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May 12, 1975

Estimado Luis:

Thank you for your recent letter updating me on your whereabouts. It was certainly good to hear from you.

Congratulations on your successful completion of law school. We are all very proud of you and know that you will bring an important new dimension to the legal profession.

I have written to Alex Armendaris at OMBE on behalf of NBHDC and will attempt to track this one for you.

Saludos a todos y buena suerte.

Atentamente,

Fernando E. C. De Baca
Special Assistant to the President

Mr. Luis Flores
2256 West Park Avenue
Napa, California 94558

REC'D: 5/12/75



May 12, 1975

Dear Alex:

I am attaching a letter from Luis Flores of the North Bay Human Development Corporation, Santa Rosa, California, in which he alleges discriminatory treatment by a San Francisco Regional Office employee of OMBE.

Would you be kind enough to look into this matter and have someone on your staff respond directly to Mr. Flores' charges.

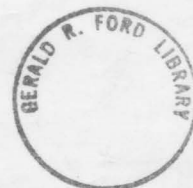
Thank you.

Yours sincerely,

Fernando E. C. De Baca
Special Assistant to the President

The Honorable Alex Armendaris
Director
Office of Minority Business Enterprise
U. S. Department of Commerce
Washington, D. C. 20230

FECDeB:mmnd:5/1/2175





luis flores
2246 west park avenue
napa, california 94558

April 30, 1975

Mr. Fernando de Baca
Special Assistant for Hispanic Affairs
White House
Washington, D.C. 20500

Estimado Fernando;

Now that I have finished law school and am waiting for the bar examination results, I have time to catch up on my social duties.

First I wish to congratulate you on the appointment to your present position. I can't think of anyone else whom I personally believe would do the type of job that continues to advance the movimieño. If I can be of any assistance, please feel free to call me.

However, I now need some help from you, and for that purpose I have enclosed a copy of the annual report of North Bay Human Development Corporation.

For some five years NBHDC has attempted to obtain funding from OMBE for minority economic development in its service area. For that same period of time NBHDC has been frustrated by one Mr. Yosef Patel, an employee of the Department of Commerce.

Finally this year OMBE has finally decided to solicit RFPs for an economic development program in the aforementioned area. There are, however, tow problems with this procedure.

First, to my knowledge most of the previous, if not all, OMBE funded programs have been sole source funding, without RFPs. In other words OMBE has selected the organization it wished to deal with and funded same.





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Secondly, on the present RFP OMBE has established a selection committee of four. The committee is composed of two Blacks, one Chicano, and the aforementioned Mr. Patel.

These two actions are so uncharacteristic of OMBE type operations, that it would seem that Mr. Patel's fine handiwork is to be felt once again and the stage is set to again frustrate NBHDC.

NBHDC's obvious excellent record of eight years of program operation, the composition of the minority population in the target area (the majority are Chicano, a large segment of Indian and Filipino, the remainder Black) would make NBHDC the overwhelmingly choice to operate such a program.

Anything you can do to assist NBHDC obtain this funding would be greatly appreciated. Time is of essence, so please don't let this one sit around.

Como siempre, su servidor

Louis Flores

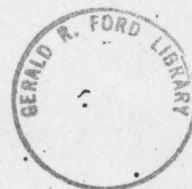
cc: Abel de Luna



BACKGROUND

We come to this conference with mixed feelings, asking ourselves if it is another game. It was over 4 years ago that Mr. Sam Wyly, Chairman of the President's Advisory Council on Minority Business Enterprise, submitted his final report to the President of the United States, which contained findings, conclusions, and recommendations as to where minority business should be in the decade of the 70's. Since that time we have seen little, if anything, done concerning the plight of minority businessmen. The Agency for Expanded Ownership has not been formed under the guise that this Administration is trying to reduce the number of agencies because funds are in short supply. Yet, we have seen the formation of the Federal Energy Administration, the Consumer Protection Agency, and of late, the giant Energy Research Development Agency, with a forecasted budget in the billions.

The prime item for discussion at this conference is not whether it is desirable to revise current mismanaged programs in OMBE or whether programs should be consolidated under one manager. The question is whether people below the President are sincere in implementing our recommendations for carrying out the direction of the President of the United States. The question is how minorities can capture -- I repeat, capture -- control of our own destiny in the area of minority business. The question is whether it is more important for us to help other nations while millions of blacks are excluded from sharing in the right to build and strengthen the economic system through full participation, and finally, the question is whether the minorities are going to continue to allow themselves to be used as political footballs every 4 years for votes while black G.I.'s fill green canvass deathbags in between as a result of participating in wars we neither start nor approve.



THE NEED TO REVIEW MINORITY BUSINESS ENTERPRISE PROGRAM

It is obvious that current efforts are failing to bring about a change in the overall condition of minority business for two main reasons:

First, and perhaps most important, the resources committed to minority business enterprise are insufficient.

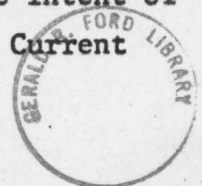
Second, the current program concepts and regulations do not contain the critical elements necessary for success.

These two reasons exist primarily because progress and goals are related to "where we've been" rather than to "where we need to go".

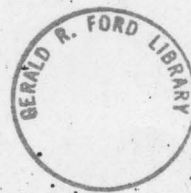
For example, if total receipts of minority business doubled, they would only be 1.4 percent of the U.S. total business receipts; however, we could bring minority unemployment rates in line with those of the majority community, make many of our urban communities more economically viable, and reap the other benefits mentioned earlier.

If we used a "where we need to go" approach, our program resources and concepts would be aimed at this kind of objective and we could see an end to the task at some point in time, and the total cost and benefits associated with it. This is really fundamentally how our Nation has accomplished its most dramatic objectives, not the least of which was placing a man on the moon--which was a far more difficult and costly accomplishment than the establishment of a viable minority business enterprise program. Our current programs deal with less than 10 percent of minority businesses, because resources currently committed do not permit reaching more. We then find those responsible for these programs gauging progress on "where we've been" concepts and developing goals and objectives on "doing better than before" concepts. No one in a responsible program position will tell you the plain truth that, "at current levels of resources and styles of operation we will not achieve the true objective in 50, 100, or 1,000 years." Neither will they present to you the goals, such as the minority business sales objective, that will make the program go away, what it will take to do it, and when they will accomplish it.

In previous testimony before the House and Senate committees our association requested that goals be set for the minority business program, for the reasons we have restated here. It was our intent, and we think the intent of Congress, that these goals be developed in regard to the problem. Current



programs, however, relate their data and goals to the past. But, you are told that, "last year we increased our so-and-so program by 100 percent," but what you are not told is what goal is necessary to solve the problem, when it will be achieved, and how it will be accomplished. You are also not told that at current levels of effort, the problem will never be solved.



RECOMMENDATIONS

In view of our earlier comments, our recommendations were in two categories: The first in regard to what we feel is necessary to solve the problem, and the second, what steps need to be taken immediately to make current programs more effective.

In the first category, we urged the *establishment of a legislative vehicle which carries the authority and oversight of the Congress*--that provides for the establishment of a minority business program that would address the total problem and would plan and implement the solution. This vehicle should also require the continual participation of the minority business community in the development of program concepts, objectives, and policies.

In the second category, we urged *consideration of the recommendations regarding current programs*. Many of our most promising companies are failing, or have failed -- not because of limited resources, but because of insensitivity, ineffectiveness, and erroneous program concepts and regulations.

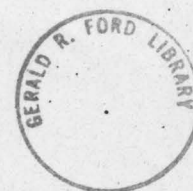
We recommend therefore:

a. Immediate (30 days):

(1) Due to the failure of the Office of Minority Business Enterprise and the Office of Management and Budget to implement the recommendations of the President's Advisory Council on Minority Business Enterprise, it is recommended that the President issue an executive order requiring the update and implementation of the "Blueprint for the 70's". Further, that the responsibility for monitoring this action be assigned to a task force or commission manned by individuals recommended by existing minority trade associations.

(2) That all individuals with past affiliation with Mr. Nixon's Committee to Reelect the President be transferred out of any program that has responsibility for minority business enterprise so that party politics can be removed from the minority business enterprise program; and all future assignments to minority business programs receive the concurrence of the minority business community.

(3) That the Administration propose legislation similar to Executive Order 11625 for consideration during the current session of Congress.



b. Long Range (6 months):

(1) That an adequate data base for the implementation, operation, and evaluation of the minority business enterprise program be developed and maintained.

(2) That contracts in the amount of \$1 billion be awarded under Section 8(a) of the Small Business Act.

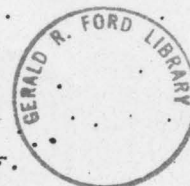
(3) That an Agency for Expanded Ownership, as recommended by the President's Advisory Council, be fully operational. (It is recommended that all Federal programs be transferred by executive order from OMBE to SBA for monitorship during this interim period.)

c. Other recommendations:

(1) A more meaningful set-aside marketing program.

(a) The most realistic and beneficial areas for market opportunities should be in new or growing markets--such as energy, ecology, transportation, Alyeska pipeline, agri-business, and others. These markets should have specific percentages committed to minority business enterprise. Foreign trade arrangements and agreements should also have specific commitments to minority business, especially those countries who are recipients of foreign aid. For example, there is a strong desire on the part of black Africans to do business with black Americans, and they are appalled at the minimal support and assistance minority businesses receive in this country compared to the business assistance the Soviet Union is currently receiving from the United States. Obviously, a strong business relationship between our minority companies and Africa could be beneficial to this country in numerous ways.

(b) The set-aside procurement program now in effect with government agencies and major contractors of the federal government needs more "teeth." These markets are needed immediately since they must provide the base upon which business can move to the new and expanding markets discussed above. By "teeth" we simply mean the program must be placed in the "reward system." Where agencies and companies have placed the program into the "reward system" accomplishments have been dramatically improved, usually by an order of magnitude or more. On the other hand, middle level recalcitrance and insensitivity in other agencies and companies have blocked some of the best opportunities for real progress.



(c) Subsidy to provide for adequate staff prior to reaching nominal sales levels to reduce debt service during growth period and attract more private capital.

(d) Allow for larger gross margins. Current maximum of 10 percent is unrealistic to businesses in sales growth status.

(e) Establish meaningful and specific criteria for determining when a firm should "graduate" from the program. This criteria should be as specific and comprehensive as the criteria used to determine "small business status."

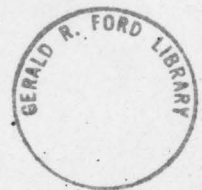
(g) A moratorium on involuntary graduation of firms from the program until recommendation (e) above is implemented.

(2) A more meaningful economic opportunity loan program.

(a) The amounts loaned or guaranteed should have the same maximums as the regular small business loan programs. The limits now imposed cause either the elimination of good opportunities because of the arbitrary limit, or create guaranteed failures due to under capitalization--and further they tend to force minority enterprise into very marginal and low impact type endeavors.

