

The original documents are located in Box 28, folder “Third Debate, 10/22/76: Bedford-Stuyvesant Visit” of the Michael Raoul-Duval Papers at the Gerald R. Ford Presidential Library.

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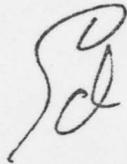
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October 18, 1976

Mike:

Enclosed are some further thoughts for the third debate and a copy of a memorandum I sent to Jim Connor on a Presidential visit to Bedford-Stuyvesant. The Bedford-Stuyvesant memorandum was prepared by a friend in New York. While it rambles a bit, I think there are some worthwhile debating points.

Also enclosed is a summary of income of American families, by the number of wage earners, based on the 1974 census.



M E M O R A N D U M



Some further suggestions for the third debate:

1. The Pardon Issue. Refer to my September 30, 1976, memorandum, point 4. on draft resiteres and deserters, then go on: It's not easy to remember how bad things were in the post Watergate period. When I issued the pardon, I was convinced that I was doing the right thing for the country and the New York Times, the Washington Post, the Special Prosecutor and others agreed with me. Now, in hindsight, the decision is being questioned. It is possible the questioners are right, but I think the emotion lying behind the criticism shows why I was right. A prosecution would have focused national attention on the Watergate and diverted our efforts from bringing peace to Vietnam and an economic recovery to the country.

2. Eastern Europe. As I've said, I overstated the situation. It was half a slip of the tongue and half a recognition of the independence of spirit of the people living in Eastern Europe. I believe that expressing a hope for greater autonomy does the people of Eastern Europe more good than being negative.

But the issue is far deeper than a slip of the tongue. Governor Carter has distorted the statement and in his distortion he is implying that he will follow a different policy. Governor Carter, do you really propose to change our policy toward Eastern Europe? You must know that you are playing on the hopes and aspirations of people. Do you propose to send troops and tanks into Eastern Europe? If you're going to follow my policy of encouraging progress without provoking war, say so.



For twenty-five years I have been meeting with ethnic leaders and championing the cause of oppressed ethnic minorities. In twenty-five years of working on this problem, I have never seen Mr. Carter at one meeting or heard one statement from him until he began running for President.

3. Tax Reform. See October 12, 1976, memorandum, point 4., then insert: Governor Carter telegraphed me to say he would not raise taxes for those who were working. I do not understand what he means, since that would mean no tax reform, unless he would propose to raise taxes on those who receive income but don't work. There is a problem with the rich who use loopholes to avoid paying taxes, and we are working on that problem. But raising the revenues Governor Carter's spending demands, requires increased taxes for everyone who receives unearned income. That's not just going after the wealthy it means taxing the elderly on fixed incomes, widows and the disabled. It just will not work.

The only way to have real tax reform is to lower taxes. Lawrence Klien, Carter's chief economic advisor, has stated that there will be no lower taxes in a Carter administration [have research check last week's press for Klien's statement].

4. Question on New York City. State President's position . . . in the primaries Carter said he was against any Federal aid to New York City. But in the election, with the electoral votes of New York high on his priority list, Governor Carter said he would stretch out New York City's debt repayment. The total tax basis for New York City is \$6 billion. New York City's present interest

on its debt is \$2.3 billion. In other words, Governor Carter would stretch out the intolerable period of having almost one-half of New York City's revenues go to interest payments to the big banks. Almost one-half of New York's revenues will continue to be spent without paying one cop, teacher or sanitation man. That may be attractive to the bankers Mr. Carter lunches with at "21," but it does not make sense to the United States. The government of New York must come up with a plan to reduce its debt.

I am committed to support, and have supported, all reasonable efforts of the government of New York to get on its own feet provided their plan has real promise to helping the people of New York City.

5. Carter's Contradictions. If the opportunity arises, after a series of Carter contradictions, without arguing the specific contradictions, the President should say: "Governor Carter, you cannot repudiate your whole life just to run for President. I am not going to argue your contradictions now, but I think our viewers will read about them in tomorrow's papers."



	Initials	Date
Prepared By		
Approved By		

45-814 EYE-EASE
45-914 20.20 BUFF
NATIONAL MADE IN U.S.A.

