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DOMESTIC COUNCIL

(File of Organization at the end)

Auto Emissions

Civil Rights

Consumer Protection Agency

Decontrol

Doehler-Jarvis plant

Education and Work Incentive

Emergency Housing Act

Energy Resources Finance Corp.

Environmental Policy

Federal Enclave

Federal Incentive Awards Program

Federal Railroad Administration

Federal Social Problems

Food Stamps

Hatch Act

Highway Legislation

Illegal Aliens

Juvenile Justice and Delinquency Act

LEAA

Maritime

Mushrooms

National Growth Report

National Transportation Safety Board



New York

Nuclear Installations (Civilian)

Oil Spill Legislation

Post Office

Science and Technology

Social Security

Uranium Enrichment

Waterways



*Domestic  
Council*

Thursday 1/9/75

9:35 Called Roger Semerad to doublecheck on the time for the meeting with Robert Howlett and the group from the ALMA committee. I had in my note that the meeting was for 2:30 today -----

The meeting was yesterday at 2:30.

Mr. Semerad said the meeting went very well, and they think they have established a pretty good dialogue with those people. Mr. Semerad said that of all the groups that have come in, this bunch is the most responsible.

He will write you a memo of the meeting.





THE WHITE HOUSE  
WASHINGTON

February 12, 1975

*See  
Doehler-Jarvis  
Petition  
President Reagan  
Central  
Files*

Dear Mr. Giamonna:

On behalf of the President, I would like to acknowledge the Prayer Petition which was circulated by members of Local 257 of the United Automobile Workers, concerning the decision of National Lead Industries, Inc., to close its Doehler-Jarvis Division plant in Grand Rapids. All the signed petition forms were presented directly by Congressman Vander Veen.

Please be assured that President Ford shares your concern about the decision to close this plant. Unfortunately, there is no program to allow plants to continue operating by the preferential award of Federal contracts.

However, there are programs available which provide for job retraining and counseling, and which might be of direct assistance to many of the plant's employees. Presently, officials of the Manpower Administration of the Department of Labor are working in close cooperation with Grand Rapids and local employment service officials in the careful review of such measures.

We hope this information is helpful and that the coordinated efforts of Federal and local governments will be effective in minimizing the impact of this situation.

Sincerely,

*Philip W. Buchen*

Philip W. Buchen  
Counsel to the President

Mr. Charles Giamonna  
President  
United Automobile Workers - Local 257  
1420 Madison Avenue, S. E.  
Grand Rapids, Michigan 49507



35,115

President Gerald R. Ford  
White House  
1600 Pennsylvania Avenue  
Washington, D. C.

Dear Mr. President:

Prayer Petition

We have been notified that Doehler-Jarvis, National Lead Industries are closing the Grand Rapids, Michigan plant in 1975. This will not only be a great loss to the 1200 employees, but also to the entire metropolitan area.

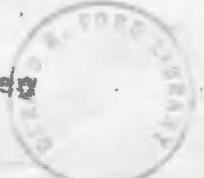
Therefore, we the circulators, members of Local 257, U.A.W. jointly with Company and other employees of Doehler-Jarvis and families and friends petition the President of the United States and Congress of the United States to do everything possible to keep this plant open.

1. There is presently Government work in our plant and one obvious way for the Government to help, is to allocate more Government work to this particular plant in this particular community.
2. We are presently equipped for and doing plastic molding, plating, assembly and paint work, plus zinc die casting.

Very truly yours,

Name	Address	City
1. Myrtle Brown	875 Maple Lane	Zeland Mich
2. Patricia Kulhawik	13571 Woodrow N.W.	Grand Rapids, Mich
3. Betty Allen	1461 Brick, N.E.	Grand Rapids, Mich
4. Brenda King	231 Cackine, SE	Grand Rapids, Mich
5. Ann D. [unclear]	2118 [unclear] SE	Grand Rapids Mich
6. Lillian Van Zanten	1123 Boston SE	Grand Rapids Mich
7. Mairiel [unclear]	803 32nd St SW	Grand Rapids Mich
8. Melvin Hines	5544 Gelford	Belmont - Mich
9. Carl [unclear]	4047 W. Onaka	Shantville, Mich
10. Leon F. Danyowski	2114 Houseman NE	Grand Rapids Mich
11. Edwin Robert	2222 Holiday Dr.	Wyoming Mich 49509
12. [unclear]	2148 Eastern N.E.	Grand Rapids Mich 49505
13. [unclear]	163 Edison	Sparta, Mich 49345
14. Bill Kersjes	1717 Lafayette St	Grand Rapids Mich
15. [unclear]	47-32nd S.W.	Grand Rapids Mich 49508

cc: Governor William Milliken  
 Representative R. VanderVaeg  
 Senator Robert Griffin  
 Senator Phillip Hart  
 Senator John Otterbacher



Representative Jelt Sietsema  
 Mayor Lyman Parks  
 Tom Mathieu  
 Steve Monsma

THE WHITE HOUSE

WASHINGTON

1/20/75

Apparently you were  
asking about this  
article on Saturday.

2/6/75  
I have  
a copy  
as requested



# Doehler-Jarvis Closing Spurs Pledge by City, C of C to Aid Workers

By Pete DeMaagd

Caught by surprise by the announcement of NL Industries, Inc., that it is closing its Doehler-Jarvis Division plant here, the city and the Greater Grand Rapids Chamber of Commerce Friday said they will make every attempt to help the more than 700 persons who will be left jobless.

Any attempt to save the industry for the city was called hopeless by city officials, the first to be informed about the decision.

Workers were called together late Thursday morning in the Doehler-Jarvis complex of three plants that covers much of three blocks bordered by Cottage Grove and Dickinson Sts. and Linden and Paris Aves. SE, and told that by Oct. 1, operations of D-J here would cease.

**One worker said plant officials reported machinery would start to be moved out in about six weeks.**

Closing of the plant not only means a loss of more than 700 jobs and an annual payroll estimated at \$12 million to \$14 million, but will leave vacant buildings with a total of 616,360 square feet of usable space that in 1974 generated real estate and personal property taxes of \$267,795, based on an assessed valuation of \$5,849,500.

In addition, there is a loss to the city and some of the suburbs of income taxes. More than 600 of the 700 persons affected by the closing have been with Doehler-Jarvis more than 20 years.

As recently as last fall, there were nearly 1,000 on the plant rolls, and at one time employment had been as high as 1,800.

Owen Bieber, new director of Region 1-D of the UAW, said through a spokesman he had no advance notice of the closing and could not be certain just what moves the UAW might take. "I've nothing to say; I'm caught by surprise," the spokesman quoted Bieber. Bieber and James Jackson, UAW service representative for Local 257 of the UAW, the bargaining unit at Doehler-Jarvis, had just returned from a meeting at Cleveland on new federal pension reform legislation.

**Officials of Local 257 could not be reached for comment. The president of the local is Charles Giamunona.**

Mayor Lyman Parks met with Charles McCallum, president of the Chamber of Commerce, Thursday afternoon and said afterwards, "We will be doing all we can to help the employes find jobs." The mayor said a call has been made to Washington to see if any public works projects might be directed this way.