(b) Moratoriums on principal and interest in unusual emergencies--local or national, i.e., energy crises, strikes, etc.

(3) A grievance review procedure with reviewing authority consisting of OMBE, SBA, joint agency committee, and minority business community which reports its work and findings to the Congress.



Exceptuando al indio americano, nosotros, la población de ascendencia hispana, hemos vivido por más tiempo que nadie en lo que es hoy los Estados Unidos. Los primeros censos revelan que en el pasado, la mayoría de nosotros vivíamos en lo que es ahora los cinco estados del suroeste. El Censo Decenal de 1970 revela mucho más acerca de nosotros, como por ejemplo que:

Somos jóvenes. Nuestra edad mediana — es decir, el punto medio — es de 21 años. La edad mediana de la población total de los Estados Unidos es de más de 28 años. Aproximadamente un 41 por ciento de todas las familias de ascendencia hispana incluye a niños menores de 6 años de edad, comparado con solamente un 26 por ciento por todas las familias en los Estados Unidos.

Nuestra población está creciendo rápidamente. Esto se ve en que los americanos nacidos en Puerto Rico o americanos de extracción puertorriqueña aumentaron por un 55 por ciento durante los años del 1960 al 1970.

Tenemos mejores trabajos. Más de una cuarta parte de nuestros hombres que pertenecen a la fuerza trabajadora estaban clasificados durante el 1970 en ocupaciones profesionales o de oficina. La mayoría de nosotros trabajamos más en la manufactura que en otra ocupación. Nosotros también nos hemos apartado de la ocupación tradicional americana del pasado—trabajo agrario.

Y, tenemos retos. Nuestra mediana de ingreso nunca ha sido alta; nuestro ingreso familiar llega solamente a un 79 por ciento del de las familias americanas en general. A pesar de que la proporción de nuestros jóvenes que asiste a la escuela es mayor que la de la población en total, uno de cada cinco de nuestros adultos de 25 años o más de edad tiene menos de 5 años de escuela completados.

Como ustedes pueden fácilmente ver, el Negociado del Censo tiene otras responsabilidades además de informarnos cuántas personas hay: la información censal muestra más claramente nuestro progreso y nuestros problemas. Los datos censales también indican los derechos de nuestras comunidades en relación a servicios públicos y representación gubernamental.

El Censo de 1970 nos muestra que las personas de ascendencia hispana son una parte creciente del gran número de personas que forman la población de los Estados Unidos. También nos indica que a pesar de los muchos progresos sociales y económicos, a nosotros, los individuos de ascendencia hispana, nos queda aún mucho por hacer en el área de la educación, del trabajo, de los ingresos y de las viviendas.

El hacerle frente a estos retos es una gran tarea para TODOS los americanos.

We Americans of Spanish ancestry have lived in what is now the United States longer than anyone else—with the exception of the American Indian. Early censuses show that, at one time, nearly all of us lived in what have become the five southwestern States. The 1970 Decennial Census reveals many other interesting facts about us; for example:

We're young. Our median age — meaning the midpoint — is 21. The median age of the U.S. population as a whole is just over 28. About 41 percent of all families of Spanish ancestry include children under 6 years old, compared with only 26 percent for all U.S. families.

Our population is rapidly increasing. As one indication of this growth, the number of Americans of Puerto Rican birth or parentage increased by 55 percent between 1960 and 1970.

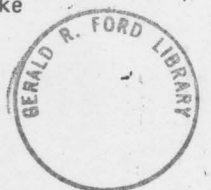
We're holding better jobs. More than one-quarter of our employed men were in white collar occupations in 1970. More of us work in manufacturing than in any other field. We, too, have gotten away from the traditional American occupation of the past — farm work.

And we have challenges. Our median income has never been higher, but our family income is about 79 percent of that of American families as a whole. Although the proportion of young people attending school is larger for our group than it is for the total population, one out of every five of our adults 25 years old and over has completed fewer than 5 years of schooling.

As you can easily see, the Decennial Census does a lot more than just tell us how many people there are. Census information makes our progress and problems more understandable. The data obtained from the census also indicate what our communities are entitled to in public services and representation in government.

The 1970 census shows us that persons of Spanish ancestry are a growing part of the U.S. population. It shows that we have made many social and economic gains. We still have many advances to make in education, employment, income and housing.

Meeting these challenges is the great task for ALL Americans.



En el 1970, el número de nosotros de 16 años o más que estaba en la fuerza trabajadora sumaba un total de 3.2 millones, de los cuales 2.1 millones eran hombres. La proporción de nuestros hombres en la fuerza trabajadora era cerca de un 78 por ciento, y de nuestras mujeres de un 38 por ciento.

Hemos adelantado enormemente desde que nuestros empleos eran principalmente agrarios. Durante el 1970, más de una cuarta parte de nuestros hombres en la fuerza trabajadora tenían empleos profesionales y de oficina. De los 2.9 millones de nosotros que estaban empleados, cerca de 790,000 trabajaban en la manufactura, nuestra forma principal de empleo.

INCOME

En el 1969, el ingreso mediano de nuestras familias fue de \$7,534; para la población total fue de \$9,590. Expresándolo de otra manera, por cada \$100 que una familia americana típica ganara, una familia típica de origen hispano ganaba \$79.

En el 1969, más de 85,000 de nuestras familias tuvieron un ingreso de menos de \$1,000, pero 6,500 de nuestras familias tuvieron un ingreso de \$50,000 o más, y otras 34,000 familias ganaron de \$25,000 a \$49,999. La mayor parte de nuestras familias se encontraron en el grupo intermedio de la escala de sueldos, habiendo 223,000 familias que ganaban de \$10,000 a \$11,999.

En el 1970, cerca de una quinta parte de nuestras familias vivían en la pobreza, y en las áreas rurales la proporción era mucho más alta. Para la población total, el 11 por ciento de las familias vivían por debajo del nivel de pobreza. En las áreas rurales la proporción era de un 15 por ciento.

OWNING HOMES

En el 1970, más del 46 por ciento de nuestras 2,040,000 familias, o tenían casa propia, o la estaban comprando. Para la población total, la proporción era de un 63 por ciento.

Uno de nuestros problemas es el de no tener suficiente espacio donde residir. Basándonos en la definición censal de "apiñados", o sea, "más de una persona por cuarto", una cuarta parte de nosotros vive en hogares que están apiñados. Para la población total, solamente una persona de cada 12 vive bajo condiciones semejantes.

Hasta cierto punto, el amontonamiento se debe al tamaño de la familia. Cerca de un 6 por ciento de nuestras familias tenían seis hijos o más, mientras que menos de un 2 por ciento del resto de los americanos de la raza blanca tenían familias de ese tamaño.

A pesar de todo esto, aún mantenemos cierto grado de afluencia. Más de tres cuartas partes de nuestras familias tienen automóviles y cerca de un tercio de nuestras familias tienen dos automóviles o más.

Our people in the labor force 16 years old and over totaled 3.2 million in 1970, of whom 2.1 million were males. The proportion of our men in the labor force was about 78 percent; it was 38 percent for our women.

We've come a long way from the time when most of our jobs were related to farm work. More than one-fourth of our working males were employed in white collar occupations in 1970. Nearly 790,000 out of 2.9 million of our employed workers were in manufacturing, making it by far our largest area of employment.

INCOME

The median income for our families in 1969 was \$7,534; for the population as a whole it was \$9,590. Putting it another way, for every \$100 the average American family earns, the average family of Spanish ancestry earns \$79.

At the low end of the income scale, more than 85,000 of our families earned less than \$1,000 income in 1969, but 6,500 of our families earned \$50,000 or more and another 34,000 made \$25,000 to \$49,999. The largest number of our families fell in the middle income range, with 223,000 earning between \$10,000 and \$11,999.

About one-fifth of our families were living in poverty in 1970. In rural areas the proportion was higher. For all the population, the proportion living below the poverty level was about 11 percent; in rural areas, about 15 percent.

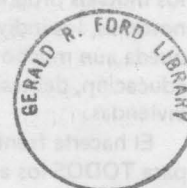
OWNING HOMES

In 1970, more than 46 percent of our 2,040,000 families either owned their homes or were buying them. For the total population, the proportion was 63 percent.

Lack of living space is a problem for us. Based on the census definition of "overcrowded" as "more than one person per room," one-quarter of us live in overcrowded homes. Of the total population, only about one person in 12 lives under similar conditions.

To some degree, our overcrowding can be related to family size. About 6 percent of our families had six or more children, while less than 2 percent of other white Americans had families that large.

Yet, we still have some share of affluence. More than three-quarters of our families have automobiles, and nearly a third of these families own two or more.

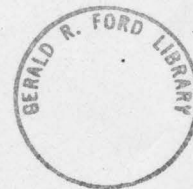


Minority Business Development

Analysis of Organizational Options

The National Association of Black Manufacturers formed a task force to review possible organizational options as recommended by Mr. Stanley S. Scott, Special Assistant to the President.

We question the sincerity of this effort because the administration did not furnish supporting data required for a comprehensive review and the time frame allowed was less than satisfactory. However, to be responsive, the following analysis is offered and modified to include the most desirable alternative (i.e., update and implement the Blueprint for the 70's, dated June 1971, by the President's Advisory Council on Minority Business Enterprise, and immediately appoint a commission consisting of representatives recommended by trade associations, to monitor and insure compliance of Executive Order 11625, dated October 13, 1971 (copy attached)).



Alternative A: Consolidate the OMBE programs with the SBA programs, under SBA management.

1. To what extent is the alternative likely to alleviate the problems which you believe exist in administering the current programs?
 - a. Place program responsibility under an agency with statutory authority.
 - b. Ease of coordination by creating a single point of contact.
 - c. Alleviate problem that OMBE has in identifying themselves with minority businesses. SBA, in day-to-day operations, is in constant contact with existing and new minority businesses because of the 8(a) program, and OMBE is not.
 - d. Possible reduction in administrative costs of \$16 million (used to administer OMBE program for overhead; none of which flows to minority businesses).
 - e. SBA has more experience in dealing with small businesses.
 - f. Probably help do away with OEO mentality.
 - g. Provide staff and funds that would permit minority business effort in SBA to conduct training programs for its in-house personnel in the areas of minority business and attitude.
 - h. Merger can be accomplished immediately through executive order.
2. What other program benefits might be obtained from the alternative?

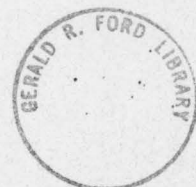
: No comments.
3. What program disadvantages or costs might result from the alternative?
 - a. Does not include other important programs in HEW, GSA, etc.
 - b. SBA would not have weight of cabinet member behind it, or the authority contained in Executive Order 11625 dated October 13, 1971.
 - c. SBA cannot address itself to private sector.
 - d. Possible conflict might arise from small business lobby.
 - e. Eliminates the required coordinated review.
 - f. SBA may concentrate on developing small businesses rather than developing minority businesses into large businesses.



