

**The original documents are located in Box 24, folder “White House "Think Tank" Session on Minority Business Development, March 14, 1975 (6)” of the Stanley Scott Papers at the Gerald R. Ford Presidential Library.**

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# SOUTHERN CONFERENCE OF BLACK MAYORS, INC.



March 21, 1975



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The President  
The White House  
Washington, D. C. 20025

My Dear Mr. President:

On behalf of the Southern Conference of Black Mayors, I wish to applaud you and your administration for giving priority to the problems of the disadvantaged minorities and particularly for your interest in increasing the opportunities for minorities to enter the private enterprise system.

It was my recent pleasure to participate in a "THINK TANK" session at the White House concerning the organizational arrangement of minority business development programs. The plight of the minority businessman and that of a small town black Southern mayor are very similar. The pattern they follow in seeking Federal funds for their businesses or towns is common, endless paperwork, numerous meetings, which all too often culminates in frustration. I make this observation as one who has been a recent member of the Federal family and a former chief of grants administration. It was a breath of fresh air to participate in this meeting and I welcomed the opportunity.

I would be remissed if I did not cite Stanley S. Scott for the service and assistance he has rendered and continues to render to our organization. It has been men like Scott, H. R. Crawford, and Samuel Cornelius who have brought sensitivity to our problems, and made responsive government a reality for those we serve. We hope that they will continue to serve you and move on to even greater positions of responsibility in your administration.

Bernard M. Porché  
Executive Director  
404/892-1010

Suite 202 1422 West Peachtree Street, N.E. Atlanta, Georgia 30309

The President  
March 21, 1975

Page Two

Stanley Scott and his staff are to be commended for the distinguished manner in which these proceedings were conducted. The session was well organized, informative, and above all else, it provided for the first time an opportunity for the minority businessmen of America to participate at the highest level in the decision making process.

In closing, let me say that I would welcome any opportunity in the future to participate on task forces, committees or commissions in which the perspectives of the constituency our organization represents would be relevant.

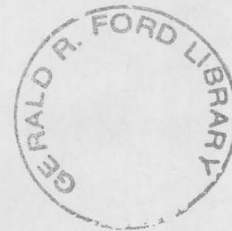
Respectfully yours,

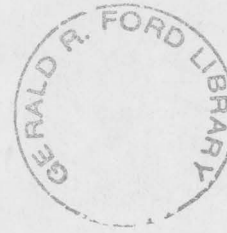


Bernard M. Porché  
Executive Director

BMP:ar

bcc: Stanley Scott  
Samuel Cornelius  
H. R. Crawford





Mr. Chairman:

I speak today as a past director of Grants Administration of the Environmental Protection Agency where I witnessed the distress of many contractors and grantees as they attempted to comply with the numerous Federal policies, guidelines, and regulations, and as the present executive director of the Southern Conference of Black Mayors, which is a nonprofit, nonpartisan organization of some 70 mayors from 16 states, representing cities as large as Atlanta and as small as Ridgeville, Alabama.

As I review the organizational structure of OMBE and its primary function at the Federal level "to facilitate the coordination of the plans, programs, and operations of the Federal Government which affect or may contribute to the establishment, preservation and strengthening of minority business enterprise." I cannot help but feel that OMBE as it presently exist is designed for limited success. Can an organization which has less than subcabinet status, or better yet an independent agency, effectively coordinate, influence or strengthen activities of other cabinet level agencies' involvement with minority businesses? It is not my intent to minimized OMBE's achievements in FY '74 of assisting 25,000 minority businessmen, packaging 4,600 loans worth \$200 million, or its generation of 3,800 procurement contracts valued at over \$250 million, but rather to suggest role in the Federal establishment might reap even greater benefits for the minority businessmen of America.

The present field structure of six regional offices and their locations precipitate some logistical limitations. Would it not be more productive for OMBE personnel, contractors and grantees if there were ten regional offices located the same place as most other government agencies? Why should a businessman in Missouri travel to Kansas City to interface with the Government and to Chicago for OMBE?

The major obstacle within the existing OMBE structure is the procurement process. To mandate that an agency strengthen and assist minority enterprise, without having the control over the process which controls the dollars is at best a tragedy which leads to the ultimate frustration of the minority businessman.

Finally, the fragmentation of the resources and programs available within the government to focus on the problems of minority business, lead the most astute student of government organizational structure to confusion and disarray.





Page Two

Thus, because of the aforementioned, a review of the various alternatives does not provide me with the best solution for dealing with the minority business problem. In our opinion the ultimate solution is the creation of an independent agency headed by an administrator, and the consolidation of all programs designed to assist minority business enterprise placed under its jurisdiction. However, realizing the widespread recession this Nation is experiencing and for minority America its a depression; and understanding the legislative process required for the establishment of such an agency; and having a feel for the speed with which Government moves to organize and develop an agency, minority business just doesn't have that kind of time.

Therefore, we recommend the establishment of: (1) an assistant secretary for minority business and economic development within the Department of Commerce; (2) the consolidation of existing minority business programs under SBA and OMBE and other agencies be placed under his jurisdiction; (3) the establishment of ten regional offices to coincide with the majority of the Federal Government; (4) the assistant secretary should have complete contract and grant authority; (5) the agencies' budget should be at least \$520 million.

Finally, Mr. Chairman, we like the Honorable Perren Mitchell, feel that enterprise and political participation are the last vestiges of hope. If they go, "we are thrown back into a kind of psychological and economic plateau comparable to what we experienced after the reconstruction period, where we will simply be relatively impotent entities in a society, rather than really growing, contributing groups in that society."

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Suite 260  
Washington, DC  
20007

Telephone  
(202) 965-4700

# Techni Data Laboratories

March 23, 1975

Mr. Stanley S. Scott  
Mr. Fernando C. DeBaca  
Special Assistants to the President  
The White House  
Washington, D.C. 20500

Dear Sirs:

On behalf of Techni Data Laboratories, I would like to express my appreciation for our inclusion in the "Think Tank" session on March 14th concerning the minority business development analysis of organizational options.

We are intimately concerned with the problems involved and feel the potential within the present administration to encourage the growth of minority enterprise will prove highly beneficial to the success and expansion of minority business programs. We feel the conference helped present many constructive ideas concerning the further effectiveness of OMBE and SBA minority programs and hope these ideas will be incorporated into a plan of action toward which the Administration will direct its efforts.

Techni Data Laboratories recognizes the need for further work in this area and would like to offer its assistance in your efforts to improve minority business programming. Please keep us abreast of developments in this area, and if we may be of further assistance in any way, let us know.

Very truly yours,



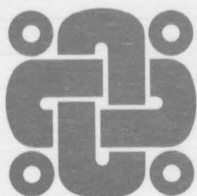
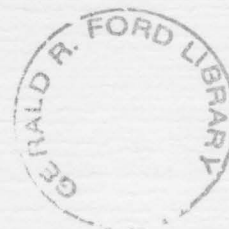
Richard J. Bela  
President

RJB/caf

cc: Walter D. Scott, Associate Director  
Office of Management & Budget

Thomas A. Kleppe, Administrator  
Small Business Administration

Alex Armendaris, Director  
Office of Minority Business Enterprises





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24 March 1975

Mr. Stanley S. Scott  
Special Asst. to the President  
THE WHITE HOUSE  
Washington, D. C.

Dear Stan:

You are to be commended on taking the initiative to convene the March 14 White House "Think Tank" session on minority business enterprise.

