

Supplemental
materials - Chapter III

A CASE STUDY: THE ROLE OF CAAS
IN ACHIEVING COORDINATION AT THE LOCAL LEVEL

(Extracted from Bertrand M. Harding
testimony before the Muskie Subcommittee
on Intergovernmental Relations, November
17, 1966).

Total Action Against Poverty, (TAP), the community action agency for the City of Detroit, is a municipal agency operating as part of the Mayor's Office. Its governing body is the 41-member Policy-Advisory Committee, which includes 16 representatives of the city's target areas.

TAP emerged from a combination of forces operating within the Detroit area in the year prior to the passage of the Economic Opportunity Act. From the first, TAP represented an effort to include and coordinate the resources of all the public and private agencies -- Federal, State, and local -- with responsibilities and missions in the anti-poverty field.

In 1963, the Detroit area faced a serious problem of continuing unemployment. In January 1964, Mayor Jerome Cavanagh convened a meeting of Federal, State, and local officials in the manpower field to determine what could be done to attack the problem of hard-core unemployment. As a result of the discussions of this group, the Mayor appointed an Advisory Committee to study the problem and develop an action program. The Committee is comprised of representatives from the Detroit Public Schools, the Catholic Archdiocese, the Greater Detroit Employers Association, the Board of Commerce, the United Automobile Workers, the Detroit Department of Health, the Metropolitan Employment Opportunity Committee, and various other public and private social service agencies.

Part of the groundwork for the Mayor's Advisory Committee had already been laid through two related efforts by the Juvenile Delinquency Program, operated under a Federal grant, and the Community Renewal Program, an arm of the Mayor's Office for community planning.

Mayor Cavanagh directed CRP to provide staff support to the Advisory Committee. In addition, staff from other city agencies was also assigned to work with the Committee. Under joint city and Housing and Home Finance Agency (now HUD) funding, CRP contracted with Greenleigh Associates to undertake a two-pronged study: (1) a social-economic survey of 2,000 low-income families, and (2) an evaluation of the effectiveness and relevance of the programs of the various public and private social service agencies in meeting the needs of the poor.

In June 1964, the Advisory Committee published its master plan for Total Action Against Poverty, and the Detroit anti-poverty program was launched. The Mayor's Advisory Committee became TAP's governing body, the Policy-Advisory Committee. In the months since its formation in April it had expanded to include state agency membership from the Michigan Employment Security Commission, the Michigan Department of Public Instruction, and the Michigan Department of Public Welfare. In August, TAP submitted its initial grant application to OEO, and in November TAP was among the first community action agencies in the nation to be funded.

From the beginning, as you can see, the program was characterized by broad mobilization of Federal, State, and local resources and coordination of public and private poverty-related programs:

Two special committees have been formed to focus on and coordinate anti-poverty efforts among Federal and State -- as well as local -- agencies in particular functional areas. One of these, the Coordinating Council, composed of State and city officials in the health, education, and welfare field and representatives from the Chicago Regional Office of the U. S. Department of Health, Education, and Welfare, grew out of a series of ad hoc meetings called by the Mayor to develop a comprehensive and coordinated approach to the joint funding of health and welfare plans between OEO and other Federal agencies.

The second special interjurisdictional coordinating committee is the Manpower Council. It includes representatives of the Michigan Employment Security Commission, the Detroit Public Schools, and the MDTA Skills Center; the operating heads of Detroit's four anti-poverty manpower programs and officials representing NYC and the Bureau of Apprenticeship Training.

Within TAP itself there are several mechanisms for interagency coordination. One of these is the TAP Policy-Advisory Committee operating through program subcommittees. These subcommittees are composed of members from various public and private agencies and organizations with responsibilities or interests in the subcommittees' program jurisdiction. A good example is the Employment Subcommittee, with representatives from the Big Three Auto manufactures -- General Motors, Ford, and Chrysler -- the UAW, the Greater Detroit Employers Association, the Board of Commerce, the City of Detroit, the MESOC, and target area residents. All TAP manpower programs are in part developed and reviewed by this Subcommittee.

Another mechanism was the TAP Administrative Council which was necessitated by the peculiar problems of delegate agency/grantee relationships in Detroit.

The checkpoint procedures, being jointly developed and installed by OEO and other Federal agencies with related programs are increasingly being applied in Detroit. They provide a further mechanism for insuring interagency coordination in the poverty program.

So here we have a picture of the birth of a community action agency, and how it fits into, and meshes with, the complex of governmental bodies, state and local, which serve the same community. This picture has essentially been duplicated in hundreds of cities, towns and rural areas throughout the nation.

Of course, it all doesn't work out as smoothly in practice as it can be stated here. In fact, Mayor Cavanagh himself stated in a recent speech:

"By no means are those Policy-Advisory Committee meetings easy ones to chair or free of conflict. In fact, things often get pretty hot. But those conflicts are creative and productive because they provide the forum for resolving the competing claims of various agencies and make the programs accountable to the people they serve."

OTHER EXAMPLES OF CAA-INSPIRED COORDINATION
AT THE LOCAL LEVEL

Coordination of local, Federal, and State programs operates on at least three levels in local communities. First: the Community Action Agency, itself, is a representative group of local public agencies and private organization; second, specific interagency programs are especially developed for local situations; and third, many multi-purpose neighborhood centers bring together services and personnel of numerous agencies in one physical location.

Several specific examples of the kinds of interagency projects which have improved government services to the poor would include:

Miami - In a jointly funded Head Start project, the local CAP used its funds to staff and operate mobile classroom units which were purchased with funds available to the local school district under Title I of the Elementary and Secondary Education Act.

New Haven - The local New Haven CAP has an interagency manpower project serving 1,300 youth and 870 adults. The project provides for four Employment Centers and a Skill Center, training allowances, counseling, guidance, and placement services. Of the total cost of approximately \$2.75 million, CAP has put up 19.3% with other funds being supplied by BES, MDTA, Vocational Rehabilitation, BAT, OMAT-E&D, and others.

Los Angeles - OEO has financed through the Los Angeles CAP, two centers for youth training and employment in east and south-central Los Angeles. CAP funds of approximately \$1.8 million will be used for center staff, administration, pre-vocational training, counseling, and guidance. The total manpower program will serve 3,000 youths and also will utilize private vocational schools and \$2.8 million of MDTA funds for training costs and allowances. The program is augmented by a contract with the Neighborhood Youth Corps for 2,000 youths in both work crews and in agency placements that are recruited under OEO-CAP support. The Centers also have a contract with BAT for 500 OJT placements.

Mississippi - Joint OEO-Dept. of Agriculture, Project HELP: a direct
distribution surplus food program to aid 600,000 persons.

- Coahoma Opportunities Inc. - a joint OEO-Labor program
of adult education and job training for 1,000 unemployed
farm workers and part-time educational services for an
additional 6,500 adult in 13 Mississippi Delta Counties.

Check on attorney adviser

October 19, 1965

MEMORANDUM FOR: Ted Berry
Fred Hayes
Jule Sugarman

FROM : Clint Bamberger

SUBJECT : Functions and Staffing for Legal Services Office

The final document directed to this subject will depend upon the project manager charter proposed by the Community Action Program Structure document, dated October 6, 1965. That latter document states a fundamental principle that the success of the Legal Services Program will not depend entirely on local initiative but will "require concentrated national stimulation and unified managerial direction."

FUNCTIONS

Objective

Marshal the forces of law to combat the causes and effects of poverty.

Methods

- (1) Provide legal representation and counselling for poor people.
- (2) Effect legislation to eliminate causes of poverty.
- (3) Educate the poor to know legal rights.
- (4) Educate those who work with the poor to recognize legal problems and appreciate legal assistance.
- (5) Educate lawyers to recognize and discharge obligations to the poor.

National Office

- (1) Manage the nationwide legal services program.
- (2) Train (staff and) consultants.
- (3) Develop policies, programs and recommendations on funding.
- (4) Coordinate legal services with other OEO Programs.

- 4
- (5) Manage information and policy coordination systems to inform and guide prospective grantees, regional office personnel and consultants.
 - (6) Review applications originated and processed in regional offices.
 - (7) Develop programs and process applications with national involvement originated in the national office.
 - (8) Monitor and evaluate the programs.
 - (9) Report to the CAP Director and the OEO Director.

(See also the description of functions of the legal services project manager in the document entitled "Community Action Program Structure, October 6, 1965.")

Regional Office

- (1) Implement policies and program planning by stimulating and providing assistance for the submission of applications.
- (2) Inform national office of program developments.
- (3) Assign and coordinate consultant assistance for prospective grantees.
- (4) Manage information and coordinate policy with local community action agencies.
- (5) Process applications originated in region for submission to the national office.

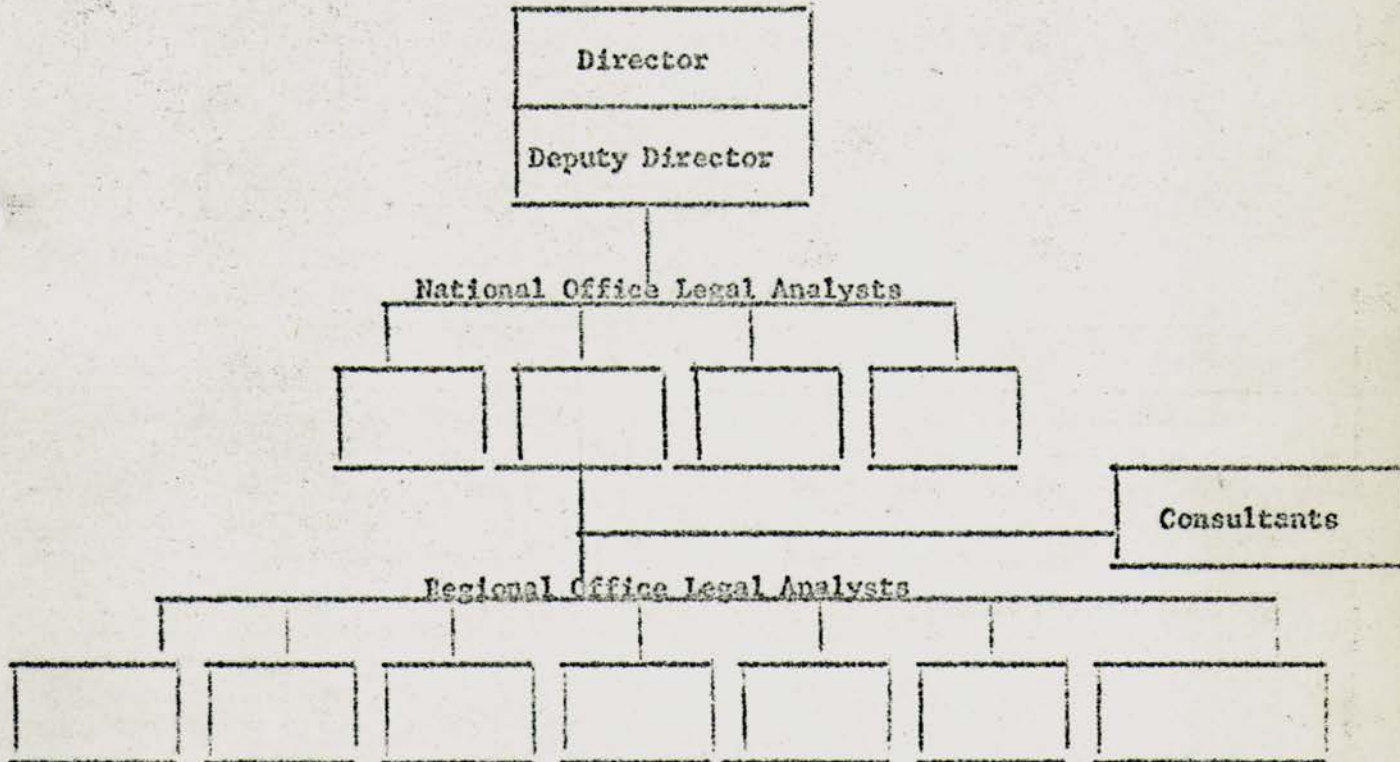
Summation

Personnel of the Legal Services Program ought to be involved with community action agencies, community organizations, lawyers, legal aid societies, and bar associations at the initiation of proposals. From that point on, we should be able to effectively guide the proposals so that once they have run the gamut of approval by community action agencies, bar associations, legal aid societies, law schools and other community groups, there will never be the necessity of going back down and running through the same process because OEO at the regional or national level had not effectively communicated its policies. Considerable authority should be delegated to regional office personnel. The approval process at the

regional level should be so well done that the approval process by the legal services personnel in the national office will be minimal. Obviously, this requires competent people at the regional level with the ability to discharge this responsibility and with effective policy direction from the national office.

STAFFING *

National Office



* The Director

The Deputy Director/CS-15 or CS-16.

National Office Legal Analysts/CS-11's to CS-13's.

Regional Office Legal Analysts/CS-12's to CS-14's.

Supporting secretarial help for the national office should include:

An Administrative Assistant at CS-9 level for the Director;

A competent secretary at the CS-7 or CS-8 level for the Deputy;

Three competent steno-typists at CS-6 level for the four national office legal analysts.

The Director and the Deputy Director are hired as consultants or experts. The four national office analysts, the administrative assistant and the secretary in the national office would be permanent positions. The three steno-typists would be temporary positions. For regional analysts, we should establish one permanent legal services position in each regional office at an average GS-13 level.

Consultants

We estimate the use of 400 consultant days in the next fiscal year.

TABLE I

AWARDS FOR COMPREHENSIVE HEALTH SERVICES PROJECTS

As of March 1, 1968

	<u>No. of Grants</u>	<u>Amount</u>
FY 1965	2	\$1,973,666
FY 1966	10	7,771,509 ¹
FY 1967	39	50,620,042 ²
FY 1968	6	7,307,265 ³
	<hr/>	<hr/>
TOTAL	57	\$67,672,482 ⁴

1. Includes 3 planning grants equalling \$105,941
2. Includes 4 planning grants equalling \$201,050
3. Includes 3 planning grants equalling \$85,344
4. The 10 planning grants equal \$392,335

TABLE II

AGENCIES ADMINISTERING COMPREHENSIVE
HEALTH SERVICES PROJECTS

	<u>No. of Projects</u>		<u>Amount of Awards (\$1,000)¹</u>	
Hospitals	13	(29%)	\$23,191	(34%)
Health Departments	9	(20%)	11,895	(18%)
Medical Schools	6	(14%)	14,247	(21%)
New Health Corporation	6	(14%)	10,924	(16%)
Group Practice Plans	3	(7%)	1,845	(3%)
Medical Societies	2	(5%)	3,881	(6%)
Other Agencies	5	(11%)	1,689	(2%)
	—	—	—	—
 TOTAL	 44 ²	 (100%)	 \$67,672	 (100%)

1. As of March 1, 1968

2. Includes 3 current planning grants

TABLE III

GRANTEES FOR COMPREHENSIVE HEALTH SERVICES PROJECTS

	<u>No. of Projects</u>		<u>Amount of Awards (\$1,000)¹</u>	
Community Action Agencies	31	(70%)	\$45,226	(67%)
Medical Schools	3	(7%)	9,948	(15%)
Health Departments	3	(7%)	4,611	(7%)
Hospitals	2	(5%)	4,511	(6%)
Other Agencies	5	(11%)	3,376	(5%)
	—	—	—	—
TOTAL	44 ²	(100%)	\$67,672	(100%)

1. As of March 1, 1968

2. Includes 3 current planning grants

TABLE IV

			OEO Grants (000)			Pop. To Be Served	Est. Per-Capita Cost
			Total	Current	Previous ^{1/}		
TOTALS			\$67,674	\$56,924	\$10,750	950,000	\$140 3/
Ala.	Lowndes	8727	\$ 72	\$ 72	\$	12,000	\$230
	Montgomery	8467	16	16		20,000	210
Cal.	Alviso	8908	448	448		5,000	230
	East Palo Alto	8433	1,203	1,203		12,000	190
	King City	9682	627	627		10,000	210
	Los Angeles	9535	4,941	2,558	2,383	30,000	170
	San Francisco	8930	2,075	2,075		21,000	190
Col.	Denver-Eastside	8810	4,142	3,024	1,118	50,000	110
	Denver-Westside	8810					
Fla.	Miami	8917	1,676	1,676		20,000	200
Ga.	Atlanta	8933	2,202	2,202		30,000	140
Ill.	Chicago-Mt. Sinai	8379	720	720		20,000	130
	Chicago-Pres.-St. Luke	8125	3,820	2,622	1,198	20,000	160
Kty.	Floyd County	8986	469	469		20,000	100
	Leslie County	8988	775	450	325	15,000	130
	Louisville	8873	1,448	1,448		18,000	170
Md.	Baltimore	8894	1,826	1,826		28,000	140
Mass.	Boston-Columbia Point	8816	5,007	3,418	1,589	20,000	240
	Boston-Roxbury	8925	1,463	1,463		30,000	130
Mich.	Baldwin	8903	943	943		15,000	200
	Detroit	8931	2,860	2,860		33,000	120
Minn.	Red Lake	8867	350	350		4,000	200
	Bolivar County	8816	2/			(14,000)	(120)
	Mound Bayou	8786	1,256	1,204	52	14,000	120
Mo.	Kansas City	8963	2,038	2,038		25,000	180
N.Y.	N.Y.-Gouverneur	8874	2,992	1,025	1,967	40,000	100
	N.Y.-L.I. College	8911	1,282	1,282		20,000	160
	N.Y.-Lutheran	8915	707	707		30,000	120
	N.Y.-Montefiore	8815	3,255	1,284	1,971	35,000	130
	N.Y.-Provident	8796	1,679	1,679		30,000	120
	N.Y.-St. Luke's	8928	939	939		30,000	120
	N.Y.-St. Mary's	8912	995	995		30,000	140
	Rochester	8771	1,237	1,237		30,000	110
	Syracuse	8725	1,547	1,547		30,000	120
Ohio	Ballaire	8868	404	404		5,000	240
	Cleveland	8897	1,878	1,878		30,000	150
Okla.	Tulsa	8898	1,482	1,432		25,000	150
Ore.	Portland	8392	814	814		10,000	250
Penn.	Philadelphia-Hartranft	8743	3,628	3,628		40,000	130
	Philadelphia-Nicotom	8743					
	Pittsburgh	8805	1,772	1,772		25,000	130
Tenn.	Chattanooga	8870	100	50	50	25,000	130
	Nashville	8935	1,599	1,502	97	18,000	190
W.Va.	Beckley	8883	987	987		25,000	130

1/ Cumulative

/ Included in grant #8816

// Average

2/20/68

Appendix

February 6, 1964

ORGANIZATION OF THE "POVERTY PROGRAM"

[This is an outline of a more detailed paper which will be prepared later. Some of the organizational aspects cannot be settled until decisions have been made with respect to the substance of the program. Because of this fact, a number of the organizational points in this outline have been treated in a very general way -- they will be made more specific at a later date when these decisions have been taken.]

General. There are two possible roles for a central Director of the poverty program.

1. As a chief adviser to the President on the strategy of the attack on poverty, and a focal point for achieving voluntary coordination among various agencies. In this case, all programs would be run by the agencies, and all funds would be appropriated to them. The Director would have a staff and coordinating function only.

2. As Director of an operating program with newly appropriated funds and some access to existing agency funds. His major function would be to initiate in local communities a coordinated "package" or "packages" of existing and newly authorized activities directed against poverty, in an intensive way.

We strongly believe that the second route (2) should be chosen. If the "poverty bill" simply provides for setting up several new nationwide categorical programs, there is no rationale for establishing a separate unit to handle these programs. Existing Federal agencies can carry out any new single-purpose programs, and Congress -- quite rightly -- will balk at setting up a separate unit.

The unique contribution of a new attack on poverty lies in putting together program "packages" in selected local communities. This approach will make it possible to accomplish major objectives which require bringing together several different programs and sources of funds in a way which no existing agency could provide. These packages need not, initially, be comprehensive. They should be viewed as "modules" which eventually can be joined into comprehensive local programs. In planning the content of these packages for the first year, it is essential that they be chosen in a way which will eventually fit into a comprehensive plan. For example: One package which has been discussed is the provision of counseling, health, job training, and basic education services for selective service rejectees. This -- by itself -- is probably a wrong approach. We believe a more

fruitful approach would be to consider the problem of lower-income, teen-age youth in poverty-stricken communities. A "package" of counseling, health, job training, and basic education services could be provided, for which all such youth in program areas would be eligible -- boys and girls. In turn, the selective service screening system would provide a major input into the system -- but there is no reason to restrict the "package" solely to such youth.

This is the rationale on which we have based the organizational and financial outline described below.

Organization.

1. An Agency [for Economic Independence ?] will be established:
 - a. As an independent agency
 - b. Outside of the Executive Office of the President
2. This agency will be headed by a Director, appointed by the President, with the advice and consent of the Senate.
3. There will be established a Federal Council [on Economic Independence ?] composed of the Director, the Secretaries of Labor, Health, Education, and Welfare, Agriculture, Commerce, and Interior, the Attorney General, the Administrator of the Housing and Home Finance Agency, and the Chairman of the Council of Economic Advisers. This Council will assist the Director in:
 - planning the overall strategy of the attack on poverty
 - coordinating the activities of the various Federal agencies in this effort
 - making available staff assistance to the Agency [for Economic Independence ?]
4. The Director will have the following basic responsibilities:
 - a. Advising the President on the overall strategy of the Administration's attack on poverty.
 - b. Stimulating and assisting local communities and State governments in drawing up plans for a "package" or "packages" of programs. (These packages may contain both new program concepts provided in the "poverty bill" and existing Federal, State, and local programs.) In some cases, the Director will have to carry the primary burden in drawing up local plans.

- c. Approving programs of local communities -- both partial and comprehensive -- and thereby making these communities eligible for the assistance provided in the "poverty bill."
- d. Coordinating, through the Federal Council, the activities of the various Federal agencies in carrying out activities authorized by the "poverty bill."
- e. Drawing up financial plans and allocating funds provided in the "poverty bill," as indicated below.

Financing.

1. The \$500 million of funds made available in the "poverty bill" will be appropriated to the Director.
2. Each quarter the Director will draw up a prospective financial plan. This plan will indicate, for the following quarter:
 - a. Funds to be applied by program
 - b. Sources of funds: This will encompass both funds appropriated in the "poverty bill" and such funds from other agency appropriations, as are required in the program "packages" approved by the Director.
3. The prospective financial program will be submitted to the President for approval, and upon approval all funds incorporated in the program shall be reserved for use by the Director (including funds from regular agency budgets)

[Legislative language will be required to make this arrangement binding.]
4. Legislative language can be provided, in the "poverty bill," to make it possible for the Bureau of the Budget to apportion funds from regular agency accounts for use in programs approved by the Director. This procedure would reserve funds a year in advance. In the first year of operation, however, it might not be feasible to make such an apportionment a year in advance -- the program would be so new as to preclude firm estimates of how much would be needed from each agency program. In any event, Presidential approval of the financial plan would be equivalent to reserving funds for use by the Director on calendar quarters in advance.

Two points require heavy emphasis here.

- First, the only rationale for apportioning or reserving some part of regular agency funds to be used for activities in accordance with programs approved by the Director is that

these individual activities are part of a package which must be treated in one piece. Without this central concept, such apportionment or reservation would be viewed simply as establishing duplicate responsibility for the same program.

- Second, in most cases, the funds will actually be spent and the operations carried on by existing agencies. Apportionment and reservation simply provide a mechanism for assuring that these activities will be carried out in a manner which is consistent with the program "packages" approved by the Director.