**The company, in its terse, four-paragraph announcement Thursday of the closing, said the decline in the use of zinc die castings for automotive trim and other parts was the primary reason.**

The mayor and two of his aides were the first to get the news at a Wednesday afternoon meeting requested by Warren H. Guldin, local plant manager, and "a psychologist employed by the company" who was here to help break the news to the workers. The three were pledged to secrecy until 10 a.m. Thursday.

The mayor said the company was adamant in its decision. It is understood that work done here will now be done at D-J plants in Toledo, Batavia, N.Y., and Pottstown, Pa.

"Save it? No chance," said the mayor. Despite that, Tony Jarrett, economic adviser for the chamber, was to meet with Guldin Friday to discuss the closing.

"We get inquiries from industries seeking to relocate and wanting large, existing facilities," he said. "I'd like to know more about the D-J plants."

The Thursday announcement by NL Industries corporate headquarters said, "Environmental regulations would require substantial further capital expenditures at the Grand Rapids plants with no return in the face of a declining market." A check with the Grand Rapids Environmental Protection Department, however, found there were no demands being made on the company.

"Problems have been corrected to our satisfaction," said Brad Smith, spokesman for the department. One of the division heads within that department said a minor piping incident still needed correction, "but the cost would be nominal ... certainly not large enough to close the plant."

**The improvements could be tied to switching over to making plastic parts for the automotive and appliance industries, which are replacing zinc die castings as trim, although that could not be confirmed.**

Guldin would say nothing more than that included in the statement provided by NL Industries.

The company's roots date back to the 1890s when W. B. Jarvis founded his bicycle shop here. In 1926 he and his son, Lewis, joined to former W. B. Jarvis Co. which made hardware for cars, refrigerators and plumbing fixtures.

Supplier to Jarvis was Doehler Die Castings of New York City, at that time the world's largest maker of die castings. The Doehler and Jarvis firms merged in 1945 with L. A. Jarvis as president and Charles Doehler as chairman.

Doehler-Jarvis, the surviving corporation, was purchased by National Lead Co. (now NL Industries, Inc.) in 1953.

The plant at 525 Cottage Grove Ave. was built in the 1920s. Just prior to World War II, a major addition went up and the facilities have grown since to the present size. Most recent major expansion was a \$3 million addition in 1965.

Since '65, most capital expenditures by NL have been to meet pollution standards. One estimate by city officials put the total figure at \$9 million.

**In 1970 money was spent for new injection molding equipment to make plastic parts and to electroplate and finish them, but it was more of a pilot move than a changeover to plastics**

Workers at Doehler-Jarvis have been covered by UAW contracts more than 20 years. The plant, however, has not been entirely free of labor problems. Past news stories indicate that there were strikes in 1955, 1962, 1968 and 1974 when contracts were negotiated. In 1958, 1965 and 1971 contracts were negotiated without walk-outs.

**Some strikes were long in duration and in at least two there were threats from the company that it would close the Grand Rapids operation.**

In the most recent contract dispute, the new three-year contract was approved at plants in three cities, but the Grand Rapids plant turned it down. However, since all are part of a UAW Council for the D-J plants, the majority ruled and the local workers were forced to accept the pact.

*Domestic Council*

*Hatch  
Act*

THE WHITE HOUSE  
WASHINGTON

3/11

EVA:

The attachments were two U. S.  
Civil Service pamphlets --

"Federal Employees -- Political  
Participation" (GC-46)

"Code of Federal Regulations"  
(GC-41)

I only had one copy each.

Dawn





THE WHITE HOUSE

WASHINGTON

March 11, 1975

MEMORANDUM FOR: JIM CANNON

FROM: KEN LAZARUS *KL*

SUBJECT: Hatch Act

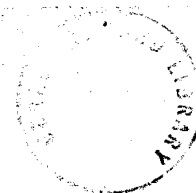
You are correct in your understanding that you are personally exempt from the provisions of the Hatch Act (5 U.S.C. 7321, et seq.) insofar as it relates to active participation in political management and political campaigns. The Act specifically exempts from its ban on partisan political activity by Executive Branch personnel any "employee paid from the appropriation for the office of the President." Thus, the sole test in determining the applicability of the Act is which appropriation is used to pay the employee's salary. While the Civil Service Commission has interpreted this provision to exempt persons paid from appropriations to the White House Office and Special Assistance to the President (Office of the Vice President), it has determined that employees paid from other appropriations for the Executive Office of the President, including those of the Domestic Council, OTP, OMB and NSC, are subject to the Act. Likewise, all detailed employees are fully subject to the Act.

While you are paid from funds appropriated to the White House Office, I understand that the remainder of the Domestic Council staff is paid from its own appropriation and is, therefore, subject to the Act. In addition, all Executive Branch employees, regardless of how they are paid, are expressly prohibited from using their "official authority or influence for the purpose of interfering with or affecting the result of an election . . . ."

The attached materials from the Commission should be of some assistance in determining what conduct is permissible by employees subject to the Act.

Attachment

bcc: Phil Buchen ✓



March 6, 1975

TO: Phil Buchen

FROM: Jim Cannon *JJC*

SUBJECT: Hatch Act

I understand that all members of the Domestic Council staff, with the exception of myself, come under the Hatch Act.

Can you give me your opinion of this? If the staff members do come under the Hatch Act, could you have someone on your staff give me a memorandum telling what they can and cannot do in a political way.

Many thanks.



THE WHITE HOUSE  
WASHINGTON

Date 3/24/75

TO: PHIL BUCHEN

FROM: KEN LAZARUS

ACTION:

                     Approval/Signature  
                     Comments/Recommendations  
                     Prepare Response  
                     Please Handle  
          x           For Your Information  
                     File

REMARKS:

Attached is a draft I did for Jim Cannon.  
It is being circulated.





March 24, 1975

Buchen  
Consumer  
Protection  
Agency

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON

SUBJECT: Consumer Reform

In order to begin implementation of your recent decisions on an appropriate course of action toward a responsible and effective program of consumer reform, attached are the following:

Tab A: Letters to key Congressional members discussing the bases of your opposition to legislative proposals to establish an independent Consumer Protection Agency and outlining your own program to meet the enlightened needs of consumers; and

Tab B: An outline for your presentation to the Cabinet (Tuesday, March 25) of the central issues and elements of a program for reform.

Plans are also underway for your meeting with members of the independent regulatory commissions and Congress to explore additional avenues of consumer reform. This meeting is now tentatively set for \_\_\_\_\_

The attached materials have been reviewed and approved by Messrs. \_\_\_\_\_

KL:ns



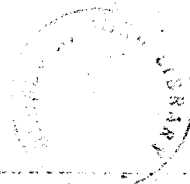
Dear

I have carefully considered the desirability of S. 200 and related legislative proposals to establish a Consumer Protection Agency. I take this opportunity to set forth the principal bases for my view that, however fetching these proposals may appear at first glance, as currently drafted they are not responsive to the truly enlightened needs of the public.