Gerald Whittaker and I were impressed, as I'm sure you were, with the quality and caliber of the comments and recommendations emanating from that meeting. Frankly, many of us were concerned about the inherent dangers of a meeting of such a large, diverse group coming together for the first time to express views on the future structure of the minority business enterprise program. Thanks to your astute handling of the situation and the sophistication of the attendees, the session turned out to be very constructive; and, amazingly enough, a broad consensus developed. The consensus centered around three areas:

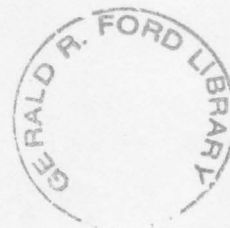
1. Greater administration commitment and leadership.
2. More federal resources and support.
3. The creation of a task force or committee to recommend future directions.

There were many other recommendations; however, the three which I have cited were universally supported.

Thank you for inviting us to the session; and we will be most happy to participate in developing the future direction of the program.

Sincerely yours,

Garland C. Guice  
Executive Director



CKP:law

THE WHITE HOUSE  
WASHINGTON

Date 3/26/75

TO: BILL BAROODY

FROM: STAN SCOTT

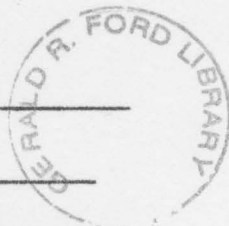
Action \_\_\_\_\_

FYI X

Appropriate Handling \_\_\_\_\_

Recommendation \_\_\_\_\_

Other \_\_\_\_\_



COMMENTS: Stan - good reaction -  
any follow-up planned?

(2)





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March 17, 1975

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

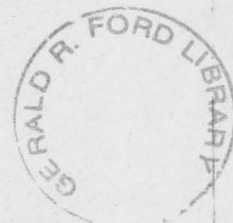
Dear Stan:

First, I would like to take this opportunity to express my appreciation for inviting me to be a part of your March 14 session.

Second, I would like to commend you personally, for having taken this course of action on behalf of minority enterprise in America.

The Hartranft Community is a community where small businesses are primarily the only businesses in the area. Where small white businesses have closed or divested their interest and minority business have not had the proper supports to thrive. Where as a result of a recent interpartation of the Environmental Protection Agency regulation, many minority gasoline stations are being forced out of business. These are just a few examples.

Speaking on behalf of a small community corporation, but a giant in its' own right, we can readily identify with the present problems being experienced by minority businessmen across the nation, in our own fight for survival. In the end, it's always the community which suffers and seems to have the lowest priority of all.



MR. STANLEY S. SCOTT  
PAGE TWO

MARCH 17, 1975

For too long the priorities of those who govern our society have not been the priorities of the people. I see your present approach as a step in the right direction.

Attached you will find a copy of my position paper presented orally, March 14. If you feel we can be of any assistance to you or your office, please don't hesitate to contact. With warm personal regards, I remain

Sincerely,

*Elmore Johnson*

ELMORE JOHNSON  
Executive Director

EJ:mm





SOUTHEASTERN INSTITUTE OF ENTREPRENEURSHIP AND MANAGEMENT

March 18, 1975

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

Dear Mr. Scott:

It was my distinct pleasure to participate in the "Think Tank" session with top Government officials at the White House on Friday, March 14, 1975.

First of all I would like to thank you for the invitation and secondly to congratulate you upon the excellent way in which you conducted the session. From my point of view, I think it was a very valuable session and I do look forward to further follow-up. Naturally, if I can be of any assistance I hope you will feel free to call.

Again my congratulations and best wishes.

Sincerely yours,

Harding B. Young  
Director

HBV/lc



March 17, 1975

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

Dear Mr. President:

It was indeed an honor and a privilege to be invited to the meeting held at the Executive Office Building, Friday, March 14, 1975, Chaired by your Special Assistant, Mr. Stanley Scott.

The District of Columbia Chamber of Commerce is dedicated to the enhancement, growth and development of minority business, and consequently, we have made a very serious and careful review of the outline provided in Mr. Scott's letter dated March 6, 1975, and the attached proposed plan reflects the recommendations brought forth as a result of Mr. Scott's request.

The District of Columbia Chamber of Commerce, Incorporated stands ready to assist in the development of a workable plan acceptable to the Administration, and it's constituency.

If we can be of further assistance please do not hesitate to call upon us.

Very respectfully yours,

James L. Denson  
Executive Director

Attachment

cc: ✓ Stanley Scott, the White House  
John Calhoun, the White House  
Carl Hystad, Office of Management and Budget





*Chicago Community Ventures, Inc.*

March 15, 1975

Mr. Stanley S. Scott  
Special Assistant to the President  
THE WHITE HOUSE  
Washington, D. C.



Dear Mr. Scott:

Thank you for the invitation to yesterday's conference on Minority Business Development. The session was informative, educational and provocative. I very much appreciate the opportunity and privilege to have participated in such an event.

The introduction to my position paper and the remarks of most of the other participants emphasized the deep belief that this should be just the first of a series of meetings to be held before a decision is made on how to alter the programs for minority economic development. Listening carefully to conversations before, during and after the session gave me the impression that you should move quickly to follow through on your endorsement of this concept. This would greatly enhance the chance of increasing the presently very small amount of confidence many people have regarding the sincerity of this Administration's commitment to improving the economic situation of minority businessmen.

One problem, which I feel you handled superbly, was the number of participants. There wasn't enough time for everyone to have his say, even though many had come thousands of miles. On the other hand, to have invited fewer people would have left you open to the criticism of having chosen only a select number of favorites.

Therefore, I submit the following recommendation for your consideration:

Every registrant who thought the conference was important enough to prepare a formal position paper should be invited to a follow up conference. A prerequisite would be the submission of a ONE PAGE ONLY synopsis of his position paper, at least three weeks prior to the conference. Your office would collate these one page documents into a book, duplicate the book and distribute one copy, at least ten days before the conference, to each expected participant. The conferees would arrive the evening before the event, which should convene at 9:00 a.m. and continue through 3:30 p.m., with lunch being brought in.

Mr. Stanley S. Scott

March 15, 1975      page 2

The objective would be to draft a position paper on delivery of services to improve minority business which would reflect the on line experience and recommendations of the individuals who have the responsibility of trying to make the programs work.

Again, I thank you for inviting me. If there is any way I may be of service to you, please call upon me.

Very truly yours,

*Benjamin Custer*  
BENJAMIN C. DUSTER

BCD:db

cc: Mr. C. Mack Higgins





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March 18, 1975

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

Dear Stan:

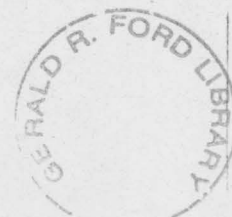
As was stated in the meeting, I do wish to congratulate you for taking the initiative of holding a meeting with the agencies concerned about the economic plight of minority businesses.

I believe it is the first time a meeting of this nature has been held where the information and suggestions were received from the practitioners rather than the theoreticians.

I would like to endorse several of the positions taken and they are:

1. An expanded long-term commitment from the President.
2. Definitely a better infusion of monies to carry forward such programs.
3. A Task Force be established to deal with not only digestion of the position papers and dissemination of that information, but one which also deals with development and design of a long-term program.

Again, I would like to congratulate you for such courage and pledge my support of being any assistance



Mr. Stanley S. Scott  
March 18, 1975  
Page Two

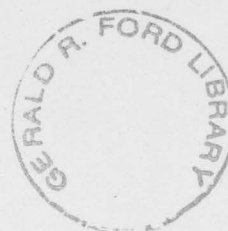
in carrying forward the goals and objectives for enhancing  
minority business enterprise.

