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THE WHITE HOUSE

WASHINGTON

August 20, 1974

MEMORANDUM FOR: ROBERT HARTMANN  
JOHN MARSH  
ALEXANDER HAIG  
WILLIAM TIMMONS  
KEN COLE

FROM: STAN SCOTT 

SUBJECT: President's Briefing Book for  
Meeting with Congressional  
Black Caucus -- August 21

Please submit your comment, if any, by c. o. b. Tuesday,  
August 20. Thanks very much for your help.

Attachment



THE WHITE HOUSE

WASHINGTON

August 21, 1974

Determined to be an administrative marking  
Cancelled per E.O. 12356, Sec. 1.3 and  
Archivist's memo of March 16, 1983

By JAD NARS date 12/4/86

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MEMORANDUM FOR: THE PRESIDENT

FROM: STAN SCOTT

SUBJECT: President's Briefing Book for  
Meeting with the Black Caucus --  
August 21

In my view, the single most important concern in the upcoming meeting is to avoid the President's seeming to approach the subject of black and low income interests from a defensive posture. Too often in the past when such meetings have been arranged, they began on a downhill direction because the traditional pattern for the blacks was to propose, the President to react; or for the President to begin by attempting to lecture on the accomplishments of his Administration.

To vary from this nonproductive pattern, it would be a plus for the President to open the session with his affirmative list of actions that he is either committed to take or contemplating taking for the Caucus' reaction. The advantageous benefit from this arrangement is that it enables the President to be forthcoming while aggressively expressing his interests on how the power of his office can be creatively mobilized in serving those neglected areas of national interest.

The following is a list of policy and program items which I believe capable of commanding the Caucus' support:

1. The President can commit his Administration to using the full weight of the Law Enforcement Assistance Administration to guarantee the substantial integration of all State and local law enforcement agencies.

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2. The President can commit himself to the creation of a super departmental coordination and monitoring staff to give policy direction for all Federal civil rights activity. (The laws are on the books and must be implemented under White House leadership).
3. The President can assure the Caucus that he will appoint additional qualified blacks and other minorities to top level jobs in the Federal Government.
4. The President can commit himself to increasing the number of civil rights personnel responsible for monitoring Revenue Sharing guidelines. (This has been a sore spot with the Caucus. The main recurring criticism of Revenue Sharing is that the staff is too small to achieve civil rights compliance in 38,000 governments).
5. The President might want to make the point that he does not have a private political agenda to torpedo the Voting Rights Act, particularly if compelling arguments for extension are made. The President might note that he is advised that the Department of Justice and the civil rights community are actively engaged in updating and gathering relevant information about the Act, and the possible need for an extension.
6. The President can assure the Caucus that a representative number of qualified blacks will be appointed to the new Legal Services Corporation.
7. The President can assure the Caucus that it was not intentional that Africa was not mentioned as such in his address to Congress ... that he asked Secretary Kissinger to meet with the African Ambassadors the day after his inauguration to confirm the continuity of our foreign policy and to indicate our interest in Africa's problems and our desire to work more closely together. President Ford might want to tell the Caucus that our humanitarian concerns for Africa will continue, along with economic development, to be a central theme of our policy toward Africa.

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8. The President can announce that, in addition to his meeting with the Caucus, he has directed Stan Scott to launch a series of meetings with a cross-section of black Americans to gain their views and insights regarding the present and the future to assist the President and his new Administration.

Caucus Agenda

THE WHITE HOUSE  
WASHINGTON

August 21, 1974

MEMORANDUM FOR: THE PRESIDENT  
FROM: STAN SCOTT  
SUBJECT: Presidential Meeting  
with the Black Caucus

New York Congressman Charles Rangel, Chairman of the Congressional Black Caucus, has expressed the desire of his colleagues to have an "honest exchange" and "relatively informal" meeting with the President, leaving with the President a position paper on what the Caucus considers to be of priority concern to blacks and disadvantaged Americans.

Rangel indicated that he would open the meeting with a brief statement of purpose and then yield to Rep. Charles Diggs of Michigan who would set the general tone for discussion of their agenda.

The initial statements by Rangel and Diggs would be followed by individual Caucus members commenting on the below listed subject areas:

Rep. Louis Stokes, Ohio, Federal Revenue Sharing and Inflation

Rep. Barbara Jordan, Texas, President's Position on Renewal of Voting Rights Act

Rep. Yvonne Burke, California, President's Position on Mass Transportation and Minority Unemployment

Rep. Ronald Dellums, California, Size of Defense Budget As It Relates to Domestic Priorities



Rep. Charles Rangel, N. Y., U.S. Position on Opium Trade and Turkey

Rep. Charles Diggs, Michigan, Byrd Amendment on Chrome in Rhodesia and President's Failure to Mention African Continent in Address to Congress

Other Caucus representatives would be expected to seek the President's commitment and/or position on OEO and the Poverty Program, Housing and Health Insurance legislation, Office of Minority Business Enterprise and increased job opportunities for minorities in the Federal Government.

Following are some thoughts that may be of assistance to the President in responding to the Caucus agenda.