- g. SBA's record in the development of minority business is itself less than satisfactory.
 - h. It might increase the internal conflict within the SBA over small versus minority interest.
 - i. SBA, as currently structured and managed, could not effectively handle the OMBE program, therefore budget would have to be increased which may require Congressional action.
 - j. Possibility of program slippage during reorganization.
 - k. Some of the deficiencies found in SBA by studies, etc., might be perpetuated on a much larger scale due to transfer of OMBE functions to SBA.
 - l. Personnel in OMBE might not be readily transferable.
4. What impact, if any, would the alternative have on the other programs and responsibilities of the agency?
- : Probably enlarge on some of the current problems.
5. What personnel and administrative problems would likely be encountered in implementing the alternative? This should include problems of agency reassignments, availability of staff expertise, changes of field office structure or operations, etc.
- : We can think of no administrative problems of such magnitude that it would be considered as limiting factors.

Alternative B: Consolidate the SBA programs with the OMBE programs, under the Department of Commerce.

1. To what extent is the alternative likely to alleviate the problems which you believe exist in administering the current programs?
- a. Do away with conflict of management in SBA to support small businesses and not minority businesses, therefore would be supported by small business lobby.
 - b. Commerce is oriented toward big businesses and therefore development of minority business may not be as much a problem and growth of business would not be limited.
 - c. Would have cabinet-level authority in support of the minority business programs.



2. What other program benefits might be obtained from the alternative?

- : Would permit the establishment of a minority business institute for training OMBE staff on the intricacies of doing business with minorities.

3. What program disadvantages or costs might result from the alternative?

- a. It would take legislation to move the 8(a) program from SBA to OMBE, or it would require SBA delegate authority to OMBE to engage in 8(a) contracts. SBA may resist delegating this authority.
- b. OMBE has not demonstrated experience in dealing with minority businesses contracting with the Federal Government.
- c. OMBE does not have the expertise in administering programs similar to SBA's loan guarantee program, bonding program, COC program, and others, and there would be a tremendous training curve at the expense of minority businesses.

4. What impact, if any, would the alternative have on the other programs and responsibilities of the agency?

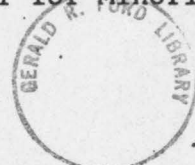
- : This alternative would effectively eliminate minority businesses.

5. What personnel and administrative problems would likely be encountered in implementing the alternative? This should include problems of agency reassignments, availability of staff expertise, changes of field office structure or operations, etc.

- a. Require agency reassignments.
- b. OMBE lacks expertise in dealing with minority businessmen. Field officers of OMBE have failed to adequately communicate with minority businesses currently in existence.
- c. OMBE failed to implement Executive Order 11625 and Title 41. A conservative estimate of 5 years is given before OMBE could be effective in administering SBA programs.

Alternative C: Maintain the separate OMBE and SBA programs, but change the organizational arrangement of those programs within SBA and Commerce.

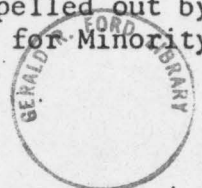
The major change required in this alternative would be to concentrate Section 8(a) authority with resources, under the Associate Administrator for Minority Business. The intent of this action has been spelled out by Congress in creating the position of Associate Administrator for Minority Business. No further analysis needed on this alternative.



2. What other program benefits might be obtained from the alternative?
 - : Would permit the establishment of a minority business institute for training OMBE staff on the intricacies of doing business with minorities.
3. What program disadvantages or costs might result from the alternative?
 - a. It would take legislation to move the 8(a) program from SBA to OMBE, or it would require SBA delegate authority to OMBE to engage in 8(a) contracts. SBA may resist delegating this authority.
 - b. OMBE has not demonstrated experience in dealing with minority businesses contracting with the Federal Government.
 - c. OMBE does not have the expertise in administering programs similar to SBA's loan guarantee program, bonding program, COC program, and others, and there would be a tremendous training curve at the expense of minority businesses.
4. What impact, if any, would the alternative have on the other programs and responsibilities of the agency?
 - : This alternative would effectively eliminate minority businesses.
5. What personnel and administrative problems would likely be encountered in implementing the alternative? This should include problems of agency reassignments, availability of staff expertise, changes of field office structure or operations, etc.
 - a. Require agency reassignments.
 - b. OMBE lacks expertise in dealing with minority businessmen. Field officers of OMBE have failed to adequately communicate with minority businesses currently in existence.
 - c. OMBE failed to implement Executive Order 11625 and Title 41. A conservative estimate of 5 years is given before OMBE could be effective in administering SBA programs.

Alternative C: Maintain the separate OMBE and SBA programs, but change the organizational arrangement of those programs within SBA and Commerce.

The major change required in this alternative would be to concentrate Section 8(a) authority with resources, under the Associate Administrator for Minority Business. The intent of this action has been spelled out by Congress in creating the position of Associate Administrator for Minority Business. No further analysis needed on this alternative.



Alternative D: Establish a new, comprehensive, minority business program in SBA (or in Commerce) to replace the existing programs.

This alternative was not considered based on damage that would be done to minority businesses while a new comprehensive program overcomes its learning period.

One of the major problems with the existing program is not the program itself, but more poor administration and implementation. The examination of alternative D will be covered in G below.

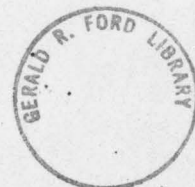
Alternative E: Consolidate direct Federal assistance for minority business development in SBA; redirect the OMBE program to focus on stimulating non-Federal actions to promote minority business development.

1. To what extent is the alternative likely to alleviate the problems which you believe exist in administering the current programs?

- a. Incorporate all advantages in alternative A.
- b. SBA is currently administering the only successful federally assisted minority business program to date.
- c. Concentrates the remaining OMBE effort in the only moderately successful program they have, and would allow OMBE time to concentrate effort in implementation of Executive Order 11625.
- d. OMBE has an on-going line of communication with big businesses as a result of its association with the Department of Commerce.
- e. No duplication of effort on part of OMBE and SBA.
- f. It places federal assistance for minority business development in SBA with a Congressional subcommittee established for support, guidance, and review.
- g. Would maintain the interest generated among major companies in support of the National Minority Purchasing Council.

2. What other program benefits might be obtained from the alternative?

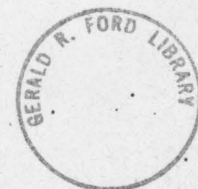
- : This alternative would cause the least disruption in the current program with maximum improvement only because current management in OMBE has been less than satisfactory. Improved OMBE management could effect the validity of this being a viable alternative.



3. What program disadvantages or costs might result from the alternative?
: None.
4. What impact, if any, would the alternative have on the other programs and responsibilities of the agency?
: This may find extreme resistance from the small business lobby.
5. What personnel and administrative problems would likely be encountered in implementing the alternative? This should include problems of agency reassignments, availability of staff expertise, changes of field office structure, or operations, etc.
: None.

Alternative F: Maintain the current organizational arrangement.

1. To what extent is the alternative likely to alleviate the problems which you believe exist in administering the current programs?
: None.
2. What other program benefits might be obtained from the alternative?
: Continuity of current minority programs would not be disturbed.
3. What program disadvantages or costs might result from the alternative?
 - a. Minority businessmen on 8(a) program will be continually harrassed.
 - b. Agencies will feel vindicated in that their misdirected action is acceptable.
 - c. \$16 million being used to administer OMBE overhead with no benefit felt by minority businessmen would continue to be wasted.
 - d. No effect on overall minority community development except to maintain it at its present inadequate level.
4. What impact, if any, would the alternative have on the other programs and responsibilities of the agency?
: No comment.



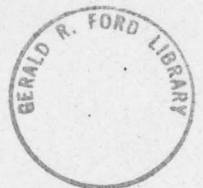
5. What personnel and administrative problems would likely be encountered in implementing the alternative? This should include problems of agency reassignment, availability of staff expertise, changes of field office structure or operations, etc.

: No comment.

Alternative G: Update and implement the findings of the report of the President's Advisory Council on Minority Business Enterprise "Blueprint for the 70's".

We have taken the liberty of adding G as an alternative, because it is evident that the administration has chosen to ignore the advise of the contents in the report of the President's Advisory Council on "Minority Enterprise and Expanding Ownership - Blueprint for the 70's". As a starting point this report should be used immediately in the formation of an independent agency to perform the following:

- a. Monitor the goals and objectives of Executive Order 11625.
- b. Review the results of, and if necessary strengthen Title 41 of the Federal Procurement Regulations.
- c. Have authority to regulate and set goals or establish policy and to initiate charges alleging a violation of Congressional intent when minorities do not receive a fair portion of government business.
- d. Provide a vehicle for expanded ownership.

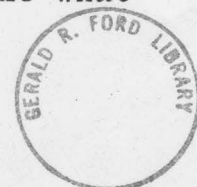


Analysis of Possible Organizational Options

In reorganization, whether SBA or OMBE or the Department of Commerce are strengthened in terms of administrative or coordination responsibilities is not essential, what it important is that all agencies be made more responsive to the needs of minority business enterprise.

Even though duplication of effort may be a problem there would have to be a lot more activity in the area of minority business enterprise before the duplication would be wasteful.

OMBE has been relatively effective and responsive, especially when its budgetary restraints are considered, but OMBE needs teeth. There has to be considerable clout for there to be coordination and pushing of other agencies to respond to the needs of minority business enterprise but the strengthening of OMBE should not make it one super agency for minority business enterprise. There should be no attempt to relieve all agencies of their responsibilities in this area. SBA for example should not merely coordinate and enlarge minority enterprise programs and push for more minority emphasis within programs that up to now have only peripherally affected minority business enterprise. What is needed more is an information clearinghouse, whether it be within OMBE or SBA, which should relate all that is available and at the same time make a greater push to make what



macep

is available accessible. This includes access to agencies information and private industry.

Many coordinative efforts could be in the Office of Management and Budget which would be a more effective way of all agencies responding to minority business enterprise.

Community organizations and community development programs have been successful as pilot programs in economic development and their positions should be strengthened and made an essential part of continued economic development efforts.

A major problem which does not directly relate to SBA or the Department of Commerce at this point is the reduction of large amounts of money into manpower through CETA. We have seen through the Department of Labor and the Solicitors Office interpretation of CETA guidelines in which economic development is cut out.

In the rush to create temporary jobs through manpower training and as a response to the political pressures of the newly unemployed the long range minority business programs are being ignored.



NATIONAL CONFERENCE ON MINORITY ECONOMIC DEVELOPMENT:
Summary of Conference Proceedings

The First Annual National Conference on Minority Economic Development, held in Austin, March 12-14 and sponsored by the Mexican American Council for Economic Progress, Inc. (MACEP) was characterized by various viewpoints and approaches concerning economics and business development for minorities.