Very truly yours,

*Bill*

William C. Jameson  
Executive Director

WCJ:mmm





Fields, Freeman Associates, Inc.

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51 East 42 Street New York, NY 10017 212-697-7333



March 18, 1975

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

Dear Mr. Scott:

I sincerely appreciate your invitation to our firm to participate in the "Think Tank" session held at the Old Executive Office Building on March 14. Having attended, I am sharing my views on the format and operational aspects of that meeting.

I was extremely disappointed by the proceedings and wonder if the purpose of The White House was actually well served. The quality of input was generally poor with rare exceptions as that input related to the problem and action alternatives presented in your original letter.

I would have preferred regional meetings with no more than 30 participants which would permit greater expression and exchange of ideas. Since the backgrounds, expertise, and experiences of persons involved in minority business development are so diverse, it is difficult to bring all of these persons together and expect qualitative analyses of the problem of minority business development and relevant recommendations.

While I commend The White House for involving minority business persons in the decision-making process, I hope that future sessions will consider these points so that the sessions may be more meaningful to both The White House staff and to the participants.

Although I left two copies of the position paper that we developed at the registration desk, I am enclosing another copy to ensure that it gets into the proper hands.

Sincerely yours,

*Evelyn S. Freeman*

Evelyn S. Freeman  
Executive Vice President





*Willie Williams Real Estate, Inc.*



6023 Two Notch Road • Columbia, S. C. 29204 • 803 - 754-3063

March 17, 1975

Mr. Stanley Scott  
Assistant to the President  
White House  
Washington, D. C.

Dear Mr. Scott:

Thank you very much for the opportunity to participate in the White House, "Think Tank" on Friday March 14, 1975. I would like to commend you for the way you guided the meeting and hope that you will continue to give us the direction necessary for us to participate in the Free Enterprise System in this great country.

I hope that you will feel free to call on us for any service we can render in any way to you personally or the President. We will be honored to serve you.

We will forward the position paper in the next few days.

Again, our sincere thanks.

With kind personally regards, I remain

Sincerely,

*Willie Williams, Jr.*

Willie Williams, Jr.  
President

WWjr:pbr



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BLACK  
ECONOMIC  
RESEARCH  
CENTER**

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Director  
**ROBERT S. BROWNE**

March 17, 1975

Mr. Stanley S. Scott  
Special Assistant to the President  
White House  
Washington, D.C. 20230



Dear Mr. Scott:

Thank you for inviting me to the recent White House Think Tank Session on Minority Enterprise. I did not make a presentation there, but would like to convey to you my thoughts on the subjects discussed.

I am neither a businessman nor an advocate for business, but an economist who has studied black business through time and over space. Let me therefore give you the benefit of some research findings.

Black business generally grows proportionately to the black population because it is comprised primarily of retail and service enterprises that service consumers directly. Between 1929 and 1969 for an example, the number of retail establishments per capita remained at about two per thousand for the black population. Retail enterprise receipts per capita however increased dramatically, from \$8.64 to \$86.27. Much of this increase can be attributed to inflation, though some real improvement is probably included. Real improvement can be attributed to the increase in establishment size as measured by employment per firm. This index moved from .49 to 1.22 over the 40 year period 1929-1969.

The past six years apparently have not altered this picture, the ratio of retail firms to population remaining at 2 per thousand. The industrial distribution of black firms has remained basically the same, except that the larger of the new firms are manufacturing firms. This is of course familiar to us all.



March 17, 1975

Between 1969 and 1972, the total number of Black firms with paid employees declined, according to the 1972 Census Department study of black business. The decline was led by retail trade with a 29 percent drop over the three year period.

Since 1972, according to a study recently done by Lloyd Hogan of our organization for OMBE, the failure rate for all Black firms was over 13 percent, with the retail sector at a 38 percent rate and manufacturing at 36 percent. The study was based on a national survey of black firms. With an estimated ten percent growth in manufacturing between 1972 and 1975, and a two percent growth in retail and other declining industries, the study concluded that black business enterprise showed an overall decline in numbers of 23.6 percent.

On the basis of this evidence, it is clear that neither OMBE nor SBA have been particularly effective in assisting Black business in general since 1968. The focus on administrative readjustments in OMBE and SBA as a solution to the problems of Black business would appear to be misguided, if not in fact invidious. The savings accruing from improved administrative structure and management practice would in all likelihood not be made available to businessmen in the program budgets of these agencies, so the purpose of such a restructuring is unclear. What is needed is increased program funding.

On the specific question of consolidating SBA and OMBE, some considerations are that while virtually all black business is small business, very little of small business is black business. The best course from the point of view of black business is therefore to strengthen the agency with specific responsibility for providing assistance to them, OMBE, by legislation making it a permanent agency. OMBE must be kept separate, and with a direct access to the President.

To move to the question of increasing assistance to black business, we see an opportunity in the general revenue sharing legislation. State and local governments should be required to enact 8-A type legislation in order to qualify for receiving these funds. This would have the impact of increasing the demand for the output of minority enterprise, and would go a long way toward making them viable.





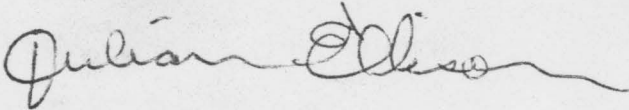
Mr. Stanley S. Scott

-3-

March 17, 1975

There needs to be some regular channel of communication opened between the administration and the minority business community. Smaller meetings than the Think Tank, which had over 250 participants is required for effective dialogue. I support the Task-Force idea raised by Garland Guice and others in this regard.

Yours truly,

A handwritten signature in cursive script, appearing to read "Julian Ellison", with a long, sweeping horizontal line extending to the right.

Julian Ellison  
Senior Economist

JE/ve



C. Robert Kemp  
Economic Resources Corp.  
11633 S. Alameda Street  
Los Angeles, CA 90059

March 14, 1975

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

Dear Stan:

Thank you for the opportunity to review and comment on the Minority Business Development Analysis of Organizational Alternatives and for the invitation to participate in the "Think Tank" session at the White House.

I can think of no process that would be more effective than for the Administration to demonstrate leadership in seeking solutions to the critical problems confronting all minority business.

It is my sincere hope that required action to alleviate the crisis will be forthcoming as a result of the conference. The minority business constituency is prepared, through crisis and experience, to develop and become viable in concert with Administration action.

My suggestions and analysis are included in the attached paper in response to your request. The many suggestions you will receive will, I'm sure, aid you in formulating action.

I will make myself available to assist in the implementation of the decisions resulting from this meeting. Thank you for your continuing concern on behalf of minority business.

Sincerely,

*C. Robert Kemp*  
C. Robert Kemp





TECHNOLOGY DEVELOPMENT CORPORATION  
599 N. Mathilda Ave. • Sunnyvale, Ca 94086

March 18, 1975

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

Dear Stanley:

I really appreciate being invited to the recent "Think Tank" session on Friday, March 14. I would appreciate being considered for any Task Force that would follow-up on developing specific recommendations.

I would also like to get a copy of the list of Panel Members and any Summary Report of the meeting.

Thanks again, and I am hoping that some concrete results will come from the ideas that were discussed at the meeting.

Sincerely,

A handwritten signature in dark ink, appearing to read 'F. S. Greene', written in a cursive style.

