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memo	From Muskie to The President (3 pp.) re: Presidential Participation in Events Connected with the General Assembly of the Organization of American States, and in the Miami Conference on the Caribbean	11/11/80	A

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THE WHITE HOUSE
WASHINGTON

November 10, 1980

TO: President Carter

The attached is for
your information.

Louis Martin



C

Joint Center for Political Studies • 1426 H Street, N.W., Washington, D.C. 20005 • (202) 638-4477

CONTACT:

Patricia A. Spaulding
or
Michelle LeSane

FOR IMMEDIATE RELEASE

November 7, 1980

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**Joint Center Releases Preliminary
Election Results of the Black Vote**

An overwhelming majority of blacks who voted on November 4 supported President Jimmy Carter, but blacks appear to have given Ronald Reagan sufficient votes in several closely contested southern states to provide him with a margin of victory.

These conclusions are based on preliminary findings from a two-part national survey of black voting patterns conducted by the Joint Center for Political Studies. One part of the survey consisted of exit interviews of black voters in randomly selected precincts across the country. The other is based on actual votes cast in randomly selected precincts with 90 percent or more black population.

-more-

add 1

The survey also disclosed that there was a slight decline in the proportion of registered black voters who went to the polls this year as compared to 1976.

The preliminary findings suggest that the black vote followed closely the pattern of 1976 with President Carter receiving about 89 percent of the vote compared to just under 9 percent for Governor Reagan. Independent John Anderson and minor party presidential candidates shared about 2 percent of the black vote. In 1976 Jimmy Carter won 90 percent of the black vote, and incumbent President Gerald Ford won 7.8 percent, according to the Joint Center's 1976 election analysis.

The 1980 survey indicated that very few black voters heeded the call of some black activists to refuse to vote for any of the presidential candidates.

While strong support for Carter was nationwide, in at least two southern states in the Joint Center's sample, it appears that Reagan won enough black votes to provide his margin of victory. In Arkansas, for example, where he won with less than 5,000 votes, he won over 8,000 black votes. Similarly, in Tennessee, where his winning margin was about 6,000 votes, Reagan won over 16,000 black votes. Indications are that this development may have occurred in a few other states.

The Joint Center estimates that 40 percent of the 17 million eligible black voters went to the polls, compared to about 52 percent for the nation as a whole. This is about two percentage points higher than in 1976 when there were 15.4 million eligible black voters.

POPULAR VOTE IN SAMPLE PRECINCTS (90% OR MORE BLACK)

BY REGION*

	NORTHEAST		MIDWEST		SOUTH		WEST		UNITED STATES	
	Actual	(%)	Actual	(%)	Actual	(%)	Actual	(%)	Actual	(%)
CARTER	29,631	93.08	34,608	85.2	111,174	92.08	7,463	95.15	182,876	90.97
REAGAN	1,596	5.01	5,368	13.21	6,791	5.62	333	4.24	14,088	7.01
ANDERSON	556	1.75	540	1.33	2,330	1.93	47	0.6	3,473	1.73
OTHER	49	0.15	104	0.26	441	0.36	0	0.0	594	0.30
TOTAL	31,832	100.0	40,620	100.0	120,736	100.0	7,843	100.0	201,031	100.0

* 395 Precincts Reporting

TURNOUT OF REGISTERED BLACK VOTERS

BY REGION*

Region	Registered Voters	Actual Voters	Percent Turnout
Northeast	35,847	23,692	66.09
Midwest	62,690	38,562	61.51
South	163,947	90,319	55.09
West	<u>12,041</u>	<u>7,843</u>	<u>65.16</u>
Totals	274,525	160,416	58.43

* 322 Precincts reporting -

James M. Wall, Editor

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What's Wrong with Born-Again Politics?

