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THE WHITE HOUSE

WASHINGTON

March 3, 1975

MEETING WITH STRATFORD HIGH SCHOOL DRILL TEAM

Tuesday, March 4, 1975 9:00 a.m.-9:05a.m. (5 minutes) The Cabinet Room

Via: Max L. Friedersdoff MF Vern Loen VL

From: Douglas P. Bennett DPB.

PURPOSE

I.

To meet with 43 members of the Stratford High School Drill Team, Houston, Texas, called the "Spartanaires"

# II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

#### A. Background:

- 1. Stratford High School is a two-year old school that through the efforts of the drill team's coach, Miss Elaine Edgington, developed these girls into the number one drill team in the State of Texas.
- 2. They have come to Washington at the request of Congressman Bill Archer, who represents Houston, the outgoing President of the Texas State Society. They performed last Sunday at the Society's annual brunch.
- 3. These youngsters earned \$14,000 to pay their way to Washington by washing cars, conducting bake sales and store inventories.



Participants:

The President Rep. Bill Archer The Stratford High School Drill Team Coach Elaine Edgington Doug Bennett (Staff)

# C. Press Plan:

White House photographer only

### III. TALKING POINTS

Β.

- 1. I am glad to have this opportunity to welcome you to the White House as I know all of you have worked so hard to make this trip.
- 2. I think this is remarkable that in such a short period of time under the guidance of your coach, Miss Elaine Edgington, you have become the number one drill team in the State of Texas.
- 3. I am sure your performance at the Texas State Society's annual brunch on Sunday was the pride and joy of all Texans in attendance.
- 4. I hope this trip to Washington will compensate for the three days of school you have missed. I am sure that was not too painful.

- 2 -

Nange 15-18 yrs. Coach - Elaine Edquigtar THE WHITE HOUSE WASHINGTON originated thour heile Dick Cheney 43 penubers Drill Trank. Spartauares It in state of Texas Stratford, H.S. 2 yr. de school In Wath. performend Sur at Izrab State Society annal Bruch, Ancher - outgoing President. Earned \$ 14,000, by working washing our, bake sales, store inovertorizó of school.

#### WASHINGTON

March 5, 1975

MEETING WITH REP. TIM LEE CARTER AND FOUR REPRESENTATIVES OF THE KENTUCKY FARM BUREAU FEDERATION

> Thursday, March 6, 1975 4:50 p.m. (5 minutes) Oval Office

From: Vern Loen VV Thru: Max Friedersdorf

#### I. PURPOSE

Rep. Carter and the delegation would personally like to convey their support for the President's policies

### II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

- A. Background:
  - 1. The Kentucky Farm Bureau numbers 100,000 members and strongly supports the President's policies.
  - 2. The President of this group, Mr. Bob Wade, is a cousin of Rep. Carter and a supportive Democrat. The Kentucky Farm Bureau strongly supports the President's energy program and could influence the votes of Senators Huddleston and Ford on the veto if it goes to the Senate next week.
  - 3. Rep. Carter is ranking Republican on the Health Subcommittee from which a great deal of troublesome legislation is expected this year. He is helping in our efforts to sustain the President's veto next week.
  - 4. No substantive requests or discussion anticipated.

B. Participants:

The President Rep. Tim Lee Carter Bob Wade Bill Baldwin Jack Griffith H. J. Rice Vern Loen (staff)

#### C. Press Plan:

Do not announce to press White House photographer only

# III. TALKING POINTS

- 1. Tim Lee and I served together in the Congress for about nine years. I soon learned that when he goes after something, he usually gets it. That's how this meeting was arranged on such short notice.
- I am appreciative of the support the Kentucky Farm Bureau has expressed for this Administration's policies. As you know, this Administration is free market-oriented - a longtime goal of the Farm Bureau.
- 3. I know that conditions are not too good in many areas of the nation's agriculture and I shall be working with Tim Lee, Secretary Butz and my economic advisors to adress these problems. My energy program contains a special pass-through for farmers' off-road fuel costs.

Sample

WASHINGTON March 5, 1975

MEETING WITH REP. TIM LEE CARTER AND FOUR REPRESENTATIVES OF THE KENTUCKY FARM BUREAU FEDERATION

> Thursday, March 6, 1975 4:50 p.m. (5 minutes) Oval Office From:

I. PURPOSE

Β.

Rep. Carter and the delegation would personally like to convey their support for the President's policies

### II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

## A. Background:

- 1. The Kentucky Farm Bureau numbers 100,000 members and strongly supports the President's policies.
- 2. The President of this group, Mr. Bob Wade, is a cousin of Rep. Carter and a supportive Democrat. The Kentucky Farm Bureau strongly supports the President's energy program and could influence the votes of Senators Huddleston and Ford on the veto if it goes to the Senate next week.
- 3. Rep. Carter is ranking Republican on the Health Subcommittee from which a great deal of troublesome legislation is expected this year. He is helping in our efforts to sustain the President's veto next week.
- 4. No substantive requests or discussion anticipated.

Participants: The President Rep. Tim Lee Carter Bob Wade (President, Ky. Farm Bureau) Bill Baldwin (1st Vice President) Jack Griffith (2nd Vice President) H.J. Rice (Area Field Service Director)

WASHINGTON

SCHEDULE PROPOSAL DATE: February 27, 1975 THRU: Max Friedersdorf FROM: Vern Loen VIA: Warren Rustand

#### MEETING:

With Rep. Tim Lee Carter (R-Ky) and four representatives of the Kentucky Farm Bureau Federation.

DATE:

2:00 p.m. Wednesday, March 5 (per discussion with Bill Nicholson)

4:50 Thing ?

PURPOSE:

The Kentucky Farm Bureau, numbering 100,000 members, strongly supports the President's policies.across the board. This/delegation desires a brief meeting to convey that support. Rep. Carter is ranking Republican on the Health Subcommittee from which a great deal of troublesome legislation is expected this year. He is helping in our efforts to sustain the President's veto next week.

FORMAT:

Oval Office (5 minutes)

PARTICIPANTS:

The President Rep. Tim Lee Carter Bob Wade (President of the Kentucky Farm Bureau, Franklin, Kentucky) Three other officials of the Kentucky Farm Bureau (names to be furnished)

CABINET PARTICIPANTS:

Secretary Butz may be interested

SPEECH MATERIAL:

Talking points

# PRESS COVERAGE:

White House photographers only

STAFF:

Vern Loen (submit briefing paper and attend)

#### **RECOMMEND:**

#### Max Friedersdorf - -

We recently were unable to produce for Rep. Carter on a personnel matter and he has been somewhat disgruntled. This would help to pacify him, keep him in line on the energy veto and enlist his support in opposing undesirable health legislation.

# OPPOSED:

None

# PREVIOUS PARTICIPATION:

The President met with a group of farm leaders in November. None of these officials participated.

BACKGROUND:

1. No substantive requests or discussion anticipated.

2. The President of this group, Mr. Wade, is a cousin of Rep. Carter and a supportive Democrat. The Kentucky Farm Bureau strongly supports the President's energy program and could influence the votes of Senators Huddleston and Ford on the veto if it goes to the Senate next week. Right now they are listed as opposing the President's program, but Senator Ford in particular is said to be waivering.

