

The original documents are located in Box C12, folder “Presidential Handwriting, 2/5/1975 (1)” of the Presidential Handwriting File at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

Time waster

89-12
P11

February 5, 1975

Don R.
Suggest you read.
A very successful
businessman.

end

R4

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

Dear Mr. President:

Enclosed is the memorandum I discussed with you on the telephone the other day. As you requested, I have sent one copy to Bill Seidman. I include two extra copies with your original, in the event you may wish to circulate a copy to others. I hope the material will be useful to you.

Thanks for giving me the opportunity to present it.

Cordially,



Jay Van Andel

JVA/d
Enc. (3)

Jay Van Andel

7186 Windy Hill Road, S.E., Grand Rapids, Michigan 49506

February 3, 1975

Ada, Michigan

MEMORANDUM TO: THE PRESIDENT OF THE UNITED STATES

FROM: Jay VanAndel

The following comments on methods of stimulating the economic activity of the country are offered not because you have suffered any dearth of counsel, but rather because they are from the viewpoint of an entrepreneur, and entrepreneurs are scarce in government. I believe the phenomenon we call a business recession is primarily a marketing problem, and can be best cured by applying sound marketing principles. In the American free market system, entrepreneurs as a class of individuals probably understand the workings of the marketplace better than any other single group. Entrepreneurs are primarily responsible for developing new markets, as well as expanding existing markets. They understand what motivates people to buy. Time and again they bet their lifes' savings on the success of creative programs to market new products or expand the market for existing products. When they win, they sometimes become very wealthy. When they lose, they go into bankruptcy. An entrepreneur's knowledge of how groups of people can be stimulated to buy is his stock in trade. It is achieved in the hard school of experience, and not many others really understand it.

WANTS VERSUS NEEDS:

In a free market system, a recession is an imbalance between the amount of goods and services people are buying and the amount of goods and services being produced. In a free market, economic activity

consists of satisfying needs and wants. In a controlled state operated economy, it is generally only needs that are satisfied. The difference between a low standard of living in a state-controlled economy, and a high standard of living in a free market system, is that in a free market system people are stimulated to buy, in addition to their needs, many items that they don't basically need but do want. A man needs only one suite of clothes to stay warm. The fact that he may own twenty or more, is a product of the fact that he has been stimulated to want more in order to keep up with fashion, or for other reasons. In like manner we only need a simple hut to stay out of the elements. A modern convenience home is a product of wants.

FEAR REDUCES SPENDING FOR WANTS:

In a recession such as we now experience, people have reduced the spending of a portion of their income for wants below the level at which they were formerly spending. Certain deferrable purchases are deferred, not because the money isn't there, but because fear of the future, resistance to high prices, or other negative influences have caused the consumer to hold back. A pessimistic attitude toward the future by large numbers of consumers causes them to defer certain purchases, creating an overstock in the supply lines, which creates a slow-down in manufacturing, with resultant layoffs, resulting in a self-fulfilling prophecy. Heavy publicizing of the layoffs by the media fuels the fire of pessimism, accelerating the downward cycle. Anyone who has operated a sales organization knows exactly how this happens. Mental attitude can drive a sales organization upward when it is optimistic, and drive it into oblivion when it is pessimistic.

OUTSIDE FORCES CREATE THE DISTORTIONS THAT TRIGGER FEAR:

In a free market the consuming public is stimulated to want more than they need for mere subsistence by advertising and salesmanship. Other forces however work against the want creating forces to negate them. The natural tendency of the news media to give disproportionate attention to disaster, to the bizarre, and to the unusual, creates a strong negative influence when the market gets out of balance and layoffs occur. A free market system would not only remain in balance but would continue to be expansionist if it were not interfered with by outside influences. In our free market, the primary interferences in recent years have been the Vietnam War, deficit spending, skyrocketing energy costs, overly ambitious environmental protection projects, and excessive government controls of business. The net result of much of this was a high rate of inflation. Price and wage controls created further distortions. Marketplace distortions are given undue attention by the media, and we finally succeeded in frightening our consumers sufficiently so that they began to withhold purchases they considered deferrable. Withheld purchases produced layoffs. Layoffs produced fear — one of the most frightening words in the English language is "unemployment". Fear caused more purchases to be withheld. And so we began the descent from an economy built on "wants" to one more in tune with only "needs".

THE NEED TO STIMULATE CONSUMER SPENDING UP TO ITS FORMER LEVELS QUICKLY:

Politically, there is need for a rapid turnaround. Many people in Congress and other positions of influence do not really believe in the free market system. They want to substitute a system of state control.

They will use every negative aberration of the free marketplace as an excuse to further hobble the free marketplace with new legislation to turn it into a controlled market. The present recession therefore is unusually dangerous to the continuation of the free market and personal freedom in America. A liberal oriented Congress and likewise many liberal oriented State Legislatures will have little patience before they begin tinkering with the system. This danger is the only real justification for using deficit spending to stimulate the system back to normal as quickly as possible.