Specific programs and organizations such as farm co-ops in California, Economic Development Corporations and Community Development Corporations from throughout the country and Texas' MESBIC were represented at the conference.

The underlying thought throughout the conference, however, was how minority groups in this country are affected by the current economic crisis, and how failure to gain both access to the economic infrastructures and control of political institutions have hindered attempts to reap the benefits of the American economic system.

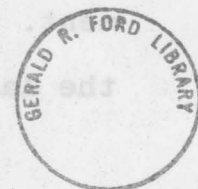
Given that minorities in America still lag behind by all socio-economic indicators, the Conference set as its goal the task of proposing ways in which minorities can have an impact on these economic infrastructures for the benefit of all people in this country.

Alternative approaches toward minority economic development were presented in the various panel discussions, along with the implications of manpower policies on economic development. Also discussed was how education and training, or rather the lack of it, hinders minority entrepreneurship.



The message brought forth was that the most promising approach toward improving the situation of minorities is through economic development and that the greatest impact on the greatest number of people can be realized through what Louis Ramirez, National Director of the Community Services Administration, Special Impact Program, called "locational economic development".

In support of the overall message of the Conference, a set of resolutions were adopted by conference participants to be forwarded to the White House urging that economic and business development activities be given top priority.



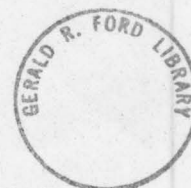
Resolutions Adopted by
Participants at the First Annual
National Conference on Minority
Economic Development

Participants at the First Annual National Conference on
Minority Economic Development held in Austin, Texas March 12-
14, and sponsored by the Mexican American Council for Economic
Progress, Inc. (MACEP) drafted and adopted the following re-
solutions:

1. That minority economic and business development be assigned a top national priority by the current administration; and that such commitment be demonstrated by holding a conference at the White House to promote economic and minority business development in the near future;
2. That a Cabinet level entity, administered by minorities, be established to deal with the economic needs of minority and disadvantaged groups in this country; this committee should have direct input into administration policy and access to key government officials and departments dealing with economic and business development;
3. That funds for minority economic/business development be distributed proportionately according to the needs of each geographic area in the country, and that rules and regulations should be flexible enough to meet each community's specific needs when such funds are made available;
4. That checks and balances be built into federal funding to insure that these funds are utilized in accordance with community needs, particularly in the minority communities;
5. That the federal government allot additional funding for minority-economic and business development, and furthermore, that economic development funds be reinstated under CETA Title III, Section 303-B;



6. That funds be allocated through the Office of Minority Business Enterprise for the establishment of a national venture delivery system for minorities; this delivery system should be made available to all minority entrepreneurs in order to more readily identify feasible business opportunities;
7. That funds be allocated through the Office of Minority Business Enterprise or through the Economic Development Administration for the establishment of a National Information Clearinghouse for minority business enterprise to facilitate information and communication linkages between all minorities and small business enterprises and funded programs;
8. That education and training for minority business enterprise be given priority status, not only by the relevant federal agencies such as the Office of Education, but by state and local entities, both public and private. This conference strongly supports the recommendations of the Task Force Report on Training and Education for Minority Business Enterprise. Task forces should be formed on the state level to provide broad based advocacy for these kinds of programs;
9. That persons and organizations concerned with minority economic and business development hold periodic conferences and seminars in order to inform each other and the public in general about economic development activities throughout the United States and the impact that such programs can have in economically disadvantaged communities; and
10. That more research and studies be conducted in the general area of minority economic and business development in order to identify successful alternative and/or innovative approaches toward the alleviation of socio-economic conditions among disadvantaged populations in the United States.





minority business newsletter

Published Monthly By

MICHIGAN DEPARTMENT OF COMMERCE, OFFICE OF MINORITY BUSINESS ENTERPRISES
IN CONJUNCTION WITH MINORITY BUSINESS OPPORTUNITY COMMITTEE OF THE FEB

Michigan



OMBE & MBOC

Vol. 5, No. 7

Detroit, Michigan

July, 1975

Two Eastsiders Have a Better Idea

UP TO \$2500⁰⁰ REWARD
THE ALLIANCE OF BUSINESS AND COMMUNITY, INC.
NON-PROFIT ORGANIZATION

"SILENT WITNESS"

FOR INFORMATION leading to the arrest and conviction of any person or persons committing any crime against this establishment.

INSTRUCTIONS

1. Call our office, The number is 922-4004.
2. Do not give your name or address.
3. Get your claim number.
4. Give information.

IF SENDING INFORMATION BY MAIL

1. Print or type information.
2. Make up your own "Silent Witness" number, put your number on the letter and keep a copy of your number.
3. Send letter to P.O. Box 07117 Detroit, Mich. 48207.

The above sign is the result of an attempt by two eastside businessmen to help curtail loitering and robberies in their neighborhood. The Alliance of Business and Community, Inc. was created by James Varner and Bob Frith and now boasts 40 members. We would like to see this program spread city-wide and possibly nationwide. Every major metropolitan area needs a like or similar service.

The ABC is a non-profit corporation designed similar to the Detroit News "Secret Witness" program. The small businessmen are the target of most crimes today. Through "Secret Witness" information, ABC will be able to assist the Detroit Police Dept. in it's investigation.

For a \$50.00 joining fee from each member and \$10.00 per month, or \$100.00 a year a member receives the following:

1. Radio and newspaper coverage of crime.

(Continued on pg. 2)

SENATE BILL 9 PASSES

Senate Bill 9 passed the House of Representatives on June 26. The significance is that after signature by the Governor (who is favorable) the Office of Minority Business Enterprise will become a permanent office within the State Department of Commerce. We wish to publicly thank all of our supporters and State Legislators for coming to our aid. A special word of "Thanks" goes to Senator Arthur Cartwright who introduced the bill and pushed it through.

The Editor

MBOC Gets Executive Director



Carol Raymond

Carol Raymond has been selected Executive Director of the Minority Business Opportunity Committee. This position is one of ten to be filled throughout the United States. It was created for the purpose of providing full-time staff support to selected Minority Business Opportunity Committees.

Ms. Raymond was formerly with the Detroit District Internal Revenue Service as Special Programs Coordinator. Her duties included broad responsibility for the Affirmative Action Program and the director of other special emphasis programs and projects.

She has had wide experience in the field of Human Relations and has served in the capacity of Contract Compliance Specialist for the Department of Defense. She holds a Masters Degree from Wayne State University and is currently a doctoral candidate in Public Administration.

Michigan OMBE Reports

During the Month of May, the Office of Minority Business Enterprise packaged a total of seven business loans totaling \$225,200. One loan was approved for \$27,200.

The State of Michigan awarded two Contracts totaling \$1,500.68 and the Federal Government awarded seven contracts for a total of \$118,0990.00.

The State of Michigan established one Concession, a cleaners in the State Plaza Building.

City Gives Detroit Businesses a Break

The City Council passed an ordinance Wednesday to help Detroit-based firms compete more equitably for city contracts, and also permit some contracts to set aside for small Detroit businesses.

Council President Carl Levin emphasized that the ordinance adopted by a unanimous vote, does not give preference to Detroit firms, but attempts to compensate for the economic disadvantage they have in bidding against outside firms which do not have to pay city income or utility taxes or higher insurance rates.

Levin said the council and the Law Department have been working on the ordinance for about a year. The new city charter endorses the concept of giving a compensation credit to resident businesses.

Under the ordinance, Detroit firms will get a credit of two percent on bids on contracts of less than \$100,000 and one percent on contracts over that amount.

The credit will be applied to the bids after they are submitted to the Purchasing Department.

In addition, the purchasing director can set aside certain minor contracts for bidding only by small Detroit firms.

The ordinance generally defines minor contracts as those under \$10,000, although the amount is higher in some areas, such as building demolition and construction.

Small businesses are defined as those which are independently owned and operated and which do not dominate or control their field.

Levin said the ordinance was a "simple, legal and effective way to put Detroit firms on a more equal footing with outside businesses."

According to a spokesman Mayor Young supports the ordinance.

FOREIGN MARKET SALES

Sales for minority firms in foreign markets is the thrust of a new project launched recently by OMBE. Under terms of a one-year \$184,000 OMBE contract, the Chicago-based marketing consultant firm of Thomas H. Minor & Associates has identified 50 minority firms with export capabilities, and is linking them with customers in five major world markets. The first-year goal for the project has been set at \$3 million in minority export sales.

Eastiders

(Continued from pg. 1)

2. Engraving of all movable equipment with the member's social security number.
3. Large and small emblems to display notifying the public of membership.
4. Two hundred fifty (250) flyers for members to distribute to the public posting rewards for information in amounts ranging from \$500-\$2,500.

The rewards are paid through an escrow account established at the National Bank of Detroit. Upon joining, you receive immediate coverage. This is not an insurance but another tool to help the small businessperson carry on his fight for survival.

Since the program was introduced the first of the year, THERE HAVE BEEN NO CRIMES COMMITTED AGAINST MEMBER BUSINESSES.

PEQ'UES JULY BREAKFAST SPEAKER

The June breakfast meeting provided us with one of the most dynamic and informative speakers we have had to date. Many requested copies of Richard Clinkscales speech. It makes us at OMBE proud to know we have someone of Dick's calibre working for us on the National Level.

The Entrepreneur of the Month, Alpine Restaurant, was worthy of the title. They provided an excellent breakfast and everything went like clock work.

The July breakfast speaker will be Liz Peq'ues, META, Minneapolis, Minn. MEDA (Metropolitan Economic Development Assoc.) will bring us information on how entrepreneurs may receive Business Leadership Training (BLT). We're sure this message can be beneficial to minority businesspersons.

Also this month The Alliance of Business and Community, Inc. will bring a very timely message about protecting your business (see article page 3).

The July Breakfast will again be held at the Alpine Restaurant. Everyone is invited. We would like to top the 131 figure of last month.

See you:

Date: July 8, 1975

Time: 7:30 A.M.

Place: Alpine Restaurant
7030 W. 7 Mile Rd.
1 Block W. of Livernois

Cost: \$2.50 (Optional)

LETTER TO THE EDITOR

Mr. Wallace C. Williams, Director
Office of Minority Business Enterprise
North Tower, Executive Plaza
1200 Sixth Street
Detroit, Michigan 48226

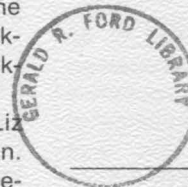
Dear Mr. Williams:

I have made a careful survey of businesses in northwest Detroit bounded by West Eight Mile Road, Livernois, Fenkell and Meyers. The frequency at which nursery schools; carryout Bar-B-Que stores; cleaners; automotive parts stores; party stores; and wig stores occur is disturbing. My Lady Schick electric shaver needs repairing. Detroit Edison no longer repair items of this nature so I will travel to another city for this service. I would like very much to sit down in an ice cream parlor and enjoy a sundae with my children. There is one place nearby where I could go however food is prepared there also and I do not like the food cooking when I am eating ice cream.