APPROVE

DISAPPROVE

#### WASHINGTON

March 5, 1975

MEMORANDUM FOR:

MR. MAX L. FRIEDERSDORF

FROM:

WARREN RUSTAND

SUBJECT:

**Approved Presidential Activity** 

Please take the necessary steps to implement the following and confirm with Mrs. Nell Yates, ext. 2699. The appropriate briefing paper should be submitted to Dr. David Hoopes by 4:00 p.m. of the preceding day.

Meeting: With Rep. Tim Lee Carter and Representatives of the Kentucky Farm Bureau Federation

Date: Thurs. March 6, <u>Time:</u> 4:50 p.m. <u>Duration:</u> 5 Minutes 1975 Location: The Oval Office

Press Coverage: White House Photographer

Purpose:

cc: Mr. Hartmann Mr. Marsh Mr. Cheney Dr. Connor Dr. Hoopes Mr. Jones Mr. Loen Mr. Nessen Mr. Nessen Mr. O'Donnell Mrs. Yates



WASHINGTON

March 18, 1975

Dear Tim Lee:

Here is the photograph which was taken with the President, yourself and four members of the Kentucky Farm Bureau on March 6.

Also enclosed are four copies for your constituents and I am happy to send it to you with the best wishes of the President.

With kind personal regards, I am

Sincerely yours,

Vernon C. Loen Deputy Assistant to the President

Honorable Tim Lee Carter House of Representatives Washington, D.C. 20515

# March 21, 1975

# Dear Tim Lee:

Thank you for your letter of March 17 and the enclosed clipping concerning Mr. H.J. Rice.

Due to White House policy, the President did not autograph Bobbi Jo's school picture of herself. However, I am enclosing a photograph of the First Family which the President has signed to Bobbi Jo.

With kind personal regards, I am

Sincerely yours,

Vernon C. Loen Deputy Assistant to the President

Honorable Tim Lee Carter House of Representatives Wabhington, D.C. 20515

VCL:vh, enclosures



J. ROBERT WADE – President WILLIAM BALDEN – 1st Vice-President JACK GRIFFITH – 2nd Vice-President JOHN W. KOON – Executive Secretary

MA APPREL MOTORIAL

120 SOUTH HUBBARD LANE, LOUISVILLE, KY. 40207 . . . . . . . . PHONE 897-9481

March 11, 1975

The Honorable Gerald R. Ford The White House Washington, DC 20500

Dear Mr. President:

I would like to thank you for taking the time to discuss a few of our mutual problems while we were in Washington last week.

Certainly yours is a rough and lonely job, but the main purpose of our visit was to let you know that there are people--good solid farm people--that are backing you as our President and agreeing with you that something must be done to cut back spending, to fight inflation and to promote productive work in this great United States.

We feel you have the will to do these and many other things, and again let me say that we are backing you and we appreciate the visit.

Sincerely,

Vade

J. Robert Wade President

JRW: cn

M. Friedersdorf says there will not be another opportunity for this man to see the President.

File in Dead File

Charlie -. Why was this turned down and is there any possibility of it being done later on or is it a dead issue.

When you answer this, I will tell you what we can do with it.

Neta: No reason were frien. I donkt Very much if it is to be policence At to fater time. At bad present to set . Could & required for every author

MEMORANDUM OF CALL The YOU WERE CALLED BY-YOU WERE VISITED BY-PLEASE CALL ----WILL CALL AGAIN IS WAITING TO SEE YOU WISHES AN APPOINTMENT RETURNED YOUR CALL an Win - Or Daim notified that request was turned down 3-7-75 (0 9:30 RECEIVED BY DATE TIME :55 STANDARD FORM 63 GPO : 1969-048-16-60341-1 332-389 **REVISED AUGUST 1967** GSA FPMR (41 CFR) 101-11.6

MEMORANDUM OF CALL TOR YOU, WERE CALLED BY-YOU WERE VISITED BY-OF (Organization PHONE NO. PLEASE CALL CODE/EXT. WILL CALL AGAIN IS WAITING TO SEE YOU **RETURNED YOUR CALL** WISHES AN APPOINTMENT RECEIVED BY DA IME 63 - 108STANDARD FORM 63 GPO : 1909-c48-16-80341-1 232-389 **REVISED AUGUST 1967** GSA FPMR (41 CFR) 101-11.6

	THE WHITE HOUSE WASHINGTON	SCHEDU DATE: THRU:	LE PROPOSAL March 6, 1975 Max L. Friedersdorf				
		FROM: VIA:	Vern Loen VV Charles Leppert, Jr <b>4</b> . Warren Rustand				
MEETING:	With Rep. Larry Winn, Jr. Dr. Donald R. Germann.	(R-Kan.) a	and				
DATE:	Friday, March 7, 1975 (per discussion with Warren	Rustand)					
PUR POSE:	An <b>o</b> pportunity for Representative Larry Winn to introduce Dr. Donald R. Germann, who will present the President with a copy of his book, <u>Too Young to Die</u> .						
FORMAT:	Oval Office (2 minutes)						
PARTICIPANTS:	The President Rep. Larry Winn, Jr. Dr. Donald R. Germann						
CABINET PARTICIPANTS:	None						
SPEECH MATERIAL:	Talking Points						
PRESS COVERAGE:	White House photographers of	only					
STAFF:	Charles Leppert, Jr. (subm	it briefing	paper and attend)				
RECOMMEND:	Max L. Friedersdorf						
OPPOSED:	None	and the second second					
PREVIOUS							

PARTICIPATION: None

٠

- 2. Dr. Germann has written a book entitled "Too Young to Die - The Case for Staying Healthy and Alive Through Preventive Medicine." The book brings together in a logical basis for understanding the options open to maintain and improve health at different ages from childhood through adult life.
- 3. Dr. Germann points out in his book that the millions spent each year by government and private foundations to obtain information and extend the horizons of Medical knowledge is not put to use. The waste of the scholarship and expertise is costing America 100,000 lives each year.
- 4. Rep. Larry Winn was elected to the House of Representatives in 1957 and serves on the Committees on Foreign Affairs and Science and Technology.

APPROVE DISAPPROVE

## WASHINGTON

#### March 6. 1975

# MEETING WITH REPRESENTATIVE LARRY WINN, JR. (R-KANSAS) Friday, March 7, 1975

The Oval Office

- Via:
- Max Friedersdorf Vernon C. Loen From:
- I. PURPOSE **Opportunity for Representative Winn to introduce** Dr. Donald R. Germann, who will present the President with a copy of his book.

#### П. BACKGROUND, PARTICIPANTS AND PRESS PLAN

#### Α. Background:

- 1. Dr. Germann is a nationally known radiologist and clinical professor at the University of Missouri School of Medicine, St. Luke's Hospital in Kansas City. Missouri and serves on the Kansas Governor's Nuclear Advisory Council.
- 2. Dr. Germann has written a book "Too Young to Die - The Case for Staying Healthy and Alive Through Preventive Medicine. " The book brings together in a logical basis for understanding the options open to maintain and improve health at different ages from childhood through adult life.
- 3. Dr. Germann points out in his book that the millions spent by Government and private foundations to obtain information and extend the horizons of medical knowledge is not put to use. This waste of scholarship and expertise is costing America 100,000 lives each year.