5. In some cases, the Director will presumably make direct grants to local communities. However, the detailed procedure of disbursement, auditing, and financial records should probably be handled for him by HEW.

Staffing. We are not prepared, at this time, with any detailed staffing pattern. A number of decisions on program content will have to be made before this can be done. However, some general points can be established:

1. The headquarters staff of the Director should be composed of two elements:

- direct staff, on the payroll of the Agency [for Economic Independence]. These should be mainly generalists who can evaluate program proposals from an overall standpoint.
- specialists in individual program elements, detailed from the various agencies.

2. To the maximum extent feasible, the Director should rely on existing agencies for the detailed operation of the program which he has instituted or approved. The headquarters staff will then be kept to the minimum necessary for planning broad program review and approval, and evaluation.

3. It is essential that the Director have a highly capable field staff. These field representatives would have two chief functions:

- first, stimulating local communities to cooperate with the Federal Government in developing program "packages" (and ultimately, comprehensive community action programs).
- second, providing a focal point at the local level for bringing together diverse Federal programs, breaking bottlenecks, getting information, etc.

4. Tentatively, the major components of the Agency might be as follows:

- Director's office

Legal, congressional liaison, public relations.

- Assistant Director for Program Development

(Basic program development, the review and evaluation of local program packages, and interagency coordination. Small agency staff assisted by experts on detail from existing agencies.)

- Assistant Director for Field Operations

(Supervisor field representatives, has responsibility for relation with State and local governments and private organizations. Needs very small Washington staff.)

- Assistant Director for Administration and Finance

(Draws up quarterly financial plans, allocates funds, handles housekeeping chores. Since the burden of detailed financial accounting and auditing will be carried out by the individual agencies, this also should not be a large staff.)

STATEMENT BY SARGENT SHRIVER ON THE IMPACT OF 1967
ECONOMIC OPPORTUNITY LEGISLATION, TUESDAY, NOV. 22, 1966

In the 3 weeks since the President signed the Office of Economic Opportunity appropriation and authorization bills, we have received from communities across the country expressions of serious concern about the impact of recent legislative action on the War Against Poverty.

The purpose of today's press conference is to clarify the impact of that legislative action.

This impact will be great and grave. A triple blow has been struck at our ability to extend the War on Poverty to the poor of urban and rural America.

If the President's bill had been passed, we would have been able to meet a reasonable part of local demand. All programs would have moved ahead in a coordinated attack on poverty. But now, instead of modest progress in all programs, we are forced to project some greatly and retreat on others almost entirely. This falls most heavily on locally initiated Community Action programs.

First, \$740 million was earmarked for Head Start, Neighborhood Youth Corps, and Neighborhood Health Centers, 45 percent of the total War on Poverty budget. We are very much in favor of these programs, having first proposed them and gained Congressional support for them. But the result of this legislative action is to reduce money available for local solutions to local poverty.

Second, the already "irreducible minimum" appropriation the President requested was cut by \$138 million. Almost all of this was taken out of Community Action funds. In fact, because of the combined effects of earmarking and cuts in appropriation, this agency will have \$166 million

(More)

...ss in unearmarked Community Action funds than the minimum need expressed in our budget request. And \$66 million less than communities actually spent in 1966.

Third, programs were added which we did not ask for, without additional funds provided to finance them. This has further reduced funds available to maintain existing programs already mounted by local Community Action agencies.

The result of these three actions taken in combination will cause extreme hardship on Community Action agencies throughout the nation. The impact will be especially harsh on those cities which were able to organize themselves early and which now have successful on-going programs.

For example:

Atlanta, which would need \$5.7 million just to continue the programs funded last year, will probably receive \$3.8 million.

All of it coming out of programs developed by the Atlanta Community Action agency itself.

Washington, D C., would need \$11.8 million simply to finance on-going programs in Fiscal 1967. It will probably receive \$7.3 million.

(More)

Los Angeles would have needed \$30.9 million to continue its 1966 program. It will be cut by almost \$10 million. All of it in programs developed locally to meet local conditions of poverty.

The cuts for Community Action Programs in cities are equalled by the difficulties the Congressional action will impose on rural America. Rural Community Action agencies which have programs well under way will be as badly hit as the larger cities.

In addition, few if any new Community Action agencies can be established in Fiscal 1967, which affects rural America particularly.

We have tried to guide communities in deciding where cuts in programs should be made by establishing a system of priorities. But even programs we consider to be of less benefit than others are important to the communities which developed them.

- We will not have money for summer programs which have been so vital to the well being of our cities.
- Most Community Action teen-age programs will have to be curtailed. Programs of educational guidance and counselling, recreation and cultural enrichment will be drastically diminished.
- Even where significant cuts have not been made, our programs will not be funded to the levels needed to carry the War on Poverty forward to an appreciable degree. Head Start and

(More)

Neighborhood Youth Corps, though they have received substantially more money, will not reach many more children or teen-age boys and girls.

- The Legal Services program will fall far short of the goals that the American Bar Association had determined were minimum for 1967.
- Upward Bound will have to turn away hundreds of promising youngsters.
- Although Health Centers will be extended to new cities, even in these areas we will just be able to get started in Fiscal 1967.
- In Job Corps, the Congressional cut of \$17 million from our minimum request will mean that 8,000 young men will be kept out of centers.
- There will be no discretionary funds available.

In summary, Congressional action has curtailed the War on Poverty in 1,000 communities of America for Fiscal 1967. And hundreds of additional communities, especially in rural America, will be unable to join the battle.

...e consequences should not come as a tremendous surprise
...o those who listened to the testimony of this agency before the various
Congressional committees.

On March 8, I said to the House Education and Labor Committee,
"This (\$1.75 billion) is a conservative request---in light of these
problems, which we are presenting to this committee."

On June 21, I said to the Senate Subcommittee on Employment, Manpower
and Poverty, "The \$1.75 billion for the coming fiscal year will keep
this program moving forward. True it is a budget for troubled times.
And under other circumstances would have been larger but the essential
point is this: Anything less would be viewed as scandalous by our
constituents -- the poor -- and clearly harmful to the country."

On August 19, I said to the Senate Subcommittee on Executive Reorgani-
zation, "...I have testified today and previously that we could use
more money in the war against poverty."

On October 3, I said to the House Appropriations Subcommittee, "One
and three-quarter billion is the minimum necessary to sustain already
existing programs."

On October 18, I said to the Senate Appropriations Committee, "\$1.75
billion is necessary at the very least if we are to maintain our momentum.

(More)

less will thwart the hopes and aspirations of our neediest citizens
these times of unequalled prosperity. "

On October 21, Congressman John Fogarty, Chairman of the Subcommittee on the Departments of Labor, Health, Education and Welfare, and Related Agencies, said on the Floor of the House: "This sum is grossly inadequate. It will not permit the War on Poverty to effectively pursue its enormously difficult mission. . . . In the context of the fantastic needs it is supposed to meet, it seems to me to be an example of the worst sort of false economizing. . . . Mr. Speaker, over the next several months we are going to rue the day we failed to insist upon an adequate anti-poverty budget for fiscal 1967. "

Governor Rockefeller, the Republican Governor of New York said, "The federal anti-poverty program has stirred the poor in our great cities with great hopes . . . but these groups now find their hopes cruelly dashed by the failure of Congress to deliver on its promise. "

Zerox copy for GR
JUL 24 1968

MEMORANDUM

TO: Bennett Schiff
Office of Public Affairs

FROM: Anthony Partridge
Deputy General Counsel

SUBJECT: Delegations of Authority

This is in response to your request for access to original papers which provide accurate dates of delegations to other agencies and to OEO regional offices.

Attached are copies of pages from the Federal Register showing the following delegations:

- (1) Delegation of October 23, 1964, to several other Federal agencies. *29 FR 14751*
- (2) Delegation of March 10, 1967, revising the delegation to the Department of Labor. Another revision of this delegation is expected to be signed within the next few days. *32 FR 4589*
- (3) Delegation of May 22, 1967, of certain powers regarding the National Advisory Council. *32 FR 8051*
- (4) Delegation of June 26, 1967, regarding Follow-Through program. *32 FR 9592*
- (5) Delegation of June 17, 1968, regarding Special Impact Program. *32 FR 9750*

I believe this to be a complete set of delegations to other Federal agencies. In addition, the Departments of Agriculture and Interior operate Job Corps centers under memoranda of agreement.

Also, attached are copies of a January 1967 document which constitutes a delegation from Mr. Shriver to Mr. Berry and a redelegation from Mr. Berry to certain other officials, including regional directors. There is also a May 5, 1967 amendment of that delegation and redelegation.

32 FR 7411

The initial delegation to regional offices of authority to make CAP grants was made in December 1965, and was not published in the Federal Register. Attached are the original delegation from Bill Kelly (as Acting Director of CAP) to the regional directors and an amendment of April 13, 1966. I have not been able to locate the delegation from Shriver to the Director of CAP, upon which the Kelly delegation to the regions was based.

With regard to your interest in internal documents relating to the development of legislation, we have tons of 'em. If you can specify a little better the kind of material that interests you, Miss Rita McCarthy of our office is the expert.

... of the ... (Office of General ...)

... data on the establishment of ... regional offices, description of various ... with heavy emphasis on regional ...

... of "single" offices; (all offices but ...)

APartridge:amf
7/24/68

All ... are asked as well to submit by July 26 a ... survey of high and low spots, ... of their programs as the present ... Although a good deal of this material is contained in the various annual reports and congressional presentations they are necessary by a distillation. That is needed is the full body of material from which these presentations were drawn: -- and, ... interpretation.

This background report should be turned in to Mr. ...

(d) The powers of the Director under Title III, Part A, Authority to Make Grants and Loans, are hereby delegated to the Secretary of Agriculture.

(e) The powers of the Director under Title IV, Employment and Investment Incentives, are hereby delegated to the Administrator of the Small Business Administration.

(f) The powers of the Director under Title V, Work Experience Programs, other than the power to transfer funds under Section 502 of the Act, are hereby delegated to the Secretary of Health, Education, and Welfare.

3. The powers of the Director contained in Sections 602 and 606 of the Economic Opportunity Act of 1964 are hereby delegated to the officers designated in paragraph 2, to the extent they may deem necessary or appropriate for carrying out their functions in exercise of the powers delegated under paragraph 2.

4. The powers delegated under paragraphs 2 and 3 may be redelegated by the delegates with or without authority for further redelegation.

5. The powers hereby delegated shall be exercised pursuant to policies, standards, criteria, and procedures set forth in rules and regulations, which shall be prescribed in accordance with paragraph 6.

6. Rules and regulations for the exercise of the powers hereby delegated shall be prescribed jointly by the Director and the officer to whom the powers are delegated.

7. In exercising the powers hereby delegated preference shall, to the extent feasible, be given to programs and projects which are components of a community action program approved pursuant to Title II, Part A, of the Economic Opportunity Act of 1964.

8. The powers hereby delegated shall be exercised subject to the reporting and coordination provisions of Section 611 of the Economic Opportunity Act of 1964.

SARGENT SHRIVER,
Director, Office of
Economic Opportunity.

OCTOBER 23, 1964.

Approved:

LYNDON B. JOHNSON,
President of the United States.

OCTOBER 24, 1964.

[F.R. Doc. 64-11067; Filed, Oct. 23, 1964;
8:50 a.m.]

29 F.R. 14764
29 October 1964

OFFICE OF ECONOMIC OPPORTUNITY

DELEGATION OF AUTHORITIES TO CERTAIN FEDERAL AGENCIES FOR ADMINISTRATION OF ECONOMIC OPPORTUNITY PROGRAMS

1. Under the Economic Opportunity Act of 1964, 78 Stat. 508, P.L. 88-452, the Director of the Office of Economic Opportunity is responsible for the policies which will govern the administration of the programs created by the Act. Certain of the programs created by the Act may be administered by existing departments and agencies, pursuant to the delegation of the administration of these programs by the Director. The Director is authorized under Section 602(d) of the Act to delegate, with the approval of the President, any of his powers.

2. Certain of the powers conferred upon the Director of the Office of Economic Opportunity are hereby delegated as follows:

(a) The powers of the Director under Title I, Part B, Work-Training Programs, are hereby delegated to the Secretary of Labor.

(b) The powers of the Director under Title I, Part C, Work-Study Programs, are hereby delegated to the Secretary of Health, Education, and Welfare.

(c) The powers of the Director under Title II, Part B, Adult Basic Education Programs, are hereby delegated to the Secretary of Health, Education, and Welfare.

Now, therefore, the Board, subject to the provisions, conditions, and restrictions of the Act, as amended, and all the rules and regulations thereunder, hereby grants to the Board of Commissioners of the Port of New Orleans, Grantee, the privilege of establishing, operating, and maintaining a foreign-trade subzone, designated on the records of the Board as Subzone No. 2-A, at the specific location mentioned above and more particularly described on the map accompanying said application, marked Exhibit No. 10, said grant being subject to the provisions, conditions, and restrictions of the Act and of all of the rules and regulations made thereunder, to the same extent as though the same were fully set forth herein; and, also to the following express conditions and limitations, to wit:

The Grantee shall make no deviation from the maps, plans, specifications, drawings, and blue prints, accompanying the said application and marked Exhibits Nos. 1 to 13, inclusive, before or after completion of the structures or work involved, unless modification of such maps, plans, specifications, drawings and blue prints has previously been submitted to and has received the approval of the Board.

The work of construction under this grant shall commence immediately following the date of the grant; said work shall be prosecuted to completion and the work of construction shall be completed and operation of the subzone shall be commenced by the Grantee within a reasonable time from the date of issuance of the subzone grant. The Grantee shall notify the United States District Engineer in whose District the subzone is to be located of the date upon which work will begin and as far in advance thereof as the District Engineer may reasonably specify, and shall notify him promptly in writing of any suspension of construction for a period of more than 1 week, and of its resumption and completion.

The Grantee shall comply fully with all applicable provisions of the laws for the protection and preservation of the navigable waters of the United States, and shall secure legally required authorizations and approval for work in navigable waters of the United States. The grant herein made shall not be construed as conveying such approval.

The Grantee shall allow officers and employees of the United States of America free and unrestricted access in, to, and throughout said subzone in the performance of their official duties.

This grant shall not be construed to relieve the Grantee from liability for injury or damage to the person or property of others occasioned by the construction, operation, or maintenance of said subzone, and in no event shall the United States of America be liable therefor.

This grant is issued subject to settlement locally by the District Director of Customs and the District Engineer with the applicant regarding compliance with the respective requirements for the protection of the revenue of the United

States and erection and installation of physical facilities of the subzone within a reasonable time after issuance of the grant.

In witness whereof, the Foreign-Trade Zones Board has caused its name to be signed and its seal to be affixed hereto by its Chairman and Executive Officer, at Washington, D.C., this 16th day of March 1967, pursuant to order of the Board.

[SEAL] ALEXANDER B. TROWERIDGE,
Chairman and Executive Officer,
Foreign-Trade Zones Board.

Attest:

RICHARD H. LAKE,
Executive Secretary.

CERTIFICATE BY EXECUTIVE SECRETARY

I, Richard H. Lake, Executive Secretary of the Foreign-Trade Zones Board, do hereby certify that the following is a true extract from the records of the proceedings of that portion of the minutes (memorandum) of March 16, 1967, of the Foreign-Trade Zones Board relating to the matter hereinbefore in this grant described:

Upon examination, the application, dated November 6, 1964, from the Board of Commissioners of the Port of New Orleans, Grantee of Foreign-Trade Zone No. 2, New Orleans, La., for the privilege of establishing, operating, and maintaining a foreign-trade subzone at Taft, St. Charles Parish, La., at which Union Carbide Corp. would conduct certain chemical manufacturing operations, has been found to be in proper order and in compliance with the Foreign-Trade Zones Act, as amended, and the rules and regulations made thereunder. The Board has further found that the existing foreign-trade zone at New Orleans will not serve adequately the convenience of commerce with respect to the proposed purposes of such subzone.

Now, therefore, said application for a subzone grant is approved; and the Secretary of Commerce, as Chairman and Executive Officer of the Board, is hereby authorized and directed to sign and issue in favor of the Board of Commissioners of the Port of New Orleans, a grant permitting the establishment, operation, and maintenance of a foreign-trade subzone at Taft, St. Charles Parish, La., in compliance with the application on file with the Foreign-Trade Zones Board. The grant shall be issued subject to settlement locally of specifications and requirements of the Army District Engineer and the District Director of Customs according to the Board's regulations.

Witness my hand and the seal of the Foreign-Trade Zones Board this 16th day of March 1967, at Washington, D.C.

[SEAL]

RICHARD H. LAKE,
Executive Secretary.

[F.R. Doc. 67-3337; Filed, Mar. 27, 1967;
8:46 a.m.]

OFFICE OF ECONOMIC
OPPORTUNITY

SECRETARY OF LABOR

Delegation of Authorities

1. The Delegation of Authorities dated October 23, 1964, and approved by the President October 24, 1964 (29 F.R. 14764) is hereby rescinded insofar as it

applies to programs under Title I, Part B, of the Economic Opportunity Act of 1964, 78 Stat. 512, as amended, 42 U.S.C. 2731-36.

2. Pursuant to section 602(d) of the Economic Opportunity Act, the powers of the Director under Title I, Part B (Work-Training Programs), Title I, Part D (Special Impact Programs), and sections 205(d) and 205(e) of the Economic Opportunity Act are hereby delegated to the Secretary of Labor. The powers of the Director under sections 208, 209(c), 602, and 610-1(c) of the Economic Opportunity Act are also delegated to the Secretary of Labor to the extent he deems necessary or appropriate for carrying out his functions in exercising the specified powers. All powers hereby delegated shall be exercised in accordance with the following paragraphs.

3. Concurrent authority under section 205(d) is retained by the Director for the purpose of assisting projects of the type known as Foster Grandparent Programs.

4. The delegated powers shall be administered by a single staff within the Department of Labor. They may be re-delegated by the Secretary with or without authority for further redelegation.

5. The delegated powers shall be exercised pursuant to regulations which shall be developed by a joint task force of the Department of Labor and the Office of Economic Opportunity and which shall be prescribed jointly by the Director and the Secretary. Such regulations shall include statements of the nature and objectives of the programs, criteria for program evaluation, and other policy matters of fundamental importance. More detailed implementing policies and operating guidelines shall be developed by a joint task force and shall be issued by the Secretary.

6. In communities served by community action agencies, the community action agency shall be the prime grantee or prime contractor for all projects. Exceptions to this policy may be made for compelling program reasons after consultation between the staffs of the Office of Economic Opportunity and the Department of Labor. Disagreements shall be resolved jointly by the Director and the Secretary.

7. In communities served by community action agencies, project participants shall be selected by the community action agency or its delegate agencies, or pursuant to cooperative arrangements between the community action agency and the U.S. Employment Service.

8. In order to insure compliance with section 203 of the Act, the Director of the Office of Economic Opportunity shall retain final authority over availability of funds for particular projects under sections 205(d) and 205(e).

9. All operating information, evaluation reports, and other data concerning the programs administered under the delegated powers shall be freely exchanged between the Director and the

Secretary pursuant to sections 602(d) and 611 of the Act.

Dated: March 10, 1967.

SARGENT SHRIVER,
Director,

Office of Economic Opportunity.

Approved: March 14, 1967.

LYNDON B. JOHNSON,
President of the United States.

[F.R. Doc. 67-3381; Filed, Mar. 27, 1967;
8:48 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[812-2065]

CONTRAFUND, INC.

Notice of Filing of Application for Order Exempting Transactions Be- tween Affiliated Persons

* MARCH 22, 1967.

Notice is hereby given that Contrafund, Inc. ("applicant") 35 Congress Street, Boston, Mass., a Massachusetts corporation and a registered open-end management investment company, has filed an application pursuant to section 17(b) of the Investment Company Act of 1940 ("Act") requesting an order of the Commission exempting from the provisions of section 17(a) of the Act a proposed redemption in kind of a portion of applicant's outstanding capital stock of Fidelity Foundation ("Foundation"). All interested persons are referred to the application which is on file with the Commission for a statement of applicant's representations, which are summarized below.

Foundation, as a result of its 30.8 percent stock ownership, is an affiliated person of applicant and the proposed redemption in kind by the Foundation is deemed a purchase within the meaning of section 17(a)(2) of the Act. The Commission pursuant to section 17(b) of the Act has authority to issue an order exempting this redemption in kind from the prohibitions of section 17(a)(2) if it finds that the terms of the proposed transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned, that the proposed transaction is consistent with the policy of each registered investment company concerned and that it is consistent with the general purposes of the Act.

The transactions which gave rise to the instant proposal involved the Foundation, Fidelity Management & Research Co. ("Adviser"), investment adviser to the applicant, and the applicant. Since June 30, 1966, when the applicant filed a registration statement under the Act, it has operated as a registered investment company. The Adviser purchased 26 shares of stock, the total number of shares outstanding as of the date of this application, for an aggregate amount of

\$650,000 in cash at various times between the date of organization of applicant and September 30, 1964. On December 29, 1966, and January 11, 1967, 8 of said shares, or approximately 30.8 percent of the outstanding shares, were transferred to and are now owned by the Foundation.

The management of the applicant is planning a public offering of the shares of the applicant at an initial public offering price of approximately \$10 per share. Prior to said offering, the management of the applicant will convene a shareholder's meeting to change each of the shares then outstanding into a sufficient number of additional shares to enable the offering price to be established at approximately that level. Foundation has indicated its intention to redeem its shares prior to the public offering and has agreed to take payment in kind. The securities involved in the redemption in kind will be chosen by the applicant from among those having the highest unrealized appreciation at the time of the redemption.

The applicant states that the terms of the proposed transaction are reasonable and fair because they afford the applicant the opportunity of redeeming Foundation's shares without the realization of taxable gain for Federal income tax purposes whereas the sale of portfolio securities to produce cash would result in such taxable gain to the applicant. The applicant further states that this redemption is consistent with the applicant's investment policies in that it represents a valid exercise of the applicant's corporate powers in satisfying its contractual obligation to redeem its shares on demand of a shareholder.

Notice is further given that any interested person may, not later than April 10, 1967, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reason for such request and the issues, if any, of fact or law proposed to be controverted, or he may request that he be notified if the Commission should order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request shall be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon the applicant at the address stated above. Proof of such service (by affidavit or in case of an attorney at law by certificate) shall be filed contemporaneously with the request. At any time after said date, as provided by Rule 0-5 of the rules and regulations promulgated under the Act, an order disposing of the application herein may be issued by the Commission upon the basis of the information stated in said application, unless an order for hearing upon said application shall be issued upon request or upon the Commission's own motion. Persons who request a hearing or advice as to whether a hearing is ordered, will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission (pursuant to delegated authority).

[SEAL]

ORVAL L. DuBOIS,
Secretary.

[F.R. Doc. 67-3318; Filed, Mar. 27, 1967;
8:45 a.m.]

[811-235]

MUTUAL INVESTORS CO.

Notice of Filing of Application for Order Declaring Company Has Ceased To Be an Investment Company

MARCH 22, 1967.

Notice is hereby given that Mutual Investors Co. ("Applicant"), 735 North Water Street, Milwaukee, Wis. 53202, a Wisconsin corporation and a management closed-end diversified investment company registered under the Investment Company Act of 1940 ("Act"), has filed an application pursuant to section 8(f) of the Act for an order of the Commission declaring that Applicant has ceased to be an investment company by reason of the exception afforded by section 3(c)(1) of the Act. All interested persons are referred to the application on file with the Commission for a statement of the representations contained therein.