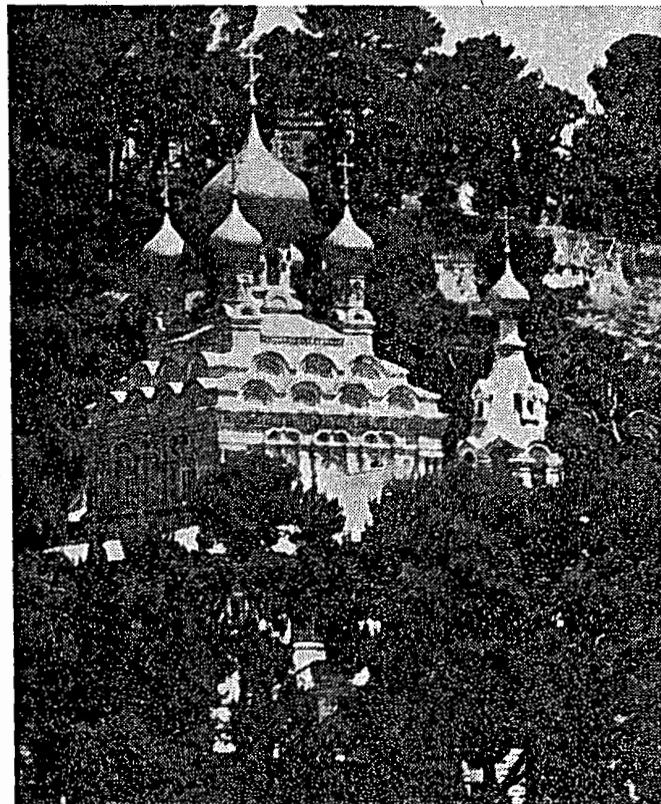
A Symposium

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Politics, Theology and Folly in the New Jerusalem Law

Thomas A. Idinopulos

- The New Right
Comes of Age
- Anti-Semitism
in France
- Etiquette for the
Able-bodied
- Ethical Wills



The Russian Church of Mary Magdalene on the slopes of the Mount of Olives.

THE WHITE HOUSE

WASHINGTON

November 10, 1980

①

MEMORANDUM FOR THE PRESIDENT

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for Preservation Purposes

FROM:

Frank Moore *FMM*

SUBJECT: Post-Election Session

We have a number of items we are pushing to get passed in the post-election session.

Alaska Lands -- The House-passed bill as amended in the Senate by the Tsongas substitute is now pending at the Speaker's desk. The House could accept the Senate amendment and send it to you for signature. If Udall wants to call it up the Speaker will, and it should pass. The environmentalists are still talking of going back to the Senate for improvement. Sending it back would likely kill the bill. This could be one of your greatest legacies.

*Pass
Senate
version*

Revenue Sharing -- Has passed neither the House nor the Senate, although the Republicans are talking about it as it is a Republican program.

EDA -- Six items remain between the conferees. EDA will go out of business if it is not passed, as this is a reauthorization.

Youth -- Passed the House, needs Senate floor action.

Fair Housing -- Requires Senate floor action.

Superfund -- Has passed all four committees in the House and needs Senate action. A deal was in the making prior to the election including industry, environmentalists and the various Senate committees.

CHAPS -- Passed the House and requires Senate committee and floor action.

I have met with the Speaker's office, Senator Byrd's staff and Senator Baker's staff. No one knows what will happen and won't know until late Wednesday of this week, possibly even Thursday or Friday.

Senator Byrd intends to meet with the Senate Democrats in a caucus on Wednesday and will say to them if we are going to have a session let's make it a serious session and pass this necessary legislation while we still have a majority.

Baker intends to meet with the Senate Republicans. His attitude is let's only do what we have to do -- pass the budget and comply with the law and the one or two things that are in the national interest. He and Byrd are not scheduled to meet until they have met with their respective caucuses.

What the one or two things in the national interest are depends on how well Baker can control the Garns, Helms, and Hatches of his party. While Baker agrees it would be in the interest of his party and the President-elect to go ahead and pass foreign aid this year with Democratic help, he just does not know what the attitude of his people will be nor the attitude of the defeated Democrats. At the present time foreign aid is scheduled to be up on the House floor on Wednesday. We are trying to talk Doc Long out of putting it up to avoid all the Bill Young amendments and instead put up IDA which needs reauthorization to be included in the expected continuing resolution. In fact, the Speaker's staff does not know what is going to happen until the Speaker gets back and meets with Doc Long and the Speaker is not due to return until Wednesday.

We currently have a Democratic Leadership Breakfast scheduled for Thursday morning. Byrd and Tip will know a lot more than. I think you should meet with Howard Baker later that day to see if we can prevail on him to use his new leadership position in the national interest.

The House Democratic leadership thinks it is important to have Al Ullman included in the Leadership Breakfast, if only to firm up his resistance to proceeding with a tax cut this year.