- 4. Dr. Germann's book lists in single, non-technical language the steps each individual can take to improve his own health and lengthen his life expectancy. The book demonstrates that with a minimum effort and no expenditure of money every American can take advantage of the extraordinary medical advances.
- 5. This meeting was requested by Representative Larry Winn, who considers it very important to him through Max Friedersdorf.
- B. Participants:

The President Rep. Larry Winn Dr. Donald R. Germann Charles Leppert, Jr. (Staff)

C. Press Plan:

White House Photographers only

# III. TALKING POINTS

- 1. Larry, I want to thank you for your help and support last week on that vote in the Committee on Foreign Affairs (Harrington resolutions of inquiry).
- 2. Dr. Germann, thank you for presenting me with a copy of your book. I understand it has been well received.
- 3. I commend you for your efforts in bringing this interesting and valuable information to the attention of the American public.

#### WASHINGTON

March 12, 1975

# MEETING WITH THE CHAIRMEN AND RANKING MEMBERS OF THE HOUSE AND SENATE POST OFFICE COMMITTEES Thursday, March 13, 1975 10:30 - 10:50 a.m. (20 minutes) The Oval Office

Via: Max Friedersdorf From: Vern Loen VL

#### I. PURPOSE

To obtain the Congressional views on problems with the U.S. Postal Service

# II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

- A. Background:
  - The cost of postal operations has been increasing rapidly. The Postal Service is planning to increase rates again by 25% to 30% this July. Congressional pressure is building for increasing and extending Federal subsidies to hold down costs to mailers. The resolve of the Postal management to maintain the goals of the Reorganization Act must be reinforced if the principle of users paying for the services they receive is to be successful.
  - 2. The key to controlling postal costs is in holding down wages which amount to 80% of costs. Postal workers have a superior wage-benefits package, but the unions are demanding an even more expensive contract with the threat of a strike. The PMG's stand in upcoming contract negotiations will have a significant impact on the Postal Service's ability to control costs as well as the Administration's efforts to maintain a 5% Federal pay raise ceiling. The PMG has already stated he is not in favor of the ceiling.

#### B. Participants:

The President

Rep. David Henderson (D-NC) Chairman, House Post Office and Civil Service Comm.

Rep. Ed Derwinski (R-III) ranking Minority Member

Senator Gale McGee (D-Wyo) Chairman, Senate Post Office and Civil Service Comm. Senator Hiram Fong (R-Hawaii)

ranking Minority Member

James Lynn (OMB)

Max Friedersdorf (staff)

Vern Loen (staff)

C. Press Plan:

Announce to press as a meeting to discuss matters within the two Committee's jurisdiction

White House photographer only

# III. TALKING POINTS

- 1. I firmly support the Postal Reorganization Act of 1970. I believe that the Postal Service should manage the mail service without outside political interference. Postal management should be given every opportunity to make postal reorganization work.
- 2. I believe that the users of the mails should pay for the service. I do not favor additional subsidies which transfer costs from postal users to the taxpayer. Postal costs, therefore, should be covered by increased rates rather than subsidization.

I am aware of widespread complaints about the ineffectiveness of the Postal Rate Commission. There have been problems of continuity and level of leadership there. I intend to improve the quality matter of appointments to the Postal Board of Governors and the Postal Rate Commission.

A matter of mutual concern is the Postal Service's upcoming contract negotiations with the Postal unions. As you know, I am opposed to large inflationary wage increases and have recommended a ceiling on Federal Wage hikes this year. I hope that the Postal Service will work to obtain a reasonable settlement that will not endanger efforts to combat recession and inflation.

There has been talk of a general postal strike or selected walkouts if the unions do not obtain their demands. This could present major problems. We all should be considering how the Government might prepare for and respond to a major strike.

5.

3.

4.

# MAR 1 2 1975

#### WASHINGTON

# MEETING WITH THE POSTMASTER GENERAL, BENJAMIN F. BAILAR

# Thursday, March 13, 1975 ll: 30 a.m. (30 minutes) The Oval Office

# From: Jim Cannon

### I. PURPOSE

To discuss the problems of the U.S. Postal Service, specifically labor contracts, debts and proposed rate increases.

#### II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

#### A. Background:

The cost of postal operations has been increasing rapidly. The Postal Service is planning to increase rates again by 25% to 30% this July. Congressional pressure is building for increasing and extending Federal subsidies to hold down costs to mailers. The resolve of Postal management to maintain the goals of the Reorganization Act is important if the Principle of users paying for the service they receive is to be successful.

The key to controlling postal costs is in holding down wages which amount to 80% of costs. Postal workers have a superior wage-benefits package, but the unions are demanding an even more expensive contract with the threat of a strike. The PMG's stand in upcoming contract negotiations will have a significant impact on the Postal Service's ability to control costs as well as the Administration's efforts to maintain a 5% Federal pay raise ceiling. The PMG has already stated he is not in favor of the ceiling.

PMG Bailar will be looking for Administration support, particularly during the period of the upcoming labor contract negotiations. The PMG is concerned that Administration spokesmen not make public statements that a postal strike would be completely unacceptable or other comments that would undermine the Postal Service's negotiating position. In the event of a strike by the unions, the PMG will be asking for your consideration of the use of the National Guard.

# B. Participants:

Benjamin F. Bailar Myron A. Wright Jim Cannon Jim Lynn Albert Rees Bill Usery

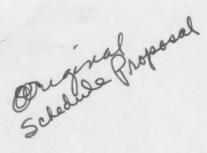
-2-

#### C. Press Plan:

None

# III. TALKING POINTS

- 1. I firmly support the Postal Reorganization Act of 1970. I believe that the Postal Service should manage the mail service without outside political interference. Postal management should be given every opportunity to make postal reorganization work.
- 2. I believe that the users of the mails should pay for the Service. I do not favor additional subsidies which transfer costs from postal users to the taxpayer. Postal costs, therefore, should be covered by increased rates rather than subsidization.
- 3. I am aware of widespread complaints about the ineffectiveness of the Postal Rate Commission. There have been problems of continuity and level of leadership there. I intend to improve the quality matter of appointments to the Postal Board of Governors and the Postal Rate Commission.
- 4. A matter of mutual concern is the Postal Service's upcoming contract negotiations with the Postal unions. As you know, I am opposed to large inflationary wage increases and have recommended a ceiling on Federal wage hikes this year. I hope that the Postal Service will work to obtain a reasonable settlement that will not endanger efforts to combat recession and inflation.
- 5. There has been talk of a general postal strike or selected walkouts if the unions do not obtain their demands. This could present major problems. We all should be considering how the Government might prepare for and respond to a major strike.



THE WHITE HOUSE WASHINGTON Thurs. March 13 11:30 (15 min)

SCHEDULE PROPOSAL DATE: February 20, 1975 THRU: Max Friedersdorf FROM: Vern Loen VL VIA: Warren Rustand

MEETING:

DATE:

PURPOSE:

FORMAT:

PARTICIPANTS:

Conference with the newly appointed Post Master General, Benjamin F. Bailar.

Open

To discuss anticipated problems in the postal service such as a possible wild-cat strike in Rhode Island and Indiana, postage rates, service improvements, etc.