My first difficulty with these measures arises not from the objective of assuring representation of the consumer's interest in the decision-making process -- with which I agree -- but from the assumption that this requires the creation of yet another Federal bureaucracy in Washington with all of its attendant costs, and without correcting the defects in existing institutions that are the real essence of the problem. At a time when we are trying to cut down on both the size and the cost of government, it would be unsound to proceed further with this process of adding new layers of bureaucracy instead of correcting the defective structure underneath. What is needed is not a specialized, outside agency, but a means of representing the interests of consumers as part of the routine functioning of the entire government.

A second defect of these proposals is their over-reliance on full-dress adjudicatory proceedings. It is my view that such an approach will ultimately result in unnecessary litigation, delays in enforcement and a drain on judicial resources. A more realistic approach would lie in the pursuit of some minimum notion of due process for the consumer viewpoint within the existing institutions of government. Given the virtual explosion of Federal litigation in recent years, these concerns are not chimerical and, in my opinion, should be addressed directly by the Judiciary Committees of both Houses.

What I propose instead is a comprehensive reform of our existing institutions in order to institute procedures that will assure the consideration of consumer and other public interest viewpoints in Governmental action.



The greatest need is to assure that the consumer viewpoint is represented and given a chance to participate at all significant stages of the decision-making process. A preliminary review of the problem indicates that this can be accomplished through a variety of means including:

First, through the expanded use of hearing procedures designed to give all viewpoints a fair chance to be represented. And to assure that this is a just and efficient process, expedited intra-agency appeal processes could be established in all appropriate agencies.

Second, for those instances in which hearing procedures are not practical, I am considering the establishment of a certification requirement, based on the same philosophy as environmental and inflation impact statements. This would require that all policy recommendations to the head of a department or agency, and to the President, be accompanied by a certificate of the official making the recommendations that he has solicited and considered the views of all interested parties, including those representing consumer interests.

Third, by utilizing an existing, professional representative of consumer interests on a much broader scale as an advocate of consumer interests, both in formal court and hearing proceedings and in the informal councils of government. The Antitrust Division of the Department of Justice has always been an advocate of consumer interests. In recent years, it has increasingly ventured beyond its minimum law enforcement duties to argue the virtues of competition -- which, after all, is the best consumer protection -- in agency hearings and within the councils of government. And even more recently it has established a consumer protection unit which enforces a number of consumer protection statutes. Consideration is being given to proposals to enlarge and broaden the charter of this unit to provide a full spectrum of consumer advocacy functions.

Fourth, the independent regulatory agencies, too, must be exposed to a more systematic presentation of consumer viewpoints and to take account of them in their decisions. As I recommended last October, I strongly believe that the Congress and the executive branch should move to establish a Regulatory Reform Commission. In the context of other needed reforms this Commission would review the various alternatives for improving the protection of consumer interests.



The proposals recited above are only illustrative of reforms that can be wrought to meet the needs of our consuming public. I have instructed my Cabinet to report to me within 30 days on proposed changes in their own departments and agencies to implement these principles and other possible innovations. Further, my Administration will publish these proposals and accept public comments before putting them into effect. Finally, I have requested James Lynn, Director of the Office of Management and Budget, to compile the Cabinet's recommendations for any needed legislative changes which I shall propose to the Congress within 60 days.

I am hopeful that the Congress will postpone further action on S. 200 and related proposals pending completion of this effort.

Sincerely,



**Addressees:**

Honorable Abraham A. Ribicoff  
Chairman, Senate Government  
Operations Committee  
United States Senate

cc: Senator Charles H. Percy

Honorable Jack Brooks  
Chairman, House Government  
Operations Committee  
House of Representatives

cc: Congressman Frank Horton

Honorable Harley O. Staggers  
Chairman, House Interstate and  
Foreign Commerce Committee  
House of Representatives

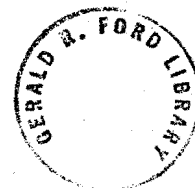
cc: Congressman Samuel L. Devine

Honorable James O. Eastland  
Chairman, Committee on the  
Judiciary  
United States Senate

cc: Senator Roman L. Hruska

Honorable Peter W. Rodino  
Chairman, House Judiciary  
Committee  
House of Representatives

cc: Congressman Edward Hutchinsor



AN OUTLINE FOR  
CONSUMER REFORM

I. INTRODUCTORY NOTE:

A. In recent years, there has developed a dramatically increased concern with enhancing the power of the consumer in the marketplace and in the halls of government.

B. A modest view of the concept of "consumer advocacy" would require expanded opportunities for the presentation of consumer viewpoints in the decision-making processes of Government.

C. An extreme view of the concept would question the role of Government officials as the people's final consumer advocate and resort to a full-dress adjudicatory proceedings in order to litigate the interests of consumer groups.

II. PENDING LEGISLATION:

A. The Congress currently is considering a number of legislative proposals to create an independent Consumer Protection Agency.

B. The principal legislative proposal (S. 200 by Senator Ribicoff) raises three major areas of concern:

1. The measure would create yet another unnecessary Federal bureaucracy with all of its attendant costs.
2. In seeking to protect the interests of consumers, the bill places an over-reliance on full-dress, adjudicatory proceedings which will result in unnecessary litigation, delays in enforcement and a drain on judicial resources.
3. It would do nothing to correct the deficiencies in existing institutions of government that are the essence of the problem.



### III. RESPONSIBLE ALTERNATIVES:

A. Rather than creating new institutions, Government must correct the defects in existing institutions in order to make them responsive to the enlightened needs of consumers.

B. The most efficient and effective way to meet the needs of consumers is within existing institutions, and with a minimum of full-dress adjudicatory proceedings. What we need most are fast, effective procedures to assure some minimum form of due process for the consumer viewpoint.

C. Consistent with these ground rules, consumer advances can be made on three fronts:

1. The procedures of Government departments and agencies can be thoroughly reviewed in order to fashion new procedures and remedies for consumers which allow for an effective redress of their grievances.

2. In appropriate situations, existing executive agencies can be utilized to enhance the representation of consumer interests.

3. The operations of the independent regulatory agencies should be reconsidered with a view toward remedial legislative proposals.

### IV. PROGRAM DEVELOPMENT:

A. Within thirty (30) days, members of the Cabinet will be expected to present a comprehensive report on steps which can be taken to enhance the rights of consumers within their respective departments and agencies.

B. Remedies should be tailored to meet the needs of consumers. Consideration should be given to the following:

1. An expanded use of agency hearings which could allow consumer groups to confront the views of other organizations on a public record.



2. An intra-agency review procedure relative to issues of concern to consumers which would provide an avenue of informal appeal.

3. A certification procedure that would require agency heads to attest to the consideration of consumer views prior to the exercise of their discretionary powers.

C. One possibility for increasing the role of active executive agencies in support of consumer interests can be found in a special section of the Antitrust Division of the Department of Justice which is devoted exclusively to consumer protection with broad authority. The Attorney General should consider expanding the charter, size and funding of this unit.