The Democratic members of the House Budget Committee met today and are going to present a package to the committee tomorrow that reflects House action on all appropriations bills thus far passed, includes money for your youth initiative, for countercyclical revenue sharing and for the federal pay supplemental. The Democratic package includes a Reagan-fraud and abuse reduction of \$13.5 to \$14 billion. It also leaves room for a \$5.5 billion tax cut effective July 1, 1981. All of this adds up to a second budget resolution with a deficit of about \$25 billion.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

November 10, 1980

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MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CLS*
Subject: The Senate Finance Committee Tax Bill

Secretary Miller sent you a memo Friday pointing out the reasons why we should strongly oppose the Reagan initiative to pass the Senate Finance Committee Tax Bill.

I agree with Secretary Miller on both substantive and political grounds. By calendar 1982 the Senate bill will lose \$55-\$60 billion in revenue. The Reagan increases to the defense budget will raise 1982 spending by perhaps \$10 to \$15 billion. Should the Senate tax bill pass, the financial markets will wake up to these consequences, and what is already a serious interest rate problem would become very much more so over the course of the next two months.

(The 1982 budgetary numbers are so bad, with the Senate tax cut and large defense increases included, that I don't understand why Reagan and his people are pushing it. The apparent "gain" for him -- saddling you with a very large 1981 budget deficit -- is small compared to what it will cost him.)

C

THE WHITE HOUSE

WASHINGTON

November 5, 1980

MEMORANDUM FOR THE PRESIDENT

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FROM:

Frank Moore *F.M.*
Dan Tate
Bill Cable *Bill*

We have attached what appears to be the Congressional situation as of this time.

As you know, Congress returns one week from today, Wednesday, November 12. The first matter of substantive concern scheduled in the House is the foreign aid bill. Of course, this can change. We will be meeting with the Leadership staff and we should probably have a Leadership breakfast on Thursday morning. I have spoken with Phil about this.

Dan, Bill and I are calling winners and losers on your behalf. There will be some special ones that you should call, particularly those who worked hard for your reelection, such as Senators Inouye, Ford, Glenn, Morgan and Talmadge. We will send you separate call cards on these so you can make these calls at your leisure. I have already tried to talk with Senator Byrd who is not in his office today and has been unreachable so far.

The session that begins on the 12th may be short, and certainly unproductive, working mainly on appropriations bills. The Congress must return prior to January 6 to organize itself and count the electoral votes. It will probably then go out until after the inaugural.

One of our priorities is to get confirmation of the synfuels board. Scoop believes we can do it. We will have to see.

I have told my staff that you are running the government until January 20 and we will continue to serve you loyally and with enthusiasm.

SENATE

Democrats

Winners

Eagleton
Ford
Glenn
Hart
Leahy (1800 votes)
Bumpers
Cranston
Hollings
Inouye
Long
Dodd
Alan Dixon

Losers

Bayh
Nelson
Durkin
Culver
Talmadge
Church
McGovern
Gruening
Magnuson
Folsom
Gunter
Morgan

Senator Goldwater's race is still undecided due to a shortage of ballots in Pima County.

Before the election, the Democrats held 58 seats (not including Harry Byrd) and the Republicans held 41. Thus far the Democrats have suffered a net loss of 12 seats and have lost control of the Senate.

Also, the "conservative coalition" of Republicans and conservative Democrats now has a strong grip on the Senate. This fact, coupled with the Republicans' party cohesion, gives Governor Reagan a much stronger "philosophical majority" than we could claim.

HOUSE

Incumbent Democrats Lost

Johnson	CA
Van Deerlin	
Corman	
Lloyd	
Brademas	IND
Carr	MICH
Burlison	MO
Maguire	NJ
Thompson	
Ambro	NY
Murphy	
Wolff	
Gudger	
Preyer	
Ashley	OHIO
Ullman	OREG
Kostmayer	PA
Beard	RI
Jenrette	SC
Eckhardt	TX
Fisher	VA
Harris	
McCormack	WASH
Hutchinson	W VA
Baldus	WISC

Open Seats Lost
Previously Democratic

Gaiamo	CONN
Stack	FLA
Nolan	MINN
Ichord	MO
Cavanaugh	NB
Hanley	NY
Myers	PA **
Davis	SC
Satterfield	VA
Staggers	W VA

** Independent won -- should
organize with Democrats

Not Decided

Nedzi (D-Mich) - D leading
Marks (R-Penna) - D leading

Republican Seats Won by Democrats

Royer - California
Bauman - Maryland
Andrews - North Dakota
Devine - Ohio

The current House is 273 Democrats; 159 Republicans; 3 vacancies.