The free market system that we have, even with all of the hobbles that have already been attached to it by government interference in the last few decades, is still perfectly capable of righting itself from a recessionary dip given sufficient time to do so. Ideally, therefore, government would do nothing, and the system would right itself. Ideally, the role of government would be simply to see to it that unemployment compensation would continue until such time as the system returned to normal, and to remove all impediments that might slow the recovery. The problem however is that if we allow the patient the time to recover normally, the patient may be killed off before recovery by those who want it to die anyway.

THE RISK AND HIGH COST OF STIMULATING CONSUMER SPENDING BY TAX CUTS OR REBATES:

Giving consumers more money in their pockets to spend by means of a tax cut is something government can do to stimulate the economy. A great hazard however is that by not reducing other government spending or increasing taxation to balance off this new cost, the resultant

deficit will create an inflation that, shortly after the stimulative effect, will cause the economy to bounce off the other side of the road into over-inflation. Therefore if we are to use this highly risky system at all, we ought to make sure that every dollar spent counts towards stimulation.

A recent Gallup poll conducted by Newsweek magazine indicated that forty-one percent of the persons polled said they would use tax rebate money to pay old bills and debts, thirty percent said they would save it, and only twenty-three percent said they would buy things. If this poll represents the true state of affairs nationally, it says a tax rebate or tax cut program to stimulate the economy will be a failure. If only twenty-three percent of the people receiving the money use it to buy things, even that twenty-three percent won't all be stimulative. Some of it will be gambled away, some of it will go to purchase goods made abroad, and some of it for food and liquor. It would be reasonable to assume that if the poll represents the true state of affairs, probably not more than ten or fifteen percent of the dollars thus expended by the Federal Government would actually be stimulative to the economy. In that case, a twenty billion dollar tax rebate program would only stimulate the economy to the tune of two or three billion dollars, insufficient to do much good. The price for such a small amount of stimulation in terms of the resultant inflation from the large deficit incurred, would be horrendous.

FURTHER TESTING NEEDED:

No businessman would go into a twenty billion dollar marketing program without a great deal of testing to determine whether it would work. The Gallup poll, although admittedly small, throws up a warning signal that the program proposed may not work. Certainly the very least the Administration should do therefore before pursuing such a program further should be to conduct wider market surveys to determine exactly how much stimulation can be expected from the dollars expected to be expended in tax cuts.

A METHOD OF GOVERNMENT STIMULATION OF CONSUMER PURCHASING THAT WILL OBTAIN
MAXIMUM RESULTS :

If we assume that there is a need to quickly stimulate consumer purchasing in those product lines where consumer expenditures have presently softened and which have thereby created the present unemployment and recession, then we should also expect from the standpoint of good business management that every dollar expended there ought to achieve the maximum results. This is especially true since apparently the dollars expended are going to be at the expense of a deficit in the Treasury, with the resultant danger of inflation. I would propose therefore that a more efficient, more accurate, and more effective way would be for the Federal Government to issue purchase vouchers to every citizen of the United States, regardless of age, in the amount of a total of fifty dollars. These vouchers would be as good as cash for the purchase of a certain stipulated group of products. They would not be usable to purchase food, gasoline or other energy, or other consumables. They would be usable to purchase new automobiles, new houses, new clothing, new appliances, and

certain other stipulated durables. They would not be usable to pay off old bills, loans, or to acquire services unless specified. They would expire in sixty days, after which they would become worthless if not spent. They would be transferable between citizens or salable between citizens. Fifty dollars worth of five dollar vouchers to two hundred and ten million citizens would cost the Treasury ten and one-half billion dollars. Within sixty days after issuance, most of these vouchers would have passed into the marketplace and been spent for those specified goods which would stimulate the soft portions of the economy. Merchants or vendors receiving these vouchers would treat them as cash, and would turn them in to the Federal Government as cash when paying their quarterly income tax estimates, so that they would quickly come back into the Treasury to complete the cycle.

If we assume for the sake of argument that the Gallup poll above mentioned is correct, in that a tax rebate plan would result in only ten or fifteen percent of the dollars expended being used for stimulative purchases, then we could conclude that the voucher program would be from six to ten times as effective as a tax rebate program per dollar expended from the Treasury.

A voucher program could be two-staged. That is, ten and one-half billion dollars worth of vouchers could be issued for a sixty or possibly ninety day period, and if there then existed need for still further stimulation, a second release could be made for an equivalent amount for a succeeding period of time. Twenty-one billion dollars worth of vouchers fed into the economy on the basis of being much more effective

at that level than tax rebates in pure stimulation, would thereby be equivalent to the amount of stimulation it would take tax rebates of many times that amount to achieve. (If time permitted, the voucher plan could be market tested in a number of isolated counties or in isolated states such as Hawaii.)

