The original documents are located in Box 13, folder "Minority Business, 1971-1975 (3)" of the Stanley Scott Papers at the Gerald R. Ford Presidential Library.

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THIS MAILGRAM WAS TRANSMITTED ELECTRONICALLY BY WESTERN UNION TO A POST OFFICE NEAR YOU FOR DELIVERY

STANLEY SCOTT
EXECUTIVE OFFICE BLDG
WASHINGTON DC 20506

DEAR STAN:

I HAVE THIS DATE DISPATCHED A TELEGRAM TO THE PRESIDENT URGING THAT HE FULFILL HIS COMMITMENT NOT TO ENDANGER THE CONTINUED DEVELOPMENT OF MINORITY ENTERPRISE BY INSURRING THAT THE FUNDS SO NECESSARY TO ITS SURVIVAL ARE NOT CUT FROM THE FEDERAL BUDGET.

I BELIEVE THAT A CUT IN THE BUDGET OF THOSE PROGRAMS WHICH SUPPORT MINORITY ENTERPRISE WOULD FURTHER WEAKEN THE MINORITY BUSINESS COMMUNITY. IT IS WITH THIS THOUGHT IN MIND THAT I ASK YOU TO COUNSEL THE PRESIDENT NOT TO SEEK A REDUCTION OF THE FUNDS PRESENTLY EARMARKED FOR MINORITY ENTERPRISE PROGRAMS.

SINCERELY,

HENRY LUCAS, JR.
MEMBER, EXECUTIVE COMMITTEE
NATIONAL REPUBLICAN COMMITTEE
34 ORA WAY SAN FRANCISCO CA

00:24 EDT

MGMWSHT HSB

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FROM TELEX 6161

FROM TWX 910 420 1212

DRAFT
10/9/74

Dear Mr. Secretary:

One of the important Presidential initiatives in recent years was the creation of the Government's minority business ~~development~~ enterprise program. I want to assure you that assistance to minorities to allow them to participate in the benefits of our private enterprise system will continue to be an important objective during my Administration.

Although the Office of Minority Buiness Enterprise in the Department of Commerce and the Small Business Administration have had primary responsibility for minority business programs, the success of these efforts has been due in large measure to the support of other Federal agencies. Your continued strong support of this objective is essential to a meaningful Federal effort, and I ask that you undertake a reexamination of your agency's committment to assisting the creation of successful minority businesses and of the effectiveness of your program.

During this difficult economic period, many minority businesses are particularly vulnerable. They need every help the Government can reasonably provide. It is especially important, therefore, that your agency look for every appropriate opportunity for minority businesses to participate in Government programs as contractors, subcontractors, bankers, etc., and that management, technical and financial assistance be provided whenever feasible.

pursue

I am confident of your continued support of this important effort. With warm regards.

Sincerely,

UNITED STATES DEPARTMENT OF
COMMERCE
NEWS
WASHINGTON, D.C. 20230

OFFICE OF THE SECRETARY

FOR RELEASE MONDAY
October 21, 1974
(202) 967-3024

TABOR CALLS FOR BETTER ACCESS TO SHORT SUPPLIES FOR MINORITY BUSINESSMEN

A "positive policy" of supplying newer minority purchasers, who are able to pay, so that they get "even-handed" access to goods in short supply, was called for today by Under Secretary of Commerce John K. Tabor.

Tabor said:

> ". . . in connection with shortages which have been a substantial contributing cause to inflation, the newer minority business often finds that the supplier, who is allocating limited supplies, naturally favors older customers.
>
> This hardship for the newer minority businesses should be eased.
>
> As Chairman of the Inter-Agency Council of Minority Business, I call upon suppliers across America to make an extra effort, a positive policy of supplying the newer minority purchaser who is able to pay. He or she is entitled to an even-handed policy of access to limited supply, for the long term good of supplier and purchaser alike, and for the health and openness of the private enterprise system of America.

> And I urge you, in MBOC's across America, to make the needed extra effort, to have suppliers in your region and district adopt such a positive policy of supplying minority businesses who are able to pay."

Under Secretary Tabor, as Chairman of the U.S. Government's Inter-Agency Council for Minority Business was keynote speaker for the Fourth National Minority Business Opportunity Committee Conference, being held in Minneapolis, Minnesota.

Tabor also called for harder work by minority business opportunity committees (MBOC's) to assist minority businesses get credit saying:

> "Most minority businesses are new businesses. Therefore, it is harder for them to withstand inflationary pressures than older, more established enterprises. Minority, newer businesses have less cash available, and credit is harder for them to find.
>
> This requires MBOC's to work harder to assist that minority businessman, to find the needed credit, or to close a needed procurement contract or other contract, which can be the basis for credit."