Applicant, which was organized on February 17, 1925, registered under section 8(a) of the Act by filing a notification of registration on November 1, 1940. Applicant states that its securities are owned beneficially by 79 persons, and that no company owns 10 percent or more of its outstanding voting securities. Applicant states further that it is not making and that it does not presently propose to make a public offering of its securities.

Section 3(c)(1) of the Act excepts from the definition of an investment company any issuer whose outstanding securities (other than short-term paper) are beneficially owned by not more than 100 persons and which is not making and does not presently propose to make a public offering of its securities.

Section 8(f) of the Act provides, in pertinent part, that whenever the Commission upon application finds that a registered investment company has ceased to be an investment company, it shall so declare by order and upon the taking effect of such order, the registration of such company shall cease to be in effect.

Notice is further given that any interested person may, not later than April 17, 1967, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reason for such request and the issues of fact or law proposed to be controverted, or he may request that he be notified if the Commission shall order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request shall be served personally or by mail (airmail if the person being served

NORTH GERMAN LLOYD AND GERMAN ATLANTIC LINE

Notice of Agreements Filed for Approval

Notice is hereby given that the following agreements have been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement(s) at the Washington office of the Federal Maritime Commission, 1331 H Street NW., Room 609; or may inspect agreements at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 10 days after publication of this notice in the Federal Register. A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the comments should indicate that this has been done.

Notice of agreement filed for approval by:

Mr. W. A. Nagel, President, North German Lloyd Passenger Agency, 665 Fifth Avenue, New York, N.Y. 10019

Agreement 9631, between North German Lloyd and German Atlantic Line, establishes a cooperative working arrangement for the spacing and scheduling of three vessels, the "Bremen," the "Europa" and the "Famoseatic," to be used in the transportation of passengers between U.S. and foreign ports in the trans-Atlantic service and on cruises.

Dated: May 31, 1967.

THOMAS LIST,
Secretary.

[P.R. Doc. 67-6191; Filed, June 2, 1967; 8:47 a.m.]

[Agreement No. FFA-1]

WEDEMANN & GODKNECHT, INC., ET AL.

Notice of Extension of Time To File Comments

Notification of the subject agreement was filed in the Federal Register (32 P.R. 7220) May 13, 1967, giving interested parties 15 days after publication to file with the Federal Maritime Commission any such statement or request for a hearing.

At the request of the Chairman, War East Conference, and good cause appearing, time for filing such comments or requests for hearing is enlarged to, and including, June 12, 1967.

A copy of any such statement or request for hearing should also be forwarded to Gerald H. Ullman, Esq., 120

Broadway, New York, N.Y. 10005, Counsel for the parties to the agreement.

By the Commission, THOMAS LIST, Secretary.

[P.R. Doc. 67-6192; Filed, June 2, 1967; 8:47 a.m.]

OFFICE OF ECONOMIC OPPORTUNITY

ADMINISTRATOR, GENERAL SERVICES ADMINISTRATION

Delegation of Certain Powers Regarding National Advisory Council on Economic Opportunity

1. Under section 605 of the Economic Opportunity Act of 1964, 78 Stat. 531, as amended, 42 U.S.C. 2545, the National Advisory Council on Economic Opportunity has an independent responsibility for reviewing the effectiveness and operation of programs under the Act, for making certain recommendations relating to those programs, and for making an annual report to the President for his consideration and submission to the Congress. In order to carry out section 605, the Director of the Office of Economic Opportunity has authority to provide the Council with staff for its use and with other administrative and logistical support needed for the discharge of the above responsibility. He also is authorized under section 602(d) of the Act to delegate, with the approval of the President, any of his powers.

2. Powers of the Director to provide staff and other support to the National Advisory Council on Economic Opportunity, as described in paragraph 1., are delegated to the Administrator of General Services and may be redelegated by him without authority for further redelegation.

3. This delegation shall not affect (1) the functions or powers of the Director as an ex officio member of the Council; (2) the power of the Council to direct and supervise the activities of its staff; or (3) the power of the Council to secure, or the duty of the Director to provide, information, reports, data, or special assistance relating to Economic Opportunity Act programs which may be available from or through the Office of Economic Opportunity and which the Council determines is needed for the proper discharge of its responsibilities.

Dated: May 23, 1967.

SARGENT SHAWNE,
Director,
Office of Economic Opportunity.

Approved: May 24, 1967,

LYNDON B. JOHNSON,
President of the United States.

[P.R. Doc. 67-6213; Filed, June 2, 1967; 8:49 a.m.]

FEDERAL POWER COMMISSION

[Docket No. R167-410]

JENNY MANUFACTURING CO.

Order Providing for Hearing on and Suspension of Proposed Change in Rate, and Allowing Rate Change To Become Effective Subject to Refund

MAY 25, 1967.

Respondent named herein has filed a proposed change in rate and charge of a currently effective rate schedule for the sale of natural gas under Commission jurisdiction, as set forth in Appendix A hereof.

The proposed changed rate and charge may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: It is in the public interest and consistent with the Natural Gas Act that the Commission enter upon a hearing regarding the lawfulness of the proposed change, and that the supplement herein be suspended and its use be deferred as ordered below.

The Commission orders:

(A) Under the Natural Gas Act, particularly sections 4 and 15, the regulations pertaining thereto (18 CFR Ch. I), and the Commission's rules of practice and procedure, a public hearing shall be held concerning the lawfulness of the proposed change.

(B) Pending hearing and decision thereon, the rate supplement herein is suspended and its use deferred until date shown in the "Date Suspended Until" column, and thereafter until made effective as prescribed by the Natural Gas Act: *Provided, however,* That the supplement to the rate schedule filed by Respondent shall become effective subject to refund on the date and in the manner herein prescribed if within 20 days from the date of the issuance of this order Respondent shall execute and file under its above-designated docket number with the Secretary of the Commission its agreement and undertaking to comply with the refunding and reporting procedure required by the Natural Gas Act and § 154.103 of the regulations thereunder, accompanied by a certificate showing service of a copy thereof upon the purchaser under the rate schedule involved. Unless Respondent is advised to the contrary within 15 days after the filing of its agreement and undertaking, such agreement and undertaking shall be deemed to have been accepted.

(C) Until otherwise ordered by the Commission, neither the suspended supplement, nor the rate schedule sought to be altered, shall be changed until disposition of this proceeding or expiration of the suspension period.

(D) Notices of intervention or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C. 20426, in accordance with the rules of practice and procedure (18 CFR 1.3 and 1.37(d)) on or before July 14, 1967.

By the Commission.

[SEAL] GORDON M. GRANT,
Secretary.

Winnebago, and Wood; in Michigan, services the following counties: Alger, Baraga, Chippewa, Delta, Dickinson, Gogebic, Houghton, Iron, Keweenaw, Luce, Mackinac, Marquette, Menominee, Ontonagon, Schoolcraft.

Region 31. Los Angeles, Calif. 90014, 10th Floor, Bartlett Building, 215 West 7th Street. Services the following counties in California: Inyo, Kern, San Bernardino, San Luis Obispo, Santa Barbara, and Ventura; that portion of Los Angeles County lying west of Harbor Freeway and north of Pasadena Freeway (Arroyo Boulevard, U.S. Highway 66); in Nevada, services Nye, Lincoln, and Clark Counties.

[F.R. Doc. 67-7417; Filed, June 30, 1967; 8:45 a.m.]

OFFICE OF ECONOMIC OPPORTUNITY

SECRETARY OF HEALTH, EDUCATION, AND WELFARE

Delegation of Authority Regarding Follow Through Program

1. Pursuant to section 602(d) of the Economic Opportunity Act of 1964, as amended (hereafter the "Act"), I hereby delegate to the Secretary of Health, Education, and Welfare (hereafter the "Secretary") concurrent authority pursuant to sections 204, 205, and 211-1(a) of the Act for the purpose of carrying out, within the limitations of those sections, a program to assist the development and education of disadvantaged children in the early years of elementary school, particularly children who have previously attended a full school year Head Start or other quality comprehensive preschool program. The program shall be known as the "Follow Through Program."

2. In connection with the foregoing, I further delegate to the Secretary such concurrent authority as may be necessary and appropriate pursuant to sections 205(a), 207, 208, 209, 602, and 610-1(c) of the Act in order to carry out his functions and to provide training, technical assistance, research, demonstration, and evaluation activities, related to the Follow Through Program. All such research and demonstration activities shall be conducted in accordance with a plan developed and revised, as necessary, from time to time by the Department of Health, Education, and Welfare (hereafter the "Department") in accordance with the requirements of section 207. Such plan shall be developed and revised in consultation with, and with the concurrence of, the Office of Economic Opportunity (hereafter the "Office").

3. In order to ensure compliance with section 203 of the Act, the Director of the Office of Economic Opportunity shall retain final authority over the availability and allocation of funds. The Department and the Office shall consult from time to time concerning proposed allocations of such funds.

4. The powers hereby delegated shall be exercised pursuant to regulations and major policy guidelines which shall be

developed by the Department after consultation with the Office; *Provided, however*, That pending promulgation thereof, the initial pilot projects shall be developed and operated in accordance with policies already agreed to by the Department and the Office. Such regulations and major guidelines shall include statements of the nature and objectives of the Follow Through Program, priorities for assistance of particular types of projects and activities, criteria for program evaluation, and other policy matters of fundamental importance. To the extent provided for in any Memorandum of Understanding entered into between the Department and the Office, such regulations and guidelines shall require concurrence of the Office. In other cases, if the Office raises objections during the consultative process, the Department will notify the Office of its intention to proceed at least 10 days before issuing the policy.

5. All operating information, evaluation reports, and other data concerning the Follow Through Program shall be freely exchanged between the Department and the Office pursuant to sections 602(d) and 611 of the Act. The Department shall make quarterly reports to the Office concerning administration of the Follow Through Program as well as such other reports as the Office may require. After prior notification to the Department, the Office may conduct such joint and independent site visits as it may deem necessary.

6. The powers hereby delegated shall be exercised in accordance with such memoranda of understanding as may be entered into between the Department and the Office.

7. The powers hereby delegated may be redelegated by the Secretary to the Commissioner of Education with or without authority for further redelegation. The Office shall be advised of all such redelegations.

Dated: June 26, 1967.

SARGENT SHRIVER,
Director,

Office of Economic Opportunity.

Approved: June 26, 1967.

LYNDON B. JOHNSON,
President of the United States.

[F.R. Doc. 67-7487; Filed, June 30, 1967; 8:46 a.m.]

SECURITIES AND EXCHANGE COMMISSION

CHEMALLOY MINERALS, LTD.

Order Suspending Trading

JUNE 27, 1967.

In the matter of trading in securities of Chemalloy Minerals, Ltd., Toronto, Ontario, Canada.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common shares being traded otherwise than on

a national securities exchange is required in the public interest and for the protection of investors:

It is ordered, Pursuant to section 15(c) (5) of the Securities Exchange Act of 1934, that trading in such securities otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period June 28, 1967, through July 2, 1967, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 67-7472; Filed, June 30, 1967; 8:45 a.m.]

[File No. 1-2618]

GOLDFIELD CORP.

Order Suspending Trading

JUNE 27, 1967.

In the matter of trading in securities of The Goldfield Corp., File No. 1-2618.

The Capital Stock, listed and registered on the San Francisco Mining Exchange and having unlisted trading privileges on the American Stock Exchange pursuant to provisions of the Securities Exchange Act of 1934, being traded otherwise than on a national securities exchange; and

It appearing to the Securities and Exchange Commission that the summary suspension of trading in such securities on such Exchange and otherwise than on a national securities exchange is required in the public interest and for the protection of investors:

It is ordered, Pursuant to sections 15(c) (5) and 19(a) (4) of the Securities Exchange Act of 1934, that trading in such securities on the American Stock Exchange, the San Francisco Mining Exchange, and otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period June 28, 1967, through July 2, 1967, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 67-7473; Filed, June 30, 1967; 8:45 a.m.]

INTERAMERICAN INDUSTRIES, LTD.

Order Suspending Trading

JUNE 27, 1967.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the capital stock of Interamerican Industries, Ltd., Calgary, Alberta, Canada, being traded on the United States otherwise than on a national securities exchange is required in the public interest and for the protection of investors:

It is ordered, Pursuant to section 15(c) (5) of the Securities Exchange Act of 1934, that trading in the United States in such securities otherwise than on a national securities exchange be s

- * Revised contract summary filed to reflect a rate of 27.5 cents per Mcf in lieu of the original proposed rate of 23 cents.
- * Production from the Newburg Sand only.
- * Amendment to the application filed to change price to read 15 cents per Mcf in lieu of 17 cents per Mcf.
- * Validated contract dated Sept. 27, 1967, between Apache Corp. and Arkansas Louisiana Gas Co. on file as Apache Corp. (Operator) et al., FPC GRS No. 42.
- * Guides for downward B.L.U. adjustment; B.L.U. to be measured on a wet basis.
- * Rate schedule previously accepted for filing but no certificate filing was ever made for this sale.
- * Currently on file as Sunset International Petroleum Corp. FPC GRS No. 9.
- * From Sunset International Petroleum Corp. to Applicant.
- * From Robert J. Nolt to Applicant.

Suggested agreement and undertaking:

BEFORE THE FEDERAL POWER COMMISSION

(Name of Respondent -----)

Docket No.-----

AGREEMENT AND UNDERTAKING OF (NAME OF RESPONDENT) TO COMPLY WITH REFUNDING AND REPORTING PROVISIONS OF SECTION 154.102 OF THE COMMISSION'S REGULATIONS UNDER THE NATURAL GAS ACT

(Name of Respondent) hereby agrees and undertakes to comply with the refunding and reporting provisions of section 154.102 of the Commission's regulations under the Natural Gas Act insofar as they are applicable to the proceeding in Docket No. ----- (and has caused this agreement and undertaking to be executed and sealed in its name by its officers, thereupon duly authorized in accordance with the terms of the resolution of its board of directors, a certified copy of which is appended hereto) this ----- day of -----, 196-----.

(Name of Respondent)

By -----

Attest:

[F.R. Doc. 68-7944; Filed, July 8, 1968; 8:45 a.m.]

FEDERAL RESERVE SYSTEM

PIEDMONT TRUST BANK

Order Granting Temporary Exemption

In the matter of the application of Piedmont Trust Bank, Martinsville, Va., for exemption from the registration requirements of the Securities Exchange Act of 1934.

There has come before the Board of Governors, pursuant to section 12(h) of the Securities Exchange Act of 1934 (15 U.S.C. 78h), an application by Piedmont Trust Bank, Martinsville, Va., a member State bank of the Federal Reserve System, for exemption from the registration requirements of section 12(g) of the Act.

Notice of receipt of the application was published in the FEDERAL REGISTER on May 17, 1968 (33 F.R. 7338), providing an opportunity for interested persons to submit comments and recommendations with respect to the application and to request a hearing on the matter. Time for filing comments and for requesting a hearing has expired and no such comments or requests have been received.

On the basis of the information set forth in the application, or otherwise available, the Board finds that:

- (1) The bank has assets of \$31.9 million and equity capital of \$2.9 million;
- (2) The bank has outstanding 219,615

If a corporation.

shares of capital stock, owned by 539 shareholders as of December 31, 1967;

(3) There is some trading activity and a regular market in the bank's stock, with considerable, although primarily local, interest in such stock; and

(4) Compliance, at this time, with the registration and reporting requirements of the Act would impose a severe burden on the bank and its personnel.

Upon consideration of all the circumstances, the Board concludes that the granting of a temporary exemption until April 30, 1969, would not be inconsistent with the public interest or the protection of investors.

It is hereby ordered, That Piedmont Trust Bank be, and hereby is, exempted from the registration requirements of section 12(g) of the Securities Exchange Act of 1934 until April 30, 1969.

Dated at Washington, D.C., this 2d day of July 1968.

By order of the Board of Governors.

[SEAL] ROBERT P. FORRESTAL,
Assistant Secretary.

[F.R. Doc. 68-8056; Filed, July 8, 1968; 8:45 a.m.]

INSURED BANKS

Joint Call for Report of Condition

CROSS REFERENCE: For a document relating to a joint call for report of condition of insured banks, see F.R. Doc. 68-8088, Federal Deposit Insurance Corporation, *supra*.

GENERAL SERVICES ADMINISTRATION

STANDING INTERAGENCY COMMITTEES CHAIRED BY GENERAL SERVICES ADMINISTRATION

Bureau of the Budget Circular No. A-63 of March 2, 1964, requires that notice of the establishment or extension of standing interagency committees be published in the FEDERAL REGISTER "in order to facilitate convenient and permanent reference by Federal agencies, unless this would be inconsistent with law or regulations, or where such publication would not be in the national interest." In compliance with this requirement the following information is provided relating to standing interagency committees chaired by the General Services Administration.

A. Continuing interagency committees established by legislation, Executive

order, or at the direction of the President:

Administrative Committee of the Federal Register.
Federal Fire Council.
National Archives Trust Fund Board.
National Historical Publications Commission.

B. Standing committee established during fiscal year 1968:

Interagency Committee for Improvement in Procurement and Management of Property.

C. Standing committees and subcommittees extended beyond June 30, 1968:

Interagency Advisory Committee on Disposal of Natural Rubber.

Interagency Advisory Committee on Security Equipment.

Interagency Advisory Committee on Standardization Planning.

Interagency Committee for Review of Federal Supply Schedules.

Interagency Coordinating Committee on Medical Stockpile Shelf-Life Items.

Interagency Procurement Policy Committee.

Interagency Transportation and Traffic Management Committee.

Southwest Employment Area Transportation Committee.

Southwest Employment Area Transportation Working Committee.

Southwest Employment Area Transportation Working Subcommittee.

Dated: July 1, 1968.

LAWSON B. KNOTT, Jr.,
Administrator of General Services.

[F.R. Doc. 68-8089; Filed, July 8, 1968; 8:48 a.m.]

OFFICE OF ECONOMIC OPPORTUNITY

SECRETARY OF LABOR ET AL.

Delegation of Authorities Regarding Special Impact Programs

1. The Delegation of Authorities dated March 10, 1967, approved by the President March 14, 1967 (32 F.R. 4588), is hereby rescinded insofar as it applies to programs under title I, Part D, of the Economic Opportunity Act of 1964, as amended, 81 Stat. 688, 42 U.S.C. 2763-63.

2. Pursuant to section 602(d) of the Economic Opportunity Act, the following powers of the Director are hereby delegated concurrently and severally to the Secretary of Labor, the Secretary of Commerce, and the Secretary of Agriculture:

(a) The power to provide financial assistance under section 151 of the Economic Opportunity Act;

(b) The power to make such determinations as may be necessary or appropriate in the administration of grants or contracts made by them pursuant to section 151; and

(c) The powers of the Director under sections 602, 603(b), and 611 of the Economic Opportunity Act to the extent they deem necessary or appropriate for carrying out their functions in exercising the foregoing powers.

The powers delegated herein may be re-delegated with or without authority for her redelegation.

Allotments of funds by the Office of Economic Opportunity under title I-D will be based on prior understanding between the Director and the appropriate Secretary of the special impact areas in which they are to be used and the principal features of the projects involved.

4. Concurrent authority is retained by the Director of the Office of Economic Opportunity for the purpose of providing financial assistance for projects other than those to be administered by the Secretary of Labor, the Secretary of Commerce, or the Secretary of Agriculture.

5. All operating information, evaluation reports, and other data concerning the programs administered under the delegated powers shall be freely exchanged between the Director and the appropriate Secretary. Each agreement made under the delegated authority with any public or private agency shall contain provisions adequate to assure that information needed for evaluation purposes will be made available to the Director at his request.

BERTRAND M. HARDING,
Acting Director,
Office of Economic Opportunity.

JUNE 17, 1968.

Approved: June 27, 1968.

LYNDON B. JOHNSON,
President of the United States.

[F.R. Doc. 68-8087; Filed, July 8, 1968;
8:48 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[812-2328]

STATE STREET INVESTMENT CORP.

Notice of Filing of Application for Order Exempting Sale by Open-End Company of Its Securities at Other Than Public Offering Price

JULY 2, 1968.

Notice is hereby given that State Street Investment Corp. ("Applicant"), 225 Franklin Street, Boston, Mass., a Massachusetts corporation registered under the Investment Company Act of 1940, 15 U.S.C. Sec. 80a-1 et seq. ("Act"), as an open-end diversified management investment company, has filed an application pursuant to section 6(c) of the Act for an order of the Commission exempting from the provisions of section 22(d) of the Act a transaction in which Applicant's redeemable securities will be issued at a price other than the current public offering price in exchange for substantially all the assets of Adams Securities Company ("Adams"). All interested persons are referred to the application on file with the Commission for a statement of Applicant's representations which are summarized below.

Adams, a Massachusetts corporation, is a personal holding company all of whose outstanding stock is owned by 25 stockholders and is exempt from registration under the Act by reason of the provisions of section 3(c)(1) thereof. Adams has conducted its business as a private investment company since its formation in 1916.

Pursuant to an agreement between Applicant and Adams, assets owned by Adams with a value of approximately \$2,571,243 on May 17, 1968 will be transferred to Applicant in exchange for shares of Applicant's stock.

The number of shares of Applicant to be issued to Adams is to be determined by dividing the aggregate market value of the assets of Adams (subject to certain adjustments set forth in the application) to be transferred to Applicant by Applicant's net asset value per share (as defined in the agreement), both to be determined as of the valuation time. If the valuation in the agreement had taken place on May 17, 1968, Adams would have received 48,407 shares of Applicant's stock.

When received by Adams, the shares of Applicant are to be distributed to the Adams shareholders on the liquidation of Adams. Applicant has been advised by the management of Adams that the stockholders of Adams do not have any present intention of distributing the shares of Applicant to be received on such liquidation following the sale of assets transaction or of redeeming any substantial number thereof. Applicant does presently intend to sell a portion of the securities subsequent to their acquisition from Adams as set out in the application.

Applicant represents that there is no affiliation or relationship between the officers and directors of the Applicant and the officers and directors of Adams and that the proposed transaction is the result of arms-length negotiations by the principals of both corporations.

Section 22(d) of the Act provides that registered open-end investment companies may sell their shares only at the current public offering price as described in the prospectus. Section 6(c) permits the Commission, upon application, to exempt such a transaction if it finds that such an exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

Applicant contends that the proposed offering of its stock will comply with the provisions of the Act, other than section 22(d) and submits that the granting of the application would be in accordance with established practice of the Commission, is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

Notice is further given that any interested person may, not later than July 22, 1968, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his inter-

est, the reason for such request and the issues, if any, of fact or law proposed to be controverted, or he may request that he be notified if the Commission shall order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request shall be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon Applicant at the address stated above. Proof of such service by affidavit (or in case of an attorney at law by certificate) shall be filed contemporaneously with the request. At any time after said date, as provided by Rule 0-5 of the rules and regulations promulgated under the Act, an order disposing of the application herein may be issued by the Commission upon the basis of the information stated in said application, unless an order for hearing upon said application shall be issued upon request or upon the Commission's own motion. Persons who request a hearing, or advice as to whether a hearing is ordered, will receive notice of further developments in the matter including the date of the hearing (if ordered) and any postponements thereof.

For the Commission (pursuant to delegated authority).

[SEAL]

ORVAL L. DuBOIS,
Secretary.

[F.R. Doc. 68-8054; Filed, July 8, 1968;
8:45 a.m.]

SMALL BUSINESS ADMINISTRATION

[Delegation of Authority No. 30 (Midwestern Area); Rev. 2]

AREA COORDINATORS ET AL.