Revenue Sharing

## General Revenue Sharing

### and Civil Rights

Civil rights organizations generally opposed passage of the general revenue sharing (GRS) Act in 1972, strongly favoring federally controlled categorical grant programs. Their opposition to GRS seems to be decreasing somewhat due to a combination of factors:

1. Local leaders of NAACP, the Urban League, PUSH, and community action organizations are experiencing growing success in influencing the use of GRS funds in their communities.
2. A growing number of localities are governed by Black elected officials - who support GRS.
3. The Office of Revenue Sharing has been able to establish working relationships with NAACP, NUL, PUSH and other national and regional civil rights organizations, and has consistently responded promptly and openly to their criticisms. They are actively helping enforce the civil rights provisions of the GRS Act.
4. GRS funds are often used to provide services valued by Blacks as well as Whites - police and fire protection, paved streets, health services, schools, playgrounds, street lights, etc.

The GRS Act prohibits discrimination on the basis of race, color, national origin or sex in the use or benefits of GRS funds. The Secretary of the Treasury (Director of Office of Revenue Sharing in practice) is responsible for enforcement. If he finds discrimination, and it is not corrected, he may hold an administrative hearing and then stop payments until corrective action is taken or he may refer the case to the Attorney General for prosecution. The Attorney General may also initiate investigations and prosecutions.

As of June, 1974 civil rights complaints had been made against 41 jurisdictions. Of these 18 had been resolved, 22 were under investigation, and one (Chicago) was in trial - the Court decision is scheduled for September 16, 1974. Complaints continue to be handled on a current basis.

In addition, the Civil Rights Division of the Justice Department has filed suits involving revenue sharing funds against two cities (Buffalo and Memphis), has achieved a consent decree with Los Angeles, and is investigating possible discrimination in a number of other cities. ORS works closely with Justice in these cases.

The main recurring criticism of ORS is that the staff is too small to achieve civil rights compliance in 38,000 governments. The total staff of the Office is 71, with 25 in the Compliance Division. The Administration requested doubling of the Compliance staff in the FY-75 budget. This was disallowed in the House, with 5 Compliance positions restored by the Senate. Treasury is planning to again seek the positions in FY-76.

The Compliance staff of 30 positions includes four civil rights experts who handle the more difficult cases. Because ORS jurisdiction exists only where GRS funds are involved, each case must be audited, and auditors resolve minor civil rights problems.

To achieve the greatest results possible, ORS has included a civil rights checklist in the Revenue Sharing Audit Guide which is being used by federal, state and private auditors. A new booklet devoted entirely to civil rights is now being reviewed by over 300 organizations and will be widely distributed for use by all 38,000 governments, national and local civil rights groups and other interested organizations.

ORS is making plain to every recipient government its civil rights responsibilities. It is informing and encouraging citizens and local organizations to get involved in revenue sharing decisions at the local level. It is working cooperatively with civil rights organizations (NAACP, NUL, PUSH and others), public and private auditors, other federal agencies and through its own staff to detect and correct any violations. All complaints, from any source, are investigated and corrective action is taken. ORS is getting solid corrective action in every place where discrimination has been found.

Several other matters may be brought up by members of the Black Caucus:

1. Social Services. Some Congressmen (Mr. Brademas) allege that state and local governments aren't using enough money for social services. Actually, about 73% of the money is going for the kinds of basic services that are especially vital to the poor, the elderly and children: education, health, fire protection, protection from crime, and so on. About 3% of the funds go for services exclusively "for the poor or aged", which is in addition to the 73% where people don't have to prove poverty or old age to benefit.

2. Underenumeration. Last year the Census Bureau released a statistical analysis showing the 1970 Census of population was too low. Several civil rights organizations

urged ORS to adjust the population figures for all 38,000 jurisdictions in hopes some places with large Black populations might get more money (others, of course, would lose but this was not noted). Census said there was no valid method for correcting the population below the national level. ORS contracted with the Stanford Research Institute and minority population experts to look at all the data and methods and recommend improvements. Census is cooperating. Results will be available in September. NAACP, NUL and others are reviewing drafts.

3. Citizen participation. The provisions of the Act were originally criticized by civil rights leaders for being weak - just requiring publication of revenue sharing plans and uses in a newspaper. ORS has conducted a vigorous campaign with national, state and local organizations of government officials to initiate action (voluntarily) to involve citizens, and with civil rights and citizen organizations at all levels to inform people about their rights and opportunities, and how to understand and participate in local budget processes. The Comptroller General reported increased citizen participation in about a third of 250 jurisdictions studied last spring.

# General Revenue Sharing

## FACT SHEET

### Authorization

State and Local Fiscal Assistance Act (P.L. 92-512) passed October, 1972.

### Administration

Department of the Treasury, Office of Revenue Sharing, Graham W. Watt, Director. Authorized staff, 85.

### Payments

\$30.2 billion over five years through December 1976. Approximately \$14.3 billion paid through July, 1974.

### Eligibility

States - 50 and District of Columbia. Counties, cities and towns - over 38,000. Indian tribes and Alaskan native villages - 346.