Tabor listed four efforts recently undertaken by the Federal Government in Washington, D. C., to further assist the support of the Federal Government for minority businesses. They were:

1. Public statements by President Ford in meetings with groups of minority leaders, supporting the expansion of minority enterprises.

2. The President's appointment of a second personal representative to the Inter-Agency Council of Minority Businesses.

3. The addition to the Inter-Agency Council of the Export-Import Bank, the Federal Energy Administration, the American Revolution Bicentennial Administration, and the National Science Foundation.

4. New initiatives for U.S. Government assistance to minority enterprises being submitted now by the U.S. Departments and Agencies who are members of the Council.

Commenting on the accomplishments of the Inter-Agency Council to date, the Under Secretary noted that United States Government procurement from minority businesses had increased by $11 million to $746 million last year and remarked on the inclusion of a number of multi-million dollar contracts in this past year. He also commented that the Federal Aviation Administration, the Department of the Interior and the Department of Defense were particularly active at this time in seeking additional concession opportunities for minority businesses in their respective facilities.

The Inter-Agency Council of Minority Business, chaired by Under Secretary of Commerce Tabor, is a Council, established by the President. It has representatives of all Cabinet Departments and Administrative Agencies. Its purpose is to maximize minority business participation in the business done by the United States in such fields as procurement, the leasing of concessions in Federal facilities, Federal Government construction contracts, and participation by minority businesses in funds transferred by the United States Government to other municipalities.

The Minority Business Opportunity Committees (MBOC's) are regional or district councils of United States Government Departments and Agencies, which councils implement the goals of the Inter-Agency Council, at the local level.

The text of Mr. Tabor's remarks is attached.

UNITED STATES DEPARTMENT OF
COMMERCE
NEWS
WASHINGTON, D.C. 20230

OFFICE OF THE SECRETARY

REMARKS BY UNDER SECRETARY OF COMMERCE JOHN K. TABOR TO THE FOURTH NATIONAL MINORITY BUSINESS OPPORTUNITY COMMITTEE CONFERENCE, RADISSON HOTEL, MINNEAPOLIS, MINNESOTA, OCTOBER 21, 1974, 1:30 P.M.

I am delighted to be here to take part in this Fourth National Minority Business Opportunity Committee Conference.

As chairman of the Interagency Council on Minority Business Enterprise, I speak for each Council member when I say that we look for this conference to strengthen the work of the MBOC. Each of us on the Council is committed to an expansion of the government's contribution to minority business growth. We count heavily on your support to make this commitment a reality.

Our purpose--yours and that of the under secretary or deputy of your agency who sits on the Council--is to see that government does all in its power to assist minority business development. We do this on three levels. Nationally, through the Interagency Council on Minority Business Enterprise, and at the regional and district levels through Minority Business Opportunity Committees.

Today, I shall suggest the challenges at hand. But first, I want to focus on just where we stand in our interagency approach to minority business support.

The Interagency Council's Task Force on Procurement reports that during the last fiscal year federal agencies continued to place more procurement contracts with minority-owned firms than ever before. Total minority procurement was $746 million, up nearly $11 million over the previous year's total.

This increase--although not as dramatic as gains we have seen in the past--was achieved in a year which saw a decline in overall business activity. It was achieved on the strength of the 8(a) program which continues to be a mainstay in our procurement efforts. The value of 8(a) contracts let during fiscal 1974 increased $60 million to maintain the upward curve in minority procurement despits a decline in direct procurements.

It's important to note that the fiscal '74 procurement total includes many large contracts in the multi-million dollar range. This is a sure sign of a new-found confidence on the part of government contracting specialists in the capabilities of minority firms. It is precisely this type of confidence the Interagency Council's Procurement Task Force seeks to build.

Turning now to the Council's Task Force on Concessions, we are looking for this program to move into several new areas in the coming months. Already a number of working agreements have been put into effect between OMBE and other agencies for this purpose. The Federal Aviation Administration has joined in a drive to place minority concessions at 25 of the nation's major airports. Already, 20 airport concessions are in operation.

National and state parks are another target of the concessions drive. The Interior Department's National Parks Service is working with OMBE in this special effort. Also, Interior's Bureau of Indian Affairs has been asked to explore concessions opportunities on Indian reservations. BIA has named a representative to serve on the Concessions Task Force to coordinate this effort.

The Task Force is placing special emphasis on efforts to secure concessions on military installations. The Department of Defense has identified some 30 sites that appear to offer viable minority business opportunities. To help encourage further development of these and other Defense opportunities, DOD has agreed to chair the Concessions Task Force, succeeding GSA, which did a splendid job over the past several years.