Delegation of Authority To Conduct Program Activities in Midwestern Area

Pursuant to the authority delegated to the Area Administrator by Delegation of Authority No. 30 (Rev. 12), 32 F.R. 179, dated January 7, 1967, and Amendment 1, 32 F.R. 8113, dated June 6, 1967, the following authority is hereby redelegated to the positions as indicated herein:

I. Area Coordinators:

A. *Development Company Assistance Coordinator*—1. *Eligibility determinations (for financial assistance only)*. To determine eligibility of applicants for assistance under the sections 501 and 502 programs of the Agency in accordance with Small Business Administration standards and policies.

2. *Size determinations (for financial assistance only)*. To make initial size determinations in all sections 501 and 502 loans within the meaning of the Small Business Size Standards Regulations, as amended, and further, to make product classification decisions for sections 501 and 502 loans only. Product classification decisions for procurement purposes are made by contracting officers.

A detailed description of the categories in terms of T.S.U.S.A. numbers was published in the FEDERAL REGISTER on July 7, 1966 (31 F.R. 9310).

In carrying out the above directions, entry into the United States for consumption shall be construed to include entry for consumption into the Commonwealth of Puerto Rico.

The levels of restraint set forth above are subject to adjustment pursuant to the bilateral agreement of March 15, 1967, which provides in part that within the aggregate and applicable group limits of the agreement, limits on certain categories may be exceeded by not more than 5 percent. Any adjustments provided for in the bilateral agreement will be made in further directives to you as may be appropriate.

The actions taken with respect to the Government of Poland and with respect to imports of cotton textiles and cotton textile products from Poland have been determined by the President's Cabinet Textile Advisory Committee to involve foreign affairs functions of the United States. Therefore, the directions to the Commissioner of Customs, being necessary to the implementation of such actions, fall within the foreign affairs exception to the notice provisions of 5 U.S.C. 553. This letter will be published in the FEDERAL REGISTER.

Sincerely yours,

J. Herbert Hollomon,
Acting Secretary of Commerce,
Chairman, President's Cabinet
Textile Advisory Committee.

[F.R. Doc. 67-5547; Filed, May 17, 1967;
8:48 a.m.]

OFFICE OF ECONOMIC OPPORTUNITY

REGIONAL DIRECTORS

Redelegation of Authority Regarding Grants

I approve the attached amendment of the plan of redelegation of authority previously approved by me on January 14, 1967 (32 F.R. 1008-09, Jan. 27, 1967), and I hereby redelegate to the respective Regional Directors of the Office of Economic Opportunity concurrent authority to approve, deny, amend, revise, supplement, enforce, suspend, and terminate grants and grant actions under section 206(b) of the Economic Opportunity Act of 1964, as amended, in accordance with and subject to the other terms and limitations specified in the January 14, 1967, redelegation of authority.

Dated: May 5, 1967.

THEODORE M. BERRY,
Director, Community Action
Program, Office of Economic
Opportunity.

I concur in the foregoing amendment and redelegation: May 11, 1967.

SARGENT SHRIVER,
Director, Office of
Economic Opportunity.

AMENDMENT TO DELEGATION OF CAP GRANT APPROVAL AND RELATED AUTHOR- ITIES

Section 3 of the Delegation of CAP
Grant Approval and Related Authority

approved January 14, 1967 (32 F.R. 1008-09, Jan. 27, 1967) is amended to add "Section 206(b)" to the list of statutory provisions as to which authority is redelegated to Regional Directors and to redesignate as section 206(a) the statutory provision as to which authority is redelegated to the Director, Office of Training and Technical Assistance. As amended, the relevant entries in section 3 read as follows:

<i>Delegate Offices</i> Regional Directors, OEO.	<i>Delegated Authority</i> Sections, 204, 205, 206(b), 211-3, and 402(b). Except for In- dian, Territorial, and Upward Bound pro- grams, authority to approve, deny, amend, revise, supplement, enforce, suspend, and terminate grants and grant actions. To the extent delegated to the Department of La- bor, subsection 205 (d) and (e) programs will also be excepted from this redelegation. Section 206(a). Author- ity to amend and re- vise grants and grant actions, subject to paragraph 4c.
--	--

Director, Office of
Training and
Technical As-
sistance.

[F.R. Doc. 67-5520; Filed, May 17, 1967;
8:46 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[70-4489]

CONNECTICUT LIGHT AND POWER CO.

Notice of Proposed Charter Amend- ments and Order Authorizing Solic- itation of Proxies in Connection Therewith

MAY 12, 1967.

Notice is hereby given that The Connecticut Light and Power Co. ("CL&P"), 107 Selden Street, Berlin, Conn. 06037, a public-utility subsidiary company of Northeast Utilities, a registered holding company, has filed a declaration with this Commission pursuant to the Public Utility Holding Company Act of 1935 ("Act"), proposing amendments of its certificate of incorporation and the solicitation of proxies from preferred stockholders in connection therewith. CL&P has designated sections 6(a), 7, and 12(e) of the Act and Rule 62 promulgated thereunder as applicable to the proposals. All interested persons are referred to the declaration, which is summarized below, for a complete statement of the proposed amendments.

CL&P proposes to amend its certificate of incorporation (1) to bring it into conformity with the requirements of this Commission's statement of policy regarding preferred stock subject to the Act, (2) to make other miscellaneous changes in the preferred stock provisions, (3) to change the preferred stock from shares without par value to shares of a

par value of \$50 per share, and (4) to increase its authorized preferred stock from 2 million shares to 3 million shares. The proposed amendments of the certificate of incorporation include, among other things, restrictions on the payment of dividends on and acquisition by CL&P of stock junior to the preferred stock; a prohibition against the payment of dividends on any series of preferred stock when a dividend arrearage exists with respect to any other series of preferred stock; elimination of the general limitation on the purchase or redemption of outstanding shares of junior stock without approval of the preferred stockholders; a change in the provisions relating to the amounts payable to the preferred stockholders upon voluntary and involuntary liquidation of the company; additional rights for preferred stockholders upon nonpayment of four quarterly dividends; changes in the restrictions on the issuance of unsecured debt; and changes in the provisions relating to a merger, consolidation, or sale or mortgage of substantially all of the company's assets.

CL&P also proposes to amend its certificate of incorporation to change its common stock from shares without par value to shares with a par value of \$10 per share. The company presently carries its outstanding common stock on its books at an average stated value of \$10.07 per share, and, in order to reflect the change to common stock with a par value of \$10 per share, the company proposes to reduce its stated capital from \$144,935,311 to \$144,310,140, or 7 cents for each of the 8,931,014 shares of common stock outstanding, by a transfer of \$625,171 from its common stock to its capital surplus account.

CL&P intends to submit the proposed amendments of the certificate of incorporation to its shareholders for their approval at its annual meeting of shareholders to be held on June 21, 1967. In connection therewith, CL&P proposes to solicit proxies from the holders of its preferred stock through the use of solicitation material which sets forth the proposed amendments in detail. The declaration states that under the applicable provisions of the Connecticut Stock Corporation Act, the proposed amendments require the affirmative vote of the holders of at least two-thirds of the outstanding shares of preferred and common stock voting as separate classes. Northeast Utilities, holder of 98.63 percent of the outstanding shares of CL&P's common stock, has indicated that all such shares will be voted in favor of the proposed amendments.

The fees and expenses incurred and to be incurred in connection with the proposed transactions are to be filed by amendment. The declaration states that no State commission and no Federal commission, other than this Commission, has jurisdiction over the proposed transactions.

CL&P has requested that the effectiveness of its declaration with respect to the solicitation of proxies from the preferred stockholders be accelerated as provided in Rule 62.

quirements of the rules. It thus appears to us that such changes could best be considered in individual cases rather than as a general policy. The last question (Item 6) is one which we believe should not have merit and should be denied. Opening up the educational band for commercial stations, even on a limited basis, would defeat the purpose of the reservation and would greatly limit the number of educational stations that the band can accommodate.

4. In view of the foregoing: *It is ordered*, That the request of E. Harold Munn, Jr., to expand the notice of inquiry in this proceeding is denied. However, this action is not to be considered as precluding comments by interested parties on those aspects of the request which are not beyond the scope of the proceeding.

Adopted: January 18, 1967.

Released: January 20, 1967.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 67-988; Filed, Jan. 26, 1967;
8:47 a.m.]

FEDERAL MARITIME COMMISSION

ATLANTIC PASSENGER STEAMSHIP CONFERENCE

Notice of Agreement Filed for Approval

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1321 H Street NW., Room 609; or may inspect agreements at the office of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 7 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the comments should indicate that this has been done.

Notice of agreement filed for approval by:

Mr. R. M. L. Duffy, Secretary, Atlantic Passenger Steamship Conference, 65, Sandgate Road, Folkestone, Kent, England.

Commissioner Bartley abstaining from voting.

Notice of Agreement 7840-69, between the member lines of the Atlantic Passenger Steamship Conference modifying Article 4 of the basic agreement to provide for (1) the establishment by unanimous agreement of the Member Lines of basic minimum rates for all ships, all classes, predicated on the age, size, speed, and general vessel characteristics, (2) the establishment of promotional fares, rules and regulations relating to passenger fares, by unanimous agreement of the Member Lines, and (3) the deletion of the last sentence of Article 4(a) which permits a Member Line to quote passenger fares higher than those agreed upon, but which limits the application of lower fares, was published in the FEDERAL REGISTER on December 2, 1966, in volume 31-233, at page 15162.

By cable of December 5, 1966, the filing party requested that the modification proposed under item (3) above be changed and that the last sentence of Article 4(a) of the basic approved agreement which reads as follows:

A Member Line may quote rates higher than those agreed upon, but no lower rates may be applied except by agreement.

be included in Agreement 7840-69.

Dated: January 24, 1967.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 67-976; Filed, Jan. 26, 1967;
8:46 a.m.]

[Independent Ocean Freight Forwarder
License 372]

HENRY VILA, INC.

Revocation of License

Whereas, Henry Vila, Inc., 80 Wall Street, New York, N.Y. 10005, no longer wishes to operate as an independent ocean freight forwarder; and

Whereas, Henry Vila, Inc., has by letter dated January 18, 1967, voluntarily surrendered Independent Ocean Freight Forwarder License No. 372 to the Commission for revocation;

Now therefore, by virtue of authority vested in me by the Federal Maritime Commission as set forth in Manual of Orders, Commission Order No. 201.1 (revised) § 6.03.

It is ordered, That the Independent Ocean Freight Forwarder License No. 372 of Henry Vila, Inc., be and is hereby revoked, effective January 23, 1967.

It is further ordered, That a copy of this order be published in the FEDERAL REGISTER and served on the licensee.

JAMES E. MAZURE,
Director,
Bureau of Domestic Regulation.

[F.R. Doc. 67-977; Filed, Jan. 26, 1967;
8:46 a.m.]

OFFICE OF ECONOMIC OPPORTUNITY

DIRECTOR, COMMUNITY ACTION PROGRAM

Delegation of Authority

I approve the plan for delegation and redelegation of authority recommended in the attachment, which is hereby made a part hereof. Pursuant to the authority vested in me by the Economic Opportunity Act of 1964, as amended, I hereby delegate to the Director, Community Action Program, concurrent authority to approve, deny, amend, revise, supplement, enforce, suspend, and terminate all grants and grant actions under Part A of Title II, Part B of Title III, and section 402(b) of Title IV of that Act, together with power to redelegate such authority in accordance with and subject to the limitations set forth below.

Dated: January 12, 1967.

SARGENT SHRIVER,
Director,

Office of Economic Opportunity.

REDELEGATION OF AUTHORITY BY THE DIRECTOR, COMMUNITY ACTION PROGRAM

Pursuant to the foregoing delegation of authority to me, and in accordance with and subject to the terms of the attachment, which is made a part hereof, I hereby redelegate to the respective Regional Directors of the Office of Economic Opportunity and to the officials of the Community Action Program specified in the attachment, concurrent authority to approve, deny, amend, revise, supplement, enforce, suspend and terminate grants and grant actions under Part A of Title II, Part B of Title III, and section 402(b) of Title IV of the Economic Opportunity Act of 1964, as amended, and I also redelegate to the Regional Directors of the Office of Economic Opportunity within the limits set forth below.

Dated: January 14, 1967.

THEODORE M. BERRY,
Director, Community Action
Program, Office of Economic
Opportunity.

DELEGATION OF CAP GRANT APPROVAL AND RELATED AUTHORITIES

1. *Delegations.* The Director, OEO, delegates to Director, CAP, authority to approve, deny, amend, revise, supplement, enforce, suspend, and terminate grants and grant actions under sections 204, 205, 206(a), 206(b), 207, 209, 211-2, 211-3, 311, and 402(b). To the extent delegated to the Department of Labor, subsection 205-(d) and (e) programs are excepted from this delegation.

2. *Concurrences.* The Director, OEO, or Deputy Director, OEO, may request prior review and concurrence on any specific action before final approval by the Director, CAP. The Director, OEO, the Deputy Director, OEO, or the Director, CAP, may likewise request prior review and concurrence on any specific action before final approval by a Regional Director. The Director, CAP, may also

request that Director, OEO, or Deputy Director, OEO, concur on any specific action re approval by Director, CAP, or a Regional Director, when he concludes that the Director, OEO, should participate in the de-

Delegate Offices

Regional Directors, OEO-----

Director, Office of Special Field Programs.

Director, Project Upward Bound.

Director, Office of Training and Technical Assistance.

Director, Office of Program Planning.

Director, CAP Office of Health Affairs.

4. Restrictions on Redelegations.

a. *Regional Directors, OEO.* Director, may request opportunity to concur re Regional Directors take final action suspend or terminate grants; and Regional Directors are expected to seek Director, CAP, concurrence on such actions when policy and programmatic considerations so dictate.

b. *CAP Managers.* Regional Directors may not redelegate to CAP Managers authority to approve, supplement, suspend, or terminate grant actions. They may redelegate to CAP Managers (but not below) authority to pass upon recommended audit disallowances. They may also redelegate authority to revise or amend grant actions except where:

(1) Additional Federal funds would be obligated.

(2) Such action would increase or decrease the originally approved budget for a component by more than 25 percent.

(3) Such action would increase or decrease the length of a component program by more than 3 months.

(4) The action would substantially alter the purpose of the relevant component program.

c. *Headquarters Program Offices.* Directors of CAP Headquarters offices will not have authority to approve, supplement, suspend, or terminate grant actions. They will have the authority to pass upon recommended disallowances after audit. The Directors of CAP Headquarters offices may revise or amend grant actions except where:

(1) Additional Federal funds would be obligated.

(2) Such action would result in an increase or decrease of the original budget for a component by more than 25 percent.

(3) Such action would increase or decrease length of a component program by more than 3 months.

(4) The action would substantially alter the purpose of the relevant component program.

cision because of policy and programmatic implications.

3. *Redelegations.* The Director, CAP, redelegates authority delegated under paragraph 1 above as follows:

Delegated Authority

Sections 204, 205, 211-3, and 402(b). Except for Indian, Territorial, and Upward Bound programs, authority to approve, deny, amend, revise, supplement, enforce, suspend, and terminate grants and grant actions. To the extent delegated to the Department of Labor, subsection 205 (d) and (e) programs will also be excepted from this redelegation.

Section 209(b). Authority to approve, deny, amend, revise, supplement, enforce, suspend, and terminate grants and grant actions.

Redelegations. Authority to redelegate to Deputy Regional Directors without limitation and to redelegate to CAP Managers authority to amend and revise grants and grant actions subject to paragraph 4b.

Sections 204 and 205. Authority to amend and revise grants and grant actions pertaining to Indian and Territorial programs, subject to paragraph 4c.

Section 311. Authority to amend and revise grants and grant actions, subject to paragraph 4c.

Section 205. Authority to amend and revise grants and grant actions pertaining to Upward Bound, subject to paragraph 4c.

Section 206. Authority to amend and revise grants and grant actions, subject to paragraph 4c.

Section 207 and 211-3. Authority to amend and revise grants and grant actions pertaining to Research and Demonstration, subject to paragraph 4c.

Section 211-2. Authority to amend and revise grants and grant actions pertaining to comprehensive Health Services programs, subject to paragraph 4c.

5. General Constraints

a. *Director, OEO, Delegations.* Regional Directors will refer to the Director, CAP, and the Director, CAP, will in his discretion refer to the Director, OEO:

(1) Actions involving policy issues which are or could become the subject of controversy within OEO, or between OEO and other agencies and groups.

(2) Actions involving policy issues which do or, it is anticipated will, significantly affect OEO's legislative program.

(3) Actions involving policy issues common to a number of OEO programs, e.g., eligibility tests, training stipends, etc.

(4) Actions which involve a large grant not reflected in the Regional Office State allowance plan.

b. *Director, CAP, Redelegations.* All redelegations by the Director, CAP, will be generally subject to:

(1) Legislative and Bureau of the Budget restrictions.

(2) The policy and fiscal determinations derived from the development and management of the OEO Planning, Programming, Budgeting system; and the CAP Funds Allowance and Control system.

(3) OEO/CAP program and administrative policies and procedures.

[F.R. Doc. 67-1013; Filed, Jan. 26, 1967; 8:49 a.m.]

COMMUNITY ACTION PROGRAM

Reallotment of Funds

Notice is hereby given that Community Action Program funds allotted under section 203 of the Economic Opportunity Act of 1964, as amended, for the 1967 fiscal year may be reallotted among the States at any time after April 15, 1967.

Pursuant to subsection 203(c) of the Act, the portion of any State's allotment under subsection 203(a) for a fiscal year,

"which the Director determines will not be required for such fiscal year for carrying out this part," shall be available for reallotment to other States on such dates during the year as the Director may fix. To determine which applications for assistance should be processed for possible funding in the fiscal year ending June 30, 1967, the Director will have to make these reallotments substantially before the end of the fiscal year. Prospective applicants for grants are therefore advised to proceed on the assumption that an application received after April 15, 1967, will not be taken into account in determining the requirements for a particular State for the fiscal year, and may therefore not be considered for funding in this fiscal year.

At any time after April 15, 1967, the Director may fix dates for reallotting funds without further public notice.

SARGENT SHRIVER,
Director,

Office of Economic Opportunity.

[F.R. Doc. 67-1012; Filed, Jan. 26, 1967; 8:49 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[812-2061]

AMPAL-AMERICAN ISRAEL CORP.

Notice of Filing of Application for
Order

JANUARY 23, 1967.

Notice is hereby given that Ampal-American Israel Corp. ("Ampal"), 17 East 71st Street, New York, N.Y., has filed an application pursuant to sections 6(c) and 17(d) of the Investment Company Act of 1940 ("Act") and Rule 17d-1 promulgated thereunder to permit, subject to certain conditions set forth below, Ampal and Israel Development Corp., a registered, closed-end, nondiversified investment company of which Ampal is an affiliate, to make loans during Ampal's fiscal year ending January 31, 1968, to the Jewish Agency for Israel. All interested persons are referred to the application which is on file with the Commission for a full statement of Ampal's representations which are summarized below.

Ampal owns approximately 8.45 percent of the outstanding voting securities of Israel Development Corp., and by reason of these holdings Ampal and Israel Development Corp., are affiliated persons of each other.

It is contemplated that Israel Development Corp. and the applicant will, during Ampal's current fiscal year ending January 31, 1968, make loans in the approximate amounts stated below:

By Ampal:	Approximate amount
To Jewish Agency for Israel...	\$6,250,000
By Israel Development Corp.:	
To Jewish Agency for Israel...	2,500,000

The loans of both corporations, which are payable in semiannual installments, will bear interest at the rate of 8½ percent per annum on unpaid balances.

OFFICE OF ECONOMIC
OPPORTUNITY

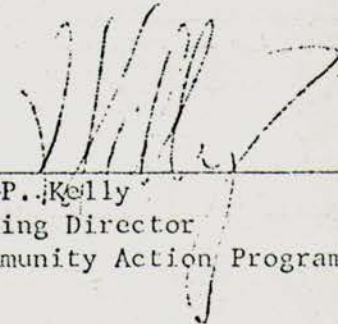
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C. 20506

DELEGATION OF AUTHORITY TO
REGIONAL DIRECTORS OF THE OFFICE OF ECONOMIC OPPORTUNITY

Under the authority delegated to me by the Director of the Office of Economic Opportunity, I hereby delegate to the appropriate Regional Directors of the Office of Economic Opportunity, concurrent authority to exercise all powers vested in me by delegation from the Director of the Office of Economic Opportunity for approval, denial, amendment, revision, supplementation, enforcement, suspension, and termination of grant actions under (a) Sec. 204 up to the amount of \$75,000, (b) Sec. 205 up to the amount of \$500,000 and (c) Sec. 209 up to the amount of \$250,000. Such actions shall be accomplished within the framework of the policies, procedures and regulations prescribed by the Director of Office of Economic Opportunity and the Director of the Community Action Program. Such powers may not be redelegated. The authority to approve grant actions for Indian reservations is excluded from this delegation.

DEC 8 1965

Date


W. P. Kelly
Acting Director
Community Action Program

OFFICE OF ECONOMIC OPPORTUNITY

EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C. 20506

DELEGATION OF AUTHORITY TO REGIONAL DIRECTORS OF THE OFFICE OF ECONOMIC OPPORTUNITY NUMBER 1 (Revised)

Under the authority delegated to me by the Director of the Office of Economic Opportunity, I hereby delegate to the appropriate Regional Directors of the Office of Economic Opportunity, concurrent authority to exercise all powers vested in me by delegation from the Director of the Office of Economic Opportunity for approval, denial, amendment, revision, supplementation, enforcement, suspension, and termination of grant actions under (a) Sec. 204 up to the amount of \$75,000, (b) Sec. 205 programs up to the amount of \$500,000 and (c) Sec. 209 up to the amount of \$250,000. Such actions shall be accomplished within the framework of the policies, procedures and regulations prescribed by the Director of Office of Economic Opportunity and the Director of the Community Action Program. Such powers may not be redelegated. The authority to approve grant actions for Indian reservations is excluded from this delegation.

4/13/66
Date

Theodore M. Berry
Theodore M. Berry
Director
Community Action Program

TRUE COPY

TRUE COPY

EIGHTY-NINTH CONGRESS

COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES
CONGRESS OF THE UNITED STATES
Washington, D.C.

ADAM C. POWELL, NEW YORK, CHAIRMAN
C. SUMNER STONE, SPECIAL ASSISTANT TO THE CHAIRMAN
Extension 4365
2175 Rayburn House Office Building
Extension 4527

August 24, 1966

Dear Sarge:

I plan to call a press conference and issue a major statement on the War on Poverty and the Office of Economic Opportunity this week-end.

I would deeply appreciate your reaction and response within 48 hours of receipt of this letter to the following 8 issues and questions:

1.) What are OEO's minimum requirements for suspending funds for an OEO-subsidized project?

When Alabama Governor Wallace demanded suspension of funds for a project in Lowndes County, it was granted, even though no improprieties had been proved prior to the suspension. Yet, when I requested suspension of funds for Jersey City based upon an extensive investigation outlining specific administrative improprieties, my request was denied - (I am enclosing a copy of the Chief Investigator's report to me. The shocking conflict of interest revealed in the administration and accounting of funds is a deplorable example of OEO inconsistency.)

The Honorable Sargent Shriver • August 24, 1966
Page 2.

2.) What is OEO's precise administrative position on funding Self-Help housing proposals?

