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OFFICE OF ECONOMIC
OPPORTUNITY

EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C. 20506

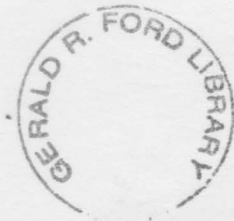
December 10, 1973

MEMORANDUM FOR STAN SCOTT

FROM:

ALVIN J. ARNETT *Al*

1. Attached, draft of letter to Roy Ash requesting OEO be excluded from five percent appropriation reduction.
2. Draft of letter to Community Action Programs and State offices.
3. Press clips on fuel crisis and poor.



OFFICE OF ECONOMIC OPPORTUNITY

EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C. 20506

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DRAFT - 12/10/73

Dear Mr. Ash:

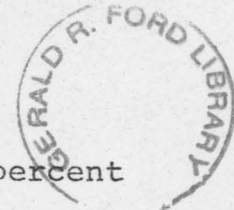
This is to respectfully request the up-to five percent impoundment opportunity not be executed with respect to the FY 74 appropriation for the Office of Economic Opportunity.

This request owes to:

1. The appropriated amount is but barely sufficient to cover the Agency's already committed FY 74 programs for the nation's poor.
2. Given the uncertain future of thousands of OEO-funded poverty programs, contingency bridging and transitional devices are presently being constructed. A five percent reduction would effectively end these vital transitional planning activities.
3. This Agency is at the forefront in helping to alleviate the impact of the fuel crisis on poor people. We're making do with the limited monies available. A \$17-plus million cut (five percent) would halt any continuing effort to ease the personal sacrifice by poor people during the winter. *on the part of OEO*
4. While \$17 million seems not that large in the context of a \$33 billion appropriation, such a cut in OEO's unique situation would have devastating consequences.

Sincerely,

Alvin J. Arnett
Director



2

DRAFT

TO: ALL CAA DIRECTORS
AND SEOO DIRECTORS

I don't have to tell you what the energy crisis will mean for millions of poor people in this country this winter. Living in substandard housing--aptly described as "wind tunnels"--facing the doubling or tripling prices of heating fuel; often unable to get heating fuel at any price; isolated in rural areas with inadequate transportation, food, or medical care, poor people face heavy personal sacrifice. And as shortages in energy bring about lay-offs and plant closings in industry, the number of poor may grow, and more and more people will look to the services that you provide.

On the basis of information I have already received from CAPS in New England, Kentucky, Wisconsin, Kansas, Colorado, and from OEO Regional Offices all over the country, I know that you and I face a great challenge in preventing untold hardship and suffering among the poor in the months ahead. We have a unique opportunity in OEO and community action. We have the structure, the outreach workers, the knowledge or the resources to do the job. At the same time, your on-going programs and regular

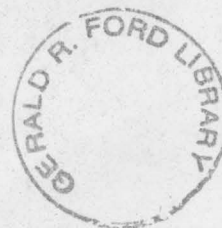


services will be more important than ever. A hot meal will be even more important to an older person without adequate heating, as will Day Care for a child who is cold at home, or manpower training in a rapidly tightening job market.

And one of your most important roles must be to see to it that poor people get their fair share when there isn't enough to go around.

OEO and Community Action must act at every level as advocates for the poor to make sure that the needs of those without power or money will be considered when the decisions are being made about allocation of fuel, distribution of resources, rationing, taxes, or any of the other ways in which communities and governments will try to cope with the energy crisis.

I will do my best to see that the concerns of the poor are considered in every decision made at the national level. CAAs and SEOOs must do the same at the community and state levels. And you must provide me through our Regional Offices the information I will need to do the job. I have asked our Regional Directors to ^{serve}~~have~~ the same role as members of the Federal Regional Councils.



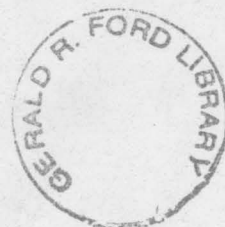
As the cold weather moves in, I want you to remember that all CAAs have the flexibility under OEO Instruction 6710-1, Change 3, to shift up to 10 percent of funds between 221 program accounts without prior approval of OEO. I urge you to take advantage of this flexibility if you need it to meet the energy needs of the poor. Beyond that, do not hesitate to apply to your Regional Offices for additional flexibility if you need it. I have asked our Regional Directors to be responsive to your requests and to handle them without delay.

I should emphasize that many of the things that need to be done already fall within the traditional and proper role of CAAs.

For instance, CAAs right now are providing:

Outreach: Using outreach workers to identify and define problems brought on by fuel shortages.

Hot Lines and Crisis Centers: Coordinating information on fuel supplies, allocation policies and emergency relief - publicizing Hot Line numbers through local media - Some CAAs are already maintaining centralized emergency supplies of fuel oil and wood.



Revolving Funds: Ensuring that people unable to pay cash or secure credit can still purchase fuel, Many CAAs have established these funds with limited resources.