D. In the course of developing a series of options to improve the role of the consumer in Governmental operations, care should be taken to solicit the views of the various consumer interest groups on the scope and nature of suggested remedies.

E. James Lynn, Director of OMB, is designated coordinator of this effort. Additionally, he will coordinate any necessary requests for legislative action within a period of sixty (60) days.

F. Administration policy on consumer reform is being communicated to key members of Congress and meetings will be underway shortly with these people and with representatives of the independent regulatory commissions.





Mr. Buchen wanted to see a copy of the draft letter Ken and Dudley did on the Consumer Protection legislation.

Dawn

KEN LAZARUS  
FROM THE STAFF SECRETARY

DUE: Date: Wednesday, March 19

Time: 5:00 pm

SUBJECT:

Revised Draft letter to Congressional Committee on  
Consumer Protection Agency

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

Suggested alternative draft attached. Also recommend that the names of the Chairmen and Ranking Republicans on the House and Senate Judiciary Committees be added to the list of addressees.

KEN LAZARUS

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren H. ...  
For the ...



Dear \_\_\_\_\_:

I have carefully considered the desirability of S. 200 and related legislative proposals to establish a Consumer Protection Agency. I take this opportunity to set forth the principal bases for my view that, however, fetching these proposals may appear at first glance, as currently drafted they are not responsive to the truly enlightened needs of the public.

My first difficulty with these measures arises not from their objectives -- with which I agree -- but from the common assumption of their proponents that the interests of consumers can only be met by the creation of yet another Federal bureaucracy in Washington with all of its attendant costs, and without correcting the defects in existing institutions that are the real essence of the problem. At a time when we are trying to cut down on both the size and the cost of government, it would be unsound to proceed further with this process of adding new layers of bureaucracy instead of correcting the defective structure underneath. What is needed is not a specialized, outside agency, but a means of representing the interests of consumers as part of the routine functioning of the entire government.

A second defect of these proposals is their over-reliance on full-dress adjudicatory proceedings. It is my view that such an approach will ultimately result in unnecessary litigation, delays in enforcement and a drain on judicial resources. A more realistic approach would lie in the pursuit of some minimum notion of due process for the consumer viewpoint within the existing institutions of government. Given the virtual explosion of Federal litigation in recent years, these concerns are not chimerical and, in my opinion, should be addressed directly by the Judiciary Committees of both Houses.

I shall undertake by executive action, where possible, and propose to the Congress where appropriate, a number of reforms in our executive and independent agencies so that consumer interests can be better served by them. For example, there is already an active executive agency concerned with the representation of consumer interests -- the Antitrust Division in the Department of Justice. In addition to its law enforcement responsibilities, the Division plays an

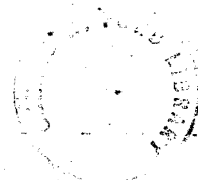


active role intervening before almost all government bodies with decision-making responsibilities affecting competitive markets -- and competition is the most important protection for the consumer. I have already asked the Congress for increased funding for the Antitrust Division as well as tightening of the Antitrust laws themselves.

The Antitrust Division has also formed a special section devoted exclusively to consumer protection with much broader responsibilities for consumer advocacy than the other activities I have just mentioned. The limited size and funding of this unit are not yet sufficient to enable it to accomplish as much as has been proposed for the Consumer Protection Agency; but this existing resource could be enlarged more quickly, at less cost, and more effectively than the establishment of a new and overlapping agency. This can be done consistent with my objective to avoid any new spending programs because it would be a strengthening of an ongoing agency and program. The Federal Trade Commission is another existing agency with important consumer protection responsibilities. Appropriate measures also will be considered to strengthen the Commission's role for this purpose.

In addition, as I recommended last October, I strongly believe that the Congress and the executive branch should move to establish a Regulatory Reform Commission. In the context of other needed reforms this Commission would review the various alternatives for improving the protection of consumer interests. Further, there are certain reforms of our regulatory agencies that can be undertaken immediately, and I will be submitting those proposals to the Congress shortly.

I intend to work with my Cabinet to see that the necessary steps are taken within the executive branch to emphasize and to strengthen the representation of consumer interests. As the need arises, you may be sure I will transmit appropriate recommendations to the Congress.



THE WHITE HOUSE  
WASHINGTON

*Domestic  
Council  
Federal  
Incentive  
Awards  
Program*

March 25, 1975

MEMORANDUM FOR:

LYNN MAY

FROM:

PHILIP BUCHEN *P.W.B.*

SUBJECT:

Federal Incentive Awards Program

The proposed letters would be more effective if they mentioned that the personal letters to be sent by the President are in addition to substantial cash awards that have been paid in the past. The cash amount paid in 1974 might be included.

Also, I assume someone has computed the cost of sending some 4.5 million individual letters to announce the program and determined it to be worthwhile.



THE WHITE HOUSE  
WASHINGTON

April 15, 1975

*Federal  
Social  
Problems*

MEMORANDUM FOR: JIM CANNON  
FROM: PHIL BUCHEN *P.W.B.*  
SUBJECT: Domestic Council Study:  
Federal Social Problems

I have reviewed your draft memorandum to the President on the referenced subject and offer the following:

1. On page 1, line 11, I would suggest that you delete the word "insurance" as unnecessarily limiting.
2. On page 1, line 15 should be modified to read "Proposals for the allocation of functions and fiscal" (addition underlined).
3. I would prefer that you not seek authorization to employ consultants to assist in this effort. Current employees can be detailed to meet the needs of the review group.
4. I have serious misgivings as to the utility of public hearings. At a minimum, I would suggest that these hearings be greatly reduced in number and conducted only on a regional basis.



THE WHITE HOUSE

WASHINGTON

April 14, 1975

MEMORANDUM FOR:

✓ PHIL BUCHEN  
MAX FRIEDERSDORF  
ALAN GREENSPAN  
BOB HARTMANN  
JIM LYNN  
JACK MARSH  
BILL SEIDMAN  
PAUL THEIS

FROM:

JIM CANNON *JC*

SUBJECT:

Domestic Council Study:  
Federal Social Problems

In accordance with the President's suggestion to develop options for improving Federal Social Programs, the attached memorandum recommending a Domestic Council Review Group has been prepared.

Before submitting the package to the President, I wanted to obtain your views as well as any suggestions or recommendations you may have.

I hope to move this memorandum to the President on Wednesday, April 16th and therefore would appreciate your input by Tuesday afternoon, April 15th.

Thank you.

Attachment

cc: Jim Connor  
Jerry Jones



THE WHITE HOUSE

WASHINGTON

April 12, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON

SUBJECT: Domestic Council Study: Federal Social Programs

In response to your suggestion at our meeting on March 6 on the need to develop options for positive action to improve Federal social programs, I recommend that the Domestic Council undertake a combined study of:

1. Alternatives for the replacement of current Federal programs of all income assistance, including food stamps, AFDC, SSI, the new \$50 Social Security bonus, and the new 10% "earned income credit."
2. Proposals for a comprehensive national health insurance program.
3. Practical approaches to the consolidation of existing categorical grant programs into block grants. (Tab A - List of existing grants)
4. Proposals for the allocation of functions and responsibilities of the three levels of government - Federal, state and local.