While OEO has refused to move on the Self-Help housing proposals for Mississippi or encourage OEO to provide advisory help, OEO has officially and publicly declared it was going to act as "a prod, a catalyst or innovator... in mobilizing assistance" to obtain \$1.8 million dollars from other public and private agencies for a low income housing program in Washington, D.C. (specifically the Housing Development Corporation.)

Why is such a priority and fervent declaration of public support for low income housing programs in Washington, D.C. given by OEO and not to Mississippi?

3.) Why did OEO turn down "Project Spin-Off" after officially encouraging Reed Research for Creative Studies" to submit such a proposal?

Why would OEO flatly turn down this proposal which is specifically action-oriented and designed to materially assist low income persons to enter the field of business vis-a-vis research or "survey" programs funded by OEO? Should not the entire thrust of OEO's programs be action or job-oriented with almost no emphasis on research, evaluation of surveys?

4.) Have OEO funds for the CDGM Program in Mississippi been terminated? If so, why?

Page 2.

The Honorable Sargent Shriver

August 24, 1966

Page 3.

5.) Does OEO's responsibility for anti-poverty programs include the establishment of some form of official protection for premises and workers, both of which are beneficiaries of OEO Federal funds?

Two Anti-Poverty Centers in Mississippi and Alabama have been burned down to the ground in the last three months. Did your office make any requests to the Department of Justice for an investigation? Do you believe your office has the same responsibility for guaranteeing protection of Anti-Poverty workers as it does for requiring that funds be properly managed and disbursed?

6.) Why has not OEO urged the Chicago Committee for Urban Opportunity to fund the Woodlawn Organization, one of the most successful independent Anti-Poverty operations in the country for its West Side program. Or recognizing CCOU's political reluctance to fund TWO, why hasn't OEO funded TWO as an independent organization?

7.) Why has OEO not concentrated on recruiting Negro teen-age females for its Job Corps Centers in view of the fact that Negro female teen-agers have the highest unemployment rate of any single group in the labor force?

8.) What specifically is OEO doing to develop a consistent policy on representation of the poor on CAA policy or advisory boards? For example, the representation of the poor on such boards range from 0% in Baltimore and Chicago to 41% in Philadelphia and 38% in Detroit.

The Honorable Sargent Shriver

August 24, 1966

Page 4.

I am primarily concerned, however, with what I view as inconsistencies in the administration of the War on Poverty by the Office of Economic Opportunity and I would deeply appreciate your comments on the matters raised in this letter before I hold my press conference this week-end.

With every good wish.

Very truly yours,

ADAM C. POWELL,
Chairman

The Honorable Sargent Shriver
Director
Office of Economic Opportunity
1200 19th Street
Washington, D.C.

ACP/dh

Enclosure

Hand Delivered

Page 4.

COMMITTEE ON EDUCATION AND LABOR
U. S. HOUSE OF REPRESENTATIVES

MEMORANDUM

August 15, 1966

TO: THE CHAIRMAN

FROM: Jim McCarthy

RE: Can-Do Anti-Poverty Program
Jersey City, New Jersey

From an overall point of view, Mr. Shriver's letter seems faulty in that it appears to contain typographical errors; incorrect information and ignores certain very basic issues raised in your letter of August 4, 1966 to Mr. Shriver. The following is a paragraph by paragraph analysis of Mr. Shriver's letter:

1. "First, if funds were frozen it would mean that the nearly 2,000 children of the two on-going summer programs, plus more than 250 target area neighborhood councils, would be the ones to suffer most severely the consequences of such a freeze".

Any freezing of funds of an anti-poverty program results in hardships for the recipients. However, when one weighs these hardships against the chaos, frustrations and hostility that the Can-Do operation is presently creating in Jersey City, particularly among the minority groups, the freezing of funds until the agency can be equitably reorganized may be the only way to prevent large scale violence in that troubled community. It has been reported that during the past week that there have been several outbreaks between minority young people and the police. Such situations could trigger a real conflagration. In this regard, it is worth recalling Mayor Walsh's observations to the Investigator that Jersey City had an effective Police Department and could "take care of anything that might happen". He recalled that in 1964, riots in Jersey City resulted in no killings. He indicated that it might be different if another riot were to occur. He emphasized that he and his Police Department would "maintain law and order at all costs" and if necessary "would come out shooting first".

In regard to the 2,000 children participating in the summer program it should be noted that the current summer program has only approximately two weeks to run. In commenting on Mr. Shriver's statement about "the more than 200 target area neighborhood residents employed by neighborhood councils", Mr. Roy Kinack, former Executive Director of Can-Do, stated that there are only 60 neighborhood persons employed on a full-time, year-round basis.

2. "Second, many of the personnel problems involved in Jersey City are basically problems which the local community has to work out for itself, according to personnel procedures developed by the community but approved by CEO."

In the above paragraph, Mr. Shriver makes reference to personnel problems involved in Jersey City. Perhaps Mr. Shriver's use of personnel is a typographical error in that your letter to Mr. Shriver of August 4, 1966, no mention was ever made of personnel problems; "rather to the barbaric personnel practices" exercised by the Can-Do Board of Directors. Mr. Shriver goes on to say that Jersey City has to work out problems for itself in accordance with personnel procedures developed by the Can-Do Board of Directors by approved by CEO. The facts as presented by Mr. Roy Kinner are that Can-Do has not, up to this date, developed a formal set of personnel practices. He stated further that they have not complied with CEO Community Action Memorandum No. 23 dated March 3, 1966, which requires "Each grantee and delegate agency must develop and submit to the CEO Regional Office for its approval a formal plan which details the personnel policies and procedures the grantee will follow with respect to employees supported by CEO funds or cash contributions to the non-Federal share". Furthermore, the Board of Directors of Can-Do did not establish a Grievance Committee until July 28, 1966, which was after your investigation had begun. The above facts negate Mr. Shriver's statement that Can-Do has worked out personnel practices which have been approved by CEO.

3. "Third, Can-Do, at the urging of the CEO New York Regional Office, has developed a preliminary plan for a total revision of the present Board of Directors, of which 50% are representatives of the target areas. This plan calls for elections to be held in mid-September."

As late as the meeting of the Executive Committee of its Board of Directors on July 28, 1966, Can-Do planned to hold the much delayed election of its Board of Directors in November or December of 1966. Since your investigation of Can-Do, the CEO's New York Regional Office has "put on the heat" to move up the elections to mid-September, 1966.

It should be noted that Mr. Shriver's letter contained a typographical error regarding the composition of the Board of Directors of Can-Do. The correction received from Mr. Shriver's Office stated "of which 50% are to be representatives of the target areas".

4. "Fourth, CEO did conduct a preliminary audit of Can-Do in June 1965 and has since received monthly audit reports from an independent certified public accounting firm in Newark. These

reports have revealed no financial irregularities in the expenditures of OEO funds. At present, OEO is conducting a routine audit of Can-Do.

Apparently, Mr. Shriver's reference to a certified public accounting firm in Newark is another typographical error, as the copy of his letter which appeared in the August 12, 1966 edition of the New York Times and Jersey Journal, referred to an independent public accounting firm in Jersey City. On Thursday July 21, 1966, in the office of Raymond Brown, Counsel for Can-Do, the Investigator interviewed Mr. Robert Spellman, partner in the accounting firm of Spellman and Spellman, 26 Journal Square, Jersey City, New Jersey. Mr. Robert Spellman, serves in the paid capacity of Comptroller for Can-Do. The Spellman firm also does a monthly audit or financial report on Can-Do's books, which is submitted to OEO. The fee for these fiscal services from the Spellman firm is reported to be \$12,000.00 a year. Mr. Shriver stated that OEO received monthly audit reports from an independent certified public accounting firm in Newark. This statement is incorrect. The certified public accounting firm who submits the monthly reports is, Spellman and Spellman of Jersey City. As indicated, they provide the staff services of the Office of the Comptroller and at the same time act in the capacity of "independent certified public accountants" who audit Can-Do's books. Not only is Mr. Shriver's statement factually wrong, but, it does seem to be clearly a matter of a conflict of interest to have the same firm serve as the Comptroller as well as the "independent certified public accounting firm" for Can-Do.

Mr. Robert Spellman, in discussing Can-Do's fiscal matters with the Investigator, stated unequivocally that the Can-Do financial records have never been audited by OEO since the agency received its first grant in June 1965. The Investigator questioned Mr. Spellman closely on this matter and Mr. Spellman stated that from his point of view he wished that OEO would audit the Can-Do books because he felt such an audit would put an end to repetitious charges in the community of fiscal mismanagement by Can-Do.

Thus, it is apparent that Mr. Shriver is again factually wrong. Regarding an "OEO audit in June 1965", it is the Investigator's belief that the audit Mr. Shriver referred to is an audit of the Department of Labor funds, which was conducted prior to the first OEO grant to Can-Do in June of 1965. It was the unanimous opinion from all quarters in Jersey City that the audit of the Labor's O.M.A.T. funds in 1965 revealed substantial financial irregularities and almost resulted in Jersey City not receiving an OEO grant.

The routine audit of Can-Do, that Mr. Shriver stated that OEO is presently conducting, was begun after your investigation was underway.

Further Comments - Re: Can-Do

1. A copy of your letter of August 3, 1966 to Sargent Shriver was released at a press conference held by the Ad Hoc Committee in St. John's Episcopal Church in Jersey City on August 9, 1966. It was reported in the New York Times, the Jersey Journal and Hudson Dispatch on August 10, 1966.

Members of the Ad Hoc Committee felt your letter was very helpful to their cause. A number of letters from citizens in Jersey City have been received, praising your stand on the Can-Do matter.

2. Sargent Shriver has his reply to your letter delivered on August 11, 1966. On the same day, it was released by the OEO Regional Office in New York City. Shriver's letter was reported on August 12, 1966 in the New York Times, the Jersey Journal and Hudson Dispatch. The Jersey papers interpreted Mr. Shriver's letter as a vote of confidence in the Can-Do Program.

3. At a meeting of the Executive Committee of the Board of Directors of Can-Do, held on August 11, 1966, Mr. Julian Robinson, Director of the Welfare and Health Department of Jersey City and Chairman of the Board of Directors and of the Executive Committee of Can-Do, resigned. At the same meeting Mr. Fred Martin, Jersey City Councilman and member of the Board of Directors and of the Executive Committee of Can-Do, also resigned. Both men stated that they did not have the "time" to devote to Can-Do and, that in as much as, it was on a "sound footing", in that it has received a vote of confidence from Mr. Shriver, they both felt it was an appropriate time for them to resign.

4. In the August 11, 1966 editions of the Jersey Journal and Hudson Dispatch, Congressman Dominick B. Daniels, Mayor Thomas Whalen and Councilman Fred Martin attacked your request for a freezing of Can-Do funds. They all supported Can-Do and stated they had requested Mr. Shriver to continue funding the Jersey City Anti-Poverty Program.

5. The New York Regional Office sent a telegram to Mr. Julian Robinson, which was read to the Executive Committee on Can-Do at its August 11, 1966 meeting. The telegram is reported to have requested that Can-Do comply with the OEO Community Action Memorandum Number 23, dated March 3, 1966, regarding Personnel Policies and Procedures. This memorandum states in part, that no person should be employed in a project funded by OEO, who is a member of the immediate household or family of a member of an Anti-Poverty Agency's Governing Board. It is further reported that Mr. Raymond Consin, who is a member of the Board of Directors, of the Executive Committee and Chairman of the Personnel Committee of Can-Do, and whose sister Mrs. Zeitlin is the paid Director

of Can-Do's Head Start Program took issue with this request from CEO's Regional Office. It is reported that he said, "that his sister is not a member of his household and that she would retain her position with Head Start". It is also reported that he said, "If CEO did not like it they could lump it".

6. Other alleged instances of nepotism among the Can-Do staff are being investigated by the Ad Hoc Committee. They will submit affidavits as to their findings.

7. The August 12, 1966 edition of the Hudson Dispatch reported that the Internal Revenue Service had placed a lien against Can-Do's Neighborhood Youth Corps for \$7,529.00. This sum represents withholding taxes that the agency collected but did not transmit to the Internal Revenue Service.

Members of the Ad Hoc Committee, while somewhat disappointed by the position taken by Mr. Shriver regarding Can-Do are continuing to work for a total reorganization of the agency. They are eager and anxious for any further help you may wish to extend to them in their efforts to achieve an equitable solution of the problems at Can-Do.

Please advise me of any further steps you may want me to take regarding this situation.

JEM/hbp

CR ANI POWELL, Com. Adam C.
CR/CAP N.Y. -- Can-Do, Jersey City
New Jersey

CAP/BERRY
PA/Jim Williams
RO 1

AUG 11 1966

Honorable Adam C. Powell
Chairman, House Committee Education and Labor
House of Representatives
Washington, D. C.

Regional Desk 1
and Labor

AD CHEON
/EXSEC
MORAN - DD 8/9/66

Dear Adam:

Thank you for your letter of August 4, 1966, in which you discussed certain problems in the operation of the Can-Do program in Jersey City, New Jersey.

While OEO recognizes that there have been certain deficiencies in the operation of the Can-Do program, I do not feel that funds should be frozen for the program for the following reasons:

First, if funds were frozen it would mean that the nearly 2,000 children of the two on-going summer programs, plus more than 250 target area neighborhood residents employed by neighborhood councils, would be the ones to suffer most severely the consequences of such a freeze.

Second, many of the personal problems involved in Jersey City are basically problems which the local community has to work out for itself, according to personnel procedures developed by the community but approved by OEO.

Third, Can-Do, at the urging of the OEO New York Regional Office, has developed a preliminary plan for a total revision of the present Board of Directors, of which 50% are representatives of the target areas. This plan calls for elections to be held in mid-September.

Fourth, OEO did conduct a preliminary audit on Can-Do in June 1965 and has since received monthly audit reports from an independent certified public accounting firm in Newark. These reports have revealed no financial irregularities in the operation of OEO funds. At present, OEO is conducting a routine audit of Can-Do.

For those reasons, I have decided not to freeze the funds for
Can-Do, although I can assure you that this office is indeed
concerned about the situation in Jersey City and is keeping
close surveillance of the happenings there.

With every good wish.

Sincerely,



Sargent-Sherman
Director

CR CAP: yjo/8/11/66

COPY

July 28, 1966

Honorable Adam C. Powell
Chairman
Committee on Education and Labor
House of Representatives
Washington, D. C. 20515

Dear Adam:

Thank you for your letter of June 29 on behalf of Project Spin-Off requesting a reconsideration of this proposal.

I have asked our staff to take a second look at the proposal as you requested. I understand that two members of my staff who have been involved in this project, Dr. Ornati and Dr. Kravitz, have already agreed with Mr. Reed to have the proposal reconsidered. I shall keep you informed on this matter.

Your interest in this matter is appreciated.

Sincerely,

/s/ Sargent Shriver

Sargent Shriver
Director

COPY

August 9, 1966

Honorable Adam Clayton Powell
House of Representatives
Washington, D. C. 20515

Dear Adam:

In reference to your request of June 29, asking us to reconsider Project Spin-Off, I have had two additional offices within OEO review the proposed demonstration program.

While some of the issues raised in the proposal are of interest to OEO, as they are to all people interested in generating more jobs for the poor, we still find no basis for funding Project Spin-Off.

I am enclosing copies of an additional evaluation made jointly by three OEO program offices. While this evaluation as well as our earlier one may raise some moot issues, both are emphatic in their recommendations for rejection. With three separate offices of OEO recommending rejection, I feel that this is clearly the wise choice.

Sincerely,

/s/ Sargent Shriver

Sargent Shriver
Director

Enclosure

STAFF MEMORANDUM

TO : CAP Director

FROM : Evaluation Division, C/PM&R
Economic Development Division, C/PP
Office of Research, Plans, Programs and Evaluation

SUBJECT : Project Spin-Off

Because of your interest in this matter, we are commenting at some length about the subject proposal.

Our first set of comments relate to the exceedingly high cost of the proposed demonstration, and the second set to the concepts and methods of operation proposed.

High Cost of Project

The following comments are relevant to the cost of the proposal:

I. The proposal boils down to a business training course of classroom instruction and travel for 3 months and, as far as we can tell, an additional 9 months of guidance. The outline for the three months course suggests an offering that does not seem to vary greatly from the usual business-type course, except for the heavy dose of travel and some individual tutoring. The proposal does not elaborate to any great extent on the guidance phase of the program. The proposal suggests that 60 of 90 people will complete the course (costs are computed based on 60 trainees). The cost of training these 60 people and providing guidance is \$945,000.

II. The program envisions a staff to trainee ratio of slightly over 3 to 1 (60/19). Further, it should be emphasized that this is a staff whose lowest paid man received \$12,000. The average salary is just under \$16,000, with four persons over \$20,000.

III. All salaries are budgeted for a year. The training course itself lasts only three months. The proposal is silent as to the duties of the 19 staff people during the guidance period.

IV. In this regard, it is far from clear why \$100,000 is needed for course development, recruitment method development, etc. (the non-recurring costs). These outlays are in addition to the salaries of the staff of 19 highly paid professionals. What material costs beyond salaries are needed to develop the courses, etc., are not specified.

V. Supplies average \$1,000 per trainee with work materials averaging \$500 per trainee.

VI. The proposed program will cost roughly \$15,700 per trainee (\$14,100 if non-recurring costs are excluded). Excluding all trainee subsistence and stipends cost per trainee is \$11,800 (a bit over \$10,000 without the non-recurring costs). We would emphasize that the program has no capital outlays. Such costs to offer what appears at best to be a fairly sophisticated business course to trainees from problem communities who have "the highest potential for success in becoming entrepreneurs," certainly appear high.

Concepts and Method of Operation

The following comments are relevant to the underlying concepts in the proposal:

I. No one could be unsympathetic with the objectives in the proposal. Nor could anyone not wish to see them accomplished. The proposal, however, does not set out in detail the methods, program techniques, nor the work plan by which the demonstration goals are to be reached. To be sure the proposal does contain a timetable of when certain stages of the training part of the project are supposed to occur, but this is far from a detailed plan of how the educational material is to be taught. Further, there is no detailing of exactly how the project will work and how each of its objectives will be carried out.

II. The proposal's first objective is recruitment. Here there is a major inconsistency in the proposal. On page two we are told that "Disadvantaged members of depressed communities are dominated by feelings of apathy, frustration, fear and lack of self-esteem" The applicant here emphasizes that "such attitudes crush . . . entrepreneurial characteristics . . . and risk-taking." We agree that in some communities for many people this may be true. However, the proposal relies exclusively on a psychological test which is a measure of the individual's need for achievement, and the very attitudes it says these people do not have. In other words, the applicant proposes to test individuals who lack "thrift, initiative and risk-taking" characteristics with an instrument which will only reveal if these characteristics are possessed by the individual. Yet the proposal denies that these individuals have such characteristics. If it is true that disadvantaged members of certain communities have negative attitudes in this respect (and there is evidence to show that this is far from universally true), then one would not want to use a recruitment test which measures the existence of attitudes and beliefs that have been, in the proposal's word,

III. Of at least equal concern to us is the actual use of the psychological test referred to above "to identify and measure . . . entrepreneurial success." This "measure" has not yet been developed, and the proposal itself notes this. Even if we assume, as the applicant does, that these tests (which have not been submitted with the proposal) are valid, what will they reveal? What kinds of people will it identify? There is good reason to believe that the test will merely identify people who correspond with the test's image of who the successful businessman is. But these are likely to be the very people who will probably enter the business field through channels now available. They are highly likely to be individuals who do not now live in poverty. We believe strongly that OEO's task is not to identify people who have high chances for success in business, but those who don't presently exhibit such potential. The former is the aim of the proposal. Our task is to identify those people with low chances of success and then take action to increase their chances of success.

IV. All of the assumptions behind the training program are not made clear. Those that are provided on pages 12 and 13 are derived from the conclusions of a single study - The Enterprising Man, by Collins and Moore, carried out in 1964. We must emphasize that these assumptions are crucial to the Reed Research Institute's proposal. The proposal implies, however, that as a result of the work of Collins and Moore, "inadequate male models . . . endemic to the Negro family . . . may be considered a positive factor in the task of stimulating entrepreneurial potential." Yet this research, upon which the proposal relies so heavily, was based entirely upon a study of one hundred white entrepreneurs.

The proposal does not provide any evidence that leads us to believe that the same basic conditions that were crucial to the Collins and Moore conclusions are also present in the communities where Project Spin-Off is supposed to take place. In fact, it seems unlikely that these conditions will be operative in any one of the proposal's three target communities (an urban ghetto, a small city, and an agricultural community). Although the study does state that there are "no . . . detailed studies of Negro entrepreneurs", we are asked to believe that the conclusions of the Michigan study should be the sole assumptions underpinning the proposal's training program.

There are several other qualities about the entrepreneurs studies in the Collins and Moore study that make it inapplicable to the populations this proposal proposes to help. The members of the group studied were highly similar, and only entrepreneurs in a narrow range of manufacturing enterprises were selected. The communities from which the individuals came were "areas in Michigan of greatest entrepreneurial activity, and the only businesses selected were those with more than 20 employees (i.e., fairly large "small" businesses).

4

V. Also, there is nothing in the proposal to indicate that problems other than "motivational problems" will be treated. Many of us believe that barriers other than a supposed lack of motivation bar entrepreneurial opportunities to many of the disadvantaged.

Committee on Education and Labor
 HOUSE OF REPRESENTATIVES
 Congress of the United States
 Washington, D.C.

ADAM C. POWELL, NEW YORK, CHAIRMAN
 C. SUMNER STONE, SPECIAL ASSISTANT TO THE CHAIRMAN
 EXTENSION 4527
 2175 RAYBURN HOUSE OFFICE BUILDING
 EXTENSION 4527

MINORITY MEMBERS:

WILLIAM H. AYRES, OHIO
 ROBERT B. GIFFORD, MICH.
 ALBERT H. CUIE, MINN.
 CHARLES E. GODDARD, N.Y.
 JOHN M. ASHDROOK, OHIO
 DAVE MARTIN, ILL.
 ALPHONZO BELL, CALIF.
 OGDEN H. REID, N.Y.
 GLENN ANDREWS, ALA.
 EDWARD J. GURNEY, FLA.

RUSSELL C. DERRICKSON,
 STAFF DIRECTOR
 EXTENSION 4527

DR. EUNICE S. MATTHEW,
 EDUCATION CHIEF
 EXTENSION 4515

LEON ABRAMSON,
 CHIEF COUNSEL FOR LABOR-
 MANAGEMENT
 EXTENSION 4513

MICHAEL J. BERNSTEIN,
 MINORITY COUNSEL FOR EDUCATION
 AND LABOR
 EXTENSION 3725

CHARLES W. RADCLIFFE,
 SPECIAL EDUCATION COUNSEL FOR
 MINORITY
 EXTENSION 3725

June 29, 1966

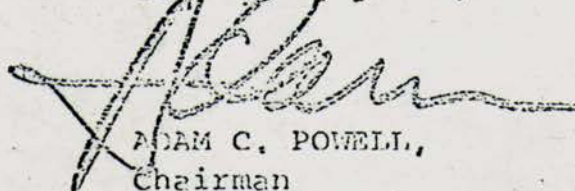
Dear Sarge:

I wonder if it would be possible for OEO to reconsider its consideration of Project Spin-Off, in light of the enclosed letter which I have read carefully. When I was initially informed of the proposal I was impressed and enthusiastic about it. In view of the issues they have raised, I would think this is the kind of program which would articulate increased Congressional support.

Secondly, I am sending a press release concerning a grant for evaluation to UPO in terms of the comparative immediate impact on the problems of poverty. The Research Institute proposal is far more productive and meaningful than the grant to UPO. Grants such as the enclosed which went to UPO were a factor in the Committee's very negative attitude toward Research and Demonstration projects.