Consumer Education: Offering the poor information on ways to conserve fuel, secure warm clothing and supplement their diets against the cold.

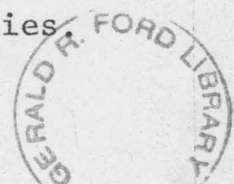
Winterizing Programs: Providing weather stripping, batting and plastic sheeting, and utilizing NYC, high school and college students and other volunteer labor to winterize housing.

Alternate Fuel Supplies: Securing wood and wood stoves, coal and kerosene, providing fire prevention education. Some CAAs have begun mass purchase programs.

Emergency Housing: Cooperating with relief agencies to set up emergency shelters and distribute clothing and bedding in the event of a short-term emergency.

Consumer Boards: Acting as low-income and fixed income advocates at the state and local level. CAAs are working to insure that state and local fuel Allocation Boards are representative of consumers, particularly the low-income.

Transportation: Working with school and local transportation systems to free up buses for use in transportation poor for medical services, buying food and other necessities



Co-ops: Implementing fuel buying co-ops directly through CAAs.

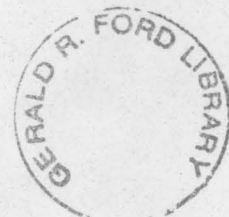
Nutrition: Working to have food stamps mailed to eliminate long trips.

There are two things I urge you to do if you haven't already:

1) Take the lead where you can in setting up a coalition of local groups to assure broad participation by the community in local decision-making affecting resource allocation, transportation, and the handling of emergencies. Some of the groups you may wish to involve are local unions, trade associations, PTAs, consumer groups, and civic associations.

2) Make sure that there is some kind of energy office or crisis center established in your community--whether by you or another agency. It must be readily accessible to the poor and must be the focal point for complaints (utility shut-offs, etc.) legal assistance, alternative housing assistance, emergency fuel reserves, and other energy-related problems of the poor.

A word of caution: Don't make promises you can't keep. Remember that there are shortages that you can't do anything about. What you can do is try to see that poor people get a fair shake.



DRAFT
Page 6

Finally, we need more information about the kinds of problems facing poor people and the resources that are needed. I have asked the OEO Regional Offices that haven't already done so to get specific requests for information out to you right away. Please respond to the Regions as quickly as you can. It will help us here at the national level to define the scope of the problems which face the poor and to know what to ask for in the way of resources that will be needed to deal with them. Once we know that, I promise you that we will do everything we can to help.



THE NEW YORK TIMES, SUNDAY, DECEMBER 9, 1973

U.S. to Help Maine On Winterproofing Of Homes for Poor

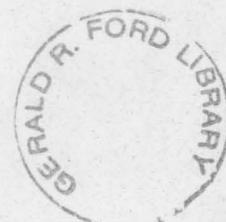
Special to The New York Times

WASHINGTON, Dec. 8—The energy shortage has prompted the Office of Economic Opportunity to fund a \$478,715 pro-

windows, banking the sides of houses, caulking, cleaning chimneys, providing wood stoves and other repairs to keep out the cold.

The work will be done by volunteers from O.E.O. projects, the Maine National Guard, state vocational schools and correctional institutions, universities and high schools.

The proposal estimates that three million gallons of heating oil can be saved



RENTS, FUEL PRICES UP

Fuel Crisis Already Hurts Poor

United Press International

With winter barely begun, many of the nation's poor already are hard hit by the energy crisis.

In New England, the region that is worst off so far, the poor are complaining that ghetto landlords are raising rents, lowering thermostats and in some cases threat-

Bangor and Portland are threatening to cut off heat in poor neighborhoods while saving fuel for wealthier tenants.

Miss Lunt said some landlords have offered to lower rents if tenants can find their own fuel dealers, but she said that tenants can't buy fuel anyway without cash.

Dan Lopp, of the Cross Roads Urban Center, in Salt Lake City, said, "A lot of our people are really afraid, particularly the older people who rely on their cars to get them to the grocery store and the doctor."

In Knoxville, Tenn., Stan Cole of the Community Action Commission, said his



NEGRO WOMEN ACT ON ENERGY CRISIS

Monitoring Is Urged to Keep
Them From Being Victim

By CHARLAYNE HUNTER

Special to The New York Times

WASHINGTON, Dec. 8 —
Fearing that disadvantaged and
poor people will become the
"greatest victims" of the en-
ergy crisis, the National Coun-

THE NEW YORK TIMES, SUNDAY, DECEMBER 9, 1973

Dorothy I. Height, the coun-
cil's president, said that the or-
ganization, which was found-
ed in 1935 by the late Mary
McCloud Bethune, has "a great-
er capacity than ever" to im-
plement the energy resolution,

Women's Training Plan

The leadership and develop-
ment program, which operates
with grants totaling more than
\$500,000 from the Rockefeller
Brothers Fund and Ford Found-
ations, is expected to train