OBJECTIVES

1. Conduct Administrative hearings to bring about greater public understanding of the realities and trends of present social programs.
2. Develop a broad base of support within the Congress, State and local governments, opinion leaders, the media, and the public for the concept that --
  - a. Major revisions in the financing and delivery of social services are necessary and possible, and





- b. The Ford Administration has a comprehensive, realistic and humanitarian approach to the development of these revisions.
3. Develop options for the President to establish a set of positive administrative and legislative initiatives the Administration could propose to improve, coordinate and rationalize all Federal programs of income assistance and related social programs.

#### ORGANIZATION

1. A Domestic Council review group would be formed for this project, including:  
  
The Vice President  
The Secretary of the Treasury  
The Secretary of Agriculture  
The Secretary of Labor  
The Secretary of HEW  
The Secretary of HUD  
The Director of OMB  
The Chairman, Council of Economic Advisors  
The Executive Director, Economic Policy Board
2. A study director for this review group would be named.
3. Staff work would be done by staff of the Domestic Council, personnel temporarily detailed from agencies, and outside consultants as appropriate.
4. Extensive consultation would be undertaken before and during the Administrative hearings with Members of Congress and representatives of state and local governments; and local elected officials would be encouraged to attend each hearing.

#### TIMETABLE

1. In April, you might want to make a major public address calling for this broad and important initiative. (Draft Outline - Tab B)



A



TIMETABLE (continued)

2. The Review Group would meet immediately after your address to plan the hearings.
3. The public hearings suggested by Jim Lynn might be conducted throughout the country between May and September. (List of Proposed Cities - Tab C)
4. A report to Congress could be made in October.
5. By December 1, 1975, a package of recommendations could be formulated.
6. By January 1, the appropriate legislation could be prepared.
7. The complete program could be announced as part of your 1976 State of the Union Message.

FINANCING

1. So far as possible the studies would be funded through the agencies involved.
2. The study director could be funded by the Domestic Council, and outside consultants funded through departments and agencies.



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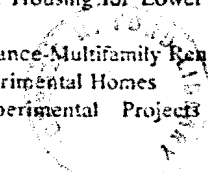
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B





April 12, 1975

OUTLINE FOR A PRESIDENTIAL ADDRESS ON FEDERAL ASSISTANCE

1. The President's Philosophy and Record:

- a. Government should provide public assistance to all in need, but no government money should be given to those not in need.
- b. The President voted twice for the Family Assistance Plan, and stated in his 1974 State of the Union address that he hoped Congress would pass a Health Assistance Plan that year.
- c. Existing Federal programs do not meet the needs of the poor, and are costly and wasteful.

2. Where We Are Now on Federal Assistance Programs.

a. Food Stamps

- 1) Number of persons eligible.
- 2) Number of persons receiving food stamps.
- 3) Number and cost of ineligibles receiving stamps.
- 4) Dramatic examples of abuse of Food Stamps.

b. Aid for Dependent Children.

- 1) Number of persons eligible
- 2) Number of persons on AFDC
- 3) Number and cost of ineligibles.
- 4) Dramatic examples of abuse of AFDC

c. Health Costs.

- 1) Number of persons being assisted, and cost.
- 2) Numbers of persons in need of better health care.
- 3) Dramatic examples of abuses.

d. Other Programs for the Poor.

- 1) Numbers of persons on assistance.
- 2) Dramatic examples of abuses.
- 3) Number and complexity of programs, e.g., 21 Congressional committees and subcommittees review HEW's present public assistance programs.



e. Social Security

- 1) Numbers on Social Security and costs.
- 2) Fiscal character of the Social Security system.

f. Assistance through Categorical Grants

- 1) Number and variety of grants.
- 2) Costs to the Federal government of administering grants; costs to states and local governments for getting grants.
- 3) Dramatic examples of abuses.

3. Where we are Headed under Existing Laws.

- a. Projections on Food Stamps -- numbers to be covered and costs.
- b. Projections on AFDC -- numbers to be covered and costs.
- c. Projections on Health assistance -- numbers to be covered and costs.
- d. Projections on other programs -- numbers to be covered and costs.
- e. Projections on Social Security.
- f. Projections on Categorical Grants -- trends in programs and costs.
- g. Overall Projections.
  - 1) What percent of people will be on public assistance five years and ten years from now.
  - 2) What percent of GNP will go for public assistance.
  - 3) What part of America will be productive and what part unproductive.



4. Need for Reform.

- a. Previous efforts at "welfare reform" have been piecemeal.
- b. Call for a review, government wide, of all Federal, state and local programs and forms of direct and indirect public assistance.
- c. The President is directing the Domestic Council to hold public hearings throughout the country to get the facts about how present programs are working and not working, and to get the broadest range of ideas for making public assistance more meaningful and effective for those in need, and less costly to the taxpayers who support public assistance.
- d. The size of the deficit makes it impossible to propose any new assistance programs, but out of this year's hearings will come a report to the Congress in October, and in January a set of proposals for government-wide reforms in assistance.
- e. The President is concerned about the dollars being spent, but he is even more concerned about the people -- those who must bear the burden of having to be assisted and those who bear the burden of assisting them.
- f. The President is confident that the Executive and the Congress, working together, can solve this problem.



c



April 12, 1975

PROPOSED LIST OF CITIES IN WHICH HEARINGS MIGHT BE  
HELD ON SOCIAL PROGRAMS

1. PHILADELPHIA (Fifth most costly city in Aid for Dependent Children, fifth most costly in Medicaid. Home city of Representative Bill Green; home state of Herman Schneebeli, both on Ways and Means).
2. NEW YORK CITY (Most costly for AFDC, most costly for Medicaid. Home city for the only Black member of Ways and Means, Charles Rangel. Home state for Barber Conable and Otis Pike, also on Ways and Means).
3. NEWARK (Sixth most costly for AFDC - ninth most costly for Medicaid. Home state of Henry Helstoski, Democratic member of Ways and Means).
4. HARTFORD (Largest city in Connecticut. Home state of Senator Ribicoff, member of Senate Finance and only ex-Secretary of HEW in Congress).
5. BOSTON (Eighth most costly city in AFDC, sixth most costly for Medicaid. Home state of James Burke, third ranking Democrat on Ways and Means).
6. DETROIT (Fourth most costly for AFDC, fourth most costly for Medicaid. Home state of Representative Guy Vander Jagt, ranking Republican on Ways and Means from Michigan, and Richard Vander Veen, ranking Democrat on Ways and Means from Michigan. Home state of Senator Robert Griffin, Minority Whip).
7. CLEVELAND (Seventh most costly for AFDC, seventh most costly for Medicaid. Home county of Charles Vanik, sixth ranking Democrat on Ways and Means. Home state of Representative Donald Clancy, fourth ranking Republican on Ways and Means).
8. CHICAGO (Second most costly for AFDC, third most costly for Medicaid. Home city of Dan Rostenkowski, fourth ranking Democrat on Ways and Means. Home county of Representative Philip Crane, eighth ranking Republican on Ways and Means).