### Requirements for Use of Funds

1. Local governments must use for "priority" expenditures in areas specified by law (states not restricted).
2. May not be used to match other federal funds.
3. Civil rights requirements.
4. Davis-Bacon Act requirements.
5. Reporting requirements.
6. Auditing requirements.

Unemployment

## UNEMPLOYMENT

### I. Minority Unemployment

- \* Unemployment rate of blacks was above 9% during first half of 1974 -- twice that of whites.
- \* Black-white differential is even wider for teenagers; adult gap is narrowing, teenage gap is growing.
- \* Black teenage unemployment averaged about 30% so far this year.
- \* In contrast to young whites, black teenage population growth is still booming and is not matched by employment growth.
- \* Concentration of blacks in high unemployment city slums and in female-headed families contributes to problem.

### II. Current Federal Program Response

The Manpower Program. 1975 Budget includes \$4.8 billion for manpower programs, including \$2 billion in the new manpower law (CETA). Covers training, public service employment, job placement assistance, vocational rehabilitation, etc. 35% of enrollment was drawn from racial minorities. (Also, 45% from the poor, 45% from welfare recipients, 31% from youth.)

Equal Employment Opportunity. OFCC deals by Executive Order with government contractors, requiring "affirmative action"; EEOC covers employers in general.

Unemployment Insurance. About 14 million beneficiaries received \$4.8 billion in FY 1973. Proportion of beneficiaries from hard core groups lower than in manpower programs, since UI coverage of industries is not complete and eligibility is restricted to those with substantial prior work experience.



### III. Consideration of Further Steps

- \* To respond to the unemployment problem in general, improvements in UI (including expanded coverage) and additions to public service job creation funds should be considered as contingencies in case the unemployment rate should rise sharply later this year. (Rush, Simon, and Burns have already testified publicly that these measures should be considered.)
  
- \* To respond to the severe employment prospects facing black youth, the following possibilities could be examined, as a complement to continuing neighborhood Youth Corps-type programs:
  - Putting job placement services right in high schools, including schools with high black enrollments;
  
  - Installing practical occupational information systems in such schools and in other agencies serving youth;
  
  - Expanding cooperative education and other work-study programs;
  
  - Establishing special arrangements between schools and apprenticeship programs.

#### MINORITY APPRENTICESHIP

Minority group apprentices in Federally registered programs have increased from 6,847 or 3.3% of all apprentices on January 1, 1968 to 18,854 or 7.7 of all registered apprentices on June 30, 1973. New minority apprentices have been entering programs at the rate of 17%.

The Department of Labor has been working especially hard to open up apprenticeship opportunities for minorities in the Building Trades. In this effort, we have had the cooperation of black organizations, contractors and labor unions. Outreach programs to attract and prepare minority youth to become apprentices have recruited and registered 30,000 young people as apprentices since 1968.



## OEO FUNDING AND POVERTY PROGRAMS

The President's views seem to be well formulated in this area. As I see it, his response might go along the following lines:

1. A restatement of his belief in the concept of revenue sharing, rather than categorical grants, as the basic system for carrying out the federal government's responsibility to participate in community-based programs. Both as a matter of political philosophy and as a question of efficiency in problem solving, federalism works best when such programs are designed, implemented, and controlled in local communities. The concern of the Black Caucus should not be that this basic design is flawed, but that they must be assured of genuine minority participation in the program.
2. Note that there are some exceptions to this general principle of particular concern to the Black Caucus. For example, the federally-funded Legal Services Corporation, which Congress recently authorized, still represents an important federally-based program on behalf of the poor. The President may wish to note that he's optimistic that in its new corporate form, the program will deliver sound legal counseling for the disadvantaged. The Emergency School Aid Act of 1974, the forthcoming new federal housing program, and similar programs also represent an appropriate continuing federal effort.

### KEY POINTS

3. It is clearly evident to all of us here that the problems for which OEO was created to solve are still with us. OEO's purpose was to be one of innovation in the development of anti-poverty programs. As those programs proved themselves, they were to be spun off into agencies that had similar ongoing activities. That was done: Job Corps went to Labor, Head Start to HEW, Comprehensive Health Centers to HEW, etc.
4. The Community Action programs were conceived as local initiative experiments whose goal was to grow into independent local institutions. After nine years we must assume that they are past the experiment stage and are ready to be funded by the local and state governments if they so desire.

5. Legal services for the poor is no longer an issue, with regards to OEO. Legislation has established a corporation that will strengthen this program. The President has under consideration a number of appointments to this board.

Q & A

- Q. If you're going to bring the country together how can you kill the only hope for the poor?
- A. Poor people suffer more than any others in this nation when each Federal dollar does not buy the most and the best for the purpose it is spent. It's inflationary to have a separate agency administer programs that can benefit from access to the resources and experience of the larger departments. OEO was established as an experiment to last ten years. That time has passed. The successes have been spun off to existing departments or to state and local governments, just as the original OEO plan called for.

I am well aware of the inequities that exist in our society with regards to the poor, blacks, and other minorities. I need your input and I welcome your suggestions and the suggestions of the American people.