If things go as we suspect, the final results will be 245 Democrats;
189 Republicans; and 1 Independent who should organize with the
Democrats.

EYES ONLY

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

November 6, 1980

①

EYES ONLY

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MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CLS*

Subject: Unemployment and the PPI in October
(to be released at 9 a.m. Friday)

Unemployment

The unemployment rate edged up fractionally to 7.6 percent in October from 7.5 percent in September.

The household survey showed total employment down slightly, while the labor force rose. (Nonfarm employment rose a bit -- the unreliable figure on farm employment fell.) The survey of nonfarm business establishments reported a healthy 260 thousand rise in employment.

Aggregate hours worked rose by a very small amount in October. The rise was fairly good in manufacturing. The rise in straight time wages in October was rather large (0.8 percent) and over the past six months wages have risen at a 9.1 percent rate.

Producer prices

The PPI for finished goods rose by 0.8 percent in October. You remember that in September the BLS, for the first time, included end-of-model-year discounts on autos; this actually caused a drop in the PPI index by 0.2 percent (and brought on an intemperate attack from Reagan). This month the cessation of those discounts boosted the index. The results ex autos are as follows:

	<u>PPI Increase for Finished Goods (percent)</u> <u>As Published</u>	<u>Excluding Autos (approximately)</u>
September	-0.2	0.4
October	0.8	0.4

EYES ONLY

EYES ONLY

As you can see the "adjusted" index increased moderately in both months.

Finished food rose by a surprisingly small amount, 0.5 percent.

The news is not bad. But the underlying rate of inflation continues at about a 9 percent rate.

Interest rates

As you know the prime rate was increased by 1 percentage point to 15-1/2 percent today. Over the past week short-term interest rates generally have risen very sharply. (In the past ten days the Federal funds rate has risen by almost 2 percentage points and the Treasury bill rate by 1-1/2 percentage points. In the past month these two rates have climbed by 3-1/2 and 2-1/2 percentage points, respectively.)

Using rule-of-thumb formulas on the cost of short-term funds to the banks, today's increase in the prime is not out of line. The real problem, however, is what has been happening to the whole structure of interest rates. Stripped down to essentials, the increase stems from the Fed's determination to keep the growth in the supply of money within its targets in the face of a large increase in the demand for money.

If the recent rise in the demand for money is the precursor of an incipient boom or a renewed burst of inflationary expectations, the Fed will turn out to have been right.

While it is indeed true that the economy is now moving ahead faster than most people expected, I believe that an important part of the problem stems from the fact that the Fed's targets for money growth are set too low. The relatively decent and somewhat surprising economic growth in the fourth quarter is bringing us face to face with the economic implications of the Fed's targets somewhat sooner than any of us had expected.

The combination of (probably) bad CPI news in the next several months and the announcement (leaking) of Reagan's defense budget plans may soon exacerbate the interest rate problem.

EYES ONLY

THE WHITE HOUSE

WASHINGTON

To Fred Kahn

Thank you for your letter and I accept your resignation as Chairman and a Member of the Council on Wage and Price Stability, effective November 7, 1980.

I deeply appreciate your tireless efforts to develop and implement our anti-inflation program. We never took the easy road or ducked the tough issues, and I believe our efforts have begun and will continue to produce results. While perhaps unglamorous and at times unpopular, your task has been essential to our Nation's strength and vitality. You have performed that task well, and with imagination, diligence, and vision.

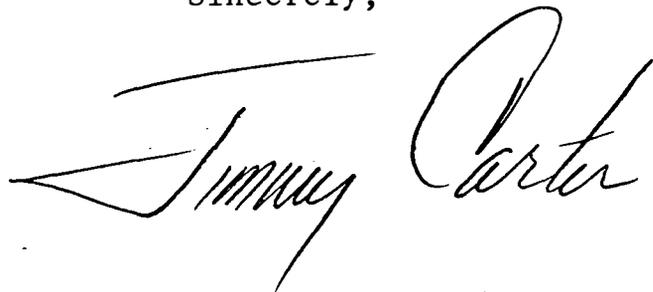
As I have indicated to you before, I also am deeply appreciative for the creative, pioneering leadership you provided the Civil Aeronautics Board. The landmark deregulation of the airline industry that you designed and carried out stands as a model for thoughtful, effective restoration of competition in the marketplace.