9. MILWAUKEE (Home state of Senator Gaylord Nelson - sixth ranking Democrat on Senate Finance and William Steiger, seventh ranking Republican on Ways and Means).
10. MINNEAPOLIS-ST. PAUL (Home state of Senator Walter Mondale, seventh ranking member on Senate Finance; home city of Representative Joseph Karth, ranking Minnesota Democrat on Ways and Means; and home area of Representative Bill Frenzel, ninth ranking Republican on Ways and Means).
11. OMAHA (Home state of Senator Carl Curtis, ranking Republican on Senate Finance).
12. SEATTLE (Largest city in the Northwestern United States. Home state of Representative Tom Foley, Chairman of House Agriculture, which handles food stamps).
13. SAN FRANCISCO (The major city of Northern California. Home city of Representative Phil Burton, and home area of Representative Pete Stark, Democratic member of Ways and Means).
14. LOS ANGELES (Third most costly for AFDC, second most costly for Medicaid. Home city for Representative James Corman, ninth ranking Democrat on Ways and Means).
15. DALLAS (A leading city in the home state of Representative Omar Burleson and Representative Bill Archer, ranking Democrat and Republican on Ways and Means from Texas, and home state of Senator Lloyd Bentsen, Democratic member of Senate Finance).
16. NEW ORLEANS (Home state of Senator Russell Long and Representative Joe Waggoner).
17. ATLANTA (Home state of Senator Herman Talmadge, second ranking Democrat on Senate Finance, and Chairman of the Senate Agriculture Committee; home state of Representative Phil Landrum, fifth ranking Democrat on Ways and Means).



18. NASHVILLE (Home city of Representative Richard Fulton, seventh ranking Democrat on Ways & Means, and Chairman of the Subcommittee on Public Assistance; home state of Representative John Duncan, third ranking Republican on Ways & Means, and home state of Senator Bill Brock, member of Senate Finance.)

19. CHARLESTON, West Virginia, (Home state of Senator Robert Byrd.)

20. BALTIMORE (Ninth most costly in AFDC, tenth most costly in Medicaid.)



*Consumer*

FOR IMMEDIATE RELEASE

APRIL 17, 1975

Office of the White House Press Secretary

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THE WHITE HOUSE

TEXT OF A LETTER FROM THE PRESIDENT  
TO THREE MEMBERS OF CONGRESS

April 17, 1975

Dear Mr. Chairman:

In the interest of protecting the American consumer, I am directing department and agency heads, in coordination with the Domestic Council, to review Executive branch procedures to make certain that consumer interests receive full consideration in all Government actions.

To be frank, I recognize the legitimate public and Congressional concerns that departments and agencies be more responsive to the interests of consumers. This must be changed. Therefore, I am asking agency heads to examine the specific efforts they are making now to represent the consumer in their agencies' decisions and activities and to work with Virginia Knauer, my Special Assistant for Consumer Affairs, in instituting additional efforts which the agencies can undertake to better represent consumer interests.

In examining their present procedures and in establishing new ones, department and agency heads will follow these guidelines:

All consumer interests should receive a fair chance to be heard in the Government decision making process; and

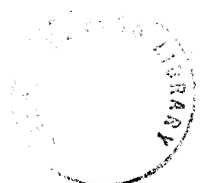
The costs and administrative requirements of Federal rules and regulations on the private sector should be held to a minimum.

Regulatory reform is one of the most important vehicles for improving consumer protection. Outdated regulatory practices lead to higher prices and reduced services. I urge the Congress to enact a number of specific legislative proposals in this regard, including the bill I submitted in January to establish a Regulatory Review Commission. I renew my request to the Congress to repeal outdated fair trade laws which raise prices and to reform many of the existing banking laws and regulations which penalize small savers. I will soon request legislation to overhaul our system of transportation regulation to allow freer competition, improved services, and lower prices.

I also intend to ask the chairmen and members of the independent regulatory agencies to meet with me to discuss ways they can make immediate improvements in the regulatory process. I am determined that the public will receive the most efficient and effective public service at the least cost.

In view of the steps that are being taken by the Executive department to make Government-wide improvements in the quality of service to the consumer, I am requesting that the Congress postpone further action on S. 200, which would create a new Federal Agency for Consumer Advocacy.

more





I do not believe that we need yet another Federal bureaucracy in Washington, with its attendant costs of \$60 million for the first three years and hundreds of additional Federal employees, in order to achieve better consumer representation and protection in Government. At a time when we are trying to cut down on both the size and the cost of Government, it would be unsound to add another layer of bureaucracy instead of improving the underlying structure.

It is my conviction that the best way to protect the consumer is to improve the existing institutions of Government, not to add more Government.

I look forward to working with you, the members of your Committee, and the Congress in advancing the interests of all consumers within our existing departments and agencies.

Sincerely,

GERALD R. FORD

The Honorable Abraham A. Ribicoff  
Chairman  
Senate Government Operations Committee  
United States Senate  
Washington, D.C. 20510

The Honorable Jack Brooks  
Chairman  
House Government Operations Committee  
House of Representatives  
Washington, D.C. 20515

The Honorable Harley O. Staggers  
Chairman  
House Interstate and Foreign Commerce Committee  
House of Representatives  
Washington, D.C. 20515

# # # #



*Maritime*

Friday 4/25/75

*Cy sent  
to  
Mike  
Dural  
4/25/75*

9:20 Maureen Noonan called from Helen Bentley's office and read the following announcement from Mrs. Bentley:

Mrs. Bentley wants to advise Mr. Buchen that the threat by the longshoremen to jam up the docks next week has been eased considerably with the ILA President rescinding his Wednesday order and announcing that he will only follow the original contract terms. These he said will be enforced stringently.

Mrs. Bentley says that some congestion could occur at the piers and some problems arise but they would be of a minor nature in her opinion as compared to what would have happened if he had kept to his Wednesday edict.

Also read to me Ted Gleason's announcement (ILA President):

The wage scale committee has determined that in order to protect our members' job opportunities and to preserve their work, all import cargo loaded in containers destined for delivery within a 50-mile radius of a port except for "manufacturer's label" shall henceforth be placed on the dock and that the consignees and their truckmen will be required to pick up their cargo in the same manner it takes place in conventional operations. The same will apply to the handling of export cargo, i. e., all cargo originating within a 50-mile radius of a port except for "manufacturer's label" must be brought to the dock by the shippers truckmen and will then and there be loaded into containers by ILA longshoremen. Again this is precisely what takes place in conventional operations as established by practices and customs in existence for over 100 years.

Therefore, in concurring with the recommendations of the wage scale committee effective Monday, April 28, 1975, all containers originating within a 50-mile radius of a port excepting those with a "manufacturer's label" shall be loaded and stripped at the dock in keeping with the operations as performed historically by the conventional operators and longshoremen.

(((They don't think there will be any changes but if there are, they'll be in touch.