## VOTING RIGHTS ACT EXTENSION

The Voting Rights Act of 1965 was an extraordinary Congressional remedy for a serious infringement of minority voting rights. The Act provides unprecedented "strong medicine" in certain areas of the country by authorizing the Attorney General to send Federal voting registrars and observers to elections, and by requiring State laws affecting voting to be changed only with advance Federal court or Justice Department approval.

The Act was extended and expanded in 1970 and presently expires in 1975. There has already been Congressional interest in another extension of it next year, and this subject is likely to arise with the Black Caucus.

The President might take the following approach:

1. State his belief that there is no right more important than the vote, and state his commitment to enforcing all laws that guarantee that this right will not be abridged by reason of race or color.
2. Note that when the Act was passed in 1965 and extended in 1970, he voted for such actions on both occasions, and therefore approaches the extension issue with an affirmative attitude.
3. Note that the question now is whether all the extraordinary remedial measures found in the present Act are still needed, or at least in precisely the same form. When the Congress acted on this matter before, it did so on the basis of a carefully documented factual record which established beyond a doubt the need for this kind of strong legislation. Note that he believes that a similar record ought to be established again.

The President might note that he is advised that the Department of Justice and the civil rights community are actively engaged in updating and gathering relevant information about the Act, and the possible need for an extension.

When this study is completed, the Administration will formulate a position and take appropriate action on the Hill. The most important point to be made, in whatever way appropriate, is that the President does not have a private political agenda to torpedo the Voting Rights Act, particularly if compelling arguments for extension are made.



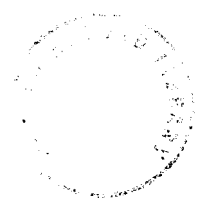
## BUSING

The President's views on this issue are clear and already a matter of record. (I doubt that this will be a key issue with the Black Caucus.) The President might undertake the following:

1. State his views that he is opposed to busing of school children, especially the younger ones, outside their neighborhoods in order to achieve racial balance. He might note that while the Oval Office requires a broad perspective on this issue, he still believes that his views represent sound public policy.
2. Reiterate that he intends to see that the laws of the land are faithfully executed and that the law established by the Supreme Court, as the final arbiter of Constitutional rights, will be carried out even where he might personally have some disagreement with those decisions.
3. Note that the Court itself has provided reasonable latitude for reconciling conflicting public and private interests in school desegregation cases 2/, and continues to provide guidance, as in the Detroit decision (Bradley v. Milliken).
4. Concur in recent Congressional action in Title II of the Equal Educational Opportunities Act of 1974, which states clear national policy in this area. 3/
5. State his view that a spirit of racial harmony and understanding, even among those with different opinions on the busing issue, will greatly improve our ability to enforce the constitutional rights of everyone, and do so in a way which is sensible and effective.



Minority Business



OFFICE OF MINORITY BUSINESS ENTERPRISE  
SMALL BUSINESS ADMINISTRATION

- The development of minority business enterprise is not only a top priority of this Administration, but one to which I have a personal commitment.
- SBA, created in 1953, has provided financial assistance (direct and guaranteed loans), procurement assistance, and management and technical assistance to small businesses. Beginning in 1968, SBA began a specific focus upon minority entrepreneurship in its lending programs. In 1974, SBA added new emphasis to its provision of management and technical assistance, particularly to minorities.
- OMBE, created in 1969 by Executive Order, was established to coordinate Federal activities in minority enterprise (lending, management assistance, and procurement) and in 1972 began to contract with private organization to provide management and technical assistance to minority firms.
- OMBE reorganization has been completed and the six regional offices are processing contracts currently within a much shorter period than at any prior time, in the program.
- Coordination efforts between OMBE and SBA has resulted in the creation of nine task groups whose primary impetus is directed at better delivery of service for minority business development.
- Up until now, the agencies have been placing a substantial emphasis on creating more new minority-owned businesses, while devoting little effort to assuring the success of minority-owned firms assisted.
- Such an approach provides a short-term payoff; the agencies can point to an increase in the number of minority-owned firms started and assisted. The longer term problem, however, has already begun to appear; many assisted minority firms are in difficulty. For example, SBA's economic opportunity loans (EOL), 80% of which go to minorities, have an "in trouble" rate triple that of the basic small business program. We are in the process of studying changes in the minority business program which are required to further Administration goals.

A. Background Information On Items Which May Be Raised

1. OMBE Reorganization

Congressman Mitchell has been interested in this from its start, last October. Based upon our information, the reorganization is going well. We will be specifically looking at this question during field trips this spring and summer. You may wish to ask Mitchell if he knows of any problems.

2. Legislation to Transfer OEO's CDC Program to Commerce

The Administration proposal, H. R. 8556 (Hawkins) and S. 1941 (Tower), provides for (a) grant authority for OMBE, and, (b) transfer of Part A of Title VII of the Economic Opportunity Act from OEO to Commerce. The Steiger-Stanton bill, H. R. 10023, is broader. It provides for: (a) statutory existence for OMBE, and, (b) transfer of all of Title VII from OEO to Commerce. We reaffirmed our position on this issue in favor of the present Administration proposal, which provides the necessary authority for OMBE and transfer of what is needed from OEO's legislation. A broader bill is not necessary at this time. We should continue to oppose a broader bill because it would reduce administrative flexibility to redirect the OMBE program.

