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THE WHITE HOUSE

WASHINGTON

October 4, 1974

THE PRESIDENT'S TRIP TO BURLINGTON, VERMONT

October 7, 1974

BACKGROUND

Mayor Gordon H. Paquette (D), Mayor of Burlington, Vermont is in his second two year term and has indicated he will probably be a candidate for reelection in 1975. The Mayor is a native of Burlington and was in the baking and grocery business prior to entering public life.

Although Burlington is considered a small city (population approximately 38,000), Mayor Paquette has been quite active in the U.S. Conference of Mayors and the National League of Cities and is presently President of the Vermont League of Cities.

Mayor Paquette considers Urban Renewal and local traffic problems to be his greatest concerns as Burlington's Mayor.

The Mayor will be in the greeting party on your arrival in Burlington.



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Should major pending health legislation not be acted upon by the Congress this year, will you resubmit the proposals next year?

Answer:

While I continue to hope that the Congress will complete action on these important bills, I do recognize that time may run out. What the exact form of our proposed legislation would be next year we really cannot say now. But I can say that a high priority will be placed upon ways of reorienting our health care delivery system so that quality health care can be available to all, whether they live in rural Vermont or New York City. That is why I'm so pleased to hear of the innovative efforts underway at the University of Vermont.

Background:

The University of Vermont Medical School is leading the development of an innovative approach to health care known as the Problem Oriented Medical Information System (PROMIS). This entails the use of paramedical personnel in innovative ways and the systematic tracking by computers of problems identified in the patient population served. It also includes a communitycontrolled health center operation in the town of Milton near Burlington. A medical foundation has been set up, with the participating doctors agreeing to accept standard fees and even to limitations on their total incomes to levels determined by the governing board of the organization. A very high percentage of the doctors have signed up but there are some who oppose the concepts and refuse to participate.

> 10/3/74 PGN

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10/3/74 PGN

You may have heard about the computer error that sent \$280,000 in extra SSI checks to 2,400 people in August by mistake. Will the Government really make all those people turn the money back?

Answer:

Yes, I've heard of that unfortunate mistake and I'm as sorry as you are about the misunderstandings it may have caused. But I'm sure you can understand that the Government must do all it can, within certain boundaries of course, to recover that money. The Social Security Administration has that obligation to all the citizens of all the other States as well as to those citizens of Vermont who were not so lucky as to benefit from a computer mistake.

Background:

The Supplemental Security Income (SSI) program developed a computer flaw in August which resulted in some 2,400 persons -- elderly, blind, and disabled -- receiving extra monthly payments checks. The Social Security Administration, which runs the SSI program, sent out mailgrams to the overpaid recipients, advising them of the error and asking them to contact their nearest Social Security office. By mid-September only 1,620 recipients had been contacted, refunds were collected from only 1,160. Many had cashed the checks before the error notices were sent out. Meanwhile, on September 18 the U.S. District Court in Vermont issued a temporary restraining order to prevent the Social Security Administration from collecting those overpayments unless certain procedures were followed. The Governor and State Welfare Director have been very critical of the Social Security Administration, saying they do not feel the SSI recipients should have to return the overpayments.



10/3/74 PGN

WELFARE

Question:

Are you going to be proposing any welfare reforms and if so, how will they affect Vermont?

Answer:

Secretary Weinberger is preparing reform options for me now and should be ready to present them to me shortly. In the meantime, we will continue to stress the need for administrative reform of the welfare programs and continue to ask the States' cooperation in that effort.

Background:

The State of Vermont has put a great deal of effort into attempting to reduce its error rate in the welfare program, but with little success. A review earlier this year showed Vermont was slightly above the national average in payment errors. New administrative actions by the State, working in cooperation with HEW's Boston regional office, hopefully will be effective in reducing the error rate. If not, financial penalties may have to be imposed.

> 10/3/74 PGN

APPLE PICKER DISPUTE WITH LABOR DEPARTMENT

Question:

What about the hassle over hiring of foreign workers to pick apples in Vermont as opposed to the employment of local workers?