Frank S. Greene  
President

FSG/nc

cc: Junius Hayes, National Director NABM



Department of  
Commerce

Lieutenant Governor  
ROBERT D. ORR  
Director

ROBERT C. MORRIS  
Executive Director



State of Indiana

336 State House  
Indianapolis, Indiana 46204  
(317) 633-4450  
Cable: INCOM

March 20, 1975

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

Dear Mr. Scott:

I want to take this opportunity to thank you for the invitation to attend the "Think Tank" session last Friday, March 14. I certainly felt that it was a step in the right direction in establishing a viable minority economic development program. There is a definite need for future planning on such a subject of importance that affects so many minority lives.

The Indiana State Office of Minority Business Enterprise has been in existence since May 1, 1974. During the first three months of its existence, many problems arose due, in fact to the concept that OMBE should be operated under a Small Business Development program under the State Department of Commerce. These problems resulted in a lot of time and engery being spent in the small business end and little or no time being spent in helping minorities which have specialized small business problems.

When the position paper was written, it was impossible to quote verbatim all the problems encountered by the Indiana State OMBE in its efforts to implement a minority program. I only hit upon one of many small and non-minority related projects which precipitated the separation of OMBE and the Small Business Development Division.





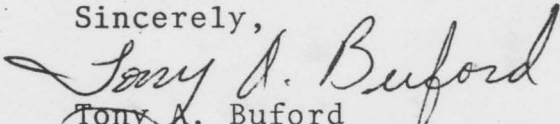
Page 2  
Mr. Stanley Scott

Secondly, the State OMBE feels that an economic division of OMBE should be created. This division would work on minority business trends and factors that deal directly with professional business tactics.

I am volunteering my services and input along with my Deputy Director, Donald R. Anderson in the formulation of the task force to study the organizational structure of OMBE. We would bring to the task force the expertise knowledge and industrial experience that we have had in the industry and business sector which includes consultant work for industry. Another individual whom I highly recommend is Mr. Clark Arrington, Director of Notre Dame MESBIC. Mr. Arrington has a business law background (corporate law) and would be an asset to the OMBE task force.

Once again, thanks for involving me in the session on minority development.

Sincerely,

  
Tony A. Buford  
Executive Director

STATE OFFICE OF MINORITY BUSINESS ENTERPRISE

TAB:dmd



BATCHELOR, SALYER, AND JOHNSON  
ATTORNEYS AT LAW  
15 NORTH ROBINSON, SUITE 506  
OKLAHOMA CITY, OKLAHOMA 73102  
TELEPHONE: 405 - 232-4606

JAMES D. BATCHELOR  
JERRY L. SALYER  
BARRY W. JOHNSON

March 28, 1975

Mr. Stan Scott  
Special Assistant  
to the President  
The White House  
Washington, D. C.

Dear Mr. Scott:

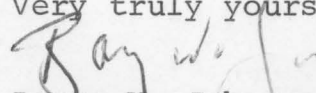
I deeply appreciate your "Think Tank" session with top government officials at the White House on March 14th. I saw an increasing awareness on the part of the minorities that we should all be concerned with the total approach to economic development rather than the piecemeal approaches currently in existence.

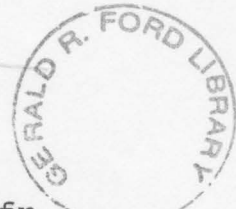
I shall look forward to working with you in developing and executing solutions to our domestic problems. In this connection, I urge you to review Oklahoma City's approach as reflected in the written plan I submitted to you.

This plan is currently being reviewed by other Black leaders, many of whom were present at your meeting. The plan represents a realistic solution utilizing the total approach.

Please convey to the President my sincere thanks for a fine session very ably conducted by you. I too shall look forward to working with him for the implementation of solutions to the domestic problems of the inner cities.

Very truly yours,

  
Barry W. Johnson  
Attorney At Law  
Former Chairman  
Nat'l Assn. of Black Mfr.



BWJ:bg

## Urban Business Development Center

3231 Decatur Street, Omaha, Nebraska 68111

(402) 558 - 2013

### NEW ADDRESS AND PHONE

5620 Ames, Suite 104

Omaha, Nebr. 68104

Phone (402) 455-1500

April 2, 1975

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

Dear Stan:

First of all I would like to thank you for inviting me to attend the White House "Think Tank" session on minority enterprise programs. The information discussed at the session was very informative and I am confident it will be of great benefit to those individuals conducting research into restructuring the government programs of minority enterprise development.

I have had several weeks to contemplate the items discussed at the seminar and would like to formally state some of my thoughts and the viewpoints of clients served in the State of Nebraska. Immediately upon my return to Omaha a meeting with a representative cross section of clients served in our State by Urban Business Development Center. The purpose of this meeting was to objectively discuss future organizational structure of federally sponsored programs in the area of minority business development. Specifically, the background material outlining various options, which was forwarded with your letter of February 26, 1975, was thoroughly reviewed and analyzed.

Undoubtedly, the operation of federal government programs of minority enterprise development must be coordinated in a manner which results in effectively reaching the objective of minority business development. Without adequate coordination





and pinpointing of responsibility, the effectiveness of the federal effort in increasing the role of the minority business-  
man in the economy is severely hampered and the end result will  
be program overlaps, gaps and dulition of effectiveness. This  
we all recognize must be avoided.

It is my firm conclusion that the interest of minority enterprise  
can best be served by consolidating all program activity and  
services under a single federal agency. In this manner duplica-  
tion can be minimized and cost substantially reduced. It is also  
my conclusion that the U. S. Department of Commerce is the agency  
most suitable for consolidation of program activity. This state-  
ment is in no way intended to be critical of SBA or OMBE. It has  
long been recognized by people in the field, clients served by  
each agency and other governmental agencies that program effect-  
iveness must be strengthened. There is also widespread concern  
that the full scope of problems confronting minority enterprise  
development must focus on the larger issue of community economic  
development to improve the environment in which minority businesses  
operate.

The rationale for selecting the U.S. Department of Commerce as the  
focal point for coordinating minority enterprise activity is based  
partly upon Commerce's access to the entire business community.  
As I have indicated the broader issue of community economic develop-  
ment must be addressed if we are to achieve the goal of successful  
minority enterprise development. We can no longer talk only in  
terms of developing small business but must also develop large  
minority-owned businesses that are presently considered outside  
the scope of SBA. Commerce's coordination of this activity  
permits close support and coordination directly from other depart-  
ments under it to develop new and expanded opportunities. For  
example, direct liaison and support with the Domestic and Inter-  
national Business Administration, Economic Development Administra-  
tion, Bureau of Census and other offices located within Commerce  
would permit a unique opportunity to marshall various resources to  
effectively deal with minority enterprise and community economic  
development. Consolidating programs of minority business develop-  
ment and elevating them within Commerce would sustain minority  
business as a Federal priority and give it the status and prestige  
associated with cabinet level offices.

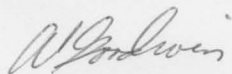
Any discussion of Commerce's role as coordinator of the federal  
minority enterprise effort would be incomplete without acknowl-  
edging the critical role of SBA. Under this arrangement SBA  
would continue to be the "Federal Banker" and provide the capital  
required to expand or establish business ventures.





The above represents my thoughts on this matter and I hope it will be of benefit to you.

Best regards,

A handwritten signature in cursive script, appearing to read "Alvin M. Goodwin".