OFFICE OF THE SPECIAL REPRESENTATIVE  
FOR TRADE NEGOTIATIONS

EXECUTIVE OFFICE OF THE PRESIDENT  
WASHINGTON  
20506

*Mushrooms*

April 28, 1975

The Honorable Robert VanderLaan  
Senator-31st District  
4745 Curwood, S. E.  
Grand Rapids, Michigan 49508

Dear Senator VanderLaan:

At the request of Mr. Philip Buchen, this Office has undertaken a review of the problem of import competition faced by the domestic canned mushroom industry, as described in your letter of February 19, 1975, and its enclosure from Mr. Nicholas Rini, an attorney representing Michigan mushroom interests.

As you know from the record, discussions were held in 1973 with Taiwan and Korea, the two major foreign suppliers of canned mushrooms, concerning unilateral restraints on their exports to the United States. Nothing developed from these discussions. Subsequently, attention was turned to the negotiation of agreements under Section 204 of the Agricultural Adjustment Act of 1956. While preparations for such negotiations were underway, the import picture changed, and for the year 1974 the quantity of canned mushrooms entering the United States from Taiwan and Korea dropped 16 percent below the 1973 level and was 18 percent lower than in 1972. Such circumstances weakened the argument that formal export restraint commitments were essential. In fact, there is serious question whether marketing arrangements that the industry would consider satisfactory can be negotiated.

We have for some time been keeping mushroom imports under surveillance and are aware of the upturn this year. While this is a matter of concern, we do not have hard evidence as to the impact of imports on domestic canners subsequent to the period covered by the Tariff Commission's May 1973 report to the President. However, any current determination as to what action may be appropriate must take into account an important new factor, namely the Trade Act of 1974.

A major element in earlier discussions about restraint arrangements on canned mushrooms was the fact that the industry was not able to satisfy the criteria for escape clause relief under the trade legislation in effect until January 3, 1975, due to the statutory causal link between trade concessions, increased



imports, and serious injury. (The Commission's conclusions in 1973 that a threat of future injury existed were not based on an escape clause investigation and the report did not address itself to the criteria for such relief.) Under the new Trade Act, the criteria for escape clause relief have been made substantially easier to meet. Specifically, the link with trade concessions, which was the basis for the Commission's negative finding on mushrooms in 1965, has been eliminated.

After careful review, it is our judgment that if the mushroom industries are suffering losses due to import competition, they should petition for an escape clause investigation by the International Trade Commission under Section 201 of the new Trade Act. The Congress gave detailed consideration to the framing of the liberalized new import relief provisions with the express intention of establishing effective means for dealing with situations of import injury.

The advantage to the Executive Branch in dealing with an import problem after an affirmative finding of the Commission is that virtually all avenues for providing relief are opened, including orderly marketing arrangements. Legal deadlines for action are specified in the law and our negotiating leverage is greatly increased when an impartial investigation has established import injury.

If the contention is made that the escape clause procedures are too time-consuming, I believe the answer is that the Commission can be asked to expedite its consideration of the case. Realistically, it does not appear that any type of orderly marketing arrangement could be negotiated and put into effect more rapidly.

Mr. Rini states that in addition to limitation on import competition, the industry wants to obtain financial assistance. While such matters do not fall within the responsibilities of this Office, it should be noted that one of the remedies which may be provided following a finding of injury in an escape clause case is adjustment assistance, which can include federal loans and loan guarantees.

It is a matter of serious concern to me that your constituents feel the Executive Branch does not understand or does not care about their problems. I can assure you that we do care and in fact the Administration's decision to recommend a



relaxation of the import relief measures to the Congress began with a proposal from this Office. If the industry believes we do not understand, I would welcome any additional material they may want to bring to our attention.

Sincerely,



Frederick B. Dent  
Special Representative



MATERIALS FILED IN

"MUSHROOM" FILE

*Mushrooms*  
cc: VanderLaan, Robt  
Rini, Nicholas  
✓ Special Trade  
Representative  
Martin, Lewe  
Domestic Council  
Agriculture

- 4/15/75 letter to Philip Buchen from Nicholas J. Rini  
(with copy to Michigan Senator Robert VanderLaan)
- 4/22/75 memo to Ken Gunther forwarding letter of 4/15 with  
further reference to the material sent on 3/5 (copy of  
letter to Michigan Senator Robert Vanderlaan)  
and
- 3/25/75 letter from Lewe B. Martin (Pope Ballard & Loos)  
to Nicholas J. Rini, attaching Petition of Mushroom  
Processors Association to the President to Negotiate  
Agreements on Canned Mushrooms under Section 204 of  
the Agricultural Act of 1956.
- 4/29/75 - Memo from Frederick B. Dent sending cy of 4/28 letter  
to Michigan Senator Robert VanderLaan concerning the  
mushroom matter and Nicholas Rini, and returning our  
memo of 4/22 to Ken Gunther since he feels the letter to  
Sen. VanderLaan provides the response to both of the letters.



*Domestic  
Council  
(see  
Mushroom  
file)*

March 5, 1975

**Dear Bob:**

**After receiving your letter of February 19, I reviewed the materials you transmitted which had been prepared by an attorney for the mushroom industry.**

**My previous acquaintance with this problem involved only the question of whether Small Business Administration disaster loans were properly available to the mushroom processors as a result of the effect on their business of the botulism bacteria. I now see that the problem also arises from the effect on the domestic business of mushrooms imported from Korea.**

**I have discussed this matter with Bill Seidman and at his suggestion I am sending the material from attorney Rini to Mr. Ken Gunther at the Office of the Special Trade Representative.**

**Best personal regards.**

**Sincerely yours,**

**Philip W. Buchen  
Counsel to the President**

**Honorable Robert VanderLaan  
4745 Curwood, S. E.  
Grand Rapids, Michigan 49508**

**cc: Mr. Ken Gunther  
Office of the Special Trade Representative**





**March 5, 1975**

**MEMORANDUM FOR: KEN GUNTHER**

**FROM: PHIL BUCHEN**

**For your appropriate handling.**



THE WHITE HOUSE  
WASHINGTON

May 7, 1975

*Juvenile  
Justice  
and  
Delinquency  
act*

MEMORANDUM FOR: JIM CANNON  
FROM: KEN LAZARUS *KL*  
For Phil Buchen  
SUBJECT: Funding of Juvenile Justice  
and Delinquency Prevention Act

I would suggest that you add a new option (actually a modification of current alternative #4) to the attached memorandum on the referenced subject to read as follows:

"Grant reprogramming request and agree to use new supplemental funds added by the Congress in an amount not to exceed \$15 million."

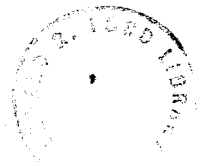
Shortly after enactment of the Juvenile Justice Act in September of 1974, Senator Bayh (principal sponsor of the legislation) communicated a funding proposal to the Department of Justice which would have called for: (a) the continuation of current funding levels by LEAA in the area of juvenile justice and delinquency (approx. \$20 million) which is required under the organic act; and (b) the reprogramming of anticipated surplus funds in the amount of \$10 million for the purposes set forth in this legislation. Thus, at that time the Administration could have cut a deal which would have limited total outlays for FY 75 to \$30 million. -- a modest proposal given the \$120 million authorization for FY 75.