3. Recent Criticisms of SBA and OMBE

OMB has taken a low-profile position on the recent criticisms of the two agencies, letting them handle the problems themselves. We have cooperated on two changes worth mentioning in this context. For SBA, we have provided additional audit personnel. They are also making structural changes to strengthen their audit process. For OMBE, we approved an increase in the 1975 budget to initiate a marketing development and training program, to increase the quality of OMBE-funded technical assistance.

4. Issues Raised by the National Association of Black Manufactures

The NABM has raised two issues which the Congressmen may also raise. First, does the announced new emphasis on assuring the success of assisted firms mean that fewer new firms will be started? We have not changed the proportion of new versus existing firms that we plan to assist. The new emphasis applies to both types, and means we have to do a better job of analyzing business prospects. Second, NABM also suggested that firms not be "graduated" from the 8 (a) subcontracting subsidy program, but rather be kept in the program until they have grown large enough to be outside SBA's standards for a small business. We have always had a policy of planning to graduate firms from the subsidy program to a fully-competitive position. It does no favor to a firm to keep it dependent upon subsidized government contracts, and too fragile to exist over the long-term on its own in the market place.

B. Points You Should Make

1. Progress on Objectives

A. Coordination Between OMBE and SBA

An early result of the long-term staff study was a realization that the agencies needed to better coordinate their efforts in the field. We also needed to avoid the "numbers game" of counting firms assisted, and instead to concentrate more on assuring the chances of success of these businesses.

B. Effect of Energy and Materials Shortages

While loan volume has not been as high as our targets, due to general economic conditions, we have also had to cope with the effects of the energy and materials shortages. The agencies have put a good deal of effort into analyzing how to forestall the effects of these

shortages. We have been looking at changes in programs to help existing firms affected, as well as avoiding placing a new firm into an impossible situation. We will be modifying our 1974 objectives to take these effects into account, and also considering the shortages in setting our 1975 objectives.

2. Our Desire To Establish A Dialogue

You might sound out Congressman Mitchell on the idea of establishing a dialogue with the Black Caucus on the range of concerns the Caucus members have, including the minority enterprise programs. We would want not just to explain Administration policy and programs, but also to receive criticism and suggestions. We believe that Congressman Mitchell might be receptive to the idea.



## HOUSING

### KEY POINTS

1. Rebuilding the inner city, increased low income housing production, high interest rates on home loans -- all are major concerns of the Ford Administration.
2. I will sign into law S-3066, the Housing and Community Development Act of 1974. As you know, this Bill will revamp our subsidized housing program, provide bloc grants to the cities using a poverty factor that will be weighed twice in the formula used to disburse \$2.5 billion authorized under this Act.
3. Interests rates are extremely high for home loans at this time; however, I am confident they will fall more in line once we bring inflation in general under some reasonable control.

### Q & A

- Q. What are you doing right now about high interest rates which price blacks out of the housing market?
- A. The Federal Home Loan Bank Board, and The Government and National Mortgage Association are working closely with savings and loans institutions, banks, and private investors to help keep the interest rates down. There are funds amounting to approximately \$10 billion available to finance the purchase of new homes at the 7-3/4 percent rate (\$3,108,600,000) and 8 percent rate (\$6,600,000,000). This plan is called the Tandem Plan. While these funds are small compared to the need, I do think they will have great impact on the housing industry and the poor who suffer most from inflated interest rates.
- Q. Will you give the necessary support and leadership toward rebuilding the inner cities without displacing the poor and blacks?
- A. You can expect my help in this area, and I welcome your support and your suggestions on how the Executive and the Legislative Branches can work together on these serious problems which plague our cities.

## FAIR HOUSING

The Civil Rights Commission published a report a few days ago on fair housing opportunities and concludes (as usual) that not nearly enough is being done. It urges further action at HUD and Justice. The President might do the following:

1. State his general agreement with President Nixon's housing statement of 1971.<sup>1</sup>
2. Instruct HUD and Justice to review each of the concerns expressed by the Civil Rights Commission and report to the President through their respective Cabinet Officers.
3. State the Administration's goal, and that of the law, not to be a requirement that communities meet a predetermined numerical racial or ethnic mix, but to assure freedom of housing opportunity for all Americans, free of barriers based on race or ethnic background, to raise their families in homes which they desire and can afford.
4. State that Federal housing policies and programs should not contribute to patterns of racial isolation, but should contribute, where possible, to eliminating them.

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<sup>1</sup>

The gist of the statement is that racial discrimination in housing will not be tolerated, but that housing integration among different economic groups is neither required law or Administration policy.





## COMPREHENSIVE HEALTH INSURANCE

### KEY POINTS

1. Comprehensive Health Insurance is an idea whose time has come in America.
2. Every American, without regards to their station in life, whether poor, black or white, must be assured access to high quality health care.
3. Chairman Wilbur Mills and the Ways and Means Committee has the full cooperation of Secretary Weinberger in working out a compromise bill that will pass the House and the Senate this year.