Of course, we are still looking for GSA-managed federal buildings to offer a number of good opportunities for minorities to do business. When this program began in 1970, there were 2 minority concessions; today there are 58 minority firms operating in buildings managed by the General Services Administration.

But I would emphasize that great care must be taken in choosing concession sites. Early in this program, a number of minority entrepreneurs were established in concessions which did not live up to expectations. Nothing is gained by raising false hopes based on inadequate research. As we all know, some concession possibilities look good on paper, but a closer study reveals that there really isn't the market to support a business of its type.

Also, I would urge that your efforts be directed at identifying larger opportunities--ones that offer a greater return in terms of receipts and employment. In older federal buildings, these may already be under contract, but look at new installations and find out what their concessions needs are.

The interagency programs I have described are encouraging signs. Later this year we will be getting results of the 1972 census of minority-owned businesses. Indications are that it will reflect a substantial increase in total receipts of minority-owned firms over the base year, 1969. Preliminary data also points to a rise in the number of minority firms over that period.

But encouraging as these signs are, we have a very tough job ahead, which is going to require more effort and resourcefulness, not less.

The economic figures released Thursday and the news of the last months tell us the economic outlook has shifted considerably in the months since the 1972 census was completed.

Inflation has sped ahead, stimulated by a 400% increase in the cost of imported oil. And now we see inflation for what it is, a destructive force, eroding both savings, salaries and wages of American people. In battling it, however, we are experiencing an expected slowing of economic activity, which creates marked difficulties in a number of sectors, particularly construction, housing, and automobiles.

Minority businesses feel these difficulties particularly. Most minority businesses are new businesses. Therefore, it is harder for them to withstand inflationary pressures than older, more established enterprises. Minority, newer businesses have less cash available, and credit is harder for them to find.

What does this require of MBOC's?

It requires that <u>you</u> in your MBOC, have to work harder to assist that minority businessman, to find the needed credit, or to close a needed procurement or other contract, which can be the basis for credit.

Likewise, in connection with shortages which have been a substantial contributing cause to inflation, the newer minority business often finds that the supplier, who is allocating limited supplies, naturally favors older customers.

This hardship for the newer minority businesses should be eased.

As Chairman of the Inter-Agency Council of Minority Business, I call upon suppliers across America to make an extra effort, a positive policy of supplying the newer minority purchaser who is able to pay. He or she is entitled to an even-handed policy of access to limited supply, for the long term good of supplier and purchaser alike, and for the health and openness of the private enterprise system of America.

And I urge you, in MBOC's across America, to make the needed extra effort, to have suppliers in your region and district adopt such a positive policy of supplying minority businesses who are able to pay.

These two steps by you, -- extra effort to assist in getting credit, and getting supplies, will help minority businesses through this period of inflation, difficult credit, short supplies and sluggish business conditions.

While you are at work in the field, we in Washington, in the Inter-Agency Council shall support you in these policies. In addition we are strengthening the U. S. Government support in other ways:

1. In several recent meetings with various groups of minority leaders, President Ford has publicly stated his interest in, and support for minority business development. He is behind your work.

2. The President recently named a second personal representative to the Inter-Agency Council on Minority Business Enterprise: Mr. Fernando De Baca. He joins Mr. Stanley Scott in providing the President direct liaison with the Council.

3. The Council recently expanded to include four additional agencies: The Export-Import Bank, the American Revolution Bicentennial Administration, the Federal Energy Administration, and the National Science Foundation. Minority businesses now have better access to these key U. S. Agencies.

4. I have asked the Departments and Agencies in the Council to submit ideas for new initiatives for the U. S. Government to take to expand the opportunities for minority businesses. Our next meeting will be devoted to these new initiatives. Samples so far received are challenging and very interesting. If you,

as an MBOC or an Agency, have ideas of things the Inter-Agency Council should do to strengthen minority businesses, - forward your suggestion to your Agency head for submission at our next Council meeting.

These are actions we have taken to add to our ongoing efforts in procurement, concessions, education and training, and work with state and local governments.

Are there key things for you to do, in addition to the two items I have already called to your attention? I think so. I suggest:

1. Be sure that every agency in your MBOC has a copy of the SBA 8(a) bidder's list for your region or district, and then be sure that your agency includes those minority firms when you issue invitations to bid.

2. Find out which U.S. Government Agencies in your MBOC have funds available for deposit, - and put a good share in minority banks.

These two actions, plus positive effort on credit and supplies, already mentioned, can produce improved results for your MBOC and the minority businesses in your area.