Unfortunately, this offer was rejected and a battle ensued. We now face the possibility of total outlays of \$50 million. The \$20 million maintenance of effort is a requirement of law as noted above. The House recently passed a \$15 million supplemental for this program which likely will be raised by \$5 or \$15 million in the Senate depending upon whether the \$10 million reprogramming request is approved by the President.



Should the President support the option noted above and communicate that fact directly to Senator Bayh, he would reap certain political benefits, make peace with Bayh and have a reasonable chance of limiting total outlays to \$45 million (\$20 million maintenance of effort, \$10 million reprogramming and \$15 million in new money). No other option presents any real opportunities. Senator Bayh is, of course, a member of the Senate Appropriations Committee and has considerable support within that committee on this issue.

cc: Phil Buchen ✓



Pass to Ken Lazarus  
for rush reply.

~~P.~~



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: May 5, 1975

Time: 3:45 p.m.

FOR ACTION: Jim Cannon  
Jack Marsh  
Phil Buchen ✓  
Bob Goldwin

~~cc (for information)~~ Bob Hartmann  
Bill Seidman

FROM THE STAFF SECRETARY

DUE: Date: May 7, 1975

Time: 2:00 p.m.

SUBJECT:

Lynn memo (5/5/75)  
re: Funding of the Juvenile Justice  
and Delinquency Prevention Act

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

5/7/75

See attached.

Ken Lazarus

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately

Jerry H. Jones  
Staff Secretary





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

DECISION

MAY 5 1975

MEMORANDUM FOR THE PRESIDENT

FROM: JAMES T. LYNN

SUBJECT: Funding of the Juvenile Justice and  
Delinquency Prevention Act

Issue

Should the Administration alter its position on funding the Juvenile Justice and Delinquency Prevention Act of 1974?

Background

This Act, which you signed into law in September 1974 transferred Federal policy responsibility for juvenile delinquency programs from HEW to the Department of Justice. It established a new administrative office and research institute in LEAA, provided for new grant funds to be distributed among the States on a formula basis and created several advisory bodies, one of which you appointed in March. In addition to mandating that LEAA not reduce previous spending levels for juvenile delinquency programs (approximately \$140 million annually), the Act authorized a total of \$350 million in 1975, 1976 and 1977 for these new programs. Upon signing the Act into law, you indicated your intention not to request new funding for a categorical grant program devoted to juvenile delinquency but rather to rely on currently available funds to demonstrate strong Federal support for this program. Your signing statement did endorse those provisions of the Act which called for improved planning, evaluation and coordination of existing Federal juvenile delinquency programs.

During the review of the 1976 budget you decided not to permit the Justice Department to implement the new programs authorized by this Act. This decision included denial of authority to reprogram currently available appropriations and no new funds in 1976.



## Discussion

Several recent events have occurred which suggest it is timely to reconsider the Administration's position on funding this new Act.

First, we are experiencing a substantial amount of public and Congressional pressure to implement this Act and provide immediate new funding for it. Substantial disagreement has developed in the Congress over the Administration's position not to fund the new Act. This opposition has been manifested by action in the House of Representatives to add \$15 million in supplemental funds to LEAA's 1975 budget for this program. We anticipate the Senate will do the same. This is unprecedented for LEAA and it reflects, in our judgment, a high degree of support for the program in the Congress. Unless the Administration develops an acceptable alternative for initiating funding of some aspects of the Act, it will be difficult to avoid this appropriation.

Second, the Justice Department has resubmitted its request to reprogram \$10 million of currently available appropriations to implement selected aspects of the new program immediately. They have proposed a program which does not duplicate existing activities, supports those aspects of the legislation which you endorsed on signing the Juvenile Justice Act and offers some potential for improving the quality of existing Federal juvenile delinquency efforts. Their revised request does not initiate the Act's formula grant programs nor does it establish a base for large budget requests in future years.

Finally, Senator Bayh, the Act's principal author, has invited representatives of the Administration (Department of Justice, LEAA and OMB) to appear before his Senate Judiciary Subcommittee to Investigate Juvenile Delinquency to discuss the Administration's policy on implementation of the Act. It appears the purpose of the hearings is to embarrass the Administration for failing to demonstrate greater concern for this legislation and the problem it addresses.

Because of these factors, I believe it is desirable to examine alternative courses of action the Administration could follow. These are discussed below:



Alternative #1 - Continue to resist funding the new Act.

This action would require denying the current reprogramming request and sending out strong signals that the Administration will take action to avoid the Congressional addition of \$15 million for 1975.

Alternative #2 - Grant \$10 million reprogramming request as a means of resisting Congressional additions.

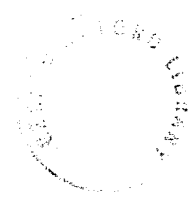
This action would demonstrate Administration interest in initiating some of the new Act's programs which are acceptable at modest levels and could provide some leverage in resisting Congressional additions.

Alternative #3 - Deny reprogramming request and agree to use funds added by the Congress (\$15 million in 1975).

This action would force responsibility on the Congress for funding the new Act. The bulk of the Congressional addition (\$11 million) would have to be distributed to the States under the Act's formula grant provisions. This provision of the Act has been strongly opposed by the Administration because (a) it sets in motion a new categorical program with the States which would be difficult to redirect or eliminate and (b) it would establish a base for further program increases in 1976 and later years.

Alternative #4 - Grant reprogramming request and agree to use new supplemental funds added by the Congress (\$25 million total in 1975).

This action would initiate those aspects of the new Act which the Administration endorses as well as the more undesirable formula grant provisions. It is the most positive posture the Administration could take under the circumstances and would go a long way to mute Congressional and public criticism of the Administration's juvenile delinquency program.



Recommendation

OMB recommends Alternative #2 because it demonstrates Administration interest in initiating at modest levels selected aspects of the new Act (consistent with your signing statement) and provides some bargaining leverage with the Congress.

If large Congressional increases can be avoided in 1975 and 1976, the Administration would have the flexibility to fold the juvenile delinquency program into the basic LEAA program in 1977 in connection with proposals currently being developed to reauthorize that program. Such action would minimize the categorical nature of the juvenile delinquency program and would require State and local governments to trade-off juvenile delinquency with other aspects of their criminal justice program within whatever amounts are available to the basic LEAA program.

Decision

- Alternative #1
- Alternative #2 (OMB and the Justice Department favor this alternative)
- Alternative #3
- Alternative #4
- See me





*Domestic  
Council*

Friday 5/16/75

Meeting  
5/23/75  
2 p. m.

6:55 Pat McKee in Mr. Cannon's office called to invite you to a Domestic Council meeting on Monday 5/19 at 10 a. m. -- it will be the first meeting of the full Council. The President, Vice President and all the heads of agencies are expected to be there. (Cabinet Room)

Saturday 5/17/75

4:10 The Domestic Council meeting has been rescheduled for 2 p. m. on Friday 5/23.