Oval Office - 20 minutes

The President Post Master General Bailar Chairman David Henderson (House Post Office and Civil Service Committee) Rep. Ed Derwinski (ranking Republican on the House Post <sup>O</sup>ffice and Civil Service Committee) William Usery (Special Assistant to the President, Federal Mediation and Conciliation Service)

CABINET PARTICIPANTS:	Secretary of Labor Designate Dunlop
SPEECH MATERIAL:	Briefing paper and talking points
PRESS COVERAGE:	Announce to Press White House photographer
STAFF:	Vern Loen (staff) Roger Semerad (Domestic Council)
RECOMMEND:	Max L. Friedersdorf

# PREVIOUS PARTICIPATION:

# BACKGROUND:

The President has not met with either Post Master General since taking office.

 Major labor negotiations in the postal service will be getting under way soon with the prospect of wild-cat strikes and possibly even more wide spread disruptions.

2. This meeting was requested by Rep. Derwinski, who feels it is far overdue.

3. With a new Post Master General taking over, now would seem to be an appropriate time for a get acquainted visit and discussion of the problems in this most basic governmental service to Americans.

APPROVE

## DISAPPROVE

# Thursday, March 13

#### MEETING WITH PRESIDENT

10:30 - 10:50 (20 minutes)
Chairman Henderson - THE PRESIDENT
Rep. Derwinski
Sen. Fong
Sen. McGee
(Max would like Jim Lynn in both of these meetings)

11:30 - 11:45 (15 minutes)
PMG Bailar - THE PRESIDENT
Jim Lynn
Jim Cannon
Bill Usery
A1 Reese

• ·

information obtained from Bill Nicholson 37070



EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

**Congressional Relations** 

Vern Loen--

Here is the briefing paper on the Postal Service I promised you at this morning's meeting.

Bob Bonitati

- permissi et al

### U.S. Postal Service

Background Briefing Paper

Following the recommendations of the Kappel Commission, developed in the late sixties, the U.S. Postal Service was established as a quasi-independent government corporation by the Postal Reorganization Act of 1970. Under the reorganization, traditional executive and legislative control, such as that exercised over the former Post Office Department, was greatly limited. The new postal corporation was given a free hand in directing all facets of postal operations and charged with the responsibility to provide prompt, reliable and efficient postal service nationwide on a self-supporting basis.

One of the first tasks of the new corporation was to deal with obsolete and inefficient practices of the former Post Office Department. The new management has been successful in its efforts in a number of areas: while mail volume is up six percent, the work force has been trimmed by some 40,000 employees; the system has been depoliticized; executive development, training and promotional opportunities have been broadened; and physical working conditions have been improved. The new management subscribes to the belief that our postal service is "the best in the world." Despite these successes, however, and efforts to mechanize various aspects of mail processing, the quick turnaround in postal services many envisioned in 1970 has yet to materialize. Many of the old problems continue to persist. Productivity gains have been difficult to achieve in a basically labor intensive operation.

The most pressing problems are financial. Since reorganization, the new service has been running fairly sizable yearly deficits:

(\$ in millions)	1971 Actual	1972 Actual	1973 Actual	1974 Actual	1975 Est.	1976 Est.
Total Operating Budget	9,042	9,641	9,853	11,095	12,554	13,496
Federal subsidy- included above	(N/A)	(1,417)	(1,410)	(1,698)	(1,546)	(1,490)
End of year deficit	-200	-175	-12	-438	-864	-1,673

The present economic situation has further exacerbated postal financial problems by driving up costs. The projected 1974 deficit of \$438M is due almost entirely to inflationary pressures resulting from the settlement of a liberal labor contract, cost of living adjustments, increased fuel costs, and higher international air transportion rates. The projected deficits of \$864M and \$1,673M for 1975 and 1976 assume no reduction in service, change in rates, or increase in costs. Upcoming labor negotiations will, however, inevitably add to operating costs, further increasing the projected deficit and laying the groundwork for a future rate increase. Every one-cent increase in fuel costs the Postal Service another \$3.5M. In order to grasp the complexities of postal financing problems, one needs to look at a number of interrelated factors such as service levels, labor and non-labor costs, rates, borrowing authorities, and the Federal subsidies. Over the next year we face a number of policy questions in these areas which will have a definite impact on how successful postal reorganization will be.

# Service Levels

Complaints about poor service have persisted, particularly from the large commercial mailers. Some efforts to revise handling procedures and relocate facilities have led to disruptions and periodic public outcries. Efforts to economize in 1972 by laying off 50,000 employees resulted in a serious delay in moving mail over the Christmas holidays and resultant public indignation.

Postal Service has been investing heavily in mechanization and capital improvement projects. A \$1 billion dollar effort has gone into developing a bulk mail network in an attempt to recapture business which has been rapidly eroding away to its competitor, United Parcel Service. As with all experimental efforts, there have been delays and disappointments. Many GAO reports have criticized postal management's handling of contracts and the general R&D efforts. The postal unions have also been strong in their opposition to further mechanization. In an effort to economize in recent months cuts have been made in many proposed capital expenditures. There is little opportunity in the near term to cut costs in the service area. Already, Postal Service has cut back on collections, limited deliveries to once a day and eliminated Saturday business deliveries. Thought has been given to eliminating Saturday residential deliveries, with a potential one-time savings of \$250M, but such a move would be politically sensitive and no serious consideration is being given at this time.

#### Wage Costs

The predominant factor in increasing postal costs is wages. With over 700,000 employees, postal wages account for 85 percent of all postal costs. Under the Reorganization Act, the Postal Service is to maintain compensation for its employees which is comparable to that paid in the private sector. Initial wage negotiation with the unions, covering some 500,000 employees, have proven, however, to be quite liberal; providing postal employees with a more favorable wage and benefit package than Federal employees and better than many major industry packages. New negotiations with the unions are scheduled to begin this spring on the present contract which expires July 20, 1975. Indications are that the unions will be seeking wage increases of 10% or more, cost of living adjustments, fully paid health, dental, and retirement benefits, a 35-hour work week, and continuation of the no layoff agreement.

4

The postal unions are extremely powerful and militant and have threatened strike action unless their demands are met. In the 93rd Congress, right to strike legislation was one of the hottest employee bills, which was subject to a number of hearings. Although it is conjectural whether or not a national strike would occur, local walkouts such as those which occurred in New York during the 1969 negotiations may repeat.

The new Postmaster General, Benjamin Bailar, has already indicated that he does not favor the Administration's proposed 5 percent ceiling on Federal wages. However, unless postal management takes a strong position in the upcoming labor negotiations, then rate increases will continue to follow in order to cover costs and pressure for additional. Federal taxpayer-supported subsidies will build. With the present work force a 5.5 percent increase in labor contract costs would increase postal costs by close to half a billion dollars a year.

## Rates

If the principle of users paying for the services they receive succeeds, then eventually revenues from rates must cover postal operations. In order to hold levels of service, the Postal Service has turned on a recurring basis to increases in postage rates to cover operations and to finance its deficits. Thus, far, postal rate increases have come with such regularity that serious questions about the public acceptance of a break-even operation, where first class stamps could climb to 20 cents or more, have begun to be asked.

5

Postal rates are subject to review by an independent Postal Rate Commission. The purpose of this Commission is to review postal rates, classes, and services and to make recommendations thereon to the Board of Governors of the U.S. Postal Service. The Commission, under the Reorganization Act, is also required to review and make recommendations concerning a relcassification of the various classes of mail service. Almost since its inception in July 1971, the Commission has been under fire; accused of lacking either purpose or direction. Strong critics of the Commission believe it is a repository for political hacks and has-beens, and many claim its operation has been detrimental to the effectiveness of the Postal Service.