In the United States Government's drive to build minority enterprises in America, MBOC's are the front line troops. It is you who decide, at the district and region level, whether your Department or Agency, and the other U.S. Government branches in your area, are using your dollars and your clout to help minority businesses grow and prosper.

We in Washington respect what you have done to date. You can do more. You probably don't know how much you are able to do until, like the Washington Redskins last week, you try to the very last minute.

We are behind you. Times are difficult, - but far from impossible. Let's go to work!

Thank you.

U.S. Small Business Administration
Washington

OFFICE OF THE DEPUTY ADMINISTRATOR

October 30, 1974

Honorable Stanley S. Scott
Special Assistant to the President
The White House
Washington, D.C. 20500

Dear Stan:

I thought this rundown of SBA programs in the minority sector might be of interest to you as a follow up to our discussions after the ICMBE meeting.

With all best wishes,

Sincerely,

Louis F. Laun

Enclosure

EXCERPTS OF REMARKS BY LOUIS F. LAUN, DEPUTY ADMINISTRATOR OF THE SMALL BUSINESS ADMINISTRATION AT THE MINORITY BUSINESS OPPORTUNITY COMMITTEE (MBOC) MEETING, MINNEAPOLIS, MINNESOTA, TUESDAY, OCTOBER 22, 1974.

I wonder if any of you are bothered by something that, frankly, bothers me. That is that this Administration has mounted the most massive support for minority enterprise in the history of our nation, and yet one continuously hears people wonder about whether or not we are committed to this cause.

One of the reasons for this is that many of the people in government agencies are so turf-oriented that they see only the programs in their own agencies and view the others as competition. Therefore there are few talks about the total impact of the job we are trying to do.

In order to cure one area of total blindness, OMBE and SBA have set up regular meetings between the top management of the organizations. We have traded lists of resources each has available to help minority small business. We were both astonished to see what each of us was doing and we resolved to put together some joint projects to see if we could do more. I'll describe one of these joint projects later, as we will want MBOC's to get involved in this as we go along.

John Tabor asked me to do two things in this talk: tell you about SBA's minority enterprise program and about our support of MBOC's -- and about national agency support.

First -- SBA's minority enterprise program -- I want to throw some statistics at you here, because I don't think many of you have a clue on the size and reach of this effort, and how you can put it to work for you to help minority enterprise. I have read your MBOC handbook, and you certainly won't find it in there. This lack of knowledge is not your fault -- it's ours. As a follow up of this meeting I am going to see to it that each MBOC gets a packet of information clearly defining how we in SBA can help -- and what resources we can put at the disposal of each MBOC.

SBA looks on its mission as the Department of Defense for the Free Enterprise System. We know that system isn't going to work if the little guy can't get a start or can't get a chance to grow after he gets his start. We know that this is going to be an all different country if people feel they don't have a chance to be part of this system. A major part of our effort is to see to it that disadvantaged and minority segments of the population who haven't had a chance in the past get that chance . . . the chance to succeed or to fail . . . in this system.

SBA's part in this is to help give them that chance in several ways -- mainly through programs of Financial Assistance, Procurement Assistance, and Management Assistance.

Minorities are less than 4 percent of the nation's businesses, as you have heard many times. At SBA we put well over 25 percent of our energy and people into minority enterprise efforts. We have about 4,200 permanent people in the Agency. This means that we have nearly 1,100 full time people at work full time on minority enterprise.

In terms of people -- this is about four times as many people as there are in OMBE (not including those in OMBE funded organizations). In terms of concentration, this means that we put 8 times as much energy and personnel into helping the average minority firm as we do helping majority firms.

Let's see what you're getting for this effort.

First take financial assistance. 25 percent of our loans go to minority concerns. Nearly 6,900 out of the over 27,000 loans we made last year were to minority and disadvantaged firms. In terms of dollars, although minority firms do only 1 percent of the nation's gross business receipts, they received 16 percent of our loan dollars, for a total of $289 million (not including disaster loans).

Our portfolio management people also work on the tens of thousands of minority loans in the portfolio helping to make these companies viable.

In our MESBIC program, we now have 67 active MESBICs. In the calendar year ending December 31,1973 they put an additional $7.4 million into minority businesses.

We have a lease guarantee program that helps people obtain leases they couldn't otherwise get -- and $6.8 million in guarantees went to 17 minorities in this area last year.

Of great interest is our surety bond program that lets thousands of small contractors get government guaranteed bonds, thus enabling them to bid on contracts from which they would have been excluded. Minorities got nearly 1,500 bonds worth over $92 million last year.

In terms of procurement assistance, you have already heard from Win Smith about our 8(a) program, which enabled over 1,100 minority firms to obtain over 2,200 contracts for over $272,000,000 in government contracts last year. Over 35 percent of the contracts in the 6 year history of 8(a) were awarded in fiscal '74, and nearly two-thirds were in the past two years.