THE ROLE OF GOVERNMENT IN STIMULATING CONSUMER THINKING TO A POSITIVE ATTITUDE :

When consumers fear the future, their normal tendency is to stop spending and start saving, especially with regard to that class of purchases which are classified as wants, not needs, and are therefore deferrable. Business attempts to offset this by stronger selling methods, by price discounts, and all sorts of other selling techniques. Simply giving consumers vouchers from the Federal Treasury that they could spend for deferrable products or services will not in itself bring the economy back to normal. Conceivably they could spend these vouchers and still conserve some of their other cash. Nevertheless the time expiration date of the vouchers will undoubtedly create a sudden increase in spending in the designated product classifications. It however then becomes necessary for the Federal Government to make certain that this surge of spending is capitalized on as fully as possible with regard to the effect it can have in turning the general feeling of the citizen-consumer from pessimism to optimism.

The government cannot rely on the news media to accomplish this. A considerable case can be built to say that the news media have been at least partially responsible for the present recession. By magnifying every downward trend with big headlines, by headlining every increase in

unemployment, by featuring doom and gloom predictions for the future gleaned from supposed experts (augmented perhaps by a spate of doom and gloom books heavily marketed in the last year or two), the media have undoubtedly contributed to the state of mind that caused a recent University of Michigan survey to report that consumer pessimism was at the lowest level ever recorded. Therefore, besides simply making money (through vouchers) available to consumers to spend to stimulate the economy, the Federal Government must also assume the task of maximizing the optimistic attitude that such spending will begin to create. Consumer spending injected into the automotive, housing, and other depressed fields will use up overstocked inventories and cause plants to call back employees. When this happens, the government must maximize the positive effect this can have on the attitude of the consumer. The consumer will then look more optimistically to the future and will free up other dollars presently now being withheld from the economy, thereby causing still further stimulation and reversing the cycle from a downward spiral to an upward spiral.

The Commerce Department of the Federal Government should be charged with this responsibility. The Commerce Department should buy weekly advertising space in every newspaper in the country, in which it reports to the citizens the good economic news of the previous week. These weekly advertisements could assume a certain format in which the names and locations of factories recalling workers or hiring additional workers could be reported. The number of persons employed in the country should be reported. The number of job openings that are unfilled should be reported. Factory expansions and new businesses created should be reported.

Appended to this memorandum is a report of commercial and industrial expansion going on right now in these recession times, which is used by selling organizations as a means to direct their sales forces to new opportunities. A quick scanning of this immediately gives one a feeling of optimism toward the future. This is the type of "good news" the Commerce Department should report in its ads.

The weekly good economic news reporting by the Commerce Department can of course be done in other fashions besides paid advertising. Nevertheless, I look on paid advertising as the best means of getting an accurate message across, since to rely on the ordinary news reporting media would be too hazardous. The reporting of news in this country has become show business. Bad news seems to be more saleable than good news. It is probable that the news media contribute more toward creating recessions than they do toward creating booms, simply because they more widely report bad news which creates pessimism than they report good news which creates optimism. Even in recent weeks, I have observed that the news of plants calling back employees seems to get on the back page, whereas the news of layoffs hits first-page headlines.

Every other means available to the Federal Government to report the good news of its economic stimulation programs should of course be utilized. The Administration will be accused by some of attempting to give a Pollyannaish distortion to economic events. These accusations can be withstood as long as the reporting is accurate.

THE ROLE OF THE PRESIDENT IN STIMULATING OPTIMISTIC THINKING AND IN
EDUCATING THE CITIZENRY:

The President has available to him better means to communicate to the citizens than ever before in history. Certainly television is the most effective communication medium ever devised. The workings of the free market system are barely understood by most citizens. In fact, since both the media and politicians thrive on dissent, and since economics is such an extremely difficult subject to understand, most people are easily confused and misled on the subject. They are then unable to give clear direction to their elected representatives.

As part of the Economic Recovery Program, I would suggest that the President should appear at frequent regular intervals on television to the nation with a series of addresses which would seek to explain what is going on in the economic life of the nation, as well as explaining the complexities of the energy problems. This should be done in the form of an illustrated lecture, using charts, pictures, and other visual aids. This places the President in the role as teacher to the nation, but the President is the only person who can really fill that role. If we rely on others to accomplish it, we succeed only in getting a cacophony of different viewpoints which confuse people. Confused people become pessimistic, and pessimism again results in restricted spending and recessions. The President therefore can in the role of teacher as well as leader give people a clear understanding of the problems and the solutions, and exert a tremendous influence in creating a positive attitude on the part of the people.

This series of addresses should be apolitical. The tremendous image of credibility that you have, Mr. President, makes it possible for you to conduct such a program with great success. I cannot over-emphasize the importance of the role of your leadership in creating a positive frame of mind on the part of the citizens. As you know, we have created one of the largest sales forces in the world and have successfully led it for over twenty-five years. Although a large group of people is made up of individuals, it is also an organism in itself and when most of the individuals have a positive and optimistic attitude there is a synergism which makes it possible for the organism or organization to accomplish far beyond what it otherwise could as a group of individuals.

