

Twenty eight months ago Britain was in the same shape... The International Monetary Fund got tough... New York needs a federal program for (administration of the) Emergency Financial Control Board (to put) it in shape. It would be folly to give New York money without putting a stop to its whimsical way of spending money. In my (*Economist*) article I suggest we put the IMF on the

board (administering) New York City....

I was in Washington, D.C. ... I talked to several officials.... New York is still misunderstood in there.... The rest of the world looks at New York and sees a safe city... Businessmen feel secure here.... In Rome, you can be kidnapped,... in Paris blown up... but in New York you are safe....

U.S. Labor Party Draft:

Legislation To Save New York City

Whereas the City of New York is the nation's largest and most important urban center and is the headquarters of U.S. commercial banking, world trade, fashion, printing and media industries, and

Whereas the City is facing bankruptcy which will affect municipal services, municipal employee wages, payment of debts, and providing funds for capital improvements, and

Whereas a bankruptcy or continued financial instability in the City would jeopardize the stability of the commercial banks and their ability to fund trade and industrial growth, and jeopardize future City and New York State finances.

Whereas the Municipal Assistance Corporation, a State agency, not only fails to provide growth capital to the City but if City revenues remain level or decline, the Municipal Assistance Corporation will be bankrupted, jeopardizing \$3 billion in obligations mainly to New York City commercial banks and municipal union pension funds, and further, jeopardizing City and State finances if City sales tax revenues are used to bail out the Municipal Assistance Corporation, and

Whereas the true "ability to pay" the City's obligations, whether debt service, municipal employee wages, other operating costs, or capital expenditures, depends solely — as it has done historically — on the economic growth of the City, State, and Nation, and

Whereas the City's failure to conduct "good faith" collective bargaining with its municipal employee unions based on an "ability to pay" premised on level or reduced City revenues has created a climate of imminent crisis and chaos in the City and

Whereas the City requires certain revenues immediately to maintain existing services and eliminate the present confrontational mode of union negotiations, and requires, for the Region as a whole, several billion dollars for creation of increased nuclear energy supplies, transportation linkages and augmented port facilities, and

Whereas the New York State Senate has affirmed its commitment to rapid national growth by passage of the Exim Bank Resolution, (Senate legislative Resolution No. 119)

Be It Therefore Resolved:

1. That the State of New York create an Industrial Development Authority for the purpose of assuming, with Federal guarantees, the debt obligation of the Municipal Assistance Corporation. Those obligations will bear interest equal to U.S. Treasury notes, and conversion will be voluntary.

2. That the Industrial Development Authority be

empowered to issue State guaranteed notes up to an amount fixed by the Legislature at such time deemed appropriate by the Legislature for high technology nuclear energy production, transportation networks and port facilities in the State.

3. That the Municipal Assistance Corporation be disbanded and the earmark of New York City sales tax be released.

4. That the revenues saved in the form of lower interest payments on the former MAC debt be placed at the disposal of the City treasury for immediate operating expenses including the payment of municipal employees.

5. That the Legislature, in conjunction with other agencies, public, quasi-public, and private, request Congress to appropriate up to \$11 billion in funds to the Federal Economic Development Administration for the following purposes: 1) 7,000 megawatts of nuclear power generation for the State and Metropolitan Region to assure the power necessary for large-scale industrial growth; 2) rail and road and rapid transit linkages necessary to the fullest development of the nation's largest port, not excluding such concepts as Starport integrated intermodal terminus, and off-shore port facilities. This request is made in the national interest to implement a national policy of greatly expanded U.S. exports based on an augmented role of the U.S. Export-Import Bank and other Federal agencies and private agencies.

6. That the Legislature declare its intention not to "steal" industry from other sections of the nation but rather to coordinate with national industrial growth policies to maximize the City's, State's and Region's contribution to expanding the nation's wealth.

7. That the Legislature monitor the process of industrial growth with frequent hearings that examine not only State and City activities, but scrutinize the efficacy of Federal programs relative to the capital needs and labor needs of the State, City, and Region.

8. That the Industrial Development Authority (IDA) seek joint investment with large private investors, foreign or domestic, and with quasi-public agencies such as the New York Port Authority, Power Authority, Urban Development Corporation etc.

9. That the board of directors of the IDA be composed of representatives from industry, banking, labor and quasi-public agencies; that each appointee must have proven expertise or experience in creating or realizing economic development plans; and that the board shall cooperate with local boards of education and the City and State Universities to create the necessary labor skills requisite to the proposed construction.