With every good wish.

Very truly yours,



ADAM C. POWELL,
 Chairman

The Honorable R. Sargent Shriver
 Director
 Office of Economic Opportunity
 1200 19th Street
 Washington, D.C.

REED RESEARCH INSTITUTE FOR CREATIVE STUDIES

706 RCA Building, 1725 K Street, N.W., Washington, D. C. 20006, 965-1556

June 22, 1966

The Honorable Adam Clayton Powell
U.S. House of Representatives
Washington, D.C.

RE: OEO letter to you of June 7 regarding Project Spin-off

Dear Congressman Powell:

We are in receipt of the letter written to you on June 7, 1966 from the Office of Economic Opportunity and forwarded to us from your office. This is the first "feedback" we have seen from OEO about the criteria they employ in evaluating economic development proposals. We have asked them to discuss this with us in two letters and two phone calls since their initial rejection of Project Spin-off on May 18 on the grounds that it did not meet their "criteria" and "present priorities." So far we have had no repl

The objections raised by OEO in the letter to you are insubstantial and are compounded by misreading and simple error. We therefore are continuing to seek a discussion meeting with OEO as to the relevant criteria for evaluating Project Spin-off and how our program might be modified to meet these criteria.

We submit, moreover, that the letter written to you is additional evidence that the proposal has not had the attention or careful evaluation it merits. That a letter claiming to explain "internal inconsistencies," and "sufficient technical grounds" for rejection of a proposal is itself so superficially created presents a serious problem to those of us who are concerned with this important area.

Let us briefly demonstrate just how weak are the points raised by OEO:

1. The OEO letter states that "a return of 10 percent on investment is unrealistic." Return on investment was not mentioned anywhere in the proposal!
2. OEO states that businessmen tell them fifty-eight or fifty-nine of our trained sixty graduates will fail, even after a subsequent nine month supervision period and advice from active and successful businessmen. We assumed a minimum of five would survive for five years for payoff, i.e. only 8.3 percent. OEO says this is too high and at the same time, incidentally, makes a gross arithmetic error.

Relevant factual background on this point indicates that there are about 3-million companies of the type envisioned in the U.S. today. About 300,000 of these disappear each year due to death, sale or liquidation, merger or acquisition, and 300,000—plus more spring up to replace them. About 30,000 of the 3-million "fail" each year, but only 15,000 of all categories are classified as genuine failures, that is where there is a dollar loss to a creditor such as a bank or supplier. Thus OEO is assuming that the failure rate of our supervised graduates will be twenty or thirty times the national rate!

In our outline proposal to OEO we had estimated ten survivals and were complimented for being conservative. It was reduced to five - for this is the break-even for the project, i.e. all of the government cost is recovered through taxes (corporate and proprietorship, but not on wages). We should like to discuss this with their businessmen advisors and staff.

3. OEO criticism is that there is no discussion of capital investment included in the proposal and that this would add to "cost" of the program.

SBA is mentioned as a source of loans and the course outline mentions introducing trainees to three or four other of the many sources of capital that would obviously be covered in a program of the quality outlined. We specifically omitted extensive discussion of financing because we purposely refused to predetermine the nature of the businesses created and the amount of financing each would require. Automatic SBA financing at an average of \$10,000 per graduate was suggested in an outline but was omitted as being too inflexible a feature to build into the program in advance. At a minimum graduates would probably be eligible for EOL loans, certain conventional financing and many franchising plans.

OEO refers to investment loans as added "costs" for the program. Loans however are not actually costs and should not be referred to as such.

4. OEO assumes that a "crucial" assumption of the proposed training course is residency and that candidates cannot be found who will participate because business, present employment or family obligations will outweigh the program's benefits. Present employment or business activity is not assumed by the proposal. Education, travel, personal subsistence at a cost of \$16 per day for 90 days, \$200 per month for his family (if any) and \$50 per week for nine more months, we believe will outweigh such considerations and will not be a substantial barrier to recruitment.

The entire summary of OEO's points is thus surprisingly superficial. We submitted our proposal to many experts in the field and have yet to receive a criticism that reveals any basic flaws in it. We therefore fail to understand OEO's attitude.

One other point. The OEO letter states that the Reed Research Institute was not asked to submit a proposal but that Mr. Reed suggested it. We find this most surprising also. The essay "Entrepreneurship and the Depressed Area," by Stanley Foster Reed, which led to Reed Research Institute's submitting Project Spin-off has been nationally and widely circulated. For instance, it was reprinted by USES as a guide for programs for self-employed people; the U.S. Chamber of Commerce has reprinted and distributed it. We have many letters from prominent businessmen praising both the concept and the program and have had discussions with a good number of them who stand ready to cooperate with us in the program.

A particular Pennsylvania State University reprint was also widely circulated. We understand that Harry Caudill, author of Night Comes to the Cumberlands, presented a copy to the Director of OEO. The Director of the Community Action Program, Theodore Berry, subsequently requested some fifteen additional copies from Pennsylvania State University. Economic Development staff members of CAP called Stanley Foster Reed at least twice in the fall of 1965 and asked for a meeting to discuss the basic idea of the program suggested in the article. OEO asked for a proposal. Two extensive meetings took place as a result. We never thought this was a matter for misunderstanding as it was the basic atmosphere in which discussions took place. An outline proposal was submitted for discussion in January, 1966. Dr. Ornati of the Economic Development section of CAP, while making it quite clear that submission did not mean acceptance, urged the project on the Institute and was directly asked, "If we (Reed Research) prepare a proposal in this category, and it meets your criteria, do you have resources available to fund it?" Dr. Ornati's answer was, "yes." I was present at this meeting.

If this conversation, taking place at a meeting requested by OEO, does not constitute soliciting or asking for a proposal then I submit that the English language is changing or someone is doing violence to it.

On the strength of this, this Institute hired personnel, assembled its associates and consultants and prepared the proposal in consultation with OEO staff members. It was submitted on March 21.

We submit that these facts indicate that Project Spin-off deserves far more from OEO than it gets in the apparently hasty reply sent to your office. Yet even that reply we were not able to obtain through normal channels.

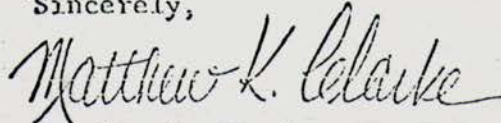
As we suggested in our May 24 letter, we think that the processing of our proposal indicates inadequate attention on the part of OEO to the economic development area. Since you understand the merits of our proposal and endorse it, we feel that you will agree that the above analysis amply demonstrates that some reversal has taken place in their priorities since January or March,

now only the most superficial attention is being given to proposals
ing to meet the important needs in this vital area.

If an administrative decision has been made that OEO should not become
involved in the economic development of human resources, we cannot dispute
the decision. That may present the legislative opportunity we suggested
ought to be present in our earlier letter.

We can hardly believe, however, that the "Economic Development Division"
CAP is still interested in entrepreneurship" when it and the Demonstration
research office refuses even to discuss our proposal which we prepared and
submitted in all good faith. We wish to discover the "criteria" that apply to
. We continue to seek a meeting with OEO as to what has happened, and we
are glad that you have undertaken to help us find out.

Sincerely,



Matthew K. Clarke
Project Director

OFFICE OF ECONOMIC
OPPORTUNITY

PUBLIC AFFAIRS

WASHINGTON, D.C. 20500

Telephone: 296-2980

Compare to D.C. Business proposal

WASHINGTON, D.C. (CONDUCT AND ADMINISTRATION)

The Office of Economic Opportunity today announced approval of a six-month research program in Washington, D.C., at a cost of \$168,887.

Sidney H. Woolner, Acting Mid-Atlantic Regional Director for the OEO, said that the program will be financed by reallocation of unexpended funds from programs previously approved by the Office of Economic Opportunity. The applicant agency is the United Planning Organization.

This program, carried out by the research division, will enable UPO to gather and analyze data and to monitor programs, allowing the agency to evaluate the total on-going program of UPO.

The research division is charged basically with determining the effectiveness of UPO action programs, giving feedback and aid to field personnel, providing program and other information relevant to efficient administrative decisions by UPO, comparing actual performance with that which was contemplated. It will help answer such questions of performance as: the intended target program compared with that actually reached; immediate and ultimate program objectives; frequency of use and proportion of people using services of CAP; assessments of service recipients; and many other pertinent questions.

The overall program will employ 19 professional and 21 non-professional workers.

James G. Banks is the Executive Director.

Rejection

In reply please refer to
DC-CAP-66-9639

MAY 18 1966

Mr. Stanley Foster Reed
President
Reed Research Institute for
Creative Studies
1725 K Street N. W.
Washington, D. C. 20006

Dear Mr. Reed:

Thank you for submitting to us your application for a Demonstration-
Training grant for "Project Spin-Off."

Our staff has extensively reviewed your proposal, and we regret to
inform you that it does not meet our criteria, nor fall within the
range of our present priorities for Research, Demonstration, and
Training programs under Title II, Section 207 of the Economic
Opportunity Act of 1964.

We wish to acknowledge, with sincere appreciation, the time and effort
reflected in your proposal, and thank you for your desire to participate
in this national anti-poverty effort.

Sincerely,

Sanford J. Kravitz, Ph.D.
Director, Demonstration, Research,
Training and Technical Assistance
Projects Office
Community Action Program

CJAMES/Sarpy 5/18/66

cc: Kravitz - Chron
James - Chron
James - Rejection ✓
United Planning Organization
Commissioner Tobriner
Matt Rose
CAP
OEO
CHRON

417

UNITED STATES GOVERNMENT

Memorandum

Handwritten initials and signature: O. Ornati

DATE: May 16, 1966

TO : Sanford Kravitz - C/PP
HRU : Oscar Ornati
FROM : Stuart Lerner - C/EC

SUBJECT: Project Spin-Off - CAP 66-9639

The proposal seeks to select 90 potential small businessmen from three (3) communities and to provide for them a total immersion course in business development over a period of thirteen (13) weeks. At the end of this period, 60 would graduate and would be set up in new businesses. It is further assumed that five (5) of the 60 students who graduate would survive for a period of 5 years after the beginning of the proposal.

The proposal assumes that each of these 5 surviving businesses will earn a rate of return of 10 percent or more on their investment. This is very high because the average for U.S. manufacturing companies as a whole over the past decade was only 7 percent.

1. The proposal is far too optimistic about rates of return on investment. It is more likely that returns will be 5 percent, not 10 percent.

2. The survival rate assumed is too high. The proposal assumes that five (5) businesses will survive out of 60 which are originally set up. This is almost a rate of 12 percent which is quite high. From businessmen we have talked with, we think that probably only 1 or 2 businesses will probably survive.

3. There is no discussion in the proposal about sources or the amount of investment needed by each of the trainee-businessmen in order to set them up in new enterprises. This figure is likely to be substantial, and would further add to the cost of the demonstration.

4. A crucial assumption of this proposal is the 90 potential entrepreneurs are in a position to drop completely their family life, their present employment or business activities (if they are engaged in such) in order to participate in this program which is a 13-week course. *This is unrealistic*

5. Points 1, 2 and 3 above would seem certain to make this demonstration extremely expensive, compared to the returns obtained from funding it. I recommend, therefore, rejection of this proposal.

In conclusion, I should point out that this office is very much interested in considering proposals that seek to develop or encourage entrepreneurship in poor communities. Therefore, our recommendation against funding Project Spin-Off is not, in any way, intended to mean a reduction in our basic interest in demonstrations that would develop or encourage entrepreneurship in poor communities.

19

B



Copy

Honorable Adam C. Powell
House of Representatives
Washington, D. C.

Dear Adam:

I have inquired into the matter of the Reed Research Institute for Creative Studies' proposal for a research grant.

I should note that the letter from Mr. Clark is somewhat misleading as the Institute, in fact, was not asked to submit a proposal. Rather, in discussing with Mr. Reed the ideas written up in the Yale Review, Mr. Reed suggested the submission of such a proposal.

It is my understanding that the staff of the Economic Development Division was glad to consider such a proposal, making it clear all the time, that a submission was not equivalent to acceptance.

Finally after a number of recastings by Reed Institute they did submit a proposal which was found not to be internally consistent.

As I understand it, the Reed proposal seeks to select 90 potential small businessmen from three communities and to provide for them a total immersion course in business development over a period of thirteen weeks. At the end of this period, 60 would graduate and would be set up in new businesses. It is further assumed that five of the 60 students who graduate would survive for a period of 3 years after the beginning of the proposal.

The proposal assumes that each of these 5 surviving businesses will earn a rate of return of 10 percent or more on their investment. This is very high because the average for U. S. manufacturing companies as a whole over the past decade was only 7 percent.

The following comments were submitted as a result of careful evaluation:

1. The proposal is far too optimistic about rates of return on investment. It is more likely that returns will be 5 percent, not 10 percent.

2. The survival rate assumed is too high. The proposal assumes that five businesses will survive out of 60 which are originally set up. This is almost a rate of 12 percent which is quite high. From businessmen we have talked with, we think that probably only 1 or 2 businesses will probably survive.
3. There is no discussion in the proposal about sources or the amount of investment needed by each of the trainee-businessmen in order to set them up in new enterprises. This figure is likely to be substantial, and would further add to the cost of the demonstration.
4. A crucial assumption of this proposal is the 90 potential entrepreneurs are in a position to drop completely their family life, their present employment or business activities (if they are engaged in such) in order to participate in this program which is a 13 week course. This is unlikely.
5. Points 1, 2 and 3 above would seem certain to make this demonstration extremely impressive, compared to the returns obtained from funding it.

The proposal was therefore rejected on what I deem to be sufficient technical grounds. I do wish to reiterate that the Economic Development Division is still very much interested in proposals that seek to develop or encourage entrepreneurship in poor communities. Our turning down the proposal from the Reed Research Institute does in no way indicate a lack of interest in the topic. As a matter of fact we are now involved with other similar proposals from other sponsors and they are under consideration.

Sincerely,

cc: D/Shriver-Chron
C/Berry-Chron
Hayes-Chron
C/PD/Kravitz-Chron
C/PD/James-Chron
C/PD/James
CAP
OEO
CHRON.

Sargent Shriver
Director

Concurrence:

Theodore M. Berry

Frederick O'R. Hayes

Sanford L. Kravitz

August 26, 1966

The Honorable Adam Clayton Powell
Chairman, Committee on Education and Labor
House of Representatives

Dear Mr. Chairman:

This is in answer to your letter of August 24, 1966 in which you raised 8 issues on which you requested comments from this office:

1. This office considers suspension of a grantee's funds to be a most serious step and it is taken only after full consideration of all the factors involved. In the case of Lowndes County, the suspension of funding authorization took place before the program had started to operate and no funds had actually been released. In the case of the Jersey City CAN DO project, however, a suspension would have caused serious disruption of an on-going project. Among other considerations, the suspension would have meant payless paydays for a large number of poor people employed by CAN DO. Furthermore, as I pointed out in my letter of August 11, nearly 2,000 children would have been dropped from the Head Start program.

GEO is now completing its own audit of the project. In addition, the regular annual audit will be made by an independent firm other than the project's own comptroller, Spellman and Spellman.

With reference to the nepotism issue, we have been informed that Mr. Chasin has resigned from the Board. You may rest assured that any violations of our CAP Memo 23 will be appropriately dealt with.

2. Our administrative position with respect to housing proposals reflects both the legal authority we have and the resources available to us.

The Mississippi applications involved requests for grant assistance to cover the costs of constructing permanent housing. This is the kind of assistance which is normally provided by agencies such as

the Department of Housing and Urban Development and the Farmers Home Administration under detailed statutory guidelines designed to assure sound standards of construction, adequate planning, and long term project solvency consistent with the Federal capital investment involved.

We do not believe that the Congress intended that this agency should undertake such a construction assistance program. On the other hand, we think that we can perform many things in the housing area that will supplement such programs and provide types of assistance they do not encompass. This would include assistance in meeting managerial, professional, organizational and other costs which must be met before construction financing can be secured under other programs, or which constitute operating costs outside of the capital items these programs can cover.

The Housing Development Corporation demonstration proposal for the District of Columbia falls within this latter category. We have not yet approved this proposal nor, in any event, will it be possible for us to act on it pending Congressional action on funding levels, particularly as they involve the section 207 demonstration program.

The point to be noted, however, is that the Housing Development Corporation proposal does not involve a request for direct construction assistance as requested in the Mississippi proposal. It is, essentially, a proposal for funds which will enable the corporation to put together and operate a program in the District using capital costs assistance already available from other Federal and private sources.

We can, of course, under this kind of project help an applicant secure the assistance we cannot provide. Our position in this respect is consistent for all housing proposals, and we did considerable work in bringing the Mississippi group together with other Federal agencies.

3. In my letter to you of August 9, I explained the reasons for our not being able to fund "Project Spin-Off". A copy of that letter is attached.

As you are well aware, a relatively small amount of money is spent by OEO on research, evaluation, or surveys. We are constantly seeking innovative ideas and new approaches for poverty programs. Before we fund major programs which demand so much of our limited resources, we need to test their effectiveness. And once programs are in effect, we need to evaluate them in order to assure maximum effectiveness of every dollar spent.

4. Funds for the CDGM program in Mississippi have not been terminated. In fact, we have extended the grant beyond the original termination date of August 31 through September 30. We are currently reviewing CDGM's request for a new grant.
5. Neither this Office nor any other Federal agency authorized by Congress to make grants of assistance to local communities has the legal power or responsibility to establish "official protection for premises and workers," or to guarantee such protection. Indeed, were Congress to provide such authority by law, we believe that agencies such as ours would not be the appropriate ones to carry out such law enforcement powers.

In two relatively limited statutes, Congress has provided Federal investigative and prosecutorial authority for destruction of buildings by fire and explosives in settings which involve or appear to involve interstate commerce or movement. These laws seem to have had the specific purpose of permitting FBI investigation, and, of course, we believe that law enforcement agencies such as the FBI are the proper ones to do such work.

Unquestionably, we are concerned about the protection afforded to the property and employees of our grantees and to those who receive benefits under our grants. We have therefore taken immediate steps to inform the Department of Justice and local law enforcement authorities whenever such an incident has occurred or is threatened. Indeed, in menacing situations we have consistently advised our grantees to contact FBI field offices and local law enforcement authorities directly so that time can be saved. We have had excellent cooperation at the Federal, state and local level.

6. OEO has funded, through the Chicago Committee on Urban Development, projects of The Woodlawn Organization to carry out a family-oriented early childhood educational program and a high school tutoring project. We have not had a request from TWO for a West Side project.
7. The percentage of Negro female teenagers in the Job Corps far exceeds the proportion of these girls to the female teenage population as a whole. This is entirely appropriate as it reflects the large number of Negro female teenagers in the poverty segment of our population.

It is the Job Corps' policy that recruitment and selection of candidates be effected without regard to religious or ethnic considerations. However, most recent estimates are that Negro female teenagers comprise more than 60% of the Women's Job Corps.

Recruiting and screening for the Women's Job Corps is done by Women in Community Service and its affiliates: National Council of Catholic Women, National Council of Negro Women, National Council of Jewish Women and United Church Women.

8. OEO has insisted that all Community Action Agencies adhere to the policy of including a significant degree of representation from the residents of the areas and members of the groups to be served. We have not set a rigid percentage figure or provided any fixed formula -- to do so would be impractical in a nation as large and diverse as ours.

The OEO policy of requiring representation of the poor on Community Action Agency policy-making boards is set forth in the Community Action Program Guide which has been in use since February 1965.

The Baltimore CAA's Board of Directors includes 4 representatives of the poor among its 15 members (27 percent). The Chicago Committee on Urban Opportunity includes 14 representatives of poverty target areas among its 70 members (20 percent); on the Chicago executive (or steering) committee there are 7 target areas representatives out of a total of 30 members (23 percent). These levels of representation of the poor are within the range of what OEO considers acceptable. On a national basis, one in every four CAA board members is a direct representative of the poor.

The Economic Opportunity Act specifies involvement "of residents of the areas and members of the groups served" in development, conduct and administration of programs. Thus, membership on a CAA's board of directors is only one of the ways in which OEO has sought maximum feasible participation of the poor in community action. Others include:

1. Employment of the poor in roles where they can exert effective administrative influence on the programs (one in every two CAA employees comes from the ranks of the poor.)
2. Neighborhood councils, whose members are local residents, formulate policy and initiate new programs in poverty areas.
3. Stimulation of self-help efforts in training programs to increase the leadership ability of low-income persons.

OEO itself has established a Community Representative Advisory Council, whose 28 members are articulate and forceful representatives of low-income areas. They are drawn from the target area representatives who serve on CAA boards across the nation.

Finally, Mr. Chairman, I cannot agree that the particular cases you cite provide any evidence of "inconsistencies in the administration of the War on Poverty by the Office of Economic Opportunity." Quite to the contrary, we have endeavored to follow faithfully the guidelines set forth in the Economic Opportunity Act, as amended, and strive to ensure in the War on Poverty like cases are disposed of in like fashion.

However, it is crucial to remember that the War on Poverty, from the outset, has been oriented to local responsibility and local decision-making. Rather than attempt to impose a monolithic bureaucratic apparatus upon the Nation, OEO reflecting the intent of Congress, has attempted to maintain the maximum flexibility consistent with the Act, and to give the greatest possible weight to local judgement -- whether in Mississippi, or Alabama, Jersey City or Harlem -- so long as the basic purposes of the Act, and the interest of the poor, would thereby be served. I think the extraordinary degree of commitment to and involvement in the War on

Poverty demonstrated by the American poor -- from Harlem to Watts, from Chicago to Mississippi, from Florida's migrant stream to Alaska's desolate villages -- provides a rather eloquent vindication of the policies of this agency.

Specifically, Mr. Chairman, I want to reject any suggestion of favoritism, bias, or unfairness in our administration of this program.

I hope that this letter satisfactorily answers the points which you raised, and I look forward to a continued cooperative effort in seeking to overcome the ravages of poverty in our land.

Sincerely,

Sargent Shriver
Director

Attachments

OFFICE OF ECONOMIC
OPPORTUNITY

PUBLIC AFFAIRS
WASHINGTON, D.C. 20500

Telephone: 296-2980

FOR RELEASE
NOVEMBER 23, 1966

SHRIVER WARNS OF "GRAVE IMPACT" OF LEGISLATION ON POVERTY PROGRAM

Sargent Shriver, Director of the Office of Economic Opportunity, today warned that three significant changes in anti-poverty legislation will have a "great and grave impact" on the War on Poverty across the country.

"In effect," Shriver said, "A triple blow has been struck at our ability to extend the War on Poverty to the poor of urban and rural America."

He said that:

- The money available for local solutions to local poverty has been reduced by legislative earmarking of large sums of money for certain programs;
- Less overall funds have been provided for the War on Poverty than the "irreducible minimum" budget OEO had requested;
- Programs OEO did not ask for were added and additional funds to finance them were not provided.

"The result of these three actions taken in combination," Shriver said, "will cause extreme hardship on community action agencies throughout the nation. The impact will be especially harsh on those cities which were able to organize themselves early and which now have successful on-going programs. In addition, few if any new community action agencies will be funded in rural areas."

Shriver said that as a result of the earmarking and the cuts in appropriation, OEO "will have \$166 million less in unearmarked Community Action funds than the minimum need expressed in our budget request. And \$66 million less than the communities actually spent in 1966."