6

The Rate Commission has become, in effect, a rubber stamp for Postal Service rate proposals and has done little to really assess the strengths and weaknesses of postal management decisions.

Current rates are still temporary rates, awaiting final recommendations from the Rate Commission. That decision is expected in the next few months. In the meantime Postal Service is preparing a new rate proposal for submission to the Commission as soon as the current rates are made permanent. It is expected that Postal Service will seek a 25 to 30 percent hike with first class going to 13¢. This would go into effect sometime this summer on a temporary basis.

#### Borrowing Authority

Under the Reorganization Act, Postal Service may borrow money, issue notes, etc. primarily for capital improvement purposes, as long as the aggregate amount of outstanding debt does not exceed \$10 billion. There are however, limitations: in any one fiscal year the net increase in obligations cannot exceed \$1.5B and there is a \$500M limitation on net increases in borrowing to defray operating expenses.

Postal Service has already borrowed \$500M in a public offering to help finance its FY '74 operating deficit. This short term borrowing is to be covered by \$1 billion in long term notes which are being financed through the Federal Financing Bank in FY '75. Borrowing of this type may help short term operating problems but in the long run higher rates for subsidies will be necessary to cover these debts.

#### Federal Subsidies

One of the major underlying principles of postal reorganization was to establish a break-even operation, where eventually users would pay for the services they received. To assist in the transition from the old departmental status, Federal subsidies of approximately \$1.5 billion a year have gone to the Postal Service to help maintain service to all communities and to allow for the phased adjustment of various rates up to full cost recovery levels. These subsidies are (in theory) eventually to be phased out.

7

Subsidies are provided for three purposes:

 To cover old liabilities attributable to Post Office Department employees (approximately \$60M/yr.). 8

- 2. To cover public service cost of maintaining postal operations in communities that may not otherwise be deemed self-sustaining (\$920M/yr. through 1979; then declining by 10 percent each year until 1984)
- 3. To cover the revenue foregone by the Postal Service in carrying certain classes of mail (second, third and fourth class) at free and reduced rates (approximately \$500M/yr., declining over a ten-year period).

Because of public resistance to increased postage rates the prospect of further rate hikes have begun to build pressure in Congress to increase and expand the various subsidies to the Postal Service as a way to stave off these future increases. Legislation already introduced this session by Congressman James M. Hanley (D-NY) would add another \$1 billion a year in taxpayer support by doubling the public service subsidy in an effort to cover increasing costs and hold down the need for increasing rates in the future.

The proposed rate hike this summer is however inevitable and will probably lend strong support to efforts among some vocal members of Congress to reappraise the postal reorganization concept and at a minimum insure action on increased Federal funding for the Postal Service with the possibility of some increased controls over postal management. Subsidies to cover revenue foregone on carrying certain classes of mail at reduced rates have been and continues to be the most controversial issue. Under the Reorganization Act, Federal subsidies were authorized to ease the adjustment for business and non-profit mailers in moving from a historically low subsidized rate to one which is more reflective of the actual cost of the mail service provided. This was done recognizing that mailers could not sustain the rate increases that would be required to recover full costs. A 5-year adjustment period for profit mail and 10 years for non-profit mail was provided as a transition period during which rate increases were to be phased-in equal annual increments.

During the last session of Congress, legislation (S. 411) sponsored by Senator McGee (D-Wyo) was enacted extending this phasing period by three years for profit mail and six years for non-profit mail. To fund this legislation would cost the taxpayers approximately \$750M over the next 13 years. The President has decided (on two different occasions) not to seek appropriations for this additional subsidy.

Special interest mailers (both profit and non-profit) have been relentless in their efforts to secure further subsidies for second and fourth class mail, citing higher than anticipated increases in rates and the "general public" value of their mailings, particularly magazines. Allegations that increasing rates are putting firms out of business have, however, not been substantiated. Postal cost typically only represents five percent of a publisher's overall expenses. This pressure is expected to continue.

1.701-0

Since reorganization, the President has not requested funds for phasing third class mail ("junk" mail or adverticing mail). The Congress has gone along with this recommendation each year and not appropriated these funds. As a result, rates for this class of mail have gone to full cost recovery levels.

#### Summary

The dilemma facing the executive (and legislative) branch is that it is increasingly under fire from various sectors to do something about deteriorating postal services and increasing rates - while it is effectively isolated from being able to influence either. In the long run, postal reorganization might prove to be a success, but the short run problems must be addressed and resolved if that is to be so. Postal operations have a big impact on the Federal budget and a broad spectrum of commerce.

Since reorganization there has been little in the way of a review of postal cost allocations, levels of efficiency, and service, and quality of management decisions. Such information is important if we are to address the evolving policy issues.

In the next few months we will need to address such questions as:

- Should we continue to support the break-even principle in the Act? Is the Postal Service a business or a service?
- 2. Where do we stand on the broad question of public service subsidies vs. higher rates?
- 3. Should mailers be given additional time to adjust to higher rates?

- 4. What steps if any can be taken to control postal costs? e.g., labor costs.
  - 5. What steps should be taken to improve the functioning of the ratemaking process? Should the Administration support amendments to the Act regarding the Postal Rate Commission?

11

#### WASHINGTON

#### March 12, 1975

#### MEETING WITH REP. LOU FREY (R-Fla)

Thursday, March 13, 1975 4:00 p.m. (10 minutes) Oval Office

Via: Max Friedersdorf From: Vern Loen 1/(\_\_\_\_

#### I. PURPOSE

To meet with the President to discuss the proposed solar research institute and high unemployment in Brevard County, Florida.

#### II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

- A. Background:
  - 1.

Unemployment is running about 11% in the Cocoa Beach area.

2.

4.

Frey bitterly opposed the latest 730-man cutback in personnel at Patrick AFB. He hopes to land a solar research institute from ERDA to help offset this and NASA cutbacks.

3. Frey is considering running against Senator Lawton Chiles, (D-Fla) in 1976.

Frey is a member of the House Republican Leadership (Research). B. <u>Participants</u>:

The President Rep. Lou Frey Mike Duval (Domestic Council) Charles Leppert (staff)

C. Press Plan:

White House photographer only

#### III. TALKING POINTS

1.

2.

I can well understand your concern, Lou, about the high rate of unemployment resulting from federal cutbacks and layoffs.

I understand that you have met with Administrator Seamans of ERDA concerning the possible use of the Kennedy Space Center as one of the primary locations for the solar energy research institute. As you know, ERDA will not have developed the site-selection criteria until summer and there are a number of other competing states. I shall see that the Kennedy Space Center is given full consideration if it meets the criteria.

3.

The reason for the cutbacks in military and civilian manpower at various defense installations, is, of course, a necessary response to Congressional cutbacks in the defense budget. The timing was unfortunate in view of the current high unemployment rate in your area and elsewhere. However, if DOD yields on one cutback or transfer of personnel, then the dike is breached for all the others. THE WHITE HOUSE WASHINGTON Xtra cpe FYI Vera

March 5, 1975

MEMORANDUM FOR:

MAX FRIEDERSDORF

FROM:

VERN LOEN VC

SUBJECT:

M.C. Lou Frey (R-Fla)

To refresh our memories, it is vital to Lou that he see the President soon in regard to the solar research institute and high unemployment in Brevard County.