It may be helpful to persons interested in entering a business in northwest Detroit to survey the needs of the community carefully before taking for granted the northwest Detroit resident needs another nursery school; another Bar-B-Que store; another cleaners; another automotive parts store; another party store or another wig store.

Yours sincerely,

Dee Mayberry



Asian and Indian Market Reports

Asian Americans, American Indians and other non-black and non-Spanish minorities owned 66,841 businesses in 1972 — some 14 percent more than in 1969 — according to a report issued by the Bureau of the Census. During the 1969-1972 period, gross receipts from businesses owned by members of these minority groups increased 46 percent from an estimated total of \$2.8 billion in 1969 to an estimated 1972 figure of \$4.1 billion. The new report is the second in a series on minority enterprise from the 1972 Economic Censuses, five-year canvasses of the Nation's economic activity compiled by the Census Bureau.

CONTRACTOR'S CORNER

The following is a list of Minority Contractors who are desirous of contract opportunities. For more information contact the Metropolitan Contractors Association, 4450 Oakman Blvd., Detroit, Michigan 48204. Phone Number: 933-7500, or call the contractor directly.

Robert W. Brown
Professional Carpentry
15738 Wyoming
Detroit, Michigan 48238
Phone Number: 861-0710/868-7917
Rough Finish Carpentry

Mr. Gayl Turk
Turk Asphalt Paving
16844 Whitcomb
Detroit, Michigan 48235
Phone Number: 237-0609

Mr. Samuel Branch
Sam's Trucking Company
12209 Turner
Detroit, Michigan
Phone Number: 491-9286

Mr. L. D. Thornton
Lovett Company
15942 W. 7 Mile Road
Detroit, Michigan 48235
Phone Number: 273-7930
Plaster & Drywall-Commercial & Industrial

Mr. Gilbert Martin
Crescent City Construction Co.
5139 Grandy Avenue
Detroit, Michigan 48211
Phone Number: 925-2925
Conc. Forming, Carpentry — Commercial & Industrial

OMBE ASSISTS BUSINESSES

Nearly 25,000 minority individuals received some form of business assistance from organizations funded by OMBE during fiscal year 1974. Many of these clients sought OMBE aid in drawing up a loan package to start or expand a business operation. More than 4,590 of these loan applications with a total value of \$208 million were approved by lending institutions last year. OMBE assistance centers also generated some 3,824 procurement contracts valued at \$252.6 million for minority businesses.

F.E.B. Gets New Chairman



Alan L. Hoeting

Alan L. Hoeting has been elected chairman of the Federal Executive Board for 1976. He replaces outgoing chairman Richard Tarnas.

Alan L. Hoeting is Deputy Regional Food and Drug Director, Detroit District, U.S. Food and Drug Administration.

Mr. Hoeting is a native of Nebraska. He is a graduate of the University of Nebraska College of Agriculture, and has completed a year of graduate study in Business Management at the University of Wisconsin.

Mr. Hoeting directs the efforts of about 135 FDA personnel in the States of Indiana and Michigan. FDA has responsibility for the safety and labeling of interstate shipments of foods, drugs, cosmetics, medical devices, blood and other biologicals, and animal foods and drugs.

He has held a series of FDA positions including Inspector at St. Louis and Chicago (1957-60); Food and Drug Officer (1968-70); and Acting Regional Director (1970) at Boston prior to his current assignment in 1970.

He has been on the Detroit FEB Policy Board since November 1972 and is the Chairman-Elect for Fiscal Year 1976.

He is the recipient of the FDA Award of Merit for superior service in 1967, and is a member of various organizations.

Mr. Hoeting is married, has two children, and lives in Grosse Pointe Park, Michigan.

State Highway News

The Michigan Department of State Highways and Transportation advertises their projects in "Michigan Roads and Construction" magazine and "Michigan Contractor and Builder." The Michigan Department of Management and Budget, Bureau of Facilities, advertises their projects in "Michigan Contractor and Builder."

Municipalities, counties, townships, and school boards, also advertise their projects in these magazines.

There's much other information in these magazines such as where to obtain equipment, materials, equipment repair, etc.

To get your subscription, please write to the following:

Michigan Contractor & Builder
Contractor Publishing Company
1629 West Lafayette Blvd.
Detroit, MI 48216

Michigan Roads and Construction
P. O. Box 780
Lansing, MI 48903

SBA'S PREBUSINESS WORKSHOP

The May Prebusiness workshop will be held on July 22, 1975 at the Michigan Cancer Foundation Building, Ampitheatre — Lower Level, 110 E. Warren Avenue (Corner John R) Detroit, Michigan. Registration Fee \$5.00. Open to all who need to learn the KEYS TO BUSINESS SUCCESS.

GRAND OPENING

Eagle Medical Supply
16321 E. Warren
Detroit, Michigan 48224
(313) 885-0556
July 11, 1975
Noon til 6:00 P.M.

Sorrells Realizes His Goal—Lordstowne



by Dora R. Gough

"Move to California without leaving town" is the slogan used by Jerome E. Sorrells to advertise his 190 unit apartment complex in Grand Rapids, Michigan. This California style architecture is especially suited to accommodate the active, care-free way of life associated with Californians. The brochure reads, "Comfortable and convenient, the one and two-bedroom apartments available at Lordstowne were designed for those energetic people who are always on the go. And Lordstowne's swimming pool and tennis courts can keep those busy bodies in shape." By winter, Lordstowne will also boast a ski slope.

All these conveniences are provided for the residents and their friends. Once a month the management holds a cookout which has served as open-house as well as entertainment for its residents. The cookout also enables the tenants to have access to management and maintain good dialogue.

Lordstowne is two years old. It began with 51 units in the first phase, 76 were added last year, and 64 units were opened in May, 1975. No children are allowed over age 5 and pets are discouraged.

Jerome Sorrells began putting his dream together for Lordstowne five years ago. His first complex a row of apartments, is adjacent to the newer development. The entire development covers 7 acres. Sorrells real estate background has been helpful in creating this development which is financed by conventional mortgage.

Lordstowne is a \$2.5 million project. It pays \$50,000 per year in taxes along with paying \$1,000.00 per month electric bill and \$2,000.00 per month gas bill. A project of this type can only be an asset to any community.

In addition to his duties at Lordstowne, Sorrells is a general contractor who does homes and small commercial. He is the president of the Grand Rapids Contractors Association. As President, he lends his expertise and time to assist other minority contractors. This chapter is contemplating combining with other Michigan Minority Contractors Associations so they will have more strength and ability to assist each other.

Jerome Sorrells is a busy young black businessman whose future looks very bright. We wish him success.

CHICAGO SUN TIMES EDITORIAL HELP WOMEN IN BUSINESS

The U.S. Commission on Civil Rights has raised a seldom discussed though important aspect of women's efforts to gain an independent status, especially in the business world. It noted in a report to President Ford and Congress that firms owned by women receive a minute share of government contracts and urged that they be given special help. We think it's a good idea.

The commission urged the President to declare women a "socially and economically disadvantaged" group so that they can be considered for non-competitive federal contracts set aside for minority businesses.

Some feminists may consider such a label patronizing but they can hardly argue with the commission's finding that businesswomen are ignored by the federal agencies charged with helping minority firms. The commission criticized the entire federal effort to help minority entrepreneurs.

It noted that in the current fiscal year they received less than five-tenths of 1 per cent of government contracts and urged an increase in keeping with their share of business activity. In 1972, the last time the government bothered to check, 4 per cent of this country's business was in minority hands.

Women have fought valiantly for equality but their opponents are many, as witness the delay in passing the Equal Rights Amendment. They have been actively involved in business for many years against formidable odds. They need help in becoming self-sustaining and the federal government can provide it.

FEDERAL PURCHASING

Federal purchasing from minority firms has shown a steady rise in the years since the establishment of OMBE. Direct purchases from minority-owned firms totaled \$429.2 million in fiscal year 1974, up from \$3.8 million in 1969. Non-competitive contracts awarded through the Small Business Administration 8(a) program totaled \$272.1 million, an increase from \$8.8 million in 1969. Total 8(a) purchases for the period 1969-1974 amount to \$725.9 million.

MBW 1975

This year the Minority Business Week Committee will attempt to provide an even better vehicle to assist Minority Entrepreneurs.

The 1975 Minority Business Week's activities will begin on Sunday, October 12 and run through Saturday, October 18. The tentative outline is as follows:

Sunday, 10-12 — Trade Fair and Kick-off, State Fair Grounds — Community Arts Auditorium. This affairs will be open to the public — free.

Monday, 10-13 — Buyers will attend the trade fair from various companies and agencies. No public will be allowed.

Tuesday, 10-14 — Minority Business Breakfast, 7:30 a.m., place to be selected.

Wednesday, 10-15 — (Undecided)
Thursday, 10-16 — Export-Import Seminar — place to be selected.

Friday, 10-17 — Business Seminar sponsored by Senator Robert Griffin. Evening Banquet. Place and speaker to be decided.

Saturday, 10-18 "McBOW" Mini-convention on Business Opportunities for women sponsored by OMBE and The Michigan Progressive Business Women, Inc. location not yet decided.

Minority Business Week is a vehicle and organ for all Michigan Minority Businesses. We want and solicit your ideas, help and participation. Hopefully there is an activity that everyone can participate in during the week. We encourage you to make all of them.

Our theme this year is "Minority Business Week in Living Color". We encourage all ethnic groups to participate. If your group is not adequately represented, let us know what you want to do and inclusion will be made. If you remain silent, you may be left out.

MBOC Committee Chairman is Wallace C. Williams, 1200 Sixth Street, 11th Floor, North Tower, Detroit, Michigan 48226.

(313) 256-3720

Send Inquiries and Articles to:
Wallace C. Williams, Editor
1200 Sixth Street
11th Floor, North Tower
Detroit, Michigan 48226
(313) 256-3720

SUPPORT YOUR MINORITY BUSINESSES

We have many qualified Minority Businesses located throughout the state. It is our responsibility to assure each one our support and patronage.

Each month, we will provide free spot advertisement of businesses. If you want yours included in this spot, please let us know by mail, and we will be happy to accommodate. We regret that individual distributorships cannot be included.

It will be up to you to let us know you exist.

Send Request to:
Dora R. Gough
Associate Editor
Minority Business Newsletter
1200 Sixth Street
Detroit, Michigan 48226

Mr. Charlie E. Ward, Accountant
8872 Rutherford
Detroit, Michigan 48228
General Accounting, bookkeeping, income tax service. References available.
(313) 272-5922

David Boston Hair Products Co.
4038 Seyburn
Detroit, Michigan 48214
(313) 925-6185
Manufacturers of all purpose hair cosmetics.
Established: 1940

Eagle Medical Supply, Inc.
16321 E. Warren
Detroit, Michigan 48224
(313) 885-0556
William Brown, President
Distributors of drugs, disposables, sells to hospitals, corporations, utilities, etc.