It would be unthinkable to call a sales organization together for a meeting and spend the time telling them all about the failures and defeats that its various members had in the previous month. Instead successful sales leaders call their organizations together and feed them a diet of the successes that have been achieved. This makes it possible for the organization to crash its way through the failure that inevitably exists and move ahead. Nations are larger than sales organizations, but they are made up of people who react in the same way.

CAPITALIZING ON A SUCCESSFUL EXPERIENCE:

If the Federal Government stimulates spending with purchase vouchers, maximizes the good news by carrying on a massive good news campaign through the Commerce Department to the people, and if the President frequently goes to the people via television to teach and

explain the intricacies of the economic events and accompanying energy problems, thereby obtaining their confidence, we will have set in motion a series of events that will create an upward spiral of the economy just as surely as the previous series of events have created a descending spiral. Once we have succeeded in turning things around, we must then use the experience of turning the economy around to convince the public that they are not pawns of a mysterious system over which neither they nor their government exerts any control, but that indeed the free market system, although it may fluctuate between highs and lows, always returns back to normal and can even be influenced by correct government actions in getting back to normal more quickly. The experience of going into recession, seeing the recession turn back to normal, and seeing certain government activities help this return, should thereby be maximized in the minds of the citizens so that they have full confidence in their system for the future. This makes it less likely that they would be receptive to the programs presented by those who would like to change the system to one of state control.

Presently a great many Americans have no confidence in the free market system. The reason they have no confidence is because they have been told by a great many people they should not have confidence, and the example of the recession, blown out of proportion, has been used to prove the point. In reverse, therefore, a return to so-called normal times should be maximized by your administration to restore the confidence of the people in the free market system. I say by your administration, rather than by the government, because there are many in government who do not believe in the system. Your administration does, and will have

to maximize its role in restoring the confidence of the citizens in the system.

THE PROGRAM OF EVENTS AFTER TURNING AROUND THE RECESSION

There is no reason why our free market system cannot continue indefinitely to provide full employment and a high standard of life for Americans. It is paramount however that for this to happen we make every effort to discontinue those activities which interfere with the smooth operation of the system. Once the system has been set back on the track, as I believe it can be, you then have an ideal time in which to accomplish this. A long list of activities that the Federal Government has engaged in which cause the system to run off the track can be compiled. I list here only a few of the most important ones: deficit Federal spending, excessive regulation of business, overly ambitious environmental programs, improper balance in labor-management relations, and diversion of far too much of the national income from the productive activities of the marketplace to nonproductive government activities. Inflation remains the most potentially destructive force of our free enterprise economy, and of course is the result of many of the activities listed above. Gaining public support to get the Congress to change direction on these activities will again be the task of the President. Only the President, who has as his constituency all of the people, is in a position to make a case for doing that which is best for all of the people. Members of Congress naturally represent diverse constituencies with diverse viewpoints. Leadership must come from the President, not from the committee of five hundred thirty-five in Congress. A successful experience in presiding over a turnaround of the economy

from a recession to normal times will place you in one of the most powerful positions any President has ever been in to accomplish a great deal of good for this country. Individual freedom will only survive if the free market and free enterprise survives. These are the stakes, as you know only too well.

SUMMARY:

The economy has within it the strength to recover by itself, unaided. Political realities, however, make it necessary for the Federal Government to take such actions as may stimulate the speed with which the economy recovers. A workable series of actions would be:

1. A purchase voucher program to quickly stimulate consumer buying.
2. A massive "good news" publicity program by the Commerce Department to emphasize economic good news and help turn public sentiment from pessimism to optimism.
3. A series of education and information lectures by the President to the people via television to help them understand the complexities of the economic and energy situation, and gain their support.
4. As soon as economic recovery is evident, a strong program by the Administration spearheaded by the President to assure the citizens that the free market system works, and to maximize their confidence in it.
5. A continued educational program by the President to the people to build support for removing government in the future from those activities which inhibit the normal operation of the free market system, and trigger recessions - a "return to freedom" program.

KALAMAZOO, Mich. --Upjohn Co., 7000 Portage Rd., Kalamazoo, Mich. 49001, leading pharmaceuticals and chemicals firm, will spent \$85 million in 1975 on capital projects, according to G. M. Ludlow, vice president and treasurer. The Agricultural Division has developed new proprietary soybean strains, expanding the division's potential market.