Answer:

As you know, it is the duty of the Secretary of Labor, representing the U.S. Department of Labor, to make certain that all local persons who are willing and able to work shall be given jobs before foreign workers are called in. I understand that this was done in Vermont as it has in the past, but certain growers objected to the procedure. As I understand it, at least three growers refused to hire any U.S. workers, once foreign workers had been certified. We are now in the midst of an investigation, and we are questioning persons on all sides who have been directly involved.



ECONOMY

Question:

Vermont is said to be a "tourist" state. Has the business and labor sector been on a par with pervious years?

Answer:

No. Hotels, motels and camps in Vermont have been hurt by the general business downturn.

Background:

Vermont tourism officials say that they fell the energy crisis and gasoline shortages have hurt business very much. For example, employment in hotels, motels, and camps was 8550 a year ago in the peak August period. This year of 1974 it was 8300, which means a drop of 250 persons, mostly area residents who depend on summer work.



UNEMPLOYMENT

Question:

How many unemployed are there in Vermont at the present time?

Answer:

In a work force of 209,800 there are 12,900 who are without jobs.



What is the current Vermont unemployment rate?

Answer:

The unemployment rate for August 1974 is 6.1 per cent as compared to 6.7 per cent in July of this same year. This is in comparison to a rate of 4.6 in August of 1973, a year ago.



What is the labor dispute situation in Vermont?

Answer:

There are no significant labor stoppages in the entire state; the situation in the labor-business world as far as disputes are concerned seems satisfactory.



CHILD HEALTH

Question:

Mr. President, you have proclaimed today Child Health Day. Will your Administration do more in promoting improved child health than the previous one?

Answer:

I can unequivocably assure you that the Ford Administration will be dedicated to the cause of child health. The EPSDT (Early and Periodic Screening, Diagnosis and Treatment) program is being much more fully implemented, and we will make sure that our children's health is not neglected while I'm President.

Background:

The Early and Periodic Screening, Diagnosis and Treatment program (EPSDT) is a Federal-State program of medical care for children in welfare families. It is administered under the Medicaid program. Considerable criticism has been hurled at HEW that EPSDT has not been moving forward fast enough. In many States this is true. <u>In Vermont</u>, a law suit is pending against the State by a local advocacy group challenging the State's slowness in implementing the EPSDT program. HEW is not a party to this suit, but the Department is conducting a review of how EPSDT is progressing to determine if financial penalties need to be imposed against the State for "foot-dragging." There is evidence that the State is doing fairly well.



EDUCATION

Question:

Has Vermont been responsive to the needs of its disadvantaged students?

Answer:

Vermont has been quite active in developing innovative educational programs. For example, Johnson State College in the north central part of the State has developed a major thrust in service to youth from disadvantaged families. They have done this with a combination of Upward Bound, VISTA and other types of assistance from the Federal government. They have turned the institution from a college which served almost exclusively middle income people to one which is reaching significant numbers of low income people.

10/4774 R. D. S.

Vermont

DROP OUTS

Question:

Has the federal government assisted Vermont with its school Drop.out problem?

Answer:

Yes, a program in the Bennington Public Schools for drop-outs and potential drop-outs was initially funded by the Federal Government (OEO) and has been carried on for the last several years with local funds. It includes a concept of work-study which entails holdback of part of the wages earned until the end of the school year as an incentive to the students to stay in school and finish the program. The program operates almost entirely outside the Public Schools although the salaries are paid by the School District.



FALL ENROLLMENT

Question:

Are there any problems in connection with the fall enrollment under the GI Bill?

Answer:

The fall enrollment has proceeded smoothly and no problems have been encountered.

Background:

Enrollment for the fall term is estimated at 1,200 veterans. Except for a very few late enrollments, they are 100% complete as of September 30, 1974. Additionally, 100 veterans are expected to enroll in other education/training programs during the fall period.

10/4/74 R. D. S.

K. D. S. Vermont

GI. LOAN

Question:

What is the status of the Loan Guaranty Program in Vermont?