MB NEWSLETTER
Michigan Office of Minority Business Enterprises
1200 Sixth St., 11th Floor, North Tower
Detroit, Michigan 48226

T & T Industries, Inc.
19460 Mt. Elliott
Detroit, Michigan 48234
(313) 892-2088
Mrs. Thelma Woodson, Owner
Welding Repair and complete restoration of steel racks and automotive shipping containers, and light fabrication work.

The Wood Gallery
3227 W. McNichols
Detroit, Michigan 48221
(313) 864-0242
Charles Love — Owner
Custom Interior shutters designed and interior shutters designed and installed, cabinet work, shoji screens and wall units available.

L & M Typewriter Company
8436 W. McNichols
Detroit, Michigan 48221
(313) 961-5707
Benson Manlove, President
Established: 1959
Sells typewriters, calculators, office furniture and supplies, dictating machines. Repair all models of typewriter.

Broadside Press
12652 Livernois
Detroit, Michigan 48238
Bill Whitsitt, Proprietor
Established: 1964
Publishing Company, Specializing in Black Poetry and Autobiographies.

Vaughns Book Store
12135 Dexter
Detroit, Michigan 48206
(313) 933-1380
Edward Vaughn, Partner
Established: 1962
Specializes in Black Literature, Posters,

Black games, maps, magazines, buttons, newspapers, and decals.
Complete selection of Black Books.

Binghams Parkview Motel
120 Depeyster St.
Mackinaw City, Michigan 49701
(616) 436-8011
Mrs. Bingham, Owner
Motels and cottages.

MINORITY BUSINESS NEWSLETTER

published by
Michigan Office of Minority Business Enterprises

in conjunction with
Minority Business Opportunity Committee of the Federal Executive Board
1200 Sixth Ave., Detroit, Michigan 48226

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Michigan Department of Commerce

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The purpose of this monthly publication is to inform you, the minority business community, about economic development, to alert you to opportunities that exist, and to focus on programs and projects designed in your interest.

National Circulation

WASH POST 5-30-75
**More Spanish-Origin
Businessmen Counted**

Business owners of Spanish origin increased by 20 per cent between 1969 and 1972, with 61 per cent of the 120,108 firms identified en-

nity, says he thinks there may be more than 400 Latin-owned firms in this area, which he says has an estimated Spanish-origin popu-



LOANS APPROVED TO SPANISH AMERICANS AND BLACKS

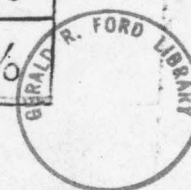
APRIL 1975

(DOLLARS IN MILLIONS)

					SPANISH AMERICAN			BLACK		
		TOTAL LOANS	TOTAL MINORITY LOANS	MINORITY % OF TOTAL	LOANS	% OF TOTAL LOANS	% OF TOTAL MINORITY	LOANS	% OF TOTAL LOANS	% OF TOTAL MINORITY
Calendar Year 1973 *	#	21,467	8,038	25%	3,213	10%	40%	3,980	13%	50%
	\$	\$2,194.1	\$318.5	15%	\$111.8	5%	35%	\$160.2	7%	50%
Calendar Year 1974 * **	#	22,800	5,711	25%	2,562	11%	45%	2,435	11%	43%
	\$	\$1,576.7	\$240.1	15%	\$89.5	6%	37%	\$105.6	7%	44%
Calendar Year 1975 *	#	7,158	1,653	23%	777	11%	47%	647	9%	39%
	\$	\$531.8	\$71.9	14%	\$28.8	5%	40%	\$28.7	5%	40%
Fiscal Year 1972 *	#	28,025	9,016	32%	3,158	11%	35%	4,617	16%	51%
	\$	\$1,573.8	\$258.2	16%	\$74.5	5%	29%	\$149.8	10%	58%
Fiscal Year 1973*	#	33,948	9,074	27%	3,301	10%	36%	4,794	14%	53%
	\$	\$2,196.2	\$334.0	15%	\$109.0	5%	33%	\$176.4	8%	53%
Fiscal Year 1974**	#	27,485	6,876	25%	2,952	11%	43%	3,111	11%	45%
	\$	\$1,947.8	\$288.5	15%	\$105.1	5%	36%	\$134.1	7%	46%
Fiscal Year 1975 *	#	16,224	3,953	24%	1,778	11%	45%	1,649	10%	42%
	\$	\$1,153.9	\$165.8	14%	\$63.1	5%	38%	\$70.3	6%	42%

* 1973, 1974 and 1975 statistics include modification increases to loans approved in prior years

**AS OF APRIL 1975

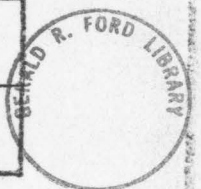


LOANS APPROVED TO SPANISH AMERICANS AND BLACKS

Calendar Year 1975 (January—June)

APRIL 1975

(DOLLARS IN MILLIONS)					SPANISH AMERICAN			BLACK		
MONTH		TOTAL LOANS	TOTAL MINORITY LOANS	% OF TOTAL LOANS	LOANS	% OF TOTAL LOANS	% OF TOTAL MINORITY	LOANS	% OF TOTAL LOANS	% OF TOTAL MINORITY
JAN	#	1,731	463	27%	203	12%	44%	192	11%	41%
	\$	\$115.1	\$18.4	16%	\$6.9	6%	38%	\$7.6	7%	41%
FEB	#	1,067	252	24%	112	10%	44%	107	10%	42%
	\$	\$78.9	\$11.3	14%	\$4.1	5%	36%	\$4.7	6%	42%
MAR	#	2,155	472	22%	225	10%	48%	170	8%	36%
	\$	\$165.2	\$21.5	13%	\$8.6	5%	40%	\$8.2	5%	38%
APR	#	2,205	466	21%	237	11%	51%	178	8%	38%
	\$	\$172.6	\$20.7	12%	\$9.2	5%	44%	\$8.2	5%	40%
MAY	#									
	\$									
JUN	#									
	\$									



TOTAL AND MINORITY LOANS APPROVED

JULY 1967 THROUGH APRIL 1975



169,858

100,000

(DOLLARS IN MILLIONS)

90,000

80,000

70,000

60,000

50,000

40,000

30,000

20,000

10,000

0

17,484

\$481.9

SPANISH
AMERICANS

27,405

\$863.5

BLACKS

49,960

\$1,563.7

TOTAL
MINORITY

\$10,020.4

TOTAL
LOANS

35% OF
TOTAL MINORITY

10% OF
TOTAL LOANS

55% OF
TOTAL MINORITY

16% OF
TOTAL LOANS

29% OF
TOTAL LOANS

LOANS APPROVED TO SPANISH AMERICANS AND BLACKS

1st June - D.A./MSB -
MARCH 1975 317

(DOLLARS IN MILLIONS)

					SPANISH AMERICAN			BLACK		
		TOTAL LOANS	TOTAL MINORITY LOANS	MINORITY % OF TOTAL	LOANS	% OF TOTAL LOANS	% OF TOTAL MINORITY	LOANS	% OF TOTAL LOANS	% OF TOTAL MINORITY
Calendar Year 1973 *	#	31,467	8,038	25%	3,213	10%	40%	3,980	13%	50%
	\$	\$2,194.1	\$318.5	15%	\$111.8	5%	35%	\$160.2	7%	50%
Calendar Year 1974 * **	#	22,800	5,711	25%	2,562	11%	45%	2,435	11%	43%
	\$	\$1,576.7	\$240.1	15%	\$89.5	6%	37%	\$105.6	7%	44%
Calendar Year 1975 *	#	4,953	1,187	24%	540	11%	45%	469	9%	40%
	\$	\$359.2	\$51.2	14%	\$19.6	5%	38%	\$20.5	6%	40%
Fiscal Year 1972 *	#	28,025	9,016	32%	3,158	11%	35%	4,617	16%	51%
	\$	\$1,573.8	\$258.2	16%	\$74.5	5%	29%	\$149.8	10%	58%
Fiscal Year 1973*	#	33,948	9,074	27%	3,301	10%	36%	4,794	14%	53%
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Fiscal Year 1974**	#	27,485	6,876	25%	2,952	11%	43%	3,111	11%	45%
	\$	\$1,947.8	\$288.5	15%	\$105.1	5%	36%	\$134.1	7%	46%
Fiscal Year 1975 * **	#	14,020	3,489	25%	1,541	11%	44%	1,473	11%	42%
	\$	\$981.7	\$145.6	15%	\$53.9	5%	37%	\$62.6	6%	43%

* 1973, 1974 and 1975 statistics include modification increases to loans approved in prior years

** AS OF MARCH 1975

TOTAL AND MINORITY LOANS APPROVED

JULY 1967 THROUGH MARCH 1975

53

167,653

100,000

(DOLLARS IN MILLIONS)

90,000

80,000

70,000

60,000

50,000

40,000

30,000

20,000

10,000

0

17,247

\$472.7

SPANISH
AMERICANS

27,227

\$855.3

BLACKS

49,494

\$1,543.0

TOTAL
MINORITY

\$9,847.8

TOTAL
LOANS

35% OF
TOTAL MINORITY

10% OF
TOTAL LOANS

55% OF
TOTAL MINORITY

16% OF
TOTAL LOANS

30% OF
TOTAL LOANS



UNITED STATES DEPARTMENT OF **COMMERCE** **NEWS**

WASHINGTON, D.C. 20230

OFFICE OF
MINORITY BUSINESS
ENTERPRISE

FOR RELEASE FRIDAY
MARCH 21, 1975
(202) 967-3024

MB 75-33

FEDERAL OFFICIAL STRESSES NEED
FOR BLACK PROFESSIONALS TO COMBINE
RESOURCES TO GAIN LARGER JOBS

"There is an urgent need for black professional firms and organizations to pool their resources and go after larger contracts if they expect to prosper and move out of the small operation category, and into the major field of contracting," Samuel J. Cornelius, deputy director of the U.S. Department of Commerce's Office of Minority Business Enterprise (OMBE) told a group of black educators in Washington, D.C. yesterday afternoon.

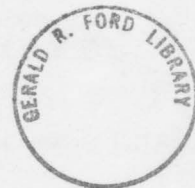
Speaking before the American Assembly of Collegiate Schools of Business, Cornelius said, "Most black firms and organizations who seek contracts for various services are too small to go after the larger, more profitable contracts. By combining their talents and resources they would be expanding their capability and could meet the requirements necessary to bid for and service a major contract."

Cornelius said that black construction contractors are beginning to use this pool approach successfully, as are black trucking firms and others. He said OMBE fully supports this concept and is actively encouraging its use wherever practical.

Invited to the Assembly in its meeting yesterday were 33 presidents of traditionally black colleges and universities from across the country. The purpose of the meeting was to embark upon a program to increase the number of qualified and qualifiable minorities and women graduates available for management positions in business, government and non-profit institutions.