### Q & A

Q. Which proposed bill do you support?

A. Like most issues that are popular, there are good and not so good views put forth by many. Out of the many bills proposed, I hope that a good piece of legislation comes out of the Ways and Means Committee that will fully satisfy the need for high quality health care for all Americans.

Q. Would you veto a bill if you found it wanting in any of the areas you think it should be strong?

A. I have every confidence in my former colleagues in the Congress, and I think that they, much like myself, want what is best for the citizens of this Nation, and that is quality health service for all Americans.



## QUOTAS AND GOALS

The Black Caucus would be pleased if the President were to acknowledge his belief that despite important and significant progress in the field of equal employment opportunity, there still are situations where jobs are denied because of race and national origin, and that he believes that it is important for all citizens to have a fair chance to work at their chosen jobs. He might also do the following:

1. State his understanding of settled law, which is that discrimination of this kind must cease and that some form of "affirmative action" must be taken, where needed, to put identified victims of discrimination in their rightful place.
2. State his belief in the equally important principle of merit employment. Governments and businesses are entitled to hire the most qualified person available, and the need for capable employees of all races has never been greater.
3. State his concurrence in the "Four Agency Agreement" (Justice, EEOC, Civil Service Commission, Labor), which defines the proper balance to be struck between legally required affirmative action to remedy discrimination, and the principles of merit hiring (Copy attached).
4. Note that there are important distinctions between requiring good faith effort to achieve realistic levels of qualified employees (goals)--a legally sound and supportable approach--and setting absolute numerical requirements, regardless of the availability of qualified applicants (quotas)--an unsupportable policy.
5. State openly that even the use of affirmative action goals should be seen as temporary historical phenomenon. Once hiring and promotion standards have been purged of racial bias and victims of discrimination have been made whole, selection by merit alone, regardless of race, must be our national employment policy.



MEMORANDUM


THE WHITE HOUSE

WASHINGTON

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August 19, 1974

MEMORANDUM FOR STAN SCOTT

FROM: BRENT SCOWCROFT 

SUBJECT: President's Meeting with the Black Caucus  
-- August 21

Attached is the NSC contribution to the President's briefing book for his meeting with the Black Caucus. We have provided one general question and answer on Africa, with more detailed information at Tab A to cover questions we understand the group may raise, time permitting. Also included is a question and answer on Turkish opium.

Attachments

DECLASSIFIED  
E.O. 12958, Sec. 3.5  
NSC Memo, 11/24/98, State Dept. Guidelines  
By W/MA, NARA, Date 10/25/00

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August 18, 1974

## AFRICAN ISSUES

### BACKGROUND

We understand Congressman Diggs and perhaps others will want to ask you several questions, time permitting, on African issues. (At Tab A are possible questions and suggested answers.) It may be that time will permit only a general question on United States policy on Africa under your Administration, such as the following:

Question: In your speech before Congress there was no mention made of Africa and there are those who fear this confirms a suspicion that Africa rates a low priority in America's global priorities. What will be your policy toward Africa?

Answer: I am mindful of the concerns you express. As you know, I asked Secretary Kissinger to meet with the African Ambassadors the day after my inauguration to confirm the continuity of our foreign policy and to indicate our interest in Africa's problems and our desire to work more closely together. The Secretary suggested to the group that they meet again to discuss in depth matters of mutual interest. The issues in Africa are complicated, and, while we will not always see eye to eye on how to approach them, I look forward to receiving from this group its own views on how the United States can strengthen ties with Africa.

In my address to Congress, Africa was among the areas uppermost in my mind when I confirmed to the United Nations, the non-aligned, and all others our dedication to humane goals. Our humanitarian concerns for Africa will continue, along with economic development, to be a central theme of our policy toward Africa. Your support in Congress, most recently in authorizing additional funds for African drought relief, is critical in obtaining the needed resources to meet our commitments. Of course, the United States cannot do it all alone, and we must all look for ways to encourage others, including the oil states, to help, and also to encourage private investment.

(FYI: In FY 1974 President Nixon requested and received \$150 million in additional funds for disaster relief for Pakistan, Nicaragua and Africa. Africa's share was \$85 million. END FYI.)

August 17, 1974

TURKISH OPIUM

Question: What is the Administration's position on Turkey's decision last month to lift its three-year-old ban on opium production?

Answer: I, of course, share your concerns that the Turkish decision represents a serious problem for us in our fight against drug addiction. Cyprus has temporarily delayed the process of finalizing our strategy on the opium issue, because of the urgency of first dealing with that crisis. However, we expect very soon to take the opium matter up with the Turks and will make clear our deep concern and the crucial importance of their taking prompt steps to establish effective limitations and controls. The House resolution of August 5 also underscored to the Turkish Government how vital this question is to us and I am grateful for the cooperation the House has given us as we have wrestled with this problem.