Finally, your contributions to promote the use of simple, direct language in the government's daily business have been very valuable. I think your work to make the government's work more understandable will be lasting.

Page 2

As you return to academic life, you should do so with the knowledge that you have served your Nation exceptionally well. I am proud that you have been part of my Administration, and have enjoyed your wit, spirit, and creativity. Rosalynn and I wish you the very best in all your future endeavors.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

The Honorable Alfred E. Kahn
Chairman and Member
Council on Wage and Price Stability
Washington, D.C.

*p.s. Also, I enjoyed
working with you, & deeply
value your friendship -*

A handwritten flourish or signature in cursive script, consisting of a single, elegant, sweeping stroke that ends in a small hook. It is positioned below the handwritten note.

THE WHITE HOUSE

WASHINGTON

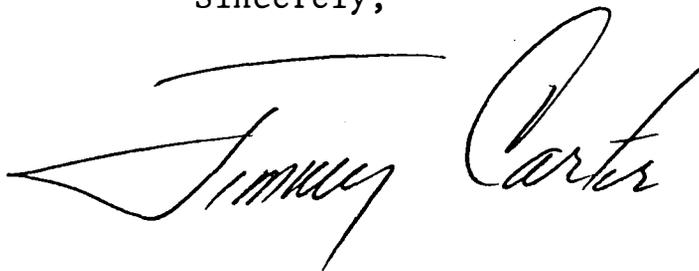
To Luther Hodges

Thank you for your letter and I accept your resignation as Deputy Secretary of Commerce, effective November 5, 1980.

I am grateful for the leadership you have provided the Department of Commerce, and share your belief that our efforts to strengthen the Department's trade and economic development functions will pay rich dividends for our Nation in the years ahead. I am also deeply appreciative of your personal support for me during the past 18 months.

You have served your country well and I look forward to the continuing contributions I know you will make. Rosalynn and I wish you the very best in your new challenge and in all your future endeavors.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned below the word "Sincerely,".

The Honorable Luther H. Hodges, Jr.
Care of the Department of Commerce
Washington, D.C. 20230

*ps. I deeply value your
personal friendship.*

A handwritten flourish or signature mark consisting of a horizontal line with a curved tail that loops back under the line.

THE WHITE HOUSE

WASHINGTON

To Scotty Campbell

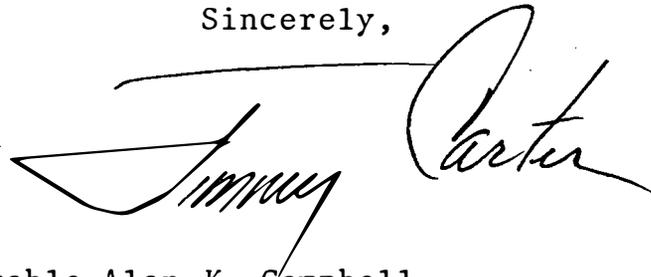
Thank you for your letter and I accept^o your resignation as Director of the Office of Personnel Management, effective December 1, 1980.

I deeply appreciate the superb leadership you have provided the Federal Civil Service. Your work to design, enact and implement the first major reform of the civil service system in a century will be a lasting contribution to the improved effectiveness of the Federal government. I share your judgment that the country should take pride in its civil servants, and believe that the initiatives you launched will help these dedicated, competent people to render even better service in the future.

I also am grateful for your tireless efforts to promote other management reforms, including your work to establish and guide the Management Improvement Council.

You have served the Nation well, and I wish you the very best in all your future activities.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in black ink and is positioned below the word "Sincerely,".