The Office of Minority Business Enterprise was created in the Department of Commerce in 1969 to serve as the coordinating agency of the federal government for minority business affairs in both the federal and private efforts with the development of minority-owned business.

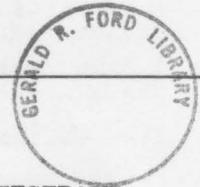
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UNITED STATES DEPARTMENT OF **COMMERCE** **NEWS**

WASHINGTON, D.C. 20230

OFFICE OF
MINORITY BUSINESS
ENTERPRISE



FOR RELEASE FRIDAY
MARCH 21, 1975
(202) 967-3024

MB 75-32

CITIES URGED TO PARTICIPATE
IN MINORITY PURCHASING

"Business is the lifeblood of a city, and no city can prosper and grow unless the business climate of its community is such that its business establishments can also prosper and grow," Alex Armendaris, director of the U.S. Department of Commerce's Office of Minority Business Enterprise (OMBE), told a group of Southern mayors last night gathered in Miami to participate in a workshop today on Municipal Approaches to Minority Entrepreneurship.

"Cities must take the initiative in tapping all the resources available that can contribute to business growth and prosperity," Armendaris said, "but all too often they overlook the potential of minority business that often exists right in their own city, without being aware of it." He said this oversight and consequent lack of action can be costly to the economy of the community.

Armendaris said that OMBE has been trying to change this lack of awareness in cities by decentralizing its operations and moving them into the communities. He said his office is funding some 300 organizations nationally to assist minority business development.

"Of the vast number of individual businessmen we have assisted over the past few years," Armendaris said, "we have found that many are closer to us than to the cities and officials they depend upon. This is wrong."

Armendaris urged the mayors to return to the cities from the workshop with a determination to support minority business in their communities, and find ways the cities can participate in minority enterprise by a fair share approach to city purchasing of goods and services from minority firms. He said he is encouraged by the number of cities initiating such programs.

The workshop in Miami is one of a series being conducted across the country under the sponsorship of the U.S. Conference of Mayors, which received an OMBE grant of \$270,000 in 1974 to develop and enhance minority business at the local level. Other conferences are scheduled during March, April, and May in Hartford, Conn.; Kansas City, Mo.; Dallas, Tex.; and Washington, D. C.

The Office of Minority Business Enterprise was created in 1969 to coordinate federal and private efforts in the development of minority-owned businesses.

UNITED STATES DEPARTMENT OF **COMMERCE** **NEWS**

WASHINGTON, D.C. 20230

OFFICE OF
MINORITY BUSINESS
ENTERPRISE

FOR RELEASE MONDAY
MARCH 24, 1975
202/967-3024

MB 75-34

SAN FRANCISCO GROUP
GETS FEDERAL MINORITY
ENTERPRISE CONTRACT

Opportunity Through Ownership of San Francisco, Calif. has received a \$99,150 contract from the U.S. Department of Commerce's Office of Minority Business Enterprise (OMBE) for the operation of a regional minority purchasing council, OMBE Director Alex Armendaris announced today.

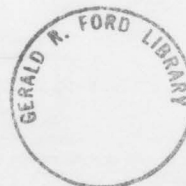
Under the one-year award, the San Francisco group will take steps to increase the number of private contracts and subcontracts going to minority-owned companies in the Bay area. Cy Fritz is president of Opportunity Through Ownership.

In announcing the contract, OMBE Director Armendaris pointed out that the San Francisco-Oakland area is among the top 10 metropolitan areas in the nation in terms of the number of minority businesses. "We have a very high level of minority business activity in the San Francisco area and the establishment of a regional purchasing council should help to increase the volume of business being done by these firms," he said.

OMBE-funded regional minority purchasing councils already operate in over 20 U.S. cities. They are part of a national network operated by the National Minority Purchasing Council which is headquartered in Chicago. Members of the Council are executives of major corporations and minority business leaders. The minority purchasing effort is a joint government/private sector venture designed to open new opportunities for minority firms to do business in the corporate marketplace.

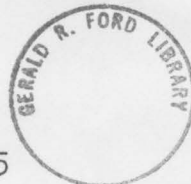
The Office of Minority Business Enterprise was established in the Department of Commerce in 1969 to coordinate federal and private sector efforts in the development and expansion of minority-owned business enterprises.

-0-



EMBARGOED FOR RELEASE
UNTIL 12:00 NOON, EDT

March 19, 1975



Office of the White House Press Secretary

THE WHITE HOUSE

FACT SHEET

THE FINANCIAL INSTITUTIONS ACT OF 1975

The President ^{Sent} ~~is transmitting~~ to Congress ^{on March 19, 1975} ~~today~~ the Financial Institutions Act of 1975 which will expand competition, provide improved customer services, strengthen the ability of financial institutions to adjust to changing economic conditions, and improve the flow of funds for mortgage credit. This is part of the broad Administration effort to reform government regulation and make it more responsive to the needs of the American people.

BACKGROUND

The Financial Institutions Act was originally introduced in the Congress in October 1973. As a result of Congressional hearings and subsequent conferences between Administration officials and interested parties, this legislation proposes major reforms designed to provide important advantages to the consumer.

IMPORTANT ADVANTAGES TO CONSUMERS

- (1) Provides for more convenient, more competitive, and thus less costly banking services. This Act will significantly expand the number of services that can be offered by the various financial institutions. For the first time, savings banks will be able to offer regular checking accounts and personal installment loans. Current restrictions governing credit unions will also be relaxed so that these organizations can offer mortgages to their members and more attractive and competitive financial services.
- (2) Allows a new service which will, in effect, be an interest-paying checking account. NOW (for Negotiable Order of Withdrawal) accounts will provide the services of a checking account and will pay interest on deposited funds. These NOW accounts will be permitted for the first time on a national basis by commercial banks, savings and loan associations, and mutual savings banks. NOW accounts will provide increased interest income for millions of depositors.
- (3) Allows small savers to earn more interest on savings because the Federal ceilings on interest paid by banks, savings and loans and mutual savings banks are eliminated. The ceiling would be eliminated five-and-a-half years after enactment.
- (4) Assures home buyers a more dependable supply of mortgage funds. The elimination of interest-rate ceilings will give lending institutions the ability to retain more savings deposits during periods of high interest rates.

more

- (5) Works for less confusion for homebuyers who finance their new homes through VA or FHA mortgages because of the elimination of Federal interest rate ceilings on such mortgages. Mortgage lenders will no longer have to charge "points" at the time of closing in order to increase the yield of such mortgages up to the going market rate.

SECTION-BY-SECTION ANALYSIS

- (1) Payment of Interest on Deposits - This section calls for the removal of interest rate ceilings on savings and demand deposits five years and six months from the enactment of the FIA. Five years from enactment, the Secretary of the Treasury, after consultation with other members of the coordinating committee of Financial Regulators, will transmit to Congress findings and recommendations concerning limitations on rates of interest or dividends paid by depository institutions.

The FIA also requires a comprehensive disclosure of the terms and rates of interest paid on savings deposits, under a Truth-in-Savings provision.

- (2) Expanded Deposit Powers - The second part of the bill provides federally chartered savings and loan associations and savings banks with authority to provide checking accounts, Negotiable Order of Withdrawal (NOW) accounts and to engage in credit card operations. These new powers will be similar to those of commercial banks.

Nationally chartered commercial banks will be empowered to offer savings accounts and NOW accounts to all customers, individual and corporate.

All members of the Federal Reserve System or the Federal Home Loan Bank System will be required to maintain reserves against deposits in demand and NOW accounts in a form and amount prescribed by the Federal Reserve Board after consultation with the Federal Home Loan Bank Board. State chartered savings and loan associations insured by the Federal Savings and Loan Insurance Corporation will not have to be members of the Federal Home Loan Bank System, just as State chartered banks are not required to be members of the Federal Reserve System at present.

- (3) Expanded Lending and Investment Powers - The third section of the FIA provides for broadened lending authority and increased income and liquidity for Federally chartered savings and loan associations and savings banks. The increased lending authority will include consumer loans, real estate loans, and construction loans. Investments in community welfare and development projects, commercial paper, high grade corporate debt, and bankers' acceptances will also be permitted on a limited basis.

The Act also liberalizes the powers of National Banks to make real estate loans and provides added authority for community welfare and development investments. In addition, the Federal Reserve Board will be granted more flexibility in defining assets eligible for discount. The Federal Home Loan Bank Board will be given expanded authority to define the types of assets eligible as collateral for advances.

more



- (4) Increased Chartering Opportunities - Part four of the FIA expands chartering opportunities of savings and loan associations and mutual savings banks. The Federal Home Loan Bank Board will be empowered to charter stock institutions which will have powers identical to Federal mutual savings and loan institutions and which will be called either Federal Savings and Loan Associations or Federal Savings Banks. Federally chartered and state chartered mutual institutions will be allowed to convert to either Federal mutual or Federal stock institutions and federally chartered mutual institutions will be allowed to convert to state mutual or stock institutions, subject to regulation and approval of the Federal Home Loan Bank Board. State institutions which convert to Federal charters may retain their life insurance, equity investments and corporate bond investments to the extent authorized by the Federal Home Loan Bank Board.
- (5) Expanded Powers for Credit Unions - The fifth title of the Act authorizes federally chartered credit unions to offer mortgage loans of up to a thirty-year maturity to their members, variable share certificates similar to time savings accounts, personal lines of credit to members, and secured and unsecured loans over longer terms and in higher amounts than currently permitted. It will be administered by the National Credit Union Administration. A Central Discount Fund will be established to deal with emergency liquidity problems, such as might be caused by a plant closing. The Fund will be open to any Federal or state-insured credit union.
- (6) Interest Rate Ceilings on FHA Insured and VA Guaranteed Loans - Title Six abolishes interest rate ceilings for FHA insured and VA guaranteed mortgage loans, and prohibits the charging of "points".
- (7) Tax Incentive for Mortgage Investment - The seventh and last section of the FIA provides an incentive for mortgage investment by establishing a mortgage interest tax credit.

The mortgage interest tax credit will be available to all individuals and to all corporate investors maintaining at least ten percent of their assets in residential mortgages. Individuals will receive a credit of one and one-half percent of interest earned. Corporations will receive a credit varying between one and one-half and three and one-half percent, depending upon the proportion of their assets held in qualifying residential mortgages.

In the case of savings and loan associations and mutual savings banks, the new tax credit will replace the current special treatment of bad debt reserves. Such institutions may elect to switch to the new tax credit at any time between enactment of the Bill and December 31, 1978, at which time all must have adopted this method. Once they have made the change, they will not be able to switch back. The credit does not apply in the case of a taxpayer, such as the Federal National Mortgage Association (Fannie Mae), which issues obligations that are supported by an authority to borrow from the U.S. Treasury. Where a taxpayer has such close ties to the Federal Treasury, so as to be a quasi-governmental Agency and holds its assets chiefly in residential mortgages, it was deemed inappropriate to extend the benefit of the credit.