(FYI - The US Government has publicly regretted deeply Turkey's July 1 announcement lifting its opium ban. For months prior to the announcement we strongly and repeatedly urged Turkish authorities at all levels not to take such a step. We emphasized to them that their ban had played a key role in our successful efforts to reduce heroin addiction in the United States, and that a resurgence



of the flow of Turkish-opium-based heroin into this country could seriously harm US-Turkish relations and cooperation across the board. We also pointed out that existing United States legislation -- Section 481 of the Foreign Assistance Act -- will require a suspension of all US economic and military assistance to Turkey if the Turkish Government fails to take adequate steps to prevent opium produced there from illegally entering the United States.

Despite our admonitions, the Turkish Government, mainly for domestic political reasons, decided to lift the ban. On August 5, the House passed and sent to the Senate a resolution calling on the Administration to enter into talks with the Turks on establishing controls and to suspend all assistance if these talks prove unfruitful. We will forward to you soon an options paper on how we should approach our relations with Turkey insofar as the opium question is concerned. END FYI).

August 18, 1974

SOUTH AFRICA

Question: Do the visits earlier this year of South Africa's Interior Minister, Dr. Mulder, Minister of Finance, Dr. Diederichs, and its Armed Forces Chief, Admiral Bierman, and a reported SACLANT study on protection of the tanker route to Western Europe and the Middle East presage a shift in U. S. policy toward South Africa?

Answer: This Administration contemplates no changes in our policy toward South Africa. We will continue to be interested in your own views and hope to work with you to find ways to improve our relations with African countries and assist in their development when possible.

Question: But we understand that Admiral Bierman did have contacts with Defense Department officials.

Answer: That is my understanding, too, but I am informed these were social calls.

(FYI: You were scheduled to receive Finance Minister Diederichs last May but had to cancel because of a schedule conflict. Admiral Bierman's visit was a private one, but he met socially with some Department of Defense officials. The SACLANT study was a legitimate exercise in contingency planning carried out under rigid limitations and included the restriction that there be no contact with non-NATO governments. There is no plan for the air and naval defense of South Africa as reported

in the press. We maintain a strict embargo on arms sales to South Africa, and on naval visits to South Africa, and have placed certain restrictions on contacts and cooperation with the South African military establishment. Our policy of communication with South Africa does not involve acquiescence in that country's apartheid policy, which we do not condone. We seek peaceful change in South Africa and believe that communication with all sides is an effective way to encourage the white minority to accommodate change.

The South African Government's racial policies, though moderating somewhat in recent years, still involve resort to arbitrary police powers, forced mass migrations, and deprivation of the human and civil rights of millions of persons. We cannot support, or appear to support, Pretoria's racial policies without damage to our broader political, economic and strategic interests elsewhere in the world. Nor can we adopt a hostile posture toward South Africa without jeopardizing our substantial interests there. The Administration is constantly buffeted by one side or the other in ways that would unsettle the delicate balance we have struck between our interests in South Africa and in the rest of the world.

The Black Caucus, and particularly Mr. Diggs, have been among the leading anti-apartheid forces in the United States which are joined by some 50 anti-apartheid domestic interest groups, as well as churchmen, labor unions, and others. There is a deepening concern among them that the recent visits of South African officials, particularly Admiral Bierman's, and SACLANT study mean a shift in US policy toward Pretoria, especially with regard to the relaxation of the arms embargo, the resumption of naval visits and other forms of military cooperation. Mr. Diggs has sponsored a bill to make fair employment practices a condition of eligibility for US companies "and other business enterprises doing business in South Africa." There is also some concern about our cooperation with South Africa in the field of nuclear energy. We provide South Africa with enriched uranium for its peaceful uses of nuclear energy. ENDFYI)

August 17, 1974

NAMIBIA ( SOUTHWEST AFRICA)

Question: What is your view on South Africa's continued illegal occupation of Namibia?

Answer: The United States position on Namibia is straightforward and clear. As you know, we voted for the UN General Assembly Resolution of 1966 which terminated South Africa's mandate over Namibia, and we support the conclusions of the International Court of Justice's Advisory Opinion of 1971 upholding the UN action. Under my Administration we will continue to hold the view that South Africa is illegally occupying Namibia and that we must be careful to take no actions that would tend to legitimize its position there. We support peaceful and practical efforts in the UN to enable the people of Namibia to exercise their right to self-determination and independence. We should not be under any illusion, however, that the United States alone should or could transform the situation.

(FYI - South Africa continues to administer Namibia despite the UN and International Court of Justice actions. Some countries favor imposed UN sanctions on South Africa in order to persuade it to give up Namibia -- a position we oppose as we do not consider that the situation at the

present time constitutes a threat to the peace within the meaning of those provisions of the UN Charter (Chapter 7) that permit sanctions. Critics of our policy believe we do not make our opposition to South Africa's continued presence in Namibia in strong enough terms, would like for us to prohibit US investment in Namibia, join the UN Council for Namibia, and give verbal and material support to the Namibian Liberation Movement.

The US Government officially discourages US investment in Namibia, prohibits the use of Export-Import Bank facilities for trade with the territory, and will not protect US investment against claims against the future legitimate government in Namibia if made on the basis of rights acquired from the South African Government since termination of the mandate in 1966.