MIDLAND, Mich. & YEO-SU, South Korea --Dow Chemical Co. of Midland, Mich. 48640 plans a plant for production of chlorine-caustic soda at Yeo-Su, South Korea. Size and cost were not revealed. The plant will be licensed under the foreign capital-inducement law. ***Dow Chemical USA, Inc. of Midland, Mich. will build a new plant for production of anti-freeze at its Pittsburg, Calif. 94565 chemical complex. Size and cost were not disclosed. The plant is scheduled for late 1975 completion. ***Dow Chemical Co. will invest more than \$165 million over the next few years expanding operations at Plaquemine, La. The project includes a hydrocarbon and naphtha cracker complex to produce ethylene, propylene, benzene and other products using naphtha as a feedstock and a major expansion in capacity for chlorinated solvents.

MUSKEGON, Mich. --James R. Seyforth, president of the Westran Corp., producer of steel shell molded castings, announced that the firm plans to build a \$2 million plant at Duncan, Okla. The metal castings operation will be located in a 40,000 sq. ft. building financed through \$1.6 million in Stephens County industrial bonds. The Muskegon, Mich. firm with offices at 1148 W. Western Ave., will employ 130 persons within a year at the new branch facility.

MUSKEGON, Mich. --Nordco Drum, Inc., 1708 Getty, Muskegon, Mich. 49440 will modernize and expand its facilities in an \$800,000 project according to John J. Noor, president. The company will spend about \$700,000 consolidating three existing structures into one large unit with about 50,000 sq. ft. of space. The firm also plans to spend approximately \$100,000 building a sorting and grading unit, plus office and truck maintenance facilities on a 10-acre company-owned site on Judson Rd. in nearby Norton Shores. The firm reconditions metal drums for major oil, paint, and chemical firms and will enlarge its 85-person work force upon completion of the current program in 1975.

SOUTHFIELD, Mich. --Lear Siegler, Inc., 3171 S. Bundy Dr., Santa Monica, Calif. 90406 said its Process Pattern Division at Southfield, Mich. will provide pattern tooling for the Kama River truck plant in the U. S. S. R., 500 miles east of Moscow, under an \$8 million contract.

SOUTHFIELD, Mich. --Bendix Corp., Bendix Center, Southfield, Mich. 48075 announced that its Bendix Heavy Vehicle Systems, Ltd. subsidiary at London, Ontario, Canada is adding 54,000 sq. ft. to its 60,000 sq. ft. plant in a \$1 million expansion that will increase production capacity for aluminum air brake valves and control devices. Gordon Manser, vice president and general manager at Ontario said the project will enable the firm to meet U. S. safety standards effective in 1975. The addition is scheduled for February completion and will add 100 persons to the 280-person work force.

AKRON, O. & COHASSET, Mass. --B. F. Goodrich Co., 500 S. Main St., Akron, O. 44318 has acquired Submarine Engineering Associates, Inc. of Cohasset, Mass. and will operate it as part of the Engineered Systems Division according to Gerard Alexander, executive vice president of Goodrich, and Robert A. Benson, president of the Massachusetts firm.

AKRON, O. & MISSISSAUGA, Ontario, Can. --Goodyear Tire & Rubber of Canada, owned 88 percent by Goodyear Tire & Rubber Co., 1144 E. Market St., Akron, O., plans to buy Kelly-Springfield Tire Co. of Canada at Mississauga, Ontario, "at an early date" according to company spokesmen. Financial details were not revealed.

AKRON, O. & WINSTON-SALEM, N. C. --Priority Freight Systems, Inc. of Akron, O., a new firm organized last summer, has opened a terminal at 441 Dean St., Winston-Salem, N. C. with Paul Shelton as manager. The firm handles general commodities between Ohio, western Pennsylvania and northern West Virginia and North and South Carolina and Georgia.

BEDFORD HEIGHTS (Cleveland), O. --North American Systems, Inc., manufacturer of the Mr. Coffee brewing system, is now in full operation at its new 400,000 sq. ft. plant-office at 24700 Miles Rd., Bedford Heights, O. 44146.

CLEVELAND, O. & TERRE HAUTE, Ind. --Eastern Express, Inc. of Terre Haute, Ind. has ordered 156 White-Freightliner trucks from White Motor Co., 100 Erieview Plaza, Cleveland, O. 44114 in a \$4 million purchase. The trucks will be built at the Freightliner plant at Portland, Ore.

CINCINNATI, O. & CARLSBAD, N. Mex. --N-Ren Corp., 256 McCullough, Cincinnati, O. 45202 announced recently that its N-Ren Southwest, Inc. affiliate has purchased a 160-acre tract of land north of Hobbs Hwy. and east of Carlsbad, N. Mex., in Eddy County, and plans to establish an anhydrous ammonia plant on the site. The firm makes anhydrous ammonia and ammonia nitrate for fertilizer applications and will begin operations by mid-July next year, producing 100 tons of anhydrous ammonia a day and 200 tons of ammonia nitrate a day. According to A.G. Hamilton, president, the plant, size and cost withheld, will employ 60 persons at first and could be the fore-runner of a mini-complex.