He said the War on Poverty would be forced to retreat on several fronts:

- There will be no money for summer programs;
- Teen-age programs will be curtailed;
- Legal Services will fall far short of the goals the American Bar Association determined were minimum for 1967;
- 8,000 young men will be kept out of Job Corps centers.

Shriver said: "In summary, legislative action has curtailed the War on Poverty in 1,000 communities of America for Fiscal 1967. And hundreds of additional communities, especially in rural America, will be unable to join the battle. Now instead of modest progress in all programs, we are forced to project some greatly and retreat on others almost entirely. This falls most heavily on locally initiated Community Action Programs."

* Impact of Legislative Action on Selected Cities

Region I
(in millions)

Cities	F.Y. 1966 Funding	F.Y. 1967 Continuation Costs		F.Y. 1967 Available	
		Earmarked	Locally Developed	Earmarked	Locally Developed
New York	\$20.3	\$22.3	\$23.0	\$22.3	\$16.2
Syracuse	2.1	0.6	2.6	0.6	1.1
Rochester	1.9	0.9	1.7	0.9	0.8
Newark	2.5	1.1	3.5	1.1	2.1
Boston	3.4	3.2	6.4	3.2	3.6
New Haven	2.3	0.4	2.4	0.4	1.7

* Community Action Title II funds only.

(These amounts are estimates subject to final action by the regional office.)

*Impact of Legislative Action on Selected Cities

Region II
(in millions)

Cities	F.Y. 1966 Funding	F.Y. 1967 Continuation Costs		F.Y. 1967 Available	
		Earmarked	Locally Developed	Earmarked	Locally Developed
Philadelphia	\$ 7.0	\$ 5.0	\$ 6.9	\$ 5.0	\$ 4.0
Baltimore	2.9	1.2	3.4	1.2	2.4
Washington, DC	7.3	2.7	9.1	2.7	4.6
Pittsburgh	6.4	2.1	5.6	2.1	3.8
Louisville	4.2	1.5	2.3	1.5	1.2
Norfolk	1.4	1.4	1.0	1.4	.7
Roanoke	2.3	1.3	1.3	1.3	1.0

*Community Action Title II funds only.

(These amounts are estimates subject to final action by the regional office.)

* Impact of Legislative Action on Selected Cities

Region III
(in millions)

Cities	F.Y. 1966 Funding	F.Y. 1967 Continuation Costs		F.Y. 1967 Available	
		Earmarked	Locally Developed	Earmarked	Locally Developed
Atlanta	\$ 5.6	\$.7	\$ 5.0	\$.7	\$ 3.1
Miami	5.2	3.2	1.9	3.2	1.6
Tampa	1.7	1.5	1.9	1.5	1.4
Jacksonville	1.6	.6	1.0	.6	.5
Nashville	2.0	1.2	.7	1.0	.4

*Community Action Title II funds only.

(These amounts are estimates subject to final action by the regional office.)

* Impact of Legislative Action on Selected Cities

Region IV
(in millions)

Cities	F.Y. 1966 Funding	F.Y. 1967 Continuation Costs		F.Y. 1967 Available	
		Earmarked	Locally Developed	Earmarked	Locally Developed
Chicago	\$ 17.8	\$ 10.5	\$ 14.5	\$ 10.5	\$ 10.5
Detroit	9.8	3.3	10.5	3.3	6.6
Cleveland	4.7	1.6	3.4	1.6	1.8
Cincinnati	3.7	1.1	1.5	1.1	1.0
Indianapolis	1.3	1.3	.8	1.3	.5
Toledo	1.9	1.0	.7	1.0	.5
Akron	1.0	.3	1.0	.3	.7

*Community Action Title II funds only.

(These amounts are estimates subject to final action by the regional office.)

* Impact of Legislative Action on Selected Cities

Region V
(in millions)

Cities	F.Y. 1966 Funding	F.Y. 1967 Continuation Costs		F.Y. 1967 Available	
		Earmarked	Locally Developed	Earmarked	Locally Developed
Houston	\$ 4.7	\$ 2.9	\$3.3	\$ 2.9	\$ 1.7
New Orleans	2.9	.4	2.5	.4	1.4
San Antonio	1.9	.8	1.1	.8	.6
Austin	1.0	.6	.4	.6	.2
Corpus Christi	1.1	.6	.5	.6	.2
Baton Rouge	1.4	.1	1.4	.1	.5
Oklahoma City	1.2	.4	1.1	.4	.4
Laredo	1.2	.1	.8	.1	.4

*Community Action Title II funds only.

(These amounts are estimates subject to final action by
the regional office.)

*Impact of Legislative Action on Selected Cities

REGION VI
(in millions)

Cities	F.Y. 1966 Funding	F.Y. 1967 Continuation Costs		F.Y. 1967 Available	
		Earmarked	Locally Developed	Earmarked	Locally Developed
St. Louis	\$ 5.0	\$ 3.2	\$ 8.2	\$ 3.2	\$ 3.0
Denver	1.9	3.3	.7	3.3	.2
Kansas City (Mo)	1.8	.9	1.6	.9	.9
Salt Lake City	1.3	.4	.6	.3	.5
Pueblo	.7	.5	.5	.5	.2
Kansas City (Kan)	1.3	.2	2.4	.2	.8

*Community Action Title II funds only.

(These amounts are estimates subject to final action by the regional office.)

* Impact of Legislative Action on Selected Cities

Region VII
(in millions)

Cities	F.Y. 1966 Funding	F.Y. 1967 Continuation Costs		F.Y. 1967 Available	
		Earmarked	Locally Developed	Earmarked	Locally Developed
Los Angeles	\$24.9	\$12.2	\$18.7	\$12.2	\$8.9
San Francisco	3.8	1.2	4.1	1.2	2.6
San Diego	2.4	2.3	2.9	2.3	2.2
Seattle	3.0	3.1	2.4	3.1	1.6
Phoenix	1.6	1.6	1.2	1.6	1.0
Oakland	1.9	.3	1.4	.3	1.1
Honolulu	2.1	1.6	.6	1.6	.3
Sacramento	1.6	1.0	1.1	1.0	.7
Santa Clara	1.7	.5	1.6	.5	1.2

*Community Action Title II funds only.

(These amounts are estimates subject to final action by the regional office.)

For Appendix

67

COMPARISON OF PRESIDENT'S BUDGET AND
REPUBLICAN OPPORTUNITY CRUSADE

1

- The Opportunity Crusade would provide approximately \$1.4 billion in FY 68 as compared with the President's Budget for OEO programs of just over \$2 billion.

- About 40 percent of the Opportunity Crusade funds would go to job programs of one kind or another, 30 percent would go to Head Start and the balance would go to fund community action-related programs. The President's Budget provides about 50 percent of its funds to job programs, 20 percent to Head Start and the balance for community action-related programs.

JOB PROGRAMS

- The Opportunity Crusade job programs rely heavily on the assumption that large amounts of non-federal funds will become available to supplement the federal "seed money." The estimate is \$3 OR \$4 to every federal dollar. This assumption is highly optimistic. Non-federal share in current OEO job programs approximates one and a half dollars to each federal dollar.

For example: The Opportunity Crusade includes an "in-school counselors program" which provides counseling services to high school youth. Through contacts with industry, these counselors are expected to place large numbers of poor youth in jobs. Five million dollars worth of counseling is estimated to provide nearly \$300 million of wages to poor youth. We have serious doubts that even the best high school counselors could work this kind of miracle.

(More)

11/10/67

- Two programs which OEO believes have tremendous potential in the job training area: the Nelson-Scheuer Program (\$98 million) and the Special Impact Program (\$160 million) are ignored in the Opportunity Crusade program. These programs got underway in FY1967. Since they hold great promise for the poor, they should be given a chance before being written off.

JOB CORPS

- The Opportunity Crusade would reduce the Job Corps by over \$100 million from the President's Budget. Coming this late in the fiscal year, the practical effect would be to abolish the Job Corps.

COMMUNITY ACTION PROGRAMS

- The Community Action Program remains in the Opportunity Crusade, but is emasculated. The Opportunity Crusade provides a total of \$770 million, of which \$375 million is for Head Start, \$15 million is for Upward Bound, and \$380 million is for all other community action programs. This compares to the President's Budget of \$1 billion for community action which breaks down to \$472 million for Head Start, \$35 million for Upward Bound, and \$515 million for all other community action programs.

(More)

- Of the \$380 million for community action under the Opportunity Crusade, \$38 million is earmarked for technical assistance to the states. This compares with \$27 million in the President's Budget for this purpose. The remaining \$342 million must be split 50-50 between job programs and all other local initiative activities. This would leave \$171 million to fund activities which, under the President's Budget, are programmed to cost \$463 million, including Health Centers, Legal Services, Neighborhood Service Centers, Family Planning, and operational costs of the 1,100 community action agencies. Attachment A displays the programmatic impact of this reduction.

- The \$171 million job program will be forced on the communities, thereby denying the concept of local initiative. In addition, the spending of this portion of the funds will be dictated by so-called Job Opportunities Boards "...the majority of whose members shall be representatives of business".

- In terms of city impact, the \$380 million for local initiative and the \$375 million for Head Start in the Opportunity Crusade represents a major reduction from on-going program levels. In addition, the Opportunity Crusade represents a major reduction from on-going program levels. In addition, the Opportunity Crusade legislates a national allocation to rural and urban areas which would force a further reduction

(More)

in urban programs. At present, the Community Action Program proportions are 30 percent rural, 70 percent urban. The effect of the Crusade would be 40 percent rural, 60 percent urban. The combination of these actions in terms of 14 cities across the country is shown on Attachment B.

- Upward Bound would be reduced from 28,000 poor high school students to 12,000 with the Opportunity Crusade.

VISTA

- The Opportunity Crusade would reduce VISTA by nearly 25 percent.
- Several programs in the Opportunity Crusade contain an unrealistic bonus provision which favors wealthier states. Current OEO policy is to provide extra support to the poorest localities; the very poorest receive 100 percent Federal funding.
- The Opportunity Crusade provides for state plans and state commissions to oversee the Community Action and Head Start programs. The impact of such an arrangement on local communities is unclear.
- The Opportunity Crusade provides for the Office of Economic Opportunity to continue in existence with a Director, Deputy Director, and up to four Assistant Directors. However, there is no authorization in the bill for administrative funds for the Office of Economic Opportunity.

###

COMPARISON OF PRESIDENT'S BUDGET FOR COMMUNITY ACTION WITH REPUBLICAN OPPORTUNITY CRUSADE

	<u>Budget</u>	<u>Crusade</u>	<u>% Increase or Decrease</u>	<u>Program Impact</u>	
<u>Remaining Com. Action</u>	<u>515</u>	<u>380</u>			
State Tech. Asst./Trng.	27	38*	+ 11%	Would put all Technical Asst. and Trng. through the states.	
Manpower	25	171*	+ 584%	Would force \$171 million of manpower progs. on communities whereas CAP was relying on Title I funds to provide the major impetus.	
<u>Remaining Local Initiative</u>					
				<u>Pres. Budget</u>	
				<u>Crusade</u>	
Legal Services	47	17		700,000 poor served	280,000 served
				850 law offices	330 law offices
				2,000 attorneys	800 attorneys
Health Centers	60	22		44 centers	18 centers
				1,100,000 poor served	440,000 poor served
Neighborhood Ctrs.	160	59		875 centers	350 centers
				3,500,000 poor served	1,400,000 served
Family Planning	10	4	- 60%	206,000 served	82,000 served
Adult/Youth Educ.	31	12		107,000 served	43,000 served
Other Local Initiative Progs. -- Housing, Social Serv., Consumer Action, Aged Progs., Recreation, Indians, etc.	103	38		1,500,000 served	600,000 served
Res. & Demon/Support	52	19			

The program impact reflected above would cause serious disruption of on-going projects across the nation.

* Republican Earmarks.

CITY IMPACT
DOLLARS MILLIONS

ATTACHMENT

<u>CITY</u>	HEAD START		ALL OTHER		TOTAL	
	PRESIDENT'S BUDGET	OPPORTUNITY CRUSADE	PRESIDENT'S BUDGET	OPPORTUNITY CRUSADE	PRESIDENT'S BUDGET	OPPORTUNITY CRUSADE
New York City	15.0	11.9	36.8	22.1	51.8	34.0
Boston	2.5	1.9	4.8	2.9	7.2	4.8
Philadelphia	4.9	3.8	5.3	3.2	10.2	7.0
Baltimore	.8	.6	3.5	2.1	4.3	2.7
Atlanta	1.2	1.0	3.5	2.1	4.8	3.1
Memphis	1.2	.9	.5	.3	1.7	1.3
Chicago	9.4	7.5	13.0	7.8	22.4	15.2
Detroit	1.9	1.5	8.1	4.9	10.0	6.4
Houston	3.8	3.0	5.3	3.2	9.1	6.2
Dallas	.5	.4	2.0	1.2	2.5	1.6
St. Louis	2.6	2.0	4.9	2.9	7.5	5.0
Denver	1.6	1.2	.9	.6	2.5	1.8
Los Angeles	10.3	8.1	14.8	8.9	25.1	17.0
San Francisco	1.0	.8	4.9	3.0	5.9	3.7
	56.7	44.6	108.3	65.2	165.0	109.8
% Reduction		21%		40%		34%

OEO AND THE RIOT COMMISSION REPORT

Programs of the Office of Economic Opportunity were endorsed in the REPORT OF THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS.

No OEO programs were condemned. The Commission recommended that most on-going programs be expanded; that the effort now underway is inadequate.

Specifically, the Report praised several OEO programs, among them:

* LEGAL SERVICES: "The Legal Services Program ... (p. 293*)
has made a good beginning in providing legal assistance to the poor. Its present level of effort should be substantially expanded through increased private and public funding."

* UPWARD BOUND: "The Upward Bound program ... has (p. 452)
been effective. Of the 23,000 students covered in 1967 (52 percent of whom were Negro), 83% went on to college. However, the size of the program is far short of the need. Estimates indicate that some 600,000 poverty-area students could usefully be helped. We believe that the Upward Bound concept is sound and recommend that it be substantially expanded."

* HEAD START: "Early childhood education is the very (p. 446)
heart of the effort to reconstruct the environment which incapacitates disadvantaged children educationally, even before they enter the school system. Comprehensive preschool programs are essential to overcome the early language deprivation and conceptual disabilities of these children ... We believe that the time has come to build on the proven success of Head Start and other preschool programs ... for this purpose, the Office of Economic Opportunity should receive substantially increased funds."

* ADULT BASIC EDUCATION: "The Adult Basic Education (p. 449)
Program is a sound instrument for implementing an intensive literacy program. By affording both the public schools and community-based organizations, the opportunity to conduct literacy projects, this program provides desired flexibility. It should be strengthened and expanded to make a major impact on illiteracy."

* These pages refer to the Bantam Books edition of "Report of the National Advisory Commission on Civil Disorders," the advance copy of the Commission's report.

OEO AND THE RIOT COMMISSION REPORT

* FAMILY PLANNING: "Social workers have found that many women in poverty areas would like to limit the size of their families and are simply unaware of existing birth control methods, or do not have such methods available to them. Governments at all levels -- and particularly the federal -- should underwrite broader programs to provide family-planning information and devices to those who desire them. Through such programs, the Commission believes that a significant contribution can be made to breaking the cycle of poverty and dependency." (p. 465)

* DAY-CARE CENTERS FOR CHILDREN: "The 1967 amendments provide funds for the first time for day-care programs for children of working mothers. Further expansion is desirable to make centers an effective means of enabling welfare recipients to take advantage of training and employment opportunities. Efforts should be made to insure that centers are open in the evening and that home education features are built into center programs." (p. 463)

* NEIGHBORHOOD YOUTH CORPS: "The Neighborhood Youth Corps and the College Work-Study Program should be expanded and reoriented" to enable more of them to become tutors for elementary school children. In the Homework Helper Program in New York City, pupils in the fourth through sixth grades were tutored after school by senior high school students under supervision from a master teacher. The program had significant educational impact on both the students and the tutors. "The NYC and College Work-Study Program provide the tools for reproducing this program in every major city in the country. In some cities NYC students are already working in these schools. But in many, NYC job assignments are far less stimulating ... it "should be expanded and reoriented for this purpose." (p. 448)

* COMMUNITY ACTION PROGRAM: "One of the most difficult and controversial problems we have encountered relates to ghetto demands for 'self-determination' or 'community control'. To a limited extent, this concept was made a matter of national policy in the Economic Opportunity Act of 1964..." (p. 297)

(More)

OEO AND THE RIOT COMMISSION REPORT

Community Action Program (cont)

In the three years since the beginning of the War on Poverty, the effort to put 'maximum feasible participation' into effect has met with both success and failure . . . Despite its problems, we believe that meaningful community participation and a substantial measure of involvement in program development is an essential strategy for city government. The democratic values which it advances --- providing a stake in the social system, improving the accountability of public officials -- as well as the pragmatic benefits which it provides far outweigh these costs . . .

The involvement of the ghetto community in the planning and operation of development programs need not be confined to the public arena. There is great potential in private community development corporations which can emerge from a combined public-private sponsorship and perform mixed functions for the community, including sponsorship of locally owned businesses.

A most promising approach is the neighborhood membership corporation, the first of which was established in Columbus, Ohio, in 1965 -- the East Central Citizens Organization (ECCO), under an OEO grant. Functioning as a town meeting, its members include all of the residents of a defined ghetto neighborhood (8,150 people). Its activities encompass daycare centers, credit unions, legal and medical services, newspapers, restaurants and business enterprises . . . The opportunity that (it) offers to develop stable community leadership structures and constructive involvement should not be allowed to fail for lack of . . . support. "

(p. 298)

"The Commission recommends that local governments:

(p. 16)

- * Expand opportunities for ghetto residents to participate in the formulation of public policy and the implementation of programs affecting them through improved political representation, creation of institutional channels for community action, expansion of legal services, and legislative hearings on ghetto problems. "

OEO AND THE RIOT COMMISSION REPORT

* MULTI-SERVICE CENTERS: "Frequently, services vital to the ghetto resident -- job placement and location, health care, legal assistance -- are inaccessible because they are located at considerable distance from the ghetto, a distance often made greater by the lack of efficient public transportation. This problem is compounded by the fact that many key service institutions are fragmented, requiring those seeking assistance to pursue it at various locations scattered throughout a large urban area.

(p. 295)

To meet this need, the Office of Economic Opportunity has funded over 700 multi-service centers in ghetto areas throughout the country since 1964. Many of these have been small store-front operations housing OEO-funded services. Some, as in Detroit, have had a fairly wide range of services and have served a large number of families.

The principal problem has been that most centers have not been comprehensive enough. They rarely include traditional city and state agency services. Many relevant federal programs seldom are located in the same center ... The experience thus far indicates the need for more effective coordination of federal programs at the national and regional levels ... We recommend increased federal funding for comprehensive centers ... "

(More)

OEO AND THE RIOT COMMISSION REPORT

OEO ROLE IN RIOTS

* ROLE IN NEGOTIATIONS - "In 21 of the 24 disturbances surveyed discussion or negotiation occurred during the disturbances. These took the form of relatively formal meetings between government officials and Negroes during which grievances and issues were discussed and means were sought to restore order... Employees of community action agencies occasionally participated, either as intermediaries or as participants. In some cases they provided the meeting place." (p. 126)

* COUNTER-RIOTERS - "In all but six of the disorders, Negro private citizens were on the streets attempting to restore order primarily by means of persuasion... Counter-rioters generally included young men, ministers, community action agency and other anti-poverty workers and well-known ghetto residents.... How effective the counter-rioters were is, again, difficult to estimate. Authorities in several cities indicated that they believed they were helpful." (p. 127)

* OEO FUNDING IN RIOT CITIES - "What was the pattern of governmental effort to relieve ghetto conditions and respond to the needs in the cities which experienced disorders in 1967? ... We conclude that:

While these three cities (Detroit, Newark and New Haven) received substantial amounts of Federal funds in 1967 for manpower, education, housing, welfare and community action programs, the number of persons assisted by those programs in almost all cases constituted only a fraction of those in need.

In at least 11 of the 15 programs examined (five programs in each of the three cities), the number of people assisted in 1967 was less than half of those in need.

In one of the 15 programs the percentage rose as high as 72 percent.

(More)

OEO AND THE RIOT COMMISSION REPORT

The median is 33 percent. "

"In Detroit, the number of persons reached by \$12.6 million in community action funds in 1967 was only about 30 percent of the number of poor persons. Federal funding of these programs averaged approximately \$35 for each poor person. In Newark, the number of poor persons reached by \$1.9 million was about 44 percent. Federal funding of these programs averaged approximately \$21 for each poor person. In New Haven, the number reached by \$2.3 million was approximately 42 percent. Federal funding averaged \$72 for each poor person. " (p.143)

* NUMBER OF POOR HELPED BY OEO PROGRAMS IN EACH OF THE THREE CITIES: (p.192)

Detroit - During Fiscal Year 1967, Federal funds made available for community action programs, excepting manpower and Head Start, totalled \$12,576,923. During that period the CAA estimated that these programs reached approximately 110,000 low-income persons.

Newark - During Fiscal Year 1967, Federal funds made available for community action programs, excepting manpower and Head Start, totalled \$1,901,130. During that period the CAA estimates that these programs reached approximately 39,796 low-income persons. (p.195)

New Haven - Federal funds made available for community action programs, excepting manpower and Head Start, during Fiscal Year 1967, totalled \$2,251,042. During that period the CAA estimates that these programs reached 13,000 low-income persons. " (p.195)

The Commission recommended more funding for other OEO activities:

* "The Office of Economic Opportunity assists in police-community relations activities. We commend and endorse these efforts. But we believe more Federal financial assistance is needed. " (p.336)

(More)

OEO AND THE RIOT COMMISSION REPORT

* "Some movement toward enrichment can be found in efforts to encourage industries to locate plants in central cities, in increased Federal expenditures for education, in the important concepts embodied in the 'War on Poverty,' and in the Model Cities Program. But so far congressional appropriations for even present Federal programs have been so small that they fall short of effective enrichment." (p. 396)

The Commission recommended improved program coordination.