Alvin M. Goodwin



Urban Business Development Center  
3231 Decatur Street, Omaha, Nebraska 68111

5620 Ames, Suite 104  
Omaha, Nebraska 68104

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





**Daniels & Bell, Inc.**

Member New York Stock Exchange, Inc.

20 Exchange Place  
New York, N. Y. 10005

Telephone (212) 422-1700  
Cable: Danbell

April 4, 1975

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

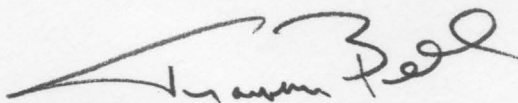
Dear Stan:

I am enclosing a copy of my March 20th letter to you along with a copy of the research memorandum for minority banks and a copy of the follow-up letter to Alex Armendaris. This project could create substantial new capital for minority banks and provide liquidity for minorities, who need it desperately.

We need to get started as soon as possible and whatever assistance you can provide will be rewarded within a short period of time by results.

Stan, we need your help.

Sincerely,

  
Travers J. Bell, Jr.

Enclosures





March 20, 1975

PERSONAL & CONFIDENTIAL

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

Dear Stan:

When we were at your meeting last week, liquidity of minority bank stocks was mentioned as an issue. Although the conversation was postponed, the issue remains constant. I am sending you a copy of a memorandum and proposal submitted to OMBE.

Stan, we need your help from the White House to get this project moving. I am a member of the Securities Industry Association committee on public markets for minority businesses. After the research is completed as described, I am extremely confident of establishing viable markets for minority bank shares.

Respectfully requesting your consideration and assistance.

Kindest personal regards,

Travers J. Bell, Jr.  
Chairman

Enclosures



PERSONAL & CONFIDENTIAL

March 17, 1975

Mr. Alex Armendaris, Director  
Office of Minority Business Enterprise  
Department of Commerce  
Washington, DC

Dear Alex:

When we were at the meeting held by Stan Scott, the subject of "public markets for minority banks" came up and no one seemed to remember the enclosed proposal.

I am resubmitting this proposal to you for your review, approval and funding. Because of inflation and industry costs, we will have to add 15% to the budget, therefore increasing it to \$230,000. We are convinced that the completion of this problem would be a major factor in solving the liquidity problems faced by minority banks and would encourage and structure private capital for investment in these vital institutions.

I am hoping you will guide this through for approval as it is important for us and imperative for the banking community to initiate this project.

Cordially,

Travers J. Bell, Jr.  
Chairman

Enclosures



## OUTLINE

Daniels & Bell, Inc.

Minority Bank Research Project.

### OBJECTIVE:

Daniels & Bell, Inc. proposes to conduct a comprehensive research study of the developing Minority Banking field. The objective of this program is to accumulate and eventually to disseminate information of both operating (historic and potential) and investment market characteristics. This material will then be thoroughly analyzed to uncover the strengths and weaknesses attendant with Minority Banks. This research process will utilize all available public information and close coordination with each of the Minority Banks' operating management.

The overriding purpose of this study is to establish the degree of investment liquidity, or lack of liquidity, and relate that to the capital raising function and the tenacle impact on the banks' operating performance. The feasibility of a minority bank stock trading vehicle will be defined and various formats will be explored.

We expect the Research Project to be conducted along the following parameters:

### PROJECT PROGRESSION:

Stage One: Establish the minority bank population using Federal Reserve data and other required reference sources. Prepare a letter



for each of the minority banking institutions to inform them of the existence and objectives of this project and the funding sanction received. Ask for the financial statements for the last three-to-five years, if available. Explain the depth of the project and encourage their continued cooperation in our efforts.

Gather available published and referenced information on each of the banking institutions, stressing size (deposit and capital bases), geographics and ownership criteria. The Federal Reserve, Securities and Exchange Commission, individual banks and other financial information sources will be utilized.

Based on the minority bank criteria outlined above, establish comparison populations of two and perhaps three separate non-minority banking institution samples and follow the same procedures as above in accumulating the required information.

This stage will take approximately one month to complete and will require perhaps two trips, of one week duration each, to Washington, D.C.

Stage Two: (a) Perform an in-depth financial analysis of the minority bank population and compare to an identical analysis of the various balancing bank samples; (b) Prepare a detailed report on the analysis results highlighting the financial areas of difference between the minority and non-minority banking institution; (c) Employing the financial





analysis results develop a questionnaire exploring the unanswered areas of interest. This questionnaire will be cross-checked against available information sources such as the Federal Reserve and the Securities and Exchange Commission. The still unsatisfied areas of interest will be forwarded in questionnaire form to each of the minority banking institutions for their input. This stage will require approximately two-three months to complete.

Stage Three: While awaiting the replies from Stage Two (c), we will begin an analysis of the security trading characteristics of the minority and non-minority banking populations. This analysis will cover such areas as:

- (a) Stock Trading Activity over the latest twelve months
- (b) Number, location and depth of market makers for each  
issue
- (c) Bid/Ask Spread Analysis
- (d) Price fluctuations
- (e) Availability of independent investment research information
- (f) Knowledge of issue and its fundamental operating qualities  
by the market makers
- (g) Analysis and correlations of information flow, market  
maker knowledge, and share float to trading activity for  
various issues, and the various sample populations as  
a whole



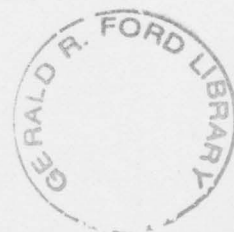
The functions required to complete Stage Three will closely correspond to Stage One and Two although the information sought will be of a different nature; trading activity versus fundamental operations activity. We will need to consult various regulatory agencies, investment community participants and importantly, the banking institutions themselves. We expect this stage to require approximately three months to complete.

Stage Four: Establish the demographics and income characteristics of each bank operating environment to assist in the development of potential institutional growth factors. The Department of Commerce, Bureau of Census and Department of Labor would be primary sources of material. Compare growth potentials to the growth potentials of the comparison sample populations.

Stage Five: After completion of the financial and trading analysis, we will embark on an extensive field trip which will touch base with each of the minority banks. The purpose of this trip will be to submit a summary of our completed analysis and more importantly to evaluate the operating management structure and policies. Any investment evaluation relies heavily on a management analysis. We expect to put our whole staff in the field with a very specific program of questions to be asked and a detailed briefing of attitudes (desirable and undesirable). The time required by this field trip stage will ultimately depend on the final number of minority banks studied, but we expect that it will be completed within two to three months. We will also endeavor to pinpoint specific areas of



success in minority banking and evaluate to detect the specific circumstances that helped produce that success.



BUDGET OF GRANT

|                                      |                   |
|--------------------------------------|-------------------|
| 1. Senior Analysts (2) @ \$25,000/yr | \$50,000          |
| 2. Junior Analysts (2) @ \$20,000/yr | \$40,000          |
| 3. Financial @ \$12,000/yr           | <u>\$12,000</u>   |
| Total                                | <u>\$102,000.</u> |

|                          |                 |
|--------------------------|-----------------|
| 4. Professional Services |                 |
| (a) legal                | \$15,000        |
| (b) accounting           | \$10,000        |
| (c) data processing      | <u>\$10,000</u> |
| Total                    | <u>\$35,000</u> |

|                           |                  |
|---------------------------|------------------|
| 5. Travel expenses        | \$30,000         |
| 6. Telephone & Typing     | \$10,000         |
| 7. Miscellaneous          | \$ 5,000         |
| 8. Additional rent        | \$ 3,000         |
| 9. Miscellaneous expenses | <u>\$15,000</u>  |
|                           | <u>\$98,000</u>  |
| Total                     | <u>\$200,000</u> |





## RESEARCH REPORT

### Minority-Owned Banks (Savings & Loans and Insurance Cos.)

The recent growth of minority-owned banks has been spectacular. Despite operating losses in their early years, most of them have survived quite well. Three years ago, combined deposits of U.S. minority banks totalled almost \$400 million; today, according to data compiled by the Treasury Department, the figure is over \$1 billion --a jump of more than 150%.