In addition to this, we have an aggressive procurement program for small business that helped the small business community as a whole get a record breaking 33 percent share of government procurement. This helps the small emerging minority firm by sheltering him from big business competition. We also have a Certificate of Competency and Minority Vendors Program that help in this area.

The third area of our assistance is in management assistance, and I am particularly proud of our progress last year and particularly excited about what we can do next year as a result of closer working relationships with OMBE and its affiliates -- and what we can do with you ladies and gentlemen if we can work more closely together. We believe this is the greatest unfilled need in the minority business community.

We have several major programs here.

As a result of a major reorganization of SBA we now have an Assistant District Director for Management Assistance and a Management Assistance staff in every one of our district offices. Management assistance, particularly to the minority community, was a prime SBA target last year and is again this year.

First -- we coordinate the day to day activities of the Service Corps of Retired Executives (SCORE) and the Active Corps of Executives (ACE). These people achieved a 40 percent increase in minority firms counseled last year -- reaching 7, 253 minority firms with one-on-one counseling efforts. We expect lots more this year.

Second -- our own SBA management assistance people do counseling, and, thanks to the extra personnel put to work here, we increased minority counseling by over 250 percent last year, for a total of 7,314 firms counseled.

Third -- our not yet three year old Small Business Institute program, in which we contract with leading business schools and universities to obtain one-on-one counseling from faculty-supervised graduate and undergraduate business students, is growing rapidly. Last year we increased our minority counseling by 400 percent and reached over 2,500 small business firms.

I think the next figure I mention will astound you. We expect to have over 25,000 volunteers helping small business via SBA programs next year -- and we expect 10,000 of them will be working on minority business problems.

Fourth -- we have our so-called 406 program -- in which call contractors are used to counsel small minority and disadvantaged businesses. We increased the number of minorities counseled here to just under 3,000 or an increase of about 15 percent.

Putting it all together -- we helped over 20,000 individual minority firms with management assistance counseling, double the previous year, and over 25 percent of the total SBA effort in this area went to minorities.

I haven't included in here the more than 25,000 minority individuals who attended our training courses and business workshop programs, an increase of 20 percent over the previous year, but we consider this work of enormous importance also.

With your help we can do even more this year and next.

The department in SBA that makes sure we focus on these problems is the Minority Enterprise Department whose head, Connie Mack Higgins, (who is incidentally in the process of being elevated to an Associate Administrator) supervises a team that maintains liaison with all of our field offices, the minority communities, and private and governmental agencies that can help. This department has been reorganized and there will now be an Assistant Regional Director for Minority Enterprise in each region. This will help insure delivery of programs we promise.

Our delivery system is wide. You have MBOC's in 36 cities. We have SBA full delivery systems in each of those 36 cities . . . and in 53 other cities where there are no MBOC's, for a total of 89 offices. In addition, well over 6,000 banks made SBA guaranteed loans last year -- so this is another 6,000 plus offices where help can be received. I have already mentioned the 10,000 volunteers.

I have given you these figures -- not to brag about SBA or its programs, but to give you an idea of the kinds of tools we can put at your disposal to do more for minority business success.

We are most anxious to work on cooperative programs.

For instance -- OMBE, ACTION, and SBA are now engaged in a pilot program in three SBA districts -- Dallas, Indianapolis (which means all of Indiana), and New York to see just how far we can go if we pitch all of our resources into the pot together, stop worrying about turf and go flat out. We want to see how many new businesses we can find that need help. We want to find new sources of volunteers -- the young successful minority executives, for example, who will be offered a chance to help their brothers. We want to find ways to keep our services from duplicating each other. While this is a pilot program in three areas, we certainly would like to embark with MBOC's in any areas where they would like to take new initiatives.

Which brings me to the last part of my talk.

We most certainly support MBOC's. In 15 of the 36 cities where you exist, SBA people are chairing this activity. We encourage them to be active in all cities where there are MBOC's and active in minority affairs in all cities.

Regarding national agency support -- it is vital. For the procurement and concessions programs SBA and OMBE can do little without the help of every other department in the Administration. I am glad to say that this understanding is increasing. We ask you to support the MBOC's in your areas and to make them all work well. National commitment doesn't mean anything without local commitment because that's where the real work takes place. I pledge SBA to this effort.

There are some good examples of local work. Region IX has a good thing going between IRS and SBA that has been most helpful to the troubled small business. Here in Minneapolis I hear great things about the work John Lynch is doing. We need people like him and want to work closely with him.