You have the schedule proposal. No Congressional Hour next week, according to Rustand's office. Can you help with a follow-up to Rustand?

If DOD is reconsidering recent base closures, the President may have some good news for him re: Patrick AFB transfer of 730 employees.

#### WASHINGTON

SCHEDULE PROPOSAL Date: February 10, 1975 Thru: Max L. Friedersdorf From: Vern Loen Via: Warren Rustand

Verais Capey

Honorable Lou Frey, R-Fla., Chairman of the House Republican Research Committee

During an upcoming Congressional Hour

To present an overview of District problems, notably high unemployment resulting from NASA and Air Force cutbacks.

The President Rep. Lou Frey Mike Duval (Domestic Council) Yern Loen (Staff)

- The Oval Office - 5 minutes

1.

2.

3.

White House Photographer only

Unemployment is running about 11% in the Cocoa Beach area.

Frey bitterly opposed the latest 730-man cutback in personnel at Patrick AFB. He hopes to land a solar research institute from ERDA to help offset this and NASA cutbacks.

Frey is considering running against Senator Lawton Chiles, D-Fla., in 1976.

APPROVE

DISAPPROVE

DATE:

**MEETING:** 

**PURPOSE:** 

**PARTICIPANTS:** 

FORMAT:

PRESS COVERAGE:

BACKGROUND:

THE WHITE HOUSE WASHINGTON

February 1, 1975

### MEMORANDUM FOR:

: MAX FRIEDERSDORF

FROM:

6

From: M.F.

JACK MARSH

Lou Frey, while in Florida, called and expressed a desire to meet with the President for approximately five minutes on District problems which he would outline in a rather comprehensive memo.

The purpose of the meeting would be to present the memo for consideration by appropriate officials here at the White House.

I suspect that Lou has mentioned this to you but in the event he has not, I am passing it on.

- PG. Joelan-up.

Sched. proposal?

WASHINGTON

Turne E m	l linn - ey met er Seamena (ERDA) ey met er Seamena (NASA)
SCHE	DULE PROPOSAL
Date:	January 27, 1975
Thru:	Max L. Friedersdorf M. /
From	
Via:	Warren S. Rustand

MEETING:

Honorable Lou Frey, R-Fla., Member of the House Republican Leadership (Research)

Before Thursday, January 30

To discuss possibility of locating newly authorized solar institute for solar R & D in the Cocoa Beach, Florida, area.

The President Rep. Lou Frey Dr. Robert Seamans, Director of ERDA Mike Duval (Domestic Council) Vern Loen (Staff)

- The Oval Office - 10 minutes

1.

White House Photographer only

The recent cutbacks at military installations reduced military and civilian employees at Patrick Air Force Base, which is in Frey's district, by 730 personnel. This comes on top of heavy earlier cutbacks in personnel at the NASA facilities there.

- 2. Unemployment is running about 11% in the Cocoa Beach area.
- 3. Frey is seriously considering running against Senator Lawton Chiles, D-Fla., in 1976.
  Chiles has arranged a meeting on Thursday with ERDA and NASA officials in a bid for this solar institute. Frey hopes to upstage him by showing greater influence with the Administration through this meeting.

DATE:

PURPOSE:

PARTICIPANTS:

FORMAT:

### PRESS COVERAGE:

BACKGROUND:

ERDA has the authority under legislation passed last year to establish a solar institute. Frey believes the vacant labs and other facilities at Cocoa Beach should be utilized for the facility.

## APPROVE

(1)

4.

## DISAPPROVE

### Dear Mr. Ashley:

I am enclosing copies of the photographs taken with the President when you presented Miss Teenage America, Miss Karen Petersen.

Mirs. Peter Petersen, Karen's mother, wrote to the President, thanking him for inviting the family and asking for pictures, and I would appreciate if you would let her know that the President appreciated her letter. I am certain she did not know that pictures would be sent automatically.

With warm personal regard, I am

Sincerely,

Charles Leppert, Jr. Special Assistant for Legislative Affairs

Honorable Thomas Ludlow Ashley U. S. House of Representatives Washington, D. C. 20515

Enclosures: #27FE75H3482-18, -22, -24 - 25.

CL:ab

February 28, 1975

MEMORANDUM FOR:

MARJORIE WICKLEIN

VERN LOEN

THRU:

FROM;

CHARLES LEPPERT, JR.

SUBJECT:

Gift from Miss Teenage America of 1975

Karen Petersen, Miss Teenage America of 1975, was introduced to the President by Kep. Lud Ashley on Thursday, February 28, 1975, in the Oval Office and she presented to Charles Leppert of the Congressional Relations staff the attached package for the President and Mrs. Ford in lieu of the painting she intended to present to the President.

Karen's address is 4111 Ariel, Toledo, Ohio.

Attachment

#### WASHINGTON

#### February 26, 1975

MEETING WITH REPRESENTATIVE THOMAS LUDLOW ASHLEY (D-OHIO)

Thursday, February 27, 1975 12:15-12:20 p.m. (5 minutes) The Oval Office

I. PURPOSE

Opportunity for Representative Ashley to introduce Miss Teenage America of 1975, Karen Petersen, who will present the President with a painting she did of an outdoor scene.

#### II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

- A. Background:
  - One of Miss Petersen's teachers, Mr. Ray Grombacher, wrote to Mr. Ashley, asking if it would be possible to arrange a meeting for Miss Petersen with the President.
  - Karen, a senior at the Whitmer High School in Toledo, Ohio, plans to study law and oceanography in college with an ultimate goal of finding new sources of fuel.
  - In the talent portion of the Miss Teenage America pageant Karen demonstrated her painting ability, and will present the President with one of her paintings.
  - 4. She will be accompanied by her parents, Mr. and Mrs. Peter Petersen, and her teacher, Mr. Ray Grombacher.
- B. <u>Participants</u>: The President, Rep. Lud Ashley, Karen Petersen, Mr. and Mrs. Peter Petersen, Mr. Ray Grombacher and Vern Loen (staff).
- C. Press Plan: Announce to the press only David Hume Kennerly photographs.

#### III. TALKING POINTS

- 1. Lud, thank you for bringing Miss Petersen, her parents and teacher in to see me.
- Karen, thank you for this lovely painting. I understand your studies in college will lead toward a career in new fuel discovery. I commend you for striving toward helping the nation solve its number one problem.

WASHINGTON

After February 17, 1975

SCHEDULE PROPOSAL Date: February 11, 1975 From: Max L. Friedersdorf M. Via: Warren S. Rustand

MEETING:

Representative Thomas Ludlow Ashley (D-Ohio) -

Opportunity for the Congressman to bring Miss Teenage America of 1975, Karen Petersen, her parents and sponsor in to meet the President.

DATE:

PURPOSE:

**PARTICIPANTS:** 

The President Rep. Lud Ashley Miss Karen Petersen Mr. and Mrs. Peter Petersen Mr. Ray Gromacher (sponsor) Vern Loen (staff)

BACKGROUND:

- Traditionally, the President meets with each year's winner of the Miss Teenage America pageant.
- This year's winner is Miss Karen Petersen, of Toledo, Ohio, which is in Congressman Ashley's District.
- 3. Elected to the House of Representatives in 1954, Mr. Ashley is Chairman of the Banking, Currency and Housing Subcommittee on International Trade, and also serves on the House Merchant Marine and Fisheries Committee.