This explosive deposit growth, although a blessing, has nevertheless placed significant pressure on the banks, to recapitalize in order to strengthen their balance sheets. The yardstick of banking safety is the ratio of deposits to capital. A 12 to 1 ratio is considered normal by bank examiners. Yet, some of these institutions have as much as 20 and 30 times more deposits than capital. According to FDIC statistics for 1972, the ratio was 15.5 to 1 for 30 insured minority banks, as against a ratio of 11.8 to 1 for insured commercial banks (about 13,800) as a whole.

Marginal profits of newer banks and their limited borrowing power make it very difficult to improve capitalization. Longer established banks have been able to make some progress through retained earnings. Nevertheless, this input is at best minimal and totally insufficient to impact banking safety. Capitalization improvement must come through stock sale or issue of capital notes or debentures. The efforts of Minban Capital Corpora-



tion are to be commended. However, their projected capitalization of \$10,000,000 and their investment of such monies in nonvoting securities of minority banks is a feeble attempt at solving the critical capital problem. This subsidy although welcomed should not cause all interested parties to neglect the most realistic vehicle to solution; The Market Place.

Traditionally, the American system has made it possible for successful enterprises or ventures with reasonable potential to go to the Market Place and solicit capital from investors. Institutions have evolved profitably by not only creating awareness through research and publication of findings and expectations on worthwhile enterprises, but also by developing trading centers or exchanges facilitating transfer of ownership through the fundamental economic law of supply and demand. So far, this process has been ignored so far as Minority Banking is concerned. The consequences of this neglect are major:

1. The investing public has no awareness of the performances of minority-owned or controlled banks.
2. Even when some awareness exists, it is very difficult for an investor to quickly gather the facts needed to make a decision.
3. When a decision is made, regardless of what its determinants are, the investor cannot readily transact because he does not know where or how to do so.

These described consequences have great negative impact on the valuation process: (1) Minority Bank stocks have no liquidity. The



current owner of such stocks, if he were to decide to convert his ownership into cash, cannot readily do so. Furthermore, he is at the mercy of very few takers who are so well aware of their bargaining strength and so quickly willing to take advantage of their position. This situation can be verified by the abnormal bid-ask spread of most Black bank stocks. (2) The lack of liquidity is a powerful deterrent to investment and a significant handicap to the normal valuation process.

All of the above suggests that a Black banker in need of capital finds it extremely difficult to attract equity investors. Furthermore, the lack of capital significantly reduces the ability of the bank to get involved in the areas of banking which are by size or nature more profitable. This stifled growth makes traditional sources of debenture instruments uncomfortable about the bank's ability to meet its financing obligations. We have therefore, a vicious circle resulting in almost total unavailability of capital.

The appended Exhibits "A" through "E" examine some of the statistical experiences of a sample of minority banking institutions as compared to a random selection of diversified major banking institutions. The material utilized in these exhibits were gathered from published sources such as Moody's Bank and Finance Manual, Standard & Poor's Industry Survey, The Conference Board Record and also from a sample survey of Black Banks conducted by Daniels & Bell, Inc.

Exhibit "B" expresses the relationship between the indicated average sale price for minority bank capital shares during a twelve month





period ending in April 1973 and the indicated December 31, 1972 per share book value. Exhibit "D" makes the same comparison for the major bank sample; in this case we used the average of the 1972 full year price range and December 31, 1972 per share book value.

It is shown that the ratio of price to book value for the nine minority bank sample ranged from a high of 2.26:1 to a low of 0.70:1, with an average of 1.15:1. This experience compares to the major bank range of 2.39:1 high and 0.96:1 low, with the following averages:

|                         |        |
|-------------------------|--------|
| New York City Banks     | 1.61:1 |
| Non-New York City Banks | 1.36:1 |
| Total Sample            | 1.45:1 |

Thus, the minority bank average ratio fell between 18% and 40% below the comparison averages.

Exhibit "C" expresses the estimated sale turnover of total outstanding capital shares for the nine minority banks in the same twelve months period. The average full year share turnover represented a very small 3.4% of the total outstanding shares. The disparity between the trading activity of minority banks and that of major bank shares is tremendous, part of which is a function of the availability of sufficient capital float to satisfy institutional investor requirements. As an indication of the gap size Exhibit "E" shows the reported share trading volume for the major banks sampled as measured against the total outstanding shares. These figures represent only one month's trading results, December 1972





and yet the turnover compares equally in many instances with the full year turnover of minority bank shares.

This paper has attempted to draw additional recognition to the prevailing capital raising problem associated with minority banking institutions. Our comments, however, have only brushed the subject. We believe that a major research effort should be started to explore the depths of the problems and the development of solutions. We have some exciting ideas on solving the described problem. Their validity must be properly supported by thoroughly researching the situation and tightly structuring the most efficient vehicle for implementation of the most feasible program.

March 1974

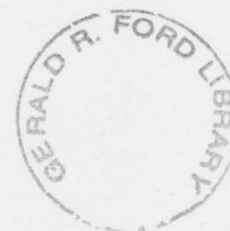


EXHIBIT "A"

|                                  |                                         |                                                                    | <u>December 31, 1972</u>  |                                   |
|----------------------------------|-----------------------------------------|--------------------------------------------------------------------|---------------------------|-----------------------------------|
| <u>Minority Bank Issue</u>       | <u>Deposits<br/>[(mil)<br/>6-30-73]</u> | <u>Est. Capital<br/>Stock, Surplus<br/>&amp; Undivided profits</u> | <u>Capital<br/>Shares</u> | <u>Est. Book<br/>Value per sh</u> |
| American State Bk (Tulsa)        | 4.6                                     | 498,691                                                            | 29,000                    | \$17.20                           |
| Centinel Bk of Taos              | 7.8                                     | 732,730                                                            | 17,143                    | 42.74                             |
| Consolidated Bk & Tr (Richmond)  | 21.3                                    | 1,137,551                                                          | 33,000                    | 34.47                             |
| Douglass State Bk (Kansas City)  | 17.5                                    | 1,029,756                                                          | 16,366                    | 62.92                             |
| Freedom Bk of Finance (Portland) | 4.7                                     | 573,831                                                            | 80,000                    | 7.17                              |
| Gateway National Bk (St. Louis)  | 18.7                                    | 423,378                                                            | 31,835                    | 13.30                             |
| Independence Bk (Chicago)        | 47.4                                    | 1,765,000                                                          | 75,000                    | 23.53                             |
| Seaway National Bank (Chicago)   | 46.1                                    | 1,797,000                                                          | 62,500                    | 28.75                             |
| Tri-State Bk (Memphis)           | <u>20.1</u>                             | <u>1,282,648</u>                                                   | 16,897                    | 75.91                             |
| Total Nine Minority Banks        | \$188.2                                 | \$9,240,585                                                        |                           |                                   |