The problem is that in too many areas we are cutting each other up when we should be figuring out ways to work together to help the Aministration, goal of increased success for Minority Enterprise.

We must put all our assets in the pot . . . OMBE its $50 million plus in affiliates, SBA its outreach in 89 cities and through its volunteer and college programs, the Agencies with their $45 billion in purchasing.

There is no greater challenge facing America today than that of making the free enterprise system work -- for all. We must dedicate ourselves to that effort -- and the minority enterprise segment of that battle is the cutting edge.

The pressure now is greater than ever. Small business problems and minority business problems are now greater than ever. We need help.

On behalf of our Administrator, Tom Kleppe, and our administrator for Minority Enterprise, Connie Mack Higgins, I want to thank you for asking us to attend your convention and to help that we can do a whole lot more together than we have in the past.

THE UNDER SECRETARY OF COMMERCE
Washington, D.C. 20230

December 31, 1974

Honorable Stanley S. Scott
Special Assistant to the President
for Minority Affairs
The White House
Washington, D. C. 20500

Dear Stan:

Pursuant to Frank Hodsoll's conversation with you, I have mailed all of the independent agency heads a copy of the letter which President Ford sent to the various Cabinet Officers.

For your records, I enclose a copy of our forwarding letter, together with a list of addressees.

It has been a pleasure to work with you during 1974. I believe we have made some progress. I look forward to doing more of the same in '75, and I wish you success and good health in the new year.

Yours ever,

John

John K. Tabor

December 31, 1974

Honorable Bert A. Gallegos
Director
Office of Economic Opportunity
Washington, D. C. 20506

Dear Mr. Gallegos:

I enclose a letter from President Ford to the Cabinet Officers, calling for their strong backing of the Minority Business Programs, asking for re-examination of each Agency's commitment to assisting minority businesses, and asking for a report to him by January 31, 1975.

Your Agency has been making positive contributions in assisting minority business enterprises, through the Interagency Council. However, as President Ford points out in his letter, the new economic situation calls for added attention and effort.

I should appreciate very much your re-emphasizing to all persons in your agency the need to assist minority businesses, now.

I also request that by January 31, 1975, you advise the President of the progress you are making.

Yours very truly,

JOHN K. TABOR

John K. Tabor

IDENTICAL LETTERS SENT TO:

Honorable Michael P. Balzano, Jr.
Director, ACTION

Honorable John W. Warner
Administrator, American Revolution
Bicentennial Administration

Honorable Dixy Lee Ray
Chairman, Atomic Energy Commission

Honorable Bert A. Gallegos
Director, Office of Economic Opportunity

Honorable Russell E. Train
Administrator, EPA

Honorable William J. Casey
President & Chairman, Exim Bank

Honorable Frank G. Zarb
Administrator, FEA

Honorable Arthur F. Sampson
Administrator, gsa

Honorable George M. Stafford
Chairman, Interstate Commerce Commission

Honorable Roy L. Ash
Director, Office of Management & Budget

Honorable James C. Fletcher
Administrator, NASA

Honorable H. G. Stever
Director, National Science Foundation

Honorable Thomas S. Kleppe
Administrator
Small Business Administration

Honorable E. T. Klassen
Postmaster General, U.S. Postal Service

Honorable Richard L. Roudebush
Administrator, VA

THE WHITE HOUSE

WASHINGTON

December 11, 1974

MEMORANDUM FOR

THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE ATTORNEY GENERAL
THE SECRETARY OF THE INTERIOR
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE SECRETARY OF LABOR
THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY OF TRANSPORTATION

I want to stress that an important objective of my Administration will be assistance to disadvantaged minorities to further allow their participation in the economic benefits of the private enterprise system. Too little attention has been given to this objective in certain sectors of the Federal Government. I am, therefore, seeking improvements in the Government's minority business development program.

Although the Office of Minority Business Enterprise in the Department of Commerce and the Small Business Administration have had primary responsibility for minority business programs, their success to date in these efforts has been due in large measure to the support of other Federal agencies. Your strong backing of this objective is essential to a meaningful Federal effort, and I ask that you undertake a reexamination of your agency's committment to assisting the creation of successful minority businesses and of the effectiveness of your program. Please submit a report of your findings to me by January 31, 1975.

During this difficult economic period, many minority businesses are particularly vulnerable. They need every help the Government can reasonably provide. It is especially important, therefore, that your agency look for every appropriate opportunity for minority businesses to participate in Government programs as contractors, subcontractors, bankers, etc., and that management, technical and financial assistance be provided whenever feasible.

I am confident of your support of this important effort.

Gerald R. Ford

NABM

National Association of Black Manufacturers, Inc.