APPROVE DISAPPROVE

THOMAS LUDLOW ASHLEY 9TH DISTRICT, OHIO

COMMITTEES: BANKING AND CURRENCY ARCHANT MARINE AND FISHERIES

# **Congress of the United States** House of Representatives Mashington, D.C. 20515

January 16, 1975

2406 RAYBURN BUILDING WASHINGTON, D.C. 20515

DISTRICT OFFICE: FEDERAL BUILDING 234 SUMMIT STREET TOLEDO, OHIO 43604

Mr. Max Friedersdorf Assistant to the President The White House Washington, D. C. 20500

Dear Max:

We've been having some correspondence about the possibility of a personal appointment with the President for my constituent, Miss Karen Petersen, Miss Teenage America 1975, and I'm enclosing a copy of her tentative schedule for 1975 which might be of help in making these arrangements.

I trust you'll continue to keep me posted on developments on this and with best wishes, I am

Sincerely yours,

Thomas Ludlow Ashley, M. C.

Enclosure

M/M Peter Petersen Ray Gromacher teachers Sponsor



THIS STATIONERY PRINTED ON PAPER MADE WITH RECYCLED FIBERS

larol Wright, Personal Manager HISS TEENAGE AMERICA® January 3, 1975 165 Empire Central Place Suite 101 Dallas, Texas 75247 2144638-7531 PERSONAL APPEARANCE ITINERARY Karen Petersen MISS TEENAGE AMERICA 1975 CITY DATE GADATGAD EXPLANATION JANUARY Houston, Texas 23 - 25 Daisy NATIONAL SPORTING GOODS SHOW FEBRUARY Canada orelim. for HT Canada 8 Toledo, Ohio TRADE FAIR Junior Achievement 10 - 14(?)Tampa, Florida PARADES Dr Pepper MARCH Rotary Club 1 Wooster, Ohio LADIE'S NIGHT EVENT Bordentown, N.J. Bordentown SPEAKER IN HIGH SCHOOL N High School 14 - 15 Atlantic City, M.J. Daisy AMER. ASSOC. OF HEALTH, PHYSICAL EDUCATION AND RECREATION CONVENTION APRIL 12 Toledo, Ohio Society Dance MUSCULAR DYSTROPHY (tentative) Club BENEFIT 18 - 20 San Diego, Ca. Daisy NAT'L RIFLE ASSOC. OF AMERICA CONVENTION ~3 - 25 San Antonio, Tx. Dr Pepper BATTLE OF FLEURS PARADE 28 - May 3 Dr Pepper Louisville, Ky. KENTUCKY DERBY MAY -17 - 18 by Sends Toledo, Ohio International INTERNATIONAL FESTIVAL (tentative) Institute-Toledo ? Triay 25 Indianapolis, Ind. Dr Pepper 0110-500-JUNE 0 Toledo, Chio -----KAREN'S GRADUATION 23 Toledo, Ohio Lions Club NATIONAL BLIND GOLFERS ( torrest in the second start and a second start an TOURNAMENT JULY 3 - 6 (?) Daisy JAYCEES B B GUN MATCHES AUGUST 1 - 2 Canton, Ohio Dr Pepper HALL OF FAME PARADE

Dr Pepper

SOAP BOX DERBY

14 - 15 - 16

Akron, Ohio

December 14, 1974

Dear Lud: ---

Many thanks for your Pecember 12 letter in which you request that the President meet briefly with the new Miss Teenage America, Karen Petersen.

I will be pleased to see what can be worked out. I must advise you, however, that with the President's busy schedule the last week of the 93rd Congress, there is little likelihood we can do anything this year. We will be back in touch after the start of the new Congress.

With kindest regards.

Sincerely,

Nax L. Friedersdorf Deputy Assistant to the President

14 WH17/84

House of Representatives Washington, D. C. 20515

MLF:nk

HOLD FOR SCHEDULE PROPOSAL

TLOMAS LUDLOW ASHLEY 974 DISTRICT, OHIO

COMMITTEES: BANKING AND CURRENCY ARCHANT MARINE AND FISHERIES

**Congress of the United States** House of Representatives Mashington, D.C. 20515 2406 RAYBURN BUILDING WASHINGTON, D.C. 20515

DISTRICT OFFICE: FEDERAL BUILDING 234 SUMMIT STREET TOLEDO, OHIO 43604

December 12, 1974

DEC 1 4 1974

Mr. Max Friedersdorf
Special Assistant to the President
for Legislative Affairs
The White House
Washington, D. C. 20500

Dear Max:

The new Miss Teenage America is a constituent of mine, Karen Petersen, 4111 Ariel, Toledo, Ohio, and her desire in life is to meet the President of the United States. Apparently none of her 13 predecessors has ever had this opportunity.

Attached is a letter I've received from one of Karen's teachers and a Toledo newspaper account of the pageant. It goes without saying that I want to be of help in making Karen's desire come true and I'd appreciate whatever attention can be given this request. It appears that a date is left entirely open.

Please let me know what can be arranged and with thanks in advance and best wishes, I am

Sincerely yours,

Thomas Ludlow Ashley, M. C.



Bear Mr. Ashler:

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My name is RAY Grombacher and I Am A teacher in the Toleoo Public Schools On November 30, one of my students, Karen Petersen, won the Miss Techniqe America youth progrant held in Little Rock Arkunsas. As you are aware this is a tremendous honor and pots the city of To topo in the lime light of the untion. Koven is the 14th Miss Teanage America chosen since the paquets inception and I certainly want to make Karens reign the most memorable of All. Known has brought to my attention the none of the previous winners ever has the opportunity to meet the President of the United States. This is one of Karens goals has I feel with your help we can help her obtain it I am enclosing un article publisher in the West Toleoo Hevolo for further buckgroons intormation I realize I am asking a lot but in a conversation with your secventary in Toleon she implied the possibly you would be interested in helping us. In ADDITION, KAREN AND I both wanted to surprise you with a printing (that is one of her tradents I symbolizing the

tot i to creativity of the youth of Toless on the trip to washing ton to meet the President if that possible. Since we exampt surprise you I teel it is imperative that you be informed at our plans. This who has the full sunction of Many Ryun - director of Art. Toleos. I know what I have as ked may be difficult to do but before making A decision on whether you will help known new me plense vemenber Kara battles tremenoous opps to win her title and certainly deserves your care tol consideration. I do hope you will fine time to help. ( A prompt reply would be apprenciateo. Sincerely. RAY Grombacher 2144 Sylumin Apt ill Toleos, Ohio



#### WASHINGTON

#### MEMORANDUM TO THE FIRST LADY

## MEETING WITH THE 1975 POSTER CHILD OF THE NATIONAL ASSOCIATION FOR RETARDED CITIZENS

Wednesday, March 26, 1975 2:00 p.m. (10 minutes) The Map Room

Via: Max Friedersdorf MF From: Vern Loen VI\_

#### I. PURPOSE

For the past 23 years the President or the First Lady has received the annual Poster Child of this non-profit organization to publicize the plight of these retarded persons and assist in their annual fund raising campaign.