Answer:

Vermont has 21,493 Home loans guaranteed and insured with a cumulative principal value of \$161,322,772.



VET REP

Question:

What is the status of the Vet Rep on Campus Program in Vermont?

Answer:

Vermont has two Vet Reps who serve on an intinerant basis twentyfive colleges and universities throughout the State of Vermont. Since the beginning of the program through September 30, 1974, they have conducted a total of 161 interviews, which resulted in 79 benefit inquiries. Of these, 73 have been resolved. The Vet Reps have been well received by all educational institutions and are receiving excellent cooperation from school officials and personnel.





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RURAL DEVELOPMENT

Question:

What's being done for rural Vermont?

Answer:

New England rural development loans and grants have increased by 100% over the last two years. Vermont's share was the second highest of the New England States.

Background:

During FY 72, \$98 million was loaned to farmers, rural homeowners, and municipalities in New England. That figure increased to \$213.4 million in FY 74 - a 100% increase.

Vermont's share of the FY 74 rural dollar was \$30,754,640. This includes funding under the Rural Development legislation which permits funding for industrial and community projects. Currently, grants for 4 industrial parks have been given for Vermont.

Farmers Home Administration loans in Vermont were as follows for FY 1974:

	Number	Amount
Farm Programs	- 570	\$7,796,010
Housing Programs	1,095	\$19,087,630
Community Projects	24	\$3, 871, 000

AMB - 10/4/74



Section 8 Housing Assistance Program holds out an opportunity for Vermont to address its housing needs primarily through the use of existing housing stock, and where it is inadequate, through the construction of new housing.

A big plus for Vermont: The Vermont State Housing Authority as an cligible "State Agency" qualifies for set-asides of housing units; based on current expectations it is estimated that through Section 8 the State of Vermont should be eligible for approximately 800 to 1000 dwelling units in the current fiscal year.



AMB - 10/4/74

How much money will Burlington, Vermont receive under the Housing and Community Development Act of 1974?

Answer:

Based on authorized levels, over the six year life of the Housing and Community Development Act, Burlington will receive \$888 thousand or approximately \$222 thousand per year*. The key point to remember is that the decisions as to how that money will be spent will be made by locally elected officials in Burlington not by Washington.

Background:

Burlington will enjoy a constant level of funding a \$222 thousand per year for the next three years. After that Burlington's entitlement declines to nothing in 1980. The reason for this is that the need formula of the C. D. Legislation applied to SMSA's emphasizes population, poverty and density -- none of which are prevelent in Burlington.

The Act authorizes the following total entitlement and/or hold-harmless funding (whichever is larger) for municipalities and urban counties: \$2.5 billion in FY 75; \$2.95 billion in FY 76; and \$2.95 billion in FY 77. This money will be delivered by a formula which is based on need, and the decision as to how that money will be spent will be made at the local level and not at the Federal level.

Burlington, Vermont	(dollars in thousands)	
Prior program level	222	
FY 75 entitlement	222	
FY 76 entitlement	222	
FY 77 entitlement	222	
FY 78 entitlement	148	
FY 79 entitlement	74	

*Under the entitlement formula of population, housing overcrowding and poverty (counted twice) the monies received by the State of Vermont on allocations will decline.

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Will you support the compromise mass transit bill which the House and Senate Conferees have agreed to?

Answer:

Based on preliminary reports of what the Conferees have agreed to, the bill they are preparing appears to satisfy the principles that I stated should be applied to any transit bill. In my Pittsburgh speech and again to a group of Mayors this week, I stated that I strongly supported a six-year transit bill which would allow local and state officials to use a portion of their federal funds for operating costs.

I understand the funding level of the bill agreed to by the S.386 Conferees, is very close to the amounts in the six-year House-passed bill which I have said I will support -- approximately \$11.8 billion.

I am very much in favor of a comprehensive mass transit bill, and accordingly to preliminary reports, the Conferees Committee compromise meets all my objectives, and if this holds true, it will have my full support.