CINCINNATI, O. --Delta Corp. of Cincinnati, O., steel fabricating and erecting firm, has leased about 40,000 sq. ft. in the Charleston Ordnance Center at Charleston, W. Va. 25301 according to Richard Dooley, president. The plant will operate as the Delta Mid-Atlantic Steel Shop, employing 25 persons at first, and will specialize in reinforcing rods and bars. Fifty persons will be employed within a year. The company has long-range plans to build a larger manufacturing facility in the future in the Kanawha Valley area. Major customers will be the new American Motors plant at Charleston and the Cardinal Power Station near Steubenville, O. The Committee of 100 helped locate the firm in the area, according to local sources.

CLEVELAND, O. --The Medusa Corp., headquartered at Monticello and Lee Sts., Cleveland, O. 44101, will invest \$3.6 million for a new 3,000 horsepower Finishing Mill for the company's recently modernized and expanded cement plant eight miles south of Perry on Hwy. 341 at Clinchfield, Ga. 31013. The mill will increase plant capacity to 750,000 tons annually and will be in operation by the end of 1976.

CLEVELAND, O. --SIFCO Industires, Inc., 970-78 E. 64th St., Cleveland, O. 44103 has purchased Apex Hard Chrome Co. for cash and leased the 60,000 sq. ft. Apex plant at 2872 E. 33rd St. in Cleveland. SIFCO, drop forgings firm, will move its own tank plating operations to the facility which will be managed by the Metachemical Division of SIFCO. The Apex plant is one of the largest tank plating operations in the country, according to trade sources.

CLEVELAND, O. --The Marlin-Rockwell Division of TRW, Inc., with head offices at 23555 Euclid Ave. in Cleveland, O., a supplier of high-technology products and services, plans to build a 200,000 sq. ft. plant, as reported here last month, on an optioned 60 acres of land on McEver Rd. at Old Federal Rd., 10 miles south of Gainesville in the town of Flowery Branch, Ga. Ground was broken last month for the \$12 million complex to manufacture precision ball bearings. Construction will be completed next August and production is set for early in 1976, according to more recent reports. (The company's \$10 million high-speed cutting tool plant, reported here earlier, begins production shortly in Augusta, Ga.)

CLEVELAND, O. --A joint venture of American Koyo Corp., 29570 Clemans, Cleveland, O. and Koyo Seiko, a 150,000 sq. ft. plant under construction at Orangeburg, S. C. 29115, reported earlier, will operate as American Koyo Bearing Manufacturing Corp., producing both ball and tapered roller bearings. Koyo Seiko of Tokyo, Japan recently announced that it is speeding up work at the site and plans to begin production in April. President Iwao Ikeda, said the \$10 million plant (cost includes equipment) had been scheduled to begin operations by mid-summer and will produce 12 million bearings sets a month at first, gradually increasing its rate of output. Heery & Heery, Inc. of Atlanta, Ga. is designer of the American Koyo plant.

CLEVELAND, O. --Dunham Rubber and Belting Corp., 5340 S. Harding St., Indianapolis, Ind. will carry products of the Quick Coupling Division of Parker-Hannifin Corp. of Cleveland, O. with offices at 17325 Euclid Ave. The division has facilities at Oakland, Calif., Minneapolis, Minn. and Grantsburg, Wis.

CLEVELAND, O. --The Diamond Shamrock Chemical Co., headquartered at the Hanna Bldg., Cleveland, O. 44115, announced a January completion date for the current expansion of its caustic soda plant at Deer Park, Tex. 77536. Capacity will be doubled. The company will also increase output of anhydrous beaded caustic, according to an announcement by James E. Long, general manager of the Electro-Chemicals Division. ***Diamond Shamrock Corp. has purchased almost 146 acres of land in the Houston, Tex. area for more than \$1 million. Exact location of the property and proposed use was not revealed. ***Taylor-Evans, an Amarillo-Texas-based subsidiary of Diamond Shamrock, opened its new distribution warehouse and feed supplement plant on US Hwy. 50 at Garden City, Kans. 67846 last month. According to Van Rich, vice president, the 6,000 sq. ft. structure cost about \$500,000.

CLEVELAND, O. & CHANDLER, Ariz. --Midland-Ross Corp., 55 Public Square, Cleveland, O. 44113 will locate its previously announced \$10 million grinding ball plant on a 65-acre tract on Ariz. 87, five miles south of Chandler, Ariz. 85224, according to Glenn Tenney, vice president and general manager of the Capitol Foundry Division at Tempe, Ariz. Operations at Tempe will not be affected. Midland-Ross will begin construction in the first quarter of 1975 on a 35,000 sq. ft., one-story plant, 61-ft. high, with completion scheduled for September, 1976. Startup could be earlier, depending on equipment deliveries. The Capitol Foundry Division will operate the plant, employing about 150 persons, according to Harry J. Bolwell, Midland-Ross president. The facility will be located on about 10 acres of the tract with the remaining land being leased out for farm use. Grinding balls are used to reduce crushed ore to a fine powder from which metal can be separated. The Tempe plant makes grinding balls and wear-resistant castings in iron and steel and has a two-year backlog of orders.