INCOME OF AMERICAN FAMILIES, BY NUMBER OF EARNERS, 1974
(NUMBERS IN MILLIONS)

1	2		3		4				6		7		
	EARNINGS		INCOME GROUP										
(% OF FAMILIES)	UNDER \$6000	\$6000-9999	\$10000-14999	\$15000-24999	\$25000-49999	\$50000-UP							
	% (17.4)	% (18.3)	% (24.4)	% (28.4)	% (10.4)	% (1.1)	NO	NO	NO	NO	NO	NO	
2	TOTAL	1000	97	100	102	100	136	100	158	100	58	100	06
4	NUMBER OF EARNERS												
6	1	722	70	608	62	441	60	272	43	207	12	297	02
8	2	165	16	343	35	456	62	513	81	414	24	395	02
10	3	15	01	39	04	81	11	146	23	207	12	181	01
12	4 AND UP	05	005	01	01	22	03	81	11	172	10	127	01
14	CUMULATIVE:												
16	2 OR MORE	185	18	383	40	559	76	740	115	793	46	703	04
18	3 OR MORE	21	02	40	05	103	14	227	34	379	22	308	02

PRESIDENTIAL VISIT TO BEDFORD-STUYVESANT



1. Why go to Bedford-Stuyvesant. Bedford-Stuyvesant is the largest black area in New York City, certainly one of the two or three largest in any American city, depending on one's definition of the boundaries, from 450,000 to 750,000 people. It is not as depressed as Harlem or Brownsville, but it has, in full measure, every classic problem of the center city.

In the circumstances, the first answer is political. Bedford-Stuyvesant is an attack on the single greatest component of the unemployment problem -- that is, among inner-city blacks, particularly black youth. To go there is to demonstrate that at least in one instance, the government of the United States is acting directly on the problem, not simply sitting and waiting for events. It is the single credible instance where President Ford can say that he has any program for dealing with unemployment that predates the election campaign (Restoration has continued to receive federal funding through the Republican years).

And therefore, the visit can have an enormous effect on the third debate, for obvious reasons. He cannot go on merely negating and criticizing Carter (though sharp and severe criticism is vital to the debate). He must lever the criticism with something affirmative. There is little that runs deeper in the American character than the insistence on being positive: "awright, wise guy, what would you do?" That is why Carter was perceived as winning the second debate, although a cool analyst would say that President Ford "won" the majority of the rounds; Carter sounded like he was

saying something moral and positive, as if he would act more forcefully in some undefined way. That is why Democrats win so many elections. It is a restless country, we are a doing people, and in the last analysis we tend to choose the active principle. For all McGovern's blunders, it was probably the opening to China, more than anything else, that secured Nixon's reelection. So it is vital that President Ford be seen as doing something other than controlling, or even cutting, the budget. Supporting Restoration, and expanding its example to every major American city, is something first-rate to do.

The visit can have many other effects. In summary:

-- It offers a demonstration that rhetoric about "free enterprise" need not be a cover for heartlessness. The strength of the project is that it does mobilize the great resources of corporate capital, to aid in the most urgent tasks of the nation.

-- It offers a demonstration that aid to New York City need not and should not be simply aid to bail out its hopelessly maladministered government. Bedford-Stuyvesant (as Jerry Brown pointed out most effectively in the primaries) was in deep trouble long before the city's fiscal crisis; the project was needed precisely because the city did literally nothing to help for generations. Right now, the City is attempting to increase taxes on Restoration's new shopping center -- at the same time that the federal government is trying to subsidize its building!

-- Most of all, a visit and commitment by President Ford would demonstrate the very qualities that might make him attractive, or



acceptable, to moderate voters not enchanted with Carter. It is a Democratic project, specifically a Kennedy project: Mr. Ford is not partisan, he recognizes merit wherever it appears, he listens, he is not afraid to share credit or accept instructions. All these play directly against the Carter qualities that most disturb. It tends to close the "compassion gap:" Carter has never been to Bedford-Stuyvesant, probably because he is: (1) fearful of further identification with blacks in the campaign; and (2) jealous of a Kennedy project.