Senator Mondale has proposed legislation (now in Committee) which would have the effect of denying tax credits to US firms doing business in Namibia. The Executive Branch has not yet been asked to comment on the bill. ENDFYI).



August 17, 1974

PORTUGAL - GUINEA BISSAU

Question: The White House issued a statement August 13 welcoming the agreement in principle between the Portuguese Government and Guinea Bissau. Does this constitute United States recognition of the new state of Guinea Bissau?

Answer: It reflected my decision to support the Security Council recommendation that the General Assembly admit the state of Guinea Bissau to the United Nations in the Fall. It also reflects our intention to accord formal recognition to Guinea Bissau when it gains sovereignty. Past practice has been that our recognition of new states has taken the form of a Presidential communication to the new Head of State.

(IF DESIRED - It seems to me that to recognize Guinea Bissau before it gains sovereignty might create unfortunate precedents for us. But it is my intention to extend recognition as soon as the Portuguese and Guineans agree to a formal transfer of sovereignty.)

August 17, 1974

OTHER PORTUGUESE AFRICAN TERRITORIES

Question: Why isn't the Administration taking a more active role in encouraging the negotiation process between Portugal and its territories leading to independence?

Answer: We are watching the situation very closely and are gratified that the parties themselves are in direct contact and are receiving valuable, facilitative assistance from a number of African states. Secretary Kissinger met last week with the Foreign Ministers of Zambia and Zaire, two of the most influential African states in regard to the independence process for the Portuguese territories. This subject was discussed thoroughly at those meetings, and Secretary Kissinger gave assurances of our continued interest in the independence process and our desire to keep in touch on the issue.



August 17, 1974

UNITED STATES-BURUNDI RELATIONS

Question: What is your attitude toward the normalization of relations with Burundi, begun by your predecessor earlier this year?

Answer: I am, of course, aware of your concerns, which I share, past over the intertribal conflict in Burundi. The Administration's position is that if we are to continue to have an influence on the Government of Burundi in all matters of interest, we should reinstate some modest assistance programs there. We are still deeply concerned that there be respect for human rights in Burundi, and we monitor the situation closely. The main thrust of US policy toward Burundi has been and continues to be an upholding of basic human rights in that country.

(FYI - In early 1972 there was a tribal conflict in Burundi in which massive reprisals by the government, dominated by the Tutsi tribe, took place against the indigenous Hutu population. In response, the United States Government reduced relations with Burundi to a minimum as a sign of our repugnance to the killings. We also engaged in an intensive campaign to bring Africa-wide pressure to bear on the Burundi Government to halt the killings. By 1973, this campaign had persuaded the Burundi Government to refrain from further reprisals against the Hutu population.

At the end of 1973 we determined that our efforts to promote respect for human rights in Burundi would best be continued in the context of normal relations with that government, and we proceeded to change our policy. In January of this year, President Nixon authorized the Department of State to begin the normalization of relations with Burundi with the modest allocation of resources in areas such as self-help assistance, population projects and cultural exchanges. It was made clear that these steps were predicated on continued evidence that the Government of Burundi is following a national policy of respect for human rights.

There was some press attention to our change in policy, and an accusation that this was done in response to mineral discoveries in Burundi. The State Department's public reaction was to confirm our interest in these discoveries and our belief that it is in the interest of the United States to assist the American sector in competition for concessions. We expressed the opinion that it is oversimplistic and inaccurate to relate this interest in natural resources to the United States Government's attitude toward the killings which took place. We confirmed that we would continue to exert whatever influence we have to

promote respect for human rights in Burundi and to focus attention of other governments and the United Nations on this objective.

Since May of 1973, the situation has been relatively calm, although there have been sporadic reports of continued intimidation of the Hutus. Both our Embassy and other foreign observers long resident in Burundi do not foresee a major outbreak in the future. The Burundi Government has a new constitution which supports the UN Charter, the UN Declaration of Human Rights, and declares equality for all Burundi people. END FYI.)

August 18, 1974

UGANDA - UNITED STATES RELATIONS

Question: Why do we continue to keep our Embassy in Uganda closed?

Answer: As you know, we wish good relations with Uganda as with all other African states that reciprocate this wish. Even though we closed our Embassy in Kampala, we did not object to the Ugandan Government's decision to retain its Embassy here. Taking all factors into consideration, we do not feel it is appropriate at this time to reopen our Embassy. We do, naturally, keep the matter under constant review.

(FYI: In November, 1973, we withdrew all U.S. Embassy personnel from Uganda. We indicated at that time that certain actions of the Ugandan Government prompted this move, including public threats by top Uganda officials against our diplomatic representatives (the President of Uganda, General Amin, threatened to jail all official Americans at one point during the Arab-Israeli war), repeated unfounded accusations against the United States by these officials and the sudden and unjustified expulsion from Uganda of the Embassy Marine security guards. We do not expect to reopen our Embassy until we can be reasonably sure past practices of the Ugandan Government will not be repeated. END FYI.)