The Honorable Alan K. Campbell
Director
Office of Personnel Management
Washington, D.C. 20415



CABINET ECONOMIC POLICY GROUP

DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

November 7, 1980

C

MEMORANDUM FOR THE PRESIDENT

FROM: G. William Miller *Bill*
Chairman, Economic Policy Group

Subject: EPG Activities

**Electrostatic Copy Made
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Meeting of Thursday, November 6, 1980

- Agreed that the FY 1982 budget submitted January should be lean and responsible.
- Spending proposals included in the Economic Revitalization Program will be re-assessed through the budget process on their individual merits before inclusion in the budget submission. The targeted investment tax credit, for which an appropriation would be required, will be re-assessed as part of this review.
- Tax elements of the Economic Revitalization Program will be included in the January budget submission. The proposal made in March for a 10 cent motor fuels tax will also be taken into account in the budget and the economic assumptions. Treasury will prepare additional materials explaining the Administration's tax program, especially the constant rate depreciation proposal.
- With respect to incomes policy, CEA is proceeding with the drafting of general principles and issues involved in development of a tax based incomes policy. Such principles would not specify a numerical standard or provide legislative detail but build the case for continued wage and price restraint, continued monitoring, experimentation with sectoral approaches, and further dialogue between business and labor. Charlie Schultze and I will be meeting with John Dunlop next week to explore some of these possibilities.
- Interagency task forces led by CEA and OMB will proceed with studies on problems of indexing government programs. The reports are due on November 30.

- ° A separate memorandum in response to your note of October 30 is being prepared by Treasury on options to restrict the exemption granted to gasohol from the four cent a gallon gasoline tax. Legislation would be required.
- ° Major legislative priorities in the post election session of Congress will include securing of appropriations for the International Monetary Fund and IDA VI, retention of the authority of the President to impose credit controls, elimination of the state share of revenue sharing, and passage of the omnibus reconciliation bill.
- ° OMB will be preparing a separate memorandum to you on the designation of a chairman of the Advisory Committee to the Synthetic Fuels Corporation.



THE SECRETARY OF THE TREASURY
WASHINGTON

November 7, 1980

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. <u>THE MARKETS AND THE DOLLAR</u>	<u>Today's Close</u>	<u>Change Since 10/31</u>
Dow Jones Industrial Average	932.42	+7.93
Prime Rate	15 1/2%	+1%
Gold (London)	\$595.00	-\$35.50
Silver (COMEX)	\$18.00	-\$.85

- . The fundamental problems of rising interest rates and entrenched inflation overcame Wednesday's stock market investor euphoria, during which share volume traded on the NYSE surged to an all-time high of 84 million shares. At the close of the week, the market staged a sharp sell-off.
- . Chase Manhattan's one percentage point increase in the prime rate to 15 1/2 percent was copied industry-wide by this afternoon.
- . Due to sharply rising domestic interest rates, the dollar has strengthened against the major foreign currencies.
- . Although concern over further Federal Reserve credit tightening persists, the credit markets have become more optimistic due to the reappearance of large institutional investors and a smaller-than-expected 0.8 percent rise in the October producer price index. On balance, interest rates over the week posted moderate increases. The declines in the monetary aggregates of \$700 million for both M-1A and M-1B in the latest statement week should contribute further to positive market sentiment next week.

2. CHRYSLER

- . Chrysler sales volume has softened somewhat, and thus its cash flow outlook is somewhat weaker. Chrysler's earlier projection of a modest fourth quarter profit of \$257 million now may become a \$50 million loss. As a result, Chrysler may request another loan guarantee as early as January rather than in March as previously expected.

3. OPERATION SWEEP

- . Last week Treasury's Bureau of Alcohol, Tobacco, and Firearms and the New York City Police Department concluded a seven-month undercover investigation of firearms, explosives, tobacco, loan sharking, narcotics, robberies, homicide, and other violations. A total of 47 persons have been indicted on state and Federal charges. Nearly 40 of the suspects are associated with the 5 New York City organized crime families.
- . On November 6, I presented Treasury awards to the ATF and New York City Police officials responsible for coordinating this highly successful operation. The ATF undercover agent also received a cash bonus.

4. U.S. SECRET SERVICE CANDIDATE PROTECTION

- . At his request, Secret Service protection for Senator Kennedy terminated on November 4.
- . Protection for Governor and Mrs. Lucey, Congressman and Mrs. Anderson, and Mr. Jack Carter also has been terminated.


G. William Miller

James M. Wall, Editor

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Covenant as Subversive Paradigm

Walter Brueggemann

The Deliberations of Juror No. 13

Martha Robson

- A New Use for
Miramar
- Celebrating a
Confession
- Multiracial Mission
in London



Worshippers at Methodist church in Havana.