CLEVELAND, O. --Northern Ohio Community Development Corp., of Cleveland, O. is planning a \$37 million Gateway complex to include a shopping mall, apartments, hotels, offices, restaurants, and a marina for the 19.2-acre site at the foot of E. 9th St. ***Nicholas A. Bucur, chairman of the advisory committee on world trade, is currently negotiating with Willis B. Boyer, Jr., president of the Northern Ohio Development Corp., with offices at Cleveland in the Leader Bldg., for the construction of a \$6 million world trade center to house shipping and world trade offices. Further details were not disclosed.

COLUMBUS, O. --Developer Robert N. Friedman plans to build two warehouses, a restaurant and a motel in Columbus West Business and Industrial Park at I-70 and Wilson Rd. in Columbus, O. 43216. The proposal for the 50-acre park includes a 100,000 sq. ft. office-warehouse, a mini-warehouse of 40,000 sq. ft. and a 50,000 sq. ft. structure for an unnamed local manufacturer. (The Coromant Division of Sandvik Steel, Inc., 1702 Nevins Rd., Fair Lawn, N. J. 07410, plans to locate in the park also as announced earlier.)

COLUMBUS, O. & MAPLETON, Ill. --Ashland Chemical Co., 5200 Paul G. Blazer Memorial Parkway, Columbus, O. 43216 plans a \$10 million-plus expansion of its Mapleton, Ill. plant with completion set for the first half of 1977. The capacity for production of fatty nitrogen will be increased by 50 million pounds a year. Fatty nitrogen is a basic chemical used in petroleum additives, fabric softeners, cosmetics, industrial surfactants, etc. Ashland Chemical is a division of Ashland Oil Co., Inc., 1409 Winchester Ave., Ashland, Ky. 41101.

COLUMBUS, O. & AUBURN, Wash. --Cor-Tec, Inc., P.O. Box 603, Auburn, Wash. 98002, manufacturer of fiberglass overlays, has opened a branch plant 45 miles southwest of Columbus, O. The firm makes giant-size fiberglass reinforced plastic and plywood panels used in truck and truck-trailer bodies and marine cargo containers.

DAYTON, O. & ELKHART, Ind. --Miles Laboratories, Inc., 1127 Myrtle St., Elkhart, Ind. 46514 and Cargill, Inc., 1200 Cargill Bldg., Minneapolis, Minn. 55402 plan a \$3 million - plus plant for production of high-fructose isomerized syrup next to the wet-milling plant of Cargill at 3201 Needmore Rd., Dayton, O. 45404 as a joint venture. Miles also plans acitric acid production in another unit at the site, as reported here earlier.

EUCLID, O. --Cleveland Metal Abrasive, Inc. has moved its offices to 26250 Euclid Ave., Euclid, O. 44117. The vacated space next to the plant at 887 E. 67th St. in Cleveland has been remodelled for engineering services, employe facilities, and special products manufacturing.

FINDLAY, O. --Food Packaging, Inc. is now at 168 Stanford Pkwy., Findlay, O. 45840, relocating after a fire destroyed its plant at McComb, O. 45858, according to a company announcement.

GREENE CTY., O. --Mead-Hodson Corp. (formed by Richard Hodson of Beavercreek and Talbot Mead of Mead Investment Co. of Dayton) plans a \$30 million park for light industry on a 106-acre tract off Orchard Lane in Greene County, O., near Dayton in the Beavercreek area. The park, across from the proposed Beavercreek Shopping Mall, could create 1,000 new jobs, according to local sources. Construction could begin in January, 1975. A contractor has not been named.

GIRARD, O. --M. Bertkowitz Co. of Niles, O. plans to develop an industrial complex on the 28-acre former Ohio Leather plant site at Girard, O. 44420 in a four-year project. About 175,000 sq. ft. of the 400,000 sq. ft. complex was destroyed in a recent fire. The ruins will be razed after the insurance settlement and the remaining space used in the industrial development.

KENT, O. --Hamilton Kent Manufacturing Co., 2144 State Rte. 59, Kent O. 44240, manufacturer of Tylox "O" rings and profile (flat) type gaskets, is building a 25,000 sq. ft. plant at Sparks, Nev. 89431, according to Kenneth M. Leighton, president. The plant will have molding facilities for rubber gaskets also. Cost was not revealed.

LANCASTER, O. & ROCKFORD, Ill. --Anchor Hocking Corp., 109 N. Broad St., Lancaster, O. 43130, manufacturer of glass and plastic tableware and containers, plans to purchase Amerock Corp. of Rockford, Ill., manufacturer of cabinet hardware, from Stanley Works for \$32 million in cash and notes, contingent on approval of the Federal Trade Commission. The FTC had ruled against Stanley acquisition of the firm and ordered Stanley to sell the firm within two years or before next June.