* "The new social development legislation has put great strain upon obsolescent machinery and administrative practices at all levels of government. It has loaded new work on Federal departments... In recent years serious efforts have been made to improve program coordination... Departments have been given responsibility to lead others in areas within their particular competence--OEO, in the poverty field, HUD in Model Cities. Yet, despite these and other efforts, the Federal Government has not yet been able to join talent, funds and programs for concentrated impact in the field... There is a clear and compelling requirement for better coordination of federally funded programs, particularly those designed to benefit the residents of the inner city." (p. 412)

* "The direct reimbursement system currently used in on-the-job training programs should be expanded and the existing programs should be consolidated under a single administration. These programs include the Manpower Development and Training Act and the new Work Training in Industry components of the Neighborhood Youth Corps, New Careers and Special Impact programs." (p. 422)

* "Special neighborhood welfare contact and diagnostic centers. Centers to provide the full complement of welfare services should be combined into the multi-purpose neighborhood service facilities being developed by the OEO and HUD..." (p. 465)

* "Job development and placement in private industry is critical to our proposed strategies, and is now handled separately by a variety of agencies and programs: the Manpower (p. 418)

(More)

OEO AND THE RIOT COMMISSION REPORT

Development and Training Act program, the vocational education programs, the Vocational Rehabilitation program, the Job Corps, and, recently, the Neighborhood Youth Corps and several adult work experience and training programs. All seek to place trainees with private employers, sometimes with and sometimes without training assistance, through a wide variety of local agencies, as well as through the Employment Service, community action agencies and others. A single cooperative national effort should be undertaken with the assistance of business, labor and industrial leaders at national, regional and local levels... "

To measure the present attitudes of people in the riot cities as precisely as possible, the Commission is sponsoring attitude surveys, but "in the interim we have attempted to draw some tentative conclusions based upon our own investigations and the more than 1200 interviews which we conducted relatively soon after the disorders. . . . Significant grievances concerning Federal programs were expressed in large majority of the 20 cities, but appeared to be one of the most serious complaints in only one. Criticism of the Federal anti-poverty programs focused on insufficient participation by the poor, lack of continuity, and inadequate funding. Other significant grievances involved urban renewal, insufficient community participation in planning and decision-making, and inadequate employment programs. "

(p. 143)

Other significant grievances involved urban renewal, insufficient community participation in planning and decision-making, and inadequate employment programs. "

(p. 145)

The Commission's Recommendations

(p. 412)

"Much has been accomplished in recent years to formulate new directions for national policy and new channels for national emergency. . . Hence, few of our program suggestions are entirely novel. . . All this serves to underscore our basic conclusion: the need is not so much for the government to design new programs as it is for the nation to generate new will. . . "

OEO AND THE RIOTS:

A SUMMARY

OEO AND THE RIOTS -- A SUMMARY

OEO and Cities Where There Were No Riots

A nationwide survey by the Office of Economic Opportunity of 32 cities which have not had riots or civil disturbances this summer shows:

- Not one police chief or mayor said OEO heightened tensions. On the contrary most mayors and police officials felt OEO summer programs had helped to prevent violence in their communities.
- In 15 cities local Community Action Agencies calmed down bad situations in specific instances.
- In 13 cities special groups were formed to patrol troubled areas and serve as communication posts between the police and the slum areas.
- In 14 cities municipal police departments and Community Action Agencies had joint programs to prevent riots.
- In 8 cities the juvenile arrest rate went down this summer and there is good evidence this was caused by more summer jobs.

During August, OEO inspectors talked to mayors, police chiefs, juvenile judges, heads of the local Chamber of Commerce, and other leading citizens of cities where there were not riots or civil disturbances this summer. The cities were chosen to represent a broad distribution: geographical, political, and social. All the cities studied had significant minority population. It was felt that if the charge is true that Community Action programs contributed to and precipitated riots, then other cities with large Community Action programs should also have riots. The results of the survey prove that far from being a contributing factor, Community Action is a preventive force.

Despite the publicity attacks on Community Action, OEO officials said not a single mayor has asked OEO to discontinue the program in their cities. On the contrary, most mayors seem to echo the plea of Mayor Morrill M. Crowe of Richmond who came to Washington last week to ask for a doubling of his Community Action program allotment. Mayor Crowe was accompanied by a Republican businessman, Wes Hare, who is the Director of the Richmond Community Action Council.

OEO and Cities Where There Were Riots

In addition to the nationwide survey of cities that did not have riots, a spot check by personal interviews and telephone was made of the cities that did have riots or civil disturbances this summer. Obviously some non-riot cities could become riot cities, but at the end of August there were 32 cities that had had trouble this summer. In these cities:

- There are more than 30,000 Community Action employees. Only 16 of these have been arrested.
- Nine of these were summer workers, one was a VISTA. Therefore, there have been only 6 full-time poverty workers arrested.
- None have been convicted.
- In Newark, one poverty worker was arrested.
- In Detroit, no poverty workers were arrested.
- There was almost \$300,000,000 worth of property damage done in the riot cities.
- Despite the fact that the poverty program has 244 buildings in the heart of the riot areas, none were burned or destroyed.
- Total damage done to Community Action buildings was \$1,840 for seven sets of broken windows.

Where OEO Helped Cool The City

The study showed that OEO helped "cool" the summer in the following cities:

- (1) Cities where the mayor or police chief said that OEO summer programs directly helped to prevent violence in their communities include:

Hartford, Providence, Elizabeth, New Rochelle, New Haven, Louisville, Chester, Lansing, Pittsburgh, Columbus, Cleveland, Chattanooga, Little Rock, Oklahoma City, Baton Rouge, Gary, Atlanta, Winston-Salem, San Francisco, Monmouth County, New Jersey.

- (2) Specific instances where the Community Action Agency sought to prevent civil disturbances include:

Hartford, Providence, Pittsburgh, Dayton, Youngstown, Toledo, Miami, Dallas, Portland, Seattle, Los Angeles, Denver, Jacksonville, Winston-Salem, Monmouth County, New Jersey.

- (3) Cities in which special groups formed to patrol trouble areas and serve as a bridge between the police and the slum areas include:

Providence, Elizabeth, Louisville, Denver, Youngstown, Portland, Wichita, Los Angeles, Jacksonville, Atlanta, Des Moines. (In a southern and a mid-western city similar patrols were organized but local authorities specifically requested OEO not to name them for fear of jeopardizing these programs.)

- (4) Cities in which programs involved a joint effort of the police department and the CAP agencies include:

Pittsburgh, Lansing, Youngstown, Omaha, Kansas City, Miami, Charlotte, Oklahoma City, Little Rock, New Orleans, Atlanta, Monmouth County, New Jersey; San Antonio.

- (5) Cities where juvenile arrest or crime rates have decreased this summer, and there is evidence that this is related to increased summer jobs, include:

Denver, Chester, Evansville, St. Louis, Dallas, Oklahoma City, San Antonio, Corpus Christi.

- (6) Cities where jobs provided by summer programs have prevented violence include:

Baton Rouge, Oakland, St. Louis, New Haven, Cleveland, Chester, Toledo.

Examples From Reports on Individual Cities

Elizabeth, New Jersey

After a night of high tension the local Community Action Agency, under the leadership of the mayor and chief of police, set up a group called the "Peace Keepers" to try and calm the community. The group was composed of anti-poverty workers and community leaders.

-- Mayor Thomas G. Dunn said:

"The Peace Keepers helped to assure that no problems would occur on the most dangerous night of tension, and we haven't had any problems since then. (Poverty workers) kept their headquarters open late at night when this was needed."

-- Chief of Police Michael D. Roy said:

"The CAP summer programs have had a good effect relieving tensions since the majority of CAP officials are actively concerned with keeping peace. . . . I feel it (the Peace Keepers) did plenty of good as it cooled the crowd and got better spirits."

-- Union County Sheriff Ralph Oriscello said:

"Without the Peace Keepers there would have been many skirmishes with the police."

-- The Elizabeth City Council in a resolution praising the Peace Keepers said:

"(They) contributed a great and necessary service to the health, welfare and safety of the entire population of the city."

Hartford, Connecticut

After two nights of disturbances the local CAA set up a meeting with Negro leaders, boys from the street and city officials to try and facilitate communications.

-- Mayor George D. Kinsella said:

"With regard to the Economic Opportunity Act and the Community Action Program, in our case specifically the Community Renewal

Team (CRT) of Greater Hartford, it is our feeling, and here I speak for the members of my council as well, that without the existing program and efforts being made, our city could well have seen much more in the way of problems."

--Chief of Police John Kerrigan said:

"CRT did work with us to cool things down You've got the cream of the crop at CRT. You've got some real good people there. They're doing their utmost. Oh sure, they've been effective."

Providence, Rhode Island

When disturbances broke out in Providence the local CAA (Progress for Providence, Inc.) formed an impromptu "Soul Patrol" of anti-poverty workers who entered the riot area and were largely responsible for quelling the violence.

--Mayor Joseph A. Doorley said:

"As far as I'm concerned, if it wasn't for the poverty workers there is no telling how bad the situation might have been."

--Congressman Robert O. Tiernan of Rhode Island

"Rather than cause riots, economic opportunity programs are designed to prevent them by giving poor people a voice in their own destiny. In that sense, OEO has been the foremost deterrent to riots in our country's history."

--Colonel Howard A. Franklin, Providence Police Chief, commenting on two members of the "Soul Patrol," said:

"They did a marvelous job. . . . I wouldn't hesitate to give them a great deal of credit for preventing further trouble on Monday night (the first night of trouble)."

--Herbert Di Simone, the Republican Attorney General of Rhode Island, said:

"So far as I know, the Progress for Providence people did an outstanding job in assisting police during the last week's riot."

Monmouth County, New Jersey

When a group of Asbury Park Negro teenagers set fire to a car and threw rocks at cars driving through the neighborhood, staff members of the Monmouth Community Action Program (MCAP) went into the neighborhood and talked with the teenagers. Because of their efforts the area was quickly cooled off. MCAP staff members work closely with the police and report

all rumors of trouble to a police contact officer.

--Asbury Park Police Chief Maurice Fitzgerald said:

"The efforts of MCAP in working with the police has certainly had a positive effect on reducing racial tensions. The racial climate in Asbury Park is better because of the work of MCAP."

--Representative James J. Howard of New Jersey said:

"MCAP has done everything it could in the tense areas. The poverty program has had a lot to do with keeping things cool."

Winston-Salem, North Carolina

The local anti-poverty agency, Experiment in Self-Reliance, operated a broad range of programs aimed at increased involvement of low income people, particularly youth.

--Mayor M. C. Benton said:

"I am encouraged, also, by the fact that in this program we are actually getting at the roots of poverty -- not merely plastering over the cracks and, like ostriches, hoping the problem will go away."

--Chief of Police Justus Tucker said:

"I'm well pleased with what they are attempting to do, and are doing. They are very cooperative and we are working together on several projects -- both short range and long range."

Chester, Pennsylvania

In an effort to prevent the disturbances which were breaking out in other communities, the Greater Chester Movement (GCM) arranged for a meeting between the mayor, police officials and 150 gang members from the slums. Major credit for the meeting was given to the GCM's Area Youth Workers who were hired for the express purpose of opening up communication with the gangs and troublemakers. As a result of the meeting, the city agreed to set up a multi-faceted summer recreation program. Practically everyone in Chester praises the efforts of the GCM in keeping the city cool.

--The Republican Mayor of Chester, James H. Gorbey, said:

"The poverty program has definitely contributed to keeping tensions down. I think Elwood Johnston (CAP director) has done a real fine job -- a helluva job."

-- Police Chief Joseph Bail said:

"They're going all out to help us."

-- Detective Gill, one of Chief Bail's assistants, commenting on the decrease in juvenile crime said:

"You see, we have more poverty programs now. They positively have helped to reduce crime."

Atlanta, Georgia

Economic Opportunity Atlanta, Inc., has worked closely with the police and local officials to prevent disturbances. The police Crime Prevention Bureau, consisting of 32 officers, operates out of EOA centers. The bureau attempts to prevent crime by creating a greater rapport between the poor people and the police -- and with the help of EOA it seems to be working.

--Mayor Ivan Allen said:

"OEO's assistance is positive proof of the value of federal-local cooperation. Recreation funds and EOA CAP centers have contributed greatly to cooling off summer problems. CAP center and personnel provided quick communications facility for easing explosive situations in the Dixie Hills disturbance. Continued help to urban cities is a must. Thanks for the helping hand."

Miami, Florida

Between July 27 and July 30, the Miami area was deluged with rumors of a coming racial flareup. Fortunately, the local CAA (EOPI) had developed a plan for just such an emergency. With the approval of city officials, nine neighborhood centers stayed open continuously for three days and nights and worked to help cool the neighborhoods and serve as a source of accurate information. The EOPI, the Community Relations Board, the city police and county sheriff's office worked closely to share information and defuse the rumors of trouble. The advance preparation and inter-agency cooperation made possible by the EOPI plan is generally credited with preventing a disturbance.

--The late Mayor Robert King High of Miami said:

"(The poverty program) has probably saved us from any serious problems."

Columbus, Ohio

The efforts of the two OEO-funded organizations in Columbus have been directed at dispelling rumors of impending violence, and reducing tensions. Employees of the CAA have been reporting their soundings in the community to the Police Department's Intelligence Bureau and the Justice Department.

Youngstown, Ohio

Youngstown has a highly effective Police Cadet program under which 22 disadvantaged youths have been assigned to work under the immediate supervision

of two patrolmen from the police Juvenile Division. Their principal duty is to patrol the seven teen lounges which have been set up under the summer CAP program.

-- Police Chief John Terlesky said:

"The programs have had a very definite effect in quieting things down. No one gets to the young people. . . . The cadets can talk to them better than our policemen can."

Lake County, Indiana

In Lake County the local CAA made a significant contribution to keeping open channels of communication between the poor and the mayor.

-- Mayor Martin Katz of Gary said:

"The LCEOC (CAA) staff contributed to easing tensions in the area."

East Saint Louis, Illinois

"Go After the Wayward Boy" provides employment for 60 youths as Police Cadets. These young men, paid by the Neighborhood Youth Corps, serve as the police department's ears.

-- Mayor Alvin G. Fields said:

"Go After the Wayward Boy" has helped prevent a disturbance here. I think that the program has done a tremendous job."

Evansville, Indiana

-- Mayor Frank F. MacDonald said:

"(NYC and OEO employment programs) certainly contribute to the reduction of social tensions."

-- Police Chief Darwin Covert said:

"The poverty program has played a role in easing tensions. . . . There is a very definite relationship between providing jobs for young people and the absence of serious trouble."

Dayton, Ohio

Attempting to keep things cool in Dayton are the White Caps, a group of Negro youths who patrol Dayton's West side in groups of three, breaking up crowds, stopping street fights and alerting the police to potential

trouble spots. The only paid member of the group is the supervisor, who is paid \$1.50 an hour from NYC funds.

Lansing, Michigan

This summer Lansing has had the benefit of "Operation Cool." This program is an effort to provide recreational facilities and broader opportunities for the city's restless youth. The key feature of the program is "Drop-In" centers, open from 1:00 p.m. to 2:00 a.m.

-- Mayor Max E. Murningham said:

"The "Drop-In" centers have helped immensely. Give kids a sense of belonging, a place to go.

OEO has contributed quite a bit toward keeping Lansing cool this summer."

Cleveland, Ohio

In Cleveland, some 5,300 ghetto youth are employed in Federal and city agencies and private non-profit institutions.

-- Mayor Ralph Locher said:

"These programs of the War on Poverty have provided activity to idle hands and channeled energies into constructive pre-occupation. . . . These programs can do much to relieve the tensions in the urban areas, because they are measures to eliminate poverty by ultimate gainful employment."

Toledo, Ohio

When Toledo was hit by a riot on July 24, the CAP director patrolled the streets in his car every night talking to participants and asked them to go home. Through the efforts of local anti-poverty workers, meetings were set up between the mayor and Negro youth at which grievances were discussed. A principal complaint was lack of jobs. As a result of the meetings, members of Toledo's Equal Opportunities Employees Association obtained 115 jobs for out-of-work youngsters.

Charlotte, North Carolina

The activities of the Charlotte Area Fund (CAA) in working hand-in-hand with the Police Department, city officials and local businessmen are cited by community leaders as one reason that Charlotte has enjoyed a relatively cool summer. Policemen and CAA workers work together on various neighborhood programs such as street dances and recreation.

-- Police Chief John Ingersoll said:

"There's no question but we have a good working relationship with the Area Fund and its progeny."

Baton Rouge, Louisiana

The local CAA arranged a meeting between the mayor and a group of angry young Negroes at which a list of grievances was presented. When it turned out that jobs were the biggest problem, the local CAA was able to provide some temporary cleanup jobs. This greatly relieved the tension.

-- Police Chief David J. Keyser said:

"If we hadn't gotten those jobs, there might have been trouble that night."

Dallas, Texas

The local CAA has prepared a plan whereby if a riot were to occur the neighborhood workers would be utilized as information gatherers and sidewalk speakers to urge rioters to "cool it." The usefulness of such a system was demonstrated in April when rumors of police brutality spread throughout the Negro community. Local anti-poverty workers were able to dissuade a group which was planning to retaliate with gunfire and Molotov cocktails. A meeting between city officials and neighborhood council presidents cleared the air.

Jacksonville, Florida

Three weeks before Governor Claude Kirk made his much-publicized appearance at the Jacksonville rally for H. Rap Brown, Greater Jacksonville Economic Opportunity, Inc., began developing plans to head off possible violence. GJEO mounted a determined effort to open channels of communication through which the poor could air their grievances. It has increased the number of neighborhood meetings in an effort to reduce tensions. CAP staff members and slum residents patrolled areas of tension on the night of Brown's visit, breaking up crowds.

-- Police Chief I. L. Griffin said:

"They set up their groups. They named their leaders and a lot of patrolling was done by them in their cars. They didn't want Rap Brown here."

Oklahoma City, Oklahoma

One of the programs helping to keep down the level of community tension is the Police Aides program. Five boys with police records are employed to work with the police department in recreational capacities. The boy

with the worst record has been the most effective. His work in organizing the trash cleanup campaign in the slum area has received much favorable comment.

--Police Captain James Rogers said:

"I think the (CAP summer) program has had some good effect in keeping community tensions low. . . . I don't know personally of any case of your people stirring up trouble. Of course, they get blamed for a lot of things they didn't do."

Tulsa, Oklahoma

The local CAA has several summer programs which are run in conjunction with established public and private agencies. A recreation program serving 4,000 youths helps keep down tensions.

--Republican Mayor Jim Hewgley said:

"We feel that the program of work and recreation has helped to ease tension in Tulsa this summer. We certainly hope that there will be a full three months program next summer with more time allowed for planning."

San Antonio, Texas

One of the local CAA programs designed to help reduce tensions in the community is the "Big Brother Project." Under this program, off-duty policemen who normally work in the poverty neighborhoods are assigned to take groups of neighborhood youths to baseball games, picnics and other activities. In this manner, the teenagers become acquainted with the officers on an informal social basis. The program has been received favorably by the community.

Little Rock, Arkansas

The local CAA is running a highly successful program called the "Junior Deputy Sheriff's Program." The program has the strong support of local officials.

--North Little Rock Police Chief Ray Vick said:

"I believe the program has done more to curtail juvenile delinquency than any other undertaking on a local level, ranking right along with the Boy Scouts of America."

--State Representative Herb Rule said:

"People think of OEO as a storehouse against potential riots and destruction."

Corpus Christi, Texas

The local CAA operates a clean-up program, a recreation program, city park improvement projects, and summer libraries and study centers. These programs are considered to have had a great deal of success in reducing tension.

-- Sergeant C. B. Mauricio, head of the police Juvenile Bureau said:

"Criminal activity is almost at a standstill in those neighborhoods where the program (anti-poverty program) is operating. We first noticed it last year when the summer activities of the poverty programs were in full swing. But this year the results are nothing short of fantastic. I would say that juvenile crime in general has been cut in half by the OEO."

Denver, Colorado

Youth Employment and Activity, a massive OEO summer program, has been credited with playing a significant role in preventing outbursts of violence.

-- Mayor Tom Currigan said:

"I think that there is no question but that the (summer) program has had a definite bearing on the fact that there has not been an outbreak in Denver. Had we not had the summer program, we would be in just a hell of a shape."

St. Louis, Missouri

The local CAA has actively tried to reduce tensions in the poverty areas.

-- Mayor Alfonso J. Cervantes said:

"We have had excellent working relations with the Human Development Corporation (local CAA). The HDC has helped a lot in easing summer tensions."

-- Police Department Community Relations representative, John Carroll said that the CAA had "without a doubt played a role in preventing a riot."

-- Juvenile Judge Theodore McMillian said:

"It is the poverty program that really has kept down the tensions creating unsavory situations found in the rest of the country. Without it, there surely would have been enough to break the camel's back."

Wichita, Kansas

Three anti-poverty workers are members of a group of young Negroes called the Patrol which was formed after recent disturbances. The young men roam the streets of the ghetto in an attempt to ward off violence. During the recent period of unrest, the CAA neighborhood centers were used as communication points for the police and Negro youth.

-- Police Chief Eugene Pond said:

"They don't get the credit they deserve. They have done a good job. Their program seems to be solid."

Commenting on the fact that three poverty workers had been arrested during the disturbances, Chief Pond said: "I would prefer to look at the side of the many who tried to help us, not the ones who screwed up."

Kansas City, Missouri

The Kansas City CAA has received much of the credit for the fact that there have been no disturbances this summer.

-- Mayor Ilus W. Davis said:

"I have nothing but good to say about the program. I get around the city and I know that it's made a difference."

-- City Manager Carlton Sharpe said:

"If we hadn't had these programs, our condition could have been considerably more serious. It's made a real contribution towards establishing the relative degree of tranquility we've enjoyed."

Omaha, Nebraska

One of the programs of the local CAA designed to help prevent a recurrence of last year's rioting is the Youth-Police Community Relations Camp. During one-week camp periods, youth from the predominately Negro North Side play, live and eat with eight policemen. The CAA is also active in other recreation and employment programs.

-- Mayor A. V. Sorenson said:

"My investigation and subsequent discussion with Negro youth involved in Omaha's 1966 disorders, indicated that two of the major problem areas were jobs and recreational programs. I am convinced that OEO summer funds have made an enormous contribution in both of these areas."

Los Angeles, California

One of the actions taken by the Neighborhood Adult Participation Program (a delegate agency of the CAA) to reduce tensions was the printing and distribution of 35,000 copies of a leaflet called "Keep Cool This Summer." The leaflet listed ten reasons why the community should "cool it."

-- Los Angeles Police Chief Thomas Reddin said:

"It is highly encouraging to observe the program initiated by the Neighborhood Adult Participation Project to aid in preventing the possibility of a riot this summer. The positive program such as you have undertaken at the community level is to be highly commended."

-- Mayor Sam Yorty said:

"To be effective, a summer anti-poverty program must give youngsters more than a chance to earn money -- it must also provide a channel to constructively release frustrations of living in poverty. Los Angeles' summer programs are designed to do just that."

Portland, Oregon

Local anti-poverty workers served as "listening posts" and urged people "to keep it cool." When disturbances broke out the CAA worked closely with the Mayor and the police, providing them with information on possible trouble spots.

-- Mayor Terry Schruck said:

"The poverty people could have been just non-committal, but instead they took positive and constructive action."

Seattle, Washington

The local CAA was effective stopping rumors of impending violence.

-- Mayor Dorm J. Braman said:

"Some people in Seattle wanted a riot, but the CAP program has made it difficult for these people to recruit followers."

New Haven, Connecticut

Among the programs designed to reduce tension in New Haven are a play street program for youngsters, recreational programs for 1,200 youths, a day camp and a job placement program for unemployables.

Before the disorders occurred in New Haven, Police Chief Francis V. McManus said: "There is an agreement that we will have the assistance of all the neighborhood workers to find out what the cause of the unrest is. The neighborhood workers act as liaison between the community and us. I'm positive these programs have had a great impact on keeping the temperature cool."

After violence erupted Chief McManus confirmed his assessment, and added that the disturbances were caused by a small group who couldn't be reached by anyone.

Louisville, Kentucky

-- Republican Mayor Kenneth A. Schmied said:

"I'm real thrilled at the summer program and I think it does a world of good. It's no doubt helped head off tensions, and given us a good summer, if you know what I mean."

Pittsburgh, Pennsylvania

The local CAA works closely with city officials in an effort to reduce tension. Eighteen neighborhood youths and three supervisors patrol the streets in an attempt to "keep things cool." Public Safety Director David Craig emphasized the ability of summer programs to serve as a channel of communication with young people who are otherwise discouraged and without a spokesman.

Chattanooga, Tennessee

The local CAA has worked hard to reduce tensions in the poverty areas. It has the full support of city officials in its efforts.

-- Mayor Ralph Kelley said:

"The CAA has won the respect of the community and has played a significant role in alleviating tensions. It has done more to pull this community together than any other thing that's ever been done here."