1625 I Street, N.W. - Suite 918 Washington, D.C. 20006 - (202) 785-5133

January 9, 1975

The President of the United States
White House
Washington, D. C. 20500

Dear Mr. President:

The National Association of Black Manufacturers, Incorporated, is forever observing and analyzing the minority business enterprise situation within the nation. Undoubtedly, the verbal support you have given minority business development programing -- recently culminating with the memorandum of December 11, 1974, to the Cabinet officers -- has been considerable and greatly appreciated. However, we earnestly believe that the future progress of minority entrepreneurship is dependent upon specific and definitive action from the federal government.

Although existing facts indicate that small businesses were the recipients of more than 30 percent of the federal government dollar procurement total for the past fiscal year, albeit suffering from energy and material shortages, minority enterprise loans have decreased 51 percent in number and 52 percent in dollars during the first half of this fiscal year. More specifically, there were 2,025 minority enterprise loans valued at $81.6 million for the first half of this fiscal year in comparison to 3,072 loans valued at $124.7 million for the same period last year. In addition, 8(a) awards on a national basis have decreased 55 percent in number and 45 percent in dollars for the same comparison periods.

It would appear that the overall contractural receivership by small businesses, increasing by 10 percent since 1974 -- the largest dollar flow in the Small Business Administration's 21-year history -- and anticipating an additional 10 percent gain in fiscal year 1975, is an indicator of unchallengeable progress. Yet, it is clear to us that such an analysis belies the reality predicament of minority enterprise. For, if unchecked, minority businesses -- tabulated collectively under the canopy of small business -- may in actuality be in extremis as a specific entity within the small business panorama.

We feel that the Office of the President can act as the vanguard in assuring not only the survival, but the progress of minority businesses through a more equitable distribution of contract monies and the establishment of a more exacting "watch dog" mechanism to protect minority businesses from dissolution. We urge that, as vanguard, the Office of the President consider convening a series of meetings with representatives from the minority business sectors and government officials to approach the areas pointed out in this correspondence and bridge the gap between minority businesses and the full spectrum of the American free enterprise system.

Sincerely,

Ted Adams

THEODORE A. ADAMS, JR.
Director

cc:
Stanley Scott
Special Assistant to the President

Jerry Jones
Chairman, Board of Directors
NABM

THE WHITE HOUSE
WASHINGTON

DATE: 1/20

TO: ✓ Stan Scott

_______ TED MARRS

_______ WAYNE VALIS

_______ DON WEBSTER

_______ JEFF EVES

FROM: WILLIAM J. BAROODY, JR.

✓ FOR YOUR INFORMATION

✓ FOR APPROPRIATE ACTION

_______ FOR YOUR COMMENTS/
RECOMMENDATION

_______ OTHER:

THE WHITE HOUSE

WASHINGTON

1.17.75

TO: Bill Baroody

For Your Information: ___

For Appropriate Handling: ✓

Robert D. Linder

THE POSTMASTER GENERAL
Washington, DC 20260

January 15, 1975

Dear Mr. President:

The Under Secretary of Commerce has forwarded a copy of your memorandum of December 11, 1974, to the Cabinet Officers, emphasizing the need for strong support of the minority business programs.

RL

Let me assure you of the continuing commitment by the Postal Service to this important national effort.

We have recently expanded our basic policy in order to assist minority contractors by placing the review of postal procurement requirements suitable for procurement from minority business concerns at the responsible level closest to the actual procurement process. We have also revised our policy to include a required contractual clause whereby the prime contractor agrees to encourage the participation of minority business subcontractors in the performance of the contract. In addition, the Assistant Postmaster General responsible for the Postal Service procurement program has personally stressed to our field managers the importance and need for increasing the awards made to minority concerns. He has also forwarded copies of your memorandum with his personal endorsement to all postal contracting managers to insure continuous support to this program.

We shall continue to maintain this high level of emphasis, and I look forward to a successful program in the advancement of minority businesses during 1975.

Respectfully,

E. T. Klassen

E. T. Klassen

The President
The White House
Washington, D. C. 20500

THE POSTMASTER GENERAL
WASHINGTON, D.C. 20260

OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, $300

The President
The White House
Washington, D. C. 20500

U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

OFFICE OF THE ADMINISTRATOR

JAN 23 1975

Honorable Stanley S. Scott
Special Assistant to the President
The White House
Washington, D. C. 20500

Dear Mr. Scott:

You will probably recall my talking with you back in December about SBA's plans to conduct a series of Minority Economic Summit Conferences throughout the country for the purpose of providing minority business owners the opportunity to discuss their problems and needs with the Agency's top Management Board.