### II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

#### A. Background:

- This year's Poster Child, a 13 year-old girl from Milbank, South Dakota, was found abandoned by her parents. The Sheriff who found her, and his wife, later adopted her even though they already had a retarded child of their own.
- 2. This meeting was requested by Rep. Clair Burgener (R-Calif), a former Vice President of the association and himself the parent of a retarded child.
- 3. The child's Congressman is Rep. Larry Pressler (R-SD), who also will attend.
- 4. The Vice President was scheduled to participate in this event today, but necessarily had to cancel because of his mission to Saudi Arabia.

#### в. Participants:

The First Lady

Rep. Clair Burgener

Rep. Larry Pressler

Gladys K. Hall - The Poster Child

Sheriff and Mrs. Ray B. LaRoche

(Foster Parents) of Milbank, S.D.

Mr. Marion Smith - Clearwater, Florida National President of the National Association

for Retarded Citizens

Mr. Paul Marchand - Director of Governmental Affairs, NARC (not in pictures) Vern Loen (White House staff)

Pam Needham (Domestic Council)

c. Press Plan: Wire Services White House photographer

#### III. TALKING POINTS

- I am delighted to participate in this event to help draw public attention to the needs of retarded citizens, both children and adult. across our land.
- 2. I am aware of the dedicated efforts of your non-profit association in assisting these retarded citizens.

3. It is difficult for those of us who are blessed with normal, healthy children to appreciate the problems and the needs of retarded children, but in recent years great strides have been made in helping these victims to become productive citizens.

4. The President joins me in extending greetings to Gladys, her parents, and the association representatives. We hope that this year's fund raising efforts will be most successful.

1.



# national association for retarded citizens

2709 Avenue E East / P.O. Box 6109 / Arlington, Texas 76011 / (517) 261-4961

Carol Burnett, National Honorary Chairman Marion P. Smith. President Philip Roos, Ph D., Executive Director

February 10, 1975

Mr. Marion P. Smith 1884 Oakdale Lane North Clearwater, Florida 33516

Dear Mr. Smith:

After careful sorting of 32 applications from our 1975 poster child contest, (both staff and volunteers were present), Gladys Kay Hall, age 13, a foster child of the LaRoche family, was selected as our number one candidate. On February 4, I visited with Mr. and Mrs. Bud LaRoche in Milbank, South Dakota. Gladys is an unusual child and the LaRoche's are a very unusual family. Thee and one-half years ago Mr. LaRoche, who is a Deputy Sheriff and a member of the Milbank City Police Department, arrested Gladys' father for public intoxication and several other charges. This occurred at approximately 2:30 AM. Mr. LaRoche found Gladys and her 2 sisters alone in an unheated farm house on a bitter, cold South Dakota night. The next day a judge sentenced Mr. Hall to a term in the county penitentiary and was about to commit the three children to a state institution for the retarded.

Instead, Mr. and Mrs. LaRoche, who have two retarded children of their own, decided to take the children into their home as foster children. At the time the children were taken in they were, in the words of social worker Mary Wright, "truly uncontrollable." Their mother, an alcoholic and mentally retarded, had died almost a year before; and the children had received virtually no attention from their father. I state believes that all three children had been the object of serious child abuse. During the time that Gladys has lived with the LaRoche family she has, according to the special education teacher, made "fantastic progress."

This particular candidate has a number of important attributes: 1) The LaRoche family have provided a tremendous example of what love, concern and attention can do for a retarded child. 2) The state of South Dakota has given their promise of full and confident cooperatio with NARC in any public activities that Gladys might be involved in. They feel it would be a tremendous service to all welfare departments across the country in the battle to find foster parents for retarded children. 3) If it had not been for the tremendous charity in the hearts of this family, these children would have all been destined to a grim, desolate life in an out-dated, inadequate state institution. /nstead, they are bright, happy, useful citizens. Gladys' older sister was a winner, in this year's calendar art contest; and her younger sister, Mary, at the age of five, is an accomplished horsewoman. Gladys is a pleasant, attractive girl who will probably come to realize even more development in the years to come. The special education teacher continually expressed her amazement at the progress in the past three years. 4) In addition to all of these things, Mr. LaRoche is an American Indian (Sioux) and is willing to work two jobs to support both his natural family and his foster children. 5) Both Mr. and Mrs. LaRoche are pleasant, outgoing parents who have belonged to the Grant County ARC for 11 years. They have been active as chairmen of "Honey Sunday," and co-chairmen of their annual picnic; and in addition, Mrs. LaRoche was president of the Robert County ARC from 1961-1966, has served as treasurer-secretary and was a member of the Grant County executive board from 1966 to 1974. She also serves on the board of directors of the combined appeals (United Way).

The state welfare department has assured me that Gladys' natural father is most willing and happy to have his daughter serve as our poster child. I would hope this nomination will meet with your approval.

Cordially,

John W. Murray, Jr. Director Public Information

JWM:kb cc: Philip Roos Peg Barry

for retarded citizens John W. Murray Jr. / Director of Public Information 2709 AVENUE E EAST / ARLINGTON, TEXAS 76011 / 817-261-4961

FOR FURTHER INFORMATION CONTACT: Peg Barry

Twelve year old Gladys Kay Hall, of Milbank, South Dakota, . has been chosen as the 23rd poster child of the National Association for Retarded Citizens.

Gladys, a special education student in Milbank, will serve as the 1975 representative for the over 250,000-member organization dedicated to the service of mentally retarded adults and children. Among the highlights of her tenure as 1975 poster child, Gladys will visit the White House and be a guest of honor at the organization twenty-sixth convention in Las Vegas, Nevada, this fall.

Gladys is a foster child of Ray B. and Jane M. LaRoche of Milbank and has lived with the LaRoche family for the past three and a half years. Mr. LaRoche is a police officer in Milbank and serves as a deputy sheriff for Grant County, South Dakota.

In announcing this year's poster child, Marion P. Smith, President of the National Association for Retarded Citizens said: "Gladys doesn't look mentally retarded. She looks like millions of other youngsters. She shatters one of the popular misconceptions about mentally retarded people...that all mentally retarded citizens are in some way physically different.

(more)

#### - WASHINGTON

#### April 1, 1975

MEMORANDUM FOR:

DAVID KENNERLY

THROUGH:

MAX FRIEDERSDORF

FROM:

VERN LOEN VL

SUBJECT:

Photographs

This office requests selected prints taken at the following recent events:

1. The First Lady receiving handicapped child on March 26, particularly shots showing Congressmen Pressler and Burgener.

I understand that both black and white and color photographs were taken.

 Three black and white prints of the photographs taken by Mr. Fitzpatrick when former Rep. John Dellenback presented two carved elephant tusks to me as a gift to the President.

## THE WHITE HOUSE WASHINGTON

## April 10, 1975

MEMORANDUM FOR:

## DAVE KENNERLY

. VERN LOEN VL

SUBJECT:

FROM:

Four copies of 8x10 black and white photos of 26MA75A3806-15

Please send four copies of the above number in 8x10 black and white.

Thank you.

#### WASHINGTON

## April 18, 1975

## MEMORANDUM FOR:

## DAVID KENNERLY

FROM:

## VERN LOEN 1/L

-SUBJECT:

Black and White photos size 8x10 26MA75A3806-15

Please send six copies of the meeting of the First Lady with the 1975 Poster Child and Reps. Clair Burgener and Larry Pressler to room 112EW.