-- It also demonstrates that this Administration has not forgotten the problems of race, a demonstration that is sorely needed -- both for the country and for the election. Even those whites most fearful, and therefore most antagonistic to blacks, do not like them to be totally ignored. We all know the danger; those of us who live with the city know that absent an improvement in black conditions, we are all for the smash. Of course, few welcome them to a new neighborhood, or school, or like paying for welfare. The great political virtues of Bedford-Stuyvesant Restoration are that it seeks to assist blacks where they are, in their own communities, and by their own efforts, not through handouts.

At this point, someone may ask how one project can have so many political, as well as actual virtues. The answer is that it was planned that way.

2. What is the Bedford-Stuyvesant Project. The Bedford-Stuyvesant project -- technically, the Bedford-Stuyvesant Restoration Corporation -- may be the most ambitious and far-sighted of all the

poverty/redevelopment projects of the 1960's. Certainly it has been the outstanding survivor. It was planned, created, and nurtured by the enormous personal efforts of the late Robert Kennedy, from 1966 to 1968. Briefly, he created two private corporations. One, "Restoration," was all black, formed out of the community, with a charter to develop jobs, housing, community activities, training, etc. The other, "Development and Services," was all white, with a charter to bring the power, resources and knowledge of the business community to the assistance of Restoration. On its first board were such men as Benno Schmidt of J. H. Whitney & Co.; Andre Meyer of Lazard Freres; William Paley of CBA; George Moore of First National City Bank; David Lilienthal; Tom Watson of IBM; Roswell Gilpatric; and Senators Kennedy and Javits.

The project received its initial funding from the so-called "Special Impact Program," (now Title IX.), passed as part of the Economic Opportunity Act Amendments of 1966 under the cosponsorship of the two Senators. From the beginning, however its aim was to "leverage" its government money into vastly greater investment by pro private enterprise. Thus, for example, Restoration was able to attract to Bedford-Stuyvesant an IBM assembly plant, to staff it with workers from the area, and to assist IBM in training them; IBM's initial investment has proven so successful that they have just broken ground for a second, \$12 million plant, to employ another 1,000-plus local workers, without any federal aid whatever. For another example, very small Restoration investments helped in the creation of a Mortgage Pool, financed by a consortium of banks,

that has made available \$100 million in mortgage money. Restoration has never received more than \$5 million a year in federal funding. Yet it has grown every year since its founding, and its achievements in job development, small business creation (everything from nationally-recognized and marketed textile designs to automobile dealerships to MacDonal'd's), housing rehabilitation and construction, and community pride and well-being must be seen to be appreciated. Just for the magnitude and permanence of its accomplishments, let alone the pittance of federal money involved, it far outdistances any other project in the United States.

3. What to do there. Bedford-Stuyvesant is not for a rally. President Ford should arrange simply for a guided tour, followed by a meeting with the project's director and top staff, with perhaps some of the Directors (the black and white corporations are now merged, with a single mixed board). He can and should inspect some of the projects -- the IBM plant, some housing, the shopping center -- and see as well the work not yet done, the vast areas of Bedford-Stuyvesant not yet reached. He need make no speech; he can simply hold a press conference, perhaps in the auditorium (actually a community theater built into the headquarters building, which is a truly elegant and inspiring piece of architecture). He need have, I believe, no serious concern over demonstrations of any kind. I repeat, that this is not a "campaign appearance." The payoff will come on the debate.

4. Possible objections. These are easily disposed of.



(a) The Democrats get the black vote anyway. Of course. The audience is not blacks, who vote very little. It is those tens of millions of whites, many of them bothered by Carter, who yet cannot bring themselves to vote for a candidate who they think will do nothing at all for blacks for another four years. That is a compassionate country, at least when that compassion can be exercised in someone else's neighborhood.

(b) There will be demonstrations. I do not believe so. If there are, it is still a political advantage, not a handicap. Again, what many mistrust about Carter is the feeling that he will brook no opposition, that to cross him once is to invite four years of hell. This is, or could be, a welcome reminder that no one has anything to fear from good guy Jerry Ford: look at that, those spades yelling at him, but he just goes on smiling, says he understands, and that he will try to help. Then let people ask themselves which one is less like Richard Nixon.