Total 6-30-73 Estimated Deposits for

49 Minority Banks                      \$832.2 million

% Nine Bank Share of Total Deposits 22.6%



EXHIBIT "B"

| <u>Minority Bank Issue</u>                 | <u>Est. Average<br/>Share Sale<br/>Price</u> | <u>Est. 12-31-72<br/>Book Value<br/>Per Share</u> | <u>Ratio of<br/>Sale Price:<br/>Book Value</u> |
|--------------------------------------------|----------------------------------------------|---------------------------------------------------|------------------------------------------------|
| American State Bk (Tulsa)                  | \$20                                         | \$17.20                                           | 1.16:1                                         |
| Centinel Bk of Taos                        | \$50                                         | \$42.74                                           | 1.17:1                                         |
| Consolidated Bk & Tr (Richmond)            | \$25                                         | \$34.47                                           | 0.73:1                                         |
| Douglas State Bk (Kansas City)             | \$80                                         | \$62.92                                           | 1.27:1                                         |
| Freedom Bk of Finance (Portland)           | \$ 5                                         | 7.17                                              | 0.70:1                                         |
| Gateway National Bk (St. Louis)            | \$30                                         | \$13.30                                           | 2.26:1                                         |
| Independence Bk (Chicago)                  | \$24                                         | \$23.53                                           | 1.02:1                                         |
| Seaway National Bank Bk (Chicago)          | \$31                                         | \$28.75                                           | 1.08:1                                         |
| Tri-State Bk (Memphis)                     | <u>\$72 1/2</u>                              | <u>\$75.91</u>                                    | <u>0.96:1</u>                                  |
| Average Ratio of Nine Minority Bank Issues |                                              |                                                   | 1.15:1                                         |



EXHIBIT "C"

|                                              | Est. Sh<br>Turnover<br>12 mos<br>period | Est. Avg.<br>Sh. Sale<br>Price | Totl Est<br>Value of<br>Share<br>Turnover | Total<br>Share<br>Out-<br>Standing | Percentage<br>Share<br>Turnover |
|----------------------------------------------|-----------------------------------------|--------------------------------|-------------------------------------------|------------------------------------|---------------------------------|
| <u>Minority Bank Issue</u>                   | <u>1972</u>                             | <u>1973</u>                    |                                           |                                    |                                 |
| American State Bk (Tulsa)                    | 325                                     | \$20                           | \$6,500                                   | 29,000                             | 1.1%                            |
| Centinel Bk of Taos                          | 300                                     | \$50                           | 15,000                                    | 17,143                             | 1.7%                            |
| Consolidated Bk & Tr <sup>a</sup> (Richmond) | 363                                     | \$25                           | 9,075                                     | 33,000                             | 1.1%                            |
| Douglass State Bk (Kansas City)              | 1,727                                   | \$80                           | 138,160                                   | 16,366                             | 10.6%                           |
| Freedom Bk of Finance (Portland)             | 3,069                                   | \$ 5                           | 15,345                                    | 80,000                             | 3.8%                            |
| Gateway National Bk (St. Louis)              | 1,338                                   | \$30                           | 40,140                                    | 31,835                             | 4.2%                            |
| Independence Bk (Chicago)                    | 2,113                                   | \$24                           | 50,712                                    | 75,000                             | 2.8%                            |
| Seaway National Bk (Chicago)                 | 1,919                                   | \$31                           | 59,489                                    | 62,500                             | 3.1%                            |
| Tri-State Bk-(Memphis)                       | <u>1,105</u>                            | \$72 1/2                       | <u>80,112</u>                             | <u>16,897</u>                      | <u>6.5%</u>                     |
| Total Nine Minority Bank Issues              | 12,259                                  |                                | \$414,533                                 | 361,741                            | 3.4%                            |





EXHIBIT "D"

| <u>Major Bank Issues</u>                     | <u>Avg. Sh.<br/>Pr. 1972</u> | <u>Book Value<br/>Per Share<br/>12-31-72</u> | <u>Ratio of<br/>Sale Price:<br/>Book Value</u> |
|----------------------------------------------|------------------------------|----------------------------------------------|------------------------------------------------|
| New York City Banks:                         |                              |                                              |                                                |
| Chase                                        | 59.375                       | 39.54                                        | 1.50:1                                         |
| Chemical                                     | 53.5625                      | 49.58                                        | 1.08:1                                         |
| First National City                          | 30.125                       | 12.58                                        | 2.39:1                                         |
| Manufacturers Hanover                        | 34.875                       | 25.93                                        | 1.34:1                                         |
| U.S. Trust                                   | 38.3125                      | 22.05                                        | 1.74:1                                         |
| Non-New York City Bank Issues:               |                              |                                              |                                                |
| Bank of Virginia                             | 29.875                       | 16.96                                        | 1.76:1                                         |
| Cleveland Trust                              | 86.375                       | 89.73                                        | 0.96:1                                         |
| Continental Illinois                         | 52.875                       | 36.99                                        | 1.43:1                                         |
| Crocker National                             | 34.875                       | 28.85                                        | 1.21:1                                         |
| First Chicago                                | 49.125                       | 33.54                                        | 1.46:1                                         |
| Mellon National                              | 48.375                       | 47.74                                        | 1.01:1                                         |
| Pittsburgh National                          | 35.00                        | 29.68                                        | 1.18:1                                         |
| Republic National (Dallas)                   | 33.125                       | 15.21                                        | 2.18:1                                         |
| Security Pacific                             | 31.75                        | 26.50                                        | 1.20:1                                         |
| Wells Fargo                                  | 24.40625                     | 19.41                                        | 1.26:1                                         |
| Average of Five New York City Bank Issues    |                              |                                              | 1.61:1                                         |
| Average of Ten Non-New York City Bank Issues |                              |                                              | 1.36:1                                         |
| Average of Total Fifteen Bank Issue Sample   |                              |                                              | 1.45:1                                         |



EXHIBIT "E"

| <u>Major Bank Issues</u>       | <u>December 1972<br/>Share Volume</u> | <u>December 1972<br/>Shs. outstanding</u> | <u>Percentage<br/>Sh. Turnover</u> |
|--------------------------------|---------------------------------------|-------------------------------------------|------------------------------------|
| New York City Banks:           |                                       |                                           |                                    |
| Chase                          | 449,300                               | 31,882,000                                | 1.4%                               |
| Chemical                       | 359,500                               | 13,655,000                                | 2.6%                               |
| First National City            | 1,002,000                             | 57,676,000                                | 1.7%                               |
| Manufacturers Hanover          | 362,800                               | 28,368,000                                | 1.3%                               |
| U.S. Trust                     | 34,100                                | 2,100,000                                 | 1.6%                               |
| Non-New York City Bank Issues: |                                       |                                           |                                    |
| Bank of Virginia               | 48,400                                | 3,808,000                                 | 1.3%                               |
| Cleveland Trust                | 15,700                                | 3,012,000                                 | 0.5%                               |
| Continental Illinois           | 431,600                               | 17,244,000                                | 2.5%                               |
| Crocker National               | 150,100                               | 10,239,000                                | 1.5%                               |
| First Chicago                  | 151,900                               | 18,619,000                                | 0.8%                               |
| Mellon National                | 97,000                                | 9,999,000                                 | 1.0%                               |
| Pittsburgh National            | 91,000                                | 6,185,000                                 | 1.5%                               |
| Republic National (Dallas)     | 193,000                               | 9,393,000                                 | 2.1%                               |
| Security Pacific               | 341,800                               | 30,432,000                                | 1.7%                               |
| Wells Fargo                    | 304,400                               | 19,524,000                                | 1.6%                               |

NOTE: Volume and Turnover figures represent only the month of December 1972 not a twelve month period.