LONDON, O. & GREENWICH, Conn. --Pantasote Co., Greenwich Office Park 2, Greenwich, Conn. 06830 will close the plant of H. O. Canfield Co. of Indiana, Inc., a subsidiary, at Galesburg, Ill. in late December, according to trade reports, and move its production to a larger plant at 138 S. Maple St. in London, O. 43140. Canfield manufactures plastic components for automobiles and appliances.

MIDDLETOWN, O. --Armco Steel Corp., of Middletown, O. 45042 announced a multi-million dollar, three-year expansion project for its Navigation Blvd., Houston, Tex. 77011 plant, to increase capacity for control equipment production for oil and gas wells by 150 percent. ***Armco Steel Corp. broke ground late last month for expansion of its Kansas City, Mo. works, a project first reported here in September. Harry Holiday, Jr., president of the firm, said construction of the new facility on a site near I-435 will increase production by 50 percent and will include steel-making furnaces with an annual capacity in excess of 500,000 tons. Completion is scheduled for the second quarter of 1977. The new facility will be 265,000 sq. ft. and equal in height to a 12-story building.

SO. CHARLESTON, O. --The Clark County-Springfield Regional Planning Commission plans to locate suitable sites for industrial development over the next 20 years and will study two areas in So. Charleston, O. 45368--between US 42 and the tracks of the Penn Central RR. and between St. Rte. 41 and the tracks of the Detroit, Toledo & Ironton RR., according to local reports.

TOLEDO, O. --Owens-Illinois, Inc., P.O. Box 1035, Toledo, O. 43601, diversified glass and electronic products manufacturer, is expanding its product line via the acquisition of a controlling interest in Panel Technology, Inc. at 117 So. Main St. in Lewistown, Pa. 17044, manufacturer of gas discharge display panels. O-I will own more than 50 percent of the firm.

TOLEDO, O. & ELBERTON, Ga. --The Prestolite Division of the Eltra Corp., 511 Hamilton St., Toledo, O. 43601 will establish operations in the Elberton, Ga. 30635 area. J. D. Franklin, division president, said the firm will employ 250 persons in production of spark plugs, transferring operations from Decatur, Ala. to the Elberton Industrial Park off Athens Hwy. The company will move into a recently completed 78,000 sq. ft. building and will add 30,000 sq. ft. to bring total space to 108,000 sq. ft. Production begins in 1975. Eltra Corp. has its headquarters at 2 Pennsylvania Plaza, New York, N. Y. 10001. ***The Eltra Corp. Prestolite plant at Decatur, Ala. will convert its facility to production of solid-state ignitions for 1975 cars and trucks in a \$4 million project. Several hundred persons will be added to the work force. Construction begins this month. ***Prestolite dedicated its new battery plant at Manchester, Ia. late in October. The 140,000 sq. ft. facility, which cost more than \$8 million, is located on 22.5 acres of an industrial park and plant manager is Vernon Lawson. The work force of 63-persons will be expanded to about 200 workers by 1975.

WOOSTER, O. & CHICAGO, Ill. --Borg-Warner Corp., 200 So. Michigan Ave., Chicago, Ill. 60604 and Nimadzu Seisakusho Co. of Kyoto, Japan have entered into an agreement under which the Kyoto firm will market Borg-Warner hydraulic equipment in Japan and Borg-Warner will purchase the Japanese technology on a hydraulic gear pump and hydraulic gear motor from Nimadzu, paying a running royalty of five percent. The eight-year agreement gives B-W exclusive manufacturing rights in the U.S. The firm's Hydraulic Division plant at Wooster, O. 44691, augmenting the line of hydraulic gear pumps and gear motors used on machine tools and other industrial applications, will manufacture the items.

NOTES IN BRIEF: The University of Michigan at Flint, Mich. plans a new riverfront campus at Court St. and Lapeer with work beginning in the spring on the \$10.1 million first building. Sedgewick-Sellers & Associates of Flint is the architect. ***Spectrum Automation Co. of Livonia has placed an order with the forge plant of Parker Hannifin Corp. at Eaton, O. for a new heavy-duty parts feeder.

THE WHITE HOUSE
WASHINGTON

February 20, 1975

MEMORANDUM FOR: L. WILLIAM SEIDMAN
FROM: JERRY H. JONES

The President has reviewed the attached material from Jay Van Andel and it has been requested that you review it and see if there are any good ideas contained in it.

Please send your response to the Office of the Staff Secretary.

Thank you.

THE WHITE HOUSE
WASHINGTON

FEB 14 1975

February 13, 1975

MEMORANDUM FOR: JERRY JONES
FROM: DICK CHENEY

D

Jerry, attached is a piece from Jay Van Andel.

The President would like to have it staffed to somebody like Seidman and have him review it to see whether or not there are any good ideas in it.

Attachment