(c) It will unbalance the budget. Nothing could be further from the truth. I repeat that the project's central principle is that it should not require vast government monies. This one has cost only \$5 million a year. Even double that, and extend the example to every major American city, and you are still well under \$250 million a year -- just eliminating the fifth carbon at HEW could probably save that much. And this \$250 million, unlike the billions envisaged by Humphrey-Hawkins, might actually accomplish something permanent.

(d) It is a Democratic project. Indeed it is, though thoroughly non-partisan in its theory; Jack Javits and Benno Schmidt are as Republican as it gets. I repeat that this is a virtue. Especially is it a virtue when the Democrats with whom it is most closely identified are the foremost heroes of the party's past -- and so clearly ignored and dishonored by the party's current candidate.

Finally in this vein, it is a great opportunity to suggest that a new Administration would extend its reach beyond the closed circles of Washington. There is some real talent in this project, most notably Frank Thomas, its director (Mike O'Neill of the Daily News thinks Thomas is the man best-qualified by far to be Mayor of New York, which a black man will not be for some time yet). Nothing could be better, in the bus leaving Bedford-Stuyvesant, than to muse with a reporter that that fellow would make a fine cabinet member -- nothing, that is, except to actually make him one next January.

The first step, of course, is to get elected. The road back starts at Fulton and Nostrand.

THE WHITE HOUSE

WASHINGTON

October 19, 1976



MEMORANDUM FOR:

DICK CHENEY
JERRY JONES

FROM:

MIKE DUVAL

SUBJECT:

Visit to Bedford-Stuyvesant

Subject to further checking by the Advance office and others, (principally Jim Cannon), I recommend that the President briefly tour Bedford-Stuyvesant enroute from the JFK Airport to downtown New York and the Al Smith dinner this coming Thursday.

I perceive the following reasons for doing this:

1. It will be helpful to the President during the last debate. I expect there to be considerable focus during this debate (from the panel and Carter) on the problems of the cities, blacks, structural unemployment, crime and the like. I think it will be very helpful for the President to be able to refer in an anecdotal fashion to his personal knowledge of the problems of the big cities. The Bedford-Stuyvesant area symbolizes one of the major problems we have with unemployment -- that is among inner-city blacks, particularly black youth -- and also is an example of a successful partnership between government and private enterprise to deal with the urban decay problem. It is my experience that the President is most effective in dealing with these complex social issues when he can point to a personal experience he's had to underscore the points he wants to make.
2. It may help neutralize the anti-Ford feeling among blacks. I would defer on this to Stu Spencer and others but my judgment is that a visit to the black area, especially with the black project director as the President's escort, may do a little bit to discourage active black opposition on election day.

3. It may result in some pro-Ford comments from the Kennedy crowd. This is a Kennedy project and they certainly have every motive to oppose Carter.

I do not think this trip should be announced in advance, but rather the head of the Bedford-Stuyvesant operation, Frank Thomas, (a former New York City policeman, who is black), should be asked to meet the President at Kennedy Airport and ride with him during the tour. Obviously, Thomas will have to be checked out.

One symbolic stop should be arranged with no advance word. Let whatever people that are in the area gather in response to the presence of the motorcade. The event should take on a serious tone and avoid any "rally" appearance.

We should carefully think through the possibility of any approach to Ethel Kennedy on this subject.

Attached is a more detailed analysis of the potential for a visit to Bedford-Stuyvesant.

10/19/76

4:20 p.m.

BEDFORD-STY.

You may want to consider asking for / meeting ^{an informal} of the board.
Board is composed of middle-class, community leaders,
Teddy & Ethel K. & shared by Beno Schmidt.

ED WEID^{EN}FELD

via phone call

P.



Ed Wendenfeld → work of Rordley

① Bed- STUY →

Frank Thomas

Head of Bedford Stuyvesant
Opn. former NYC
Cop; Black (Demo?)



② Adam Walinsky is a resource

③ Ed Thomas

- Carter promises more than he can deliver

~~XXXXXXXXXX~~

e.g. Arab economic boycott
re: oil

"He talks tough and but
carries a twig."

- Carter / Mondale appear to be talking about
problems of great depression — ~~Report~~
the reality is we are dealing with the
problems of our third century.

e.g. unemployment so high but
more ~~too~~ people working than
ever in our history.