April 7, 1975

Mr. Stanley S. Scott  
Special Assistant to the President  
Washington D.C.

Dear Mr. Scott:

It is my estimation from the "Think Tank" Session at the White House that the President and his Cabinet are interested in promoting minority business programs and in solving the social problems affecting minority group communities.

Our Spanish American communities lack economic revitalization projects aimed toward economic independence. Several responsible non-profit corporations and private businesses within our community are interested in creating new projects and renovating existing areas for which Federal Grants are necessary. Therefore, the proper documentation and federal requirements are needed to get these projects on the way. In order to assist them, I am requesting the following information:

- Guide lines and procedures to qualify for Federal Grants.
- Federal Agencies providing these grants.
- Federal officials to be contacted in Washington regarding these grants who could eliminate red tape and expedite.
- Types of community projects qualified for Federal Grants (Low income housing, commercial, industrial and recreational)
- Types of community non-profit corporations and organizations qualified to direct and administrate any community project.

Furthermore, it is evident that the Spanish American communities lack responsible representation at the Federal level. We see the need to create, promote and implement such a representation. We shall not forget that the bulk of Spanish Americans in the American Society are significant and we shall not neglect their roll in American politics.

I am sure that if community leaders and government officials concerned with the problems affecting our society gather and discuss the problems as we did in the "Think Tank" session, solutions could be found; new domestic policies will be created and the existing ones could be improved with the best results and the least amount of economic waste and with a more efficient and effective administration for all concerned.

Very truly yours,

*Lydia Amigo*  
(Miss) Lydia Amigo



Lydia Amigo  
The Americana  
24451 Lake Shore Blvd. Apt. 1310  
Euclid, Ohio 44123 USA 1206W



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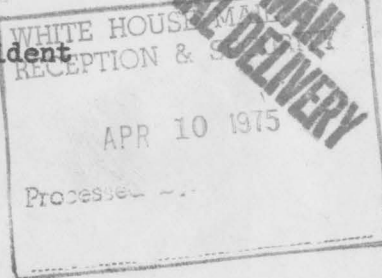
Mr. Stanley S. Scott

Special Assistant to the President

The White House

Washington D.C.

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THE WHITE HOUSE  
WASHINGTON

4/13/75  
Date

TO: JOHN CALHOUN \_\_\_\_\_  
HAZEL CORNWELL ✓ \_\_\_\_\_  
PAT HUGHES ✓ \_\_\_\_\_

FROM: STANLEY SCOTT

ACTION: Xerox + send FYI  
to Bob Peiris + Carl Hyatt  
at OMB.



# NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE

WASHINGTON BUREAU  
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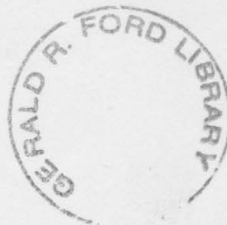
March 26, 1975

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

Dear Stan:

Thank you for your letter of March 24. During the session I decided not to make any comments because there were so many individuals from out of the city who wanted to be heard. I am concerned about the problems that black businessmen face in two respects. First, if funds are given for business purposes, usually the amount is so small that it is not possible for the businessman to have any capital or enough cash with which to get started. The second problem is the long delay in actually receiving funds.

Recently I had an interesting experience on this which shows how important it is to give possible entrepreneurs the assistance that they may need. Some time ago a gentleman who was a retired petty officer in the Navy came to me for help in getting an SBA loan. He had invested his life savings and almost all of his assets in starting a business which was to process and distribute barbecue in some kind of container. He had a building which had been renovated to suit his purpose, had arranged for refrigeration and the only item lacking was some arrangement for packaging. After many attempts and much evasion we were unable to get any help for him from SBA and as a result he lost the business.

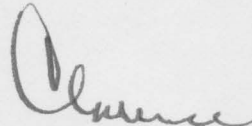


Honorable Stanley S. Scott  
Page 2  
March 26, 1975

Fortunately, this story has a happy ending. A few days ago I received a long distance call indicating that even though he had lost everything on the first venture, somehow he had managed to get back into the company he had lost to another person. He is running it now. He called to thank me for all that I had done for him in the past, even though it did not really help him. In addition, he was seeking assistance on how he could get some kind of expert who would take on the problem of marketing what he is now producing. In addition to barbecue, he is now producing several other products in a ready to eat form.

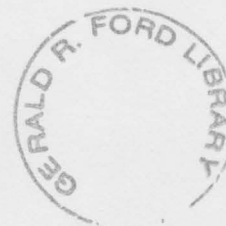
I hope that out of the meeting that was held on Friday, March 14, we will find some way of making certain that this kind of individual who really has great potential is not denied an opportunity through delays or lack of available funds and all of the other reasons that seem to prevent SBA from doing the job that needs to be done. In fairness I must say that the shortcomings of SBA are not peculiar to the Nixon and Ford Administrations. As far back as I can remember we have always had trouble with this agency and I am very much afraid that the simple answer is they do not want to understand the problems of black businessmen who are already operating or who are planning to start new businesses.

Sincerely yours,



Clarence Mitchell  
Director  
Washington Bureau

CMM/ewh





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SCHOOL OF BUSINESS ADMINISTRATION

April 14, 1975

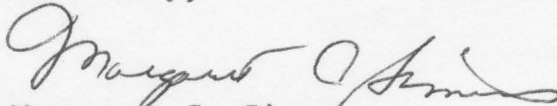
Mr. Stanley S. Scott  
Special Assistant to the President  
The White House  
Washington, D.C.

Dear Mr. Scott,

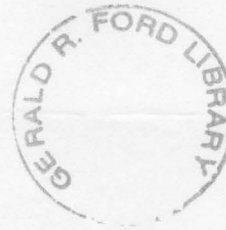
I was invited to the March 14th "think tank" on minority business development. I was honored to be invited to this policy session. As I explained to your secretary, I was unable to attend because of prior commitments. I might have been able to adjust my schedule, but I did not have the time to prepare a good position paper. I did not think it would be fair to the others present to come without such a paper.

I hope that I will have the opportunity to participate in similar think tanks in the future.

Sincerely,



Margaret C. Simms  
Assistant Professor





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*Black Press of America*



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10 May 1975

Office of the President

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TELEPHONE (415) 931-4080

TELEPHONE (415) 931-5778

Stanley A. Scott, Special Assistant to the President  
The White House  
Washington, D. C.

Dear Stan:

Yesterday we received the official White House pictures of the "Think Tank" session which was held on March 15, 1975. Unfortunately, NNPA was probably confused with NBL, because all of the pictures were of Berkeley Burrell's presentation to the conference.

We would like to carry a montage of the conference, if other pictures are available.

I have been trying to get a copy of President Kuwanda's toast at the White House State Dinner. Can you supply me with one? (Smiles.)

We are expecting you to bring greetings to our 35th Annual NNPA Convention, San Francisco, California, June 11-14, 1975.

Sincerely,

CARLTON B. GOODLETT, Ph.D., M.D.  
President

CBG:eo

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The Negro Press believes that America can best lead the world away from racial and national antagonisms when it accords to every man, regardless of race, color or creed, his human and legal rights. Hating no man, fearing no man, the Negro Press strives to help every man in the firm belief that all are hurt as long as anyone is held back.



*Material sent  
5/21/75*