The initial conference was held in Los Angeles on the 10th and 11th of January. We believe the meeting was successful in its intent because of the large attendance (over 600 participants) and the spirited dialogue which developed between the small business owners and our Management Board.

Subsequent meetings, which by the way are co-sponsored by the National Business League and the National Economic Development Association, are scheduled for New York City, March 7th; Houston, April 18; Chicago, May 16; and Miami, June 20.

We anticipate a large attendance in New York City, and believe it would be an appropriate forum for either President Ford or Vice President Rockefeller to discuss the Administration's economic and energy programs during a luncheon or dinner to be part of the conference.

Would you consider this as a possibility and inform me if you believe something can be worked out?

We have enclosed some correspondence received from Berkely Burrell following the Los Angeles meeting which indicate his enthusiasm for what transpired there.

You, of course, have a standing invitation to join us at any or all of the meetings and we sincerely hope you will be able to do so.

We appreciate your cooperation and hope to hear from you soon.

Sincerely,

Connie Mack

C. Mack Higgins
Associate Administrator
for Minority Small Business

Enclosures

FOUNDED IN 1900 by BOOKER T. WASHINGTON

January 13, 1975

Dear Connie Mack:

While I am still thrilled over the performance and the outcome of the Los Angeles Summit, I felt compelled to write and say how proud we were to have been associated with the Small Business Administration in this unique and noble experiment. It is to the credit of our government that we have public servants like yourself and your associates at SBA.

While we have always been admirers of the Administrator, it is to his credit to have such a management board as a part of his team. I shall write him, but it was important that you know how well the meeting went from our perspective.

In my long years in the struggle, I have no recollection of any agency going out into the field and subjecting itself to hostility, criticism, abuse, villification and some scattered praise, and in the course of one very long day, leave the room amidst a round of applause and kind words from the persons who had claimed to be oppressed. What a great government we would have if all of its agencies subjected themselves to this kind of accountability!

In behalf of the National Business League, its Officers, Directors and our entire membership, you can depend upon us to build the kind of constituency that the Small Business Administration needs if we are to receive the kind of legislative attention required to help us help ourselves, thereby helping to build America.

Please share the flowers with Louis Laun who did a fantastic job and the other Associate Administrators and give Dottie the great praise she deserves.

With warmest regards,

Very truly yours,

Berkeley

Berkeley G. Burrell
President

Mr. C. Mack Higgins
Assistant Administrator
Small Business Administration
1441 L Street, N. W.
Washington, D. C.

cc: The Honorable Thomas Kleppe
Administrator, SBA

FOUNDED IN 1900 by BOOKER T. WASHINGTON

January 13, 1975

Dear Tom:

You really missed a rare treat. Your Agency has catapulted into the leadership of the minority enterprise struggle by virtue of its performance at the Summit Meeting in Los Angeles. For the first time in my long history of association with the problems of minorities in the field of business, the responsible agency subjected itself to the rigors of accountability and turned in a super performance.

Connie Mack Higgins has really projected that Agency into a great advocacy role that will be difficult to duplicate. It is clear that NBL has the responsibility to build a solid constituency to help SBA to help minorities.

We really missed you, but Louis Laun was superb. He has great stature and great wit and the ability to turn adversity into victory by his willingness to listen and respond.

We thank you for this stellar performance by your subordinates, each of whom deserves a metal for their bravery. We are proud to have been associated and just hope that every agency that has program responsibility will take a page from your book on accountability!

With every good wish,

Very truly yours,

Berkeley

Berkeley G. Burrell
President

The Honorable Thomas Kleppe
Administrator
Small Business Administration
Washington, D. C.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JAN 24 1975

MEMORANDUM FOR STAN SCOTT

FROM: WALTER D. SCOTT

SUBJECT: NABM Letter Regarding Minority Business Programs

Your memo of January 14 requested our comments on the January 9 letter from Ted Adams of NABM.

The numbers in the letter regarding the current status of loans and 8(a) contracts are consistent with the SBA estimates we have for the period July 1 through November 30, 1974. The reason for the reduction in loans is entirely due to a reduction in loan guarantees during that period, because of the reduction in bank financing. This decline in loan guarantees applies to all small businesses. The reasons for the reduction in the 8(a) procurement program are more complex. Some of it certainly is due to reductions in agency procurement during that period as a result of uncertainties about possible reductions in their budgets. It probably also is due in part to the new SBA emphasis on assisting those firms already in the program. This has meant a reduction in efforts to bring new firms into the program.

We would be concerned about making any commitments for a larger role for the Executive Office in this area. We should not be assuming operational responsibilities, and I doubt that any of us have spare resources to make a significant increase in our efforts on these programs.

unless you do?