M. Duval 10/4/74

LEASING THE ATLANTIC OCS FOR OIL AND GAS DEVELOPMENT

Question:

Apparently the Interior Department has decided to proceed with leasing and drilling for oil off the Atlantic Coast and in the Gulf of Alaska - despite strong opposition from environmentalists, coastal states and others. Does the President support this reckless decision?

Answer:

No decision has been made to hold a lease sale for oil and gas production on the Outer Continuntal Shelf (OCS) lands in the Atlantic, Gulf of Alaska or for new sales off the West Coast.

Our Nation needs new domestic sources of oil and natural gas. The Outer Continental Shelf lands are a leading potential source. Contingency planning and studies focused on OCS areas are underway and have been for some time. This includes studies of environmental impact required by the National Environmental Policy Act (NEPA).

In order to comply with NEPA, draft environmental impact statements must be prepared, circulated for comment and public hearings, and then a final statement prepared before a decision can be made to proceed with a lease sale.

In addition, no decision can be made with respect to the Atlantic Coast areas until there has been a formal decision by the Supreme Court on the U.S. vs. Maine case which is concerned with rights of the coastal states vs. the Federal government with respect to outer continental shelf lands.

The Interior Department memorandum referred to in the Washington Post on October 4 does nothing to change these procedures and requirements. It merely calls for planning and scheduling alternatives.

Again, Interior Department has made no decision to proceed with a lease sale.

Background:

A routine Interior Department memorandum calling for alternative leasing schedules resulted in an October 4 Washington Post story indicating that the Federal Government was going to proceed with leasing the OCS without regard to environmentalist and coastal state objections.



Why were dairy import quotas increased last year and what has the import situation been since then?

Answer

Reports to the effect that dairy imports are enormous and have come to dominate our export market are not true. Imports account for only a very small fraction of our supplies.

Background

Quotas were temporarily increased last year because of tight supplies for some manufactured dairy products, and even then, while imports were larger than normal, they amounted to only 3.3 percent of our milk production. All of the quota increases have expired, and since the beginning of April, imports have been at their normal rate of about 1.5 percent of our milk production. They are expected to remain at that level for the foreseeable future.

M. Duval (N.R.)

10/4/74

What is the current situation and outlook for dairy?

Answer

Milk production in July and August moved above a year earlier for the first time since September 1972. However, expected high feed prices may reduce milk output later in 1974 and early next year. For all of 1974, milk production will likely total about 1-1/2 percent below 1973's 115.6 billion pounds.

Background

Farm prices of milk are now strengthening seasonally and are likely to continue rising during the rest of this year. However, this follows fairly sharp declines this past spring and summer. Retail dairy prices have dropped this summer for the first time in nearly two years. Seasonal increases in retail prices are likely later this year, but should not match the sharp rises of last fall and winter.

Commercial disappearance of milk in all dairy products was down one percent from a year ago in January-August. The decline in fluid milk sales has slowed as retail fluid milk prices have declined. USDA purchases under the dairy price support program increased this summer, and nonfat dry milk continues to be sold to USDA by the industry.

M. Duval (N.R.) 10/4/74

RURAL DEVELOPMENT IN NEW ENGLAND

Question

Since New England is comprised largely of medium to small towns and rural area, it would be assumed that the six-state area would be a prime target for rural development. In fact, is that true?

Answer

Yes, it is. The loan programs of the Farmers Home Administration provide good criteria as to what is happening here. During fiscal 1972, just over \$98 million were loaned to farmers, rural homeowners and municipalities in New England.

Background

In fiscal 1974, the total had grown to \$213.4 million--up well over 100 percent, and the variety of services increased greatly, too. Loans for health care facilities and for fire stations and ambulance services were among those made for the first time last year under the new authority given the Department of Agriculture by the Rural Development Act of 1972.



M. Duval (N.R.) 10/4/74

FEA's PROPOSAL TO STOP ALLOCATION OF RESIDUAL FUEL OIL

Question:

In August FEA proposed regulations to discontinue the allocation of residual fuel oil. This would have been harmful to New England. Are you going to let FEA proceed with their plan?

