even where the claims of the patent do not read literally on the accused structures. The doctrine of equivalence provides that if a

structure performs substantially the same function in substantially the same way and for substantially the same purpose as a patented structure, that structure infringes the patent. The Commission concluded that the Woods' product, therefore, infringes the claims of the Gammon patent.

Three Commissioners found that the importation and sale of respondent's product had the effect or tendency to injure the domestic industry substantially. In their rationale, they state that complainant had provided evidence of one former customer who had purchased respondent's product and then returned to complainant. They also refer to the testimony of the complainant's wife before the ALJ that 17 of the respondent's top 20 customers were former Gammon customers and to the decrease in the percent of annual increase in complainant's sales. The opinion states that the industry is small and that therefore "traditional indicators of injury may not be present".

The two dissenting Commissioners, Alberger and Stern, disagree only in the injury finding. They refer to the evidence as "scant", pointing out that the testimony concerning lost customers is not supported by any record indicating actual loss of sales and the assertion by complainant's wife that of the firms respondent named as its top twenty customers, "only 3 of 4 of them" had not been former customers of the complainant. As to the quantity of lost sales, Mrs. Gammon simply had stated "Anything he (respondent) sold to them, we lost it."

The dissenting opinion also points out that no evidence was introduced to show any adverse consequences to the complainant resulting from the sale of respondent's product in the United States. The complainants sold all the surveying devices they produced and their own testimony revealed that they had reached maximum production capacity. To produce more units, they would have had to employ another worker. The decline in the percent of annual sales increase could be attributed to lack of additional production capacity. Complainant's gross receipts over the three year period during which respondent's product was being imported increased more than 100 percent.

The chart below compares complainant's and respondent's sales and production capacity.

| | Complainant's Sales (in Units) | % Increase (or Decrease) | Gross Receipts | % Increase (or Decrease) | Respondent's Sales (in Units) | % of Complainant's Sales |
|------|-----------------------------------|-----------------------------|----------------|-----------------------------|----------------------------------|--------------------------|
| 1972 | 33,875 | | | | | |
| 1973 | 38,726 | 14.3% | 60,412 | | | |
| 1974 | 51,506 | 33.0% | 82,872 | 37% | | |
| 1975 | 32,934 | (36.1%) | 74,522 | (10%) | | |
| 1976 | 41,771 | 26.8% | 122,094 | 64% | | |
| 1977 | 58,405 | 40.0% | 146,280 | 20% | 600 | 1% |
| 1978 | 69,103 | 18.3% | 196,102 | 34% | 3,400 | 4.9% |
| 1979 | 77,000 | 11.4% | 220,000* | 12% | 700 | .9% |

*Figure is an estimate provided by complainant

| | Complainant | Respondent |
|----------------------------------|-------------|------------|
| Production Capacity | 75,000 | 7,500 |
| % of Capacity Currently Utilized | 102% | 9.3% |
| Inventory | 0 | 0 |

The dissent points out that use of a de minimis standard of injury under section 337 would read the concept of injury right out of the statute. In their opinion, they state:

If we were to find a "tendency" in this case, the Commission would be forced to render affirmative determinations each time there was a handful of lost sales and a hypothetical possibility of imports increasing, even if all other relevant criteria the Commission normally examines pointed away from a showing of injury.

We have received a representation from the Canadian Embassy expressing concern for the standard of injury used in this case particularly in view of the limited volume of Canadian imports (both absolute and relative) and the rising sales and production of the complainant.

Rationale

Section 337 states

Unfair methods of competition and unfair acts in the importation of articles into the United States ... the effect or tendency of which is to destroy or substantially injure an industry, efficiently and economically operated in the United States ... are declared unlawful. (emphasis added)

The members of the section 337 committee are concerned, as were Chairman Alberger and Commissioner Stern, that the injury determination in this case might be used by petitioners

in future cases to avoid the necessity of showing an adverse effect resulting from a respondent's action. The Department of State, Treasury and Justice originally favored a recommendation of disapproval of this case.

The Senate Finance Committee Report on the Trade Act of 1974 (S. Rep. No. 93-12908, 93d Congress, 2d Sess. (1974) p. (99)) states, however, that the President's power to intervene before relief becomes final is

not for the purpose of reversing a Commission finding of a violation of section 337; such finding is determined solely by the Commission, subject to judicial review.

The President is to review the possible impact that the relief will have upon foreign relations from either an economic or a political viewpoint, or upon the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers.

The three agencies favoring disapproval, after careful review, determined that the potential precedential value of this case goes to the merits of the case and not directly to questions of foreign policy or public policy indicated in the statute and the legislative history. To recommend disapproval of the relief issued by the USITC in this case without justification since in this case U.S. foreign policy will not be affected and the petitioner can supply domestic demand without increasing prices significantly.

To recommend simply that the President take no action and allow the order to become final also would seem to be inappropriate in that it could be perceived as affirming the standard used for the injury determination, increasing its value as precedent in future cases. The recommendation that no action be taken with respect to the relief but that a letter be sent by the Chair of the Trade Policy Committee to the USITC expressing the Committee's concern for the potential use of this case as precedent for future injury determinations would avoid recommending disapproval of the USITC order based upon the merits of the case. At the same time, the recommendation would emphasize that injury in 337 cases should be based on an evidentiary showing of adverse effect or potential adverse effect.