Answer:

It is quite correct that the regulations Federal Energy Administration (FEA) published for comment in August would have stopped Federal allocation of residual oil.

The New England Congressional delegation and others in New England expressed great concern about the proposed regulations and FEA has decided not to put them into effect.

Background:

- . The regulations were published for comment in August as the first significant step in attempting to remove the Federal Government from petroleum allocation.
- The New England independent oil companies strongly opposed the regulations and lobbied successfully with the New England delegation.
- . There was also disagreement within the Executive Branch concerning the regulations -- resorting in the decision to withhold action indefinitely.



M. Duval (G.S.) 10/4/74

Will we be able to get the oil and gasoline we need in Vermont this year or do we face shortages?

Answer:

The current outlook is that there will be an adequate supply of petroleum in the New England States this winter but everyone must continue to work to conserve energy -- both to assure that supplies will be adequate and to help reduce our Nation's demands for imported oil.

One exception in the supply picture is that propane will be in relatively tight supply. FEA is watching this situation carefully.



M. Duval (G.S.) 10/4/74

We have several hundred low-income families in Vermont that still rely on coal to heat their homes and supplies may be short this winter. Will the Federal government help out?

Answer:

The Interior Department and the Federal Energy Administration (FEA) are aware of the potential shortage.

I understand that the State government is following this potential shortage situation very carefully. We believe the State is in the best position to deal with it, but the Interior Department and the Federal Energy Administration are keeping in close touch with the State officials on it and will help where they can if the problem does become serious.



M. Duval (G.S.) 10/4/74



Recently, Charles Goodell, the head of the Clemency Board, said thousands of draft resistors now living in Canada could go home "scot free" because they are not known to Federal authorities as being draft evaders.

Answer:

Those draft evaders who are under indictment, or presently under investigation for draft evasion, are subject to our criminal justice system. It would be unfair to them if an individual who has violated the law, were to go "scot free". If a suspected draft evader turns himself in to the U.S. Attorney, he is subject to investigation, possible indictment, possible conviction, and possible incarceration. If he signs up for alternate service, he is then guaranteed there will be no possible conviction or imprisonment.



FLM 10/04/74

Can a former U.S. Citizen, who because of draft evasion or desertion renounced his citizenship and is now a Canadian return to the U.S. and take alternate service?

Answer:

No, excludable aliens are not eligible for the Clemency Program.



FLM 10/04/74

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What do you intend to do about the increasingly serious illegal alien problem facing this country?

Answer:

It is true that this country is flooded with illegal aliens. We estimate that only one out of four or five who entered illegally was apprehended. The attraction that brings these millions here is economic, the jobs and the pay. Recently, this Administration asked Congress to amend the earlier budget submission by adding \$3.5 million for programs in this area.

Now awaiting passage by the Senate is H. R. 982, which was introduced by Chairman Rodino of the House Committee on the Judiciary, making it illegal to knowingly employ an illegal status alien or one who is otherwise ineligible to accept employment. This legislation has been approved and passed by the House of Representatives and its enactment into law will significantly reduce the incentives for futher illegal entry.

Background:

Recent estimates suggest that there are upwards of five million illegal aliens in this country. They have an adverse impact on our society in a number of ways. Since they are willing to work for lower wages, they displace U.S. citizens from jobs and thereby create unemployment. They create a substantial drain on state and local community services including schools, welfare systems and health services.



FLM 10/04/74

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Is Attorney General William Saxbe trying to put statesanctioned lotteries out of business?

Answer:

No. He is trying to bring the state lotteries into line with existing Federal criminal statutes, either by asking the states to conform to the Federal laws or having Congress pass legislation that would permit the states to operate within the law. If this fails, Mr. Saxbe is considering filing a Federal civil suit and let the courts decide the issue. Mr. Saxbe has promised that he will bring no Federal criminal action against any state, its lottery agency, or anyone who participates in the lottery.



FLM 10/04/74