#



October 13, 1971

Office of the White House Press Secretary

THE WHITE HOUSE

EXECUTIVE ORDER
11625

PREScribing ADDITIONAL ARRANGEMENTS FOR DEVELOPING
AND COORDINATING A NATIONAL PROGRAM FOR
MINORITY BUSINESS ENTERPRISE

The opportunity for full participation in our free enterprise system by socially and economically disadvantaged persons is essential if we are to obtain social and economic justice for such persons and improve the functioning of our national economy.

The Office of Minority Business Enterprise, established in 1969, greatly facilitated the strengthening and expansion of our minority enterprise program. In order to take full advantage of resources and opportunities in the minority enterprise field, we now must build on this foundation. One important way of improving our efforts is by clarifying the authority of the Secretary of Commerce (a) to implement Federal policy in support of the minority business enterprise program; (b) provide additional technical and management assistance to disadvantaged businesses; (c) to assist in demonstration projects; and (d) to coordinate the participation of all Federal departments and agencies in an increased minority enterprise effort.

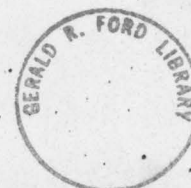
NOW, THEREFORE, by virtue of the authority vested in me as President of the United States, it is ordered as follows:

Section 1. Functions of the Secretary of Commerce. (a) The Secretary of Commerce (hereinafter referred to as "the Secretary") shall --

(1) Coordinate as consistent with law the plans, programs, and operations of the Federal Government which affect or may contribute to the establishment, preservation, and strengthening of minority business enterprise.

(2) Promote the mobilization of activities and resources of State and local governments, businesses and trade associations, universities, foundations, professional organizations, and volunteer and other groups towards the growth of minority business enterprises, and facilitate the coordination of the efforts of these groups with those of Federal departments and agencies.

more



(3) Establish a center for the development, collection, summarization, and dissemination of information that will be helpful to persons and organizations throughout the Nation in undertaking or promoting the establishment and successful operation of minority business enterprise.

(4) Within constraints of law and appropriations therefor, and according to his discretion, provide financial assistance to public and private organizations so that they may render technical and management assistance to minority business enterprises, and defray all or part of the costs of pilot or demonstration projects conducted by public or private agencies or organizations which are designed to overcome the special problems of minority business enterprises or otherwise to further the purposes of this order.

(b) The Secretary, as he deems necessary or appropriate to enable him to better fulfill the responsibilities vested in him by subsection (a), may --

(1) With the participation of other Federal departments and agencies as appropriate, develop comprehensive plans and specific program goals for the minority enterprise program; establish regular performance monitoring and reporting systems to assure that goals are being achieved; and evaluate the impact of Federal support in achieving the objectives established by this order.

(2) Require a coordinated review of all proposed Federal training and technical assistance activities in direct support of the minority enterprise program to assure consistency with program goals and to avoid duplication.

(3) Convene, for purposes of coordination, meetings of the heads of such departments and agencies, or their designees, whose programs and activities may affect or contribute to the purposes of this order.

(4) Convene business leaders, educators, and other representatives of the private sector who are engaged in assisting the development of minority business enterprise or who could contribute to its development, for the purpose of proposing, evaluating and coordinating governmental and private activities in furtherance of the objectives of this order.

(5) Confer with and advise officials of State and local governments.



(6) Provide the managerial and organizational framework through which joint or collaborative undertakings with Federal departments or agencies or private organizations can be planned and implemented.

(7) Recommend appropriate legislative or executive actions.

Sec. 2. Advisory Council for Minority Enterprise. (a) The Advisory Council for Minority Enterprise (hereinafter referred to as "the Council"), established by Executive Order No. 11458 of March 5, 1969, shall continue in existence under the terms of this order.

(b) The Council shall be composed of members appointed by the President from among persons, including members of minority groups and representatives from minority business enterprises, who are knowledgeable in this field and who are dedicated to the purposes of this order. The members shall serve for a term of two years and may be reappointed.

(c) The President shall designate one of the members of the Council as the Chairman of the Council.

(d) The Council shall meet at the call of the Secretary.

(e) The Council shall be advisory to the Secretary in which capacity it shall --

(1) Serve as a source of knowledge and information on developments in different fields and segments of our economic and social life which affect minority business enterprise.

(2) Keep abreast of plans, programs, and activities in the public and private sectors which relate to minority business enterprise, and advise the Secretary on any measures to better achieve the objectives of this order.

(3) Consider, and advise the Secretary, and such officials as he may designate, on problems and matters referred to the Council.

(f) For the purposes of Executive Order No. 11007 of February 26, 1962, the Council shall be deemed to have been formed by the Secretary.

(g) Members of the Council shall be entitled to receive travel and expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5701-5708) for persons in the Government service employed intermittently.

more



(h) The Secretary shall arrange for administrative support of the Council to the extent necessary, including use of any gifts or bequests accepted by the Department of Commerce pursuant to law.

Sec. 3. Responsibilities of Other Federal Departments and Agencies. (a) The head of each Federal department and agency, or a representative designated by him, when and in the manner so requested by the Secretary, shall furnish information, assistance, and reports to, and shall otherwise cooperate with, the Secretary in the performance of his functions hereunder.

(b) The head of each Federal department or agency shall, when so requested by the Secretary, designate his Under Secretary or such other similar official to have primary and continuing responsibility for the participation and cooperation of that department or agency in matters concerning minority business enterprise.

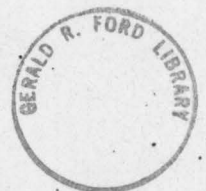
(c) The officials designated under the preceding paragraph, when so requested, shall review and report to the Secretary upon the policies and programs of the minority business enterprise program, and shall keep the Secretary informed of all proposed budgets, plans and programs of his department or agency affecting minority business enterprise.

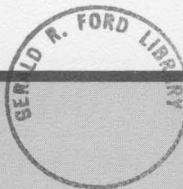
(d) The head of each Federal department or agency, or a representative designated by him, shall, to the extent provided under regulations issued by the Secretary after consultation with the official designated in paragraph (b) above, report to the Secretary on any activity that falls within the scope of the minority business enterprise program as defined herein and in those regulations.

(e) Each Federal department or agency shall, within constraints of law and appropriations therefor, continue all current efforts to foster and promote minority business enterprises and to support the program herein set forth, and shall cooperate with the Secretary of Commerce in increasing the total Federal effort.

Sec. 4. Reports. The Secretary shall, not later than 120 days after the close of each fiscal year, submit to the President a full report of his activities hereunder during the previous fiscal year. Further, the Secretary shall, from time to time, submit to the President his recommendations for legislation or other action as he deems desirable to promote the purposes of this order. Each Federal department or agency shall report to the Secretary as hereinabove provided on a timely basis so that

more





minority business newsletter

Published Monthly By

MICHIGAN DEPARTMENT OF COMMERCE, OFFICE OF MINORITY BUSINESS ENTERPRISES
IN CONJUNCTION WITH MINORITY BUSINESS OPPORTUNITY COMMITTEE OF THE FEB

Michigan



OMBE & MBOC

Vol. 5, No. 4

Detroit, Michigan

April, 1975

"THINK TANK" Session at the White House

by Wallace C. Williams

President Ford in furthering the objectives of his administration to assist minority businesspersons, invited a number of minority business leaders and government officials to the White for a "Think Tank" Session.

The invitees were encouraged to bring position papers with suggestions and recommendations on ways to improve the effectiveness of the minority business development programs.

The position papers presented were well prepared and most informative. The general consensus was that additional funds should be allocated to those on-going effective programs i.e., (Michigan OMBE) and to give them more authority and additional staff. It was also agreed that special consideration should be given to those associations such as the contractors and manufacturers who are assisting their members.

Stanley S. Scott, Special assistant to the president did an excellent job planning the session and presiding. It was a good conference and in my opinion a productive one.

Walter McMurtry, President, ICBIF; Benson Manlove, President, BTWBA; and Wallace C. Williams, Director, Michigan OMBE were the Michigan invitees. McMurtry and Williams, presented position papers.

MINORITY BUSINESS LEADERSHIP CONFERENCE



CONFERENCE ATTENDEES

Conference participants pictured above are seated left to right: Norton L. Berman, Director, Office of Economic Expansion and Conference coordinator; Dr. Berkley Burrell, President, National Business League, (Standing left to right) James Kiles, president, Wilson Rental Co.; Edgar Brazelton, Vice Chairman, State Housing Commission and owner Brazelton's Florist; Howard Cross, Deputy Director, OEE; Wallace C. Williams, Director, Michigan OMBE and O'Neil Swanson, President, Swanson Funeral Home.

Other participants not shown are: Walter McMurtry, ICBIF; Benjamin Manlove, L & M Typewriter Co.; Darralyn Bowers, Bowers Realty Co;

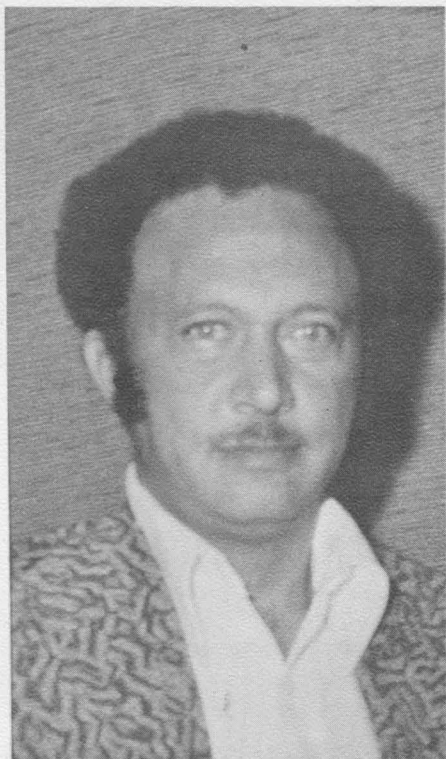
Walter Greene, Director of Urban Affairs, NBD; James Garrett, City of Detroit; Herbert Lorenz, Motor Enterprise; and Abraham S. Venable, Director Urban Affairs, General Motors Corp.

The Office of Economic Expansion of the Michigan Department of Commerce, in cooperation with Mr. John L. Smith, Regional Director, Office of Minority Business Enterprise, Chicago, sponsored a one day conference of leaders of the minority business community in the Detroit area.

The conference provided an opportunity for open dialogue between officials of the State of Michigan and

(Continued on page 3)

MCA ELECTS OFFICERS



**Joseph Gough, President
Metropolitan Contractors Assoc.**

On February 27th, The Metropolitan Contractors Association elected new officers for 1975. Mr. Joseph Gough of Joe Gough Construction, Inc., was elected President; Mr. Henry McClen-don of McClen-don Home Improvement was elected Vice-President; Mr. William O. Jackson of Nathan Johnson and Associates (Architect) was elected Secretary and Mr. Eddie Jones of City Electric Company was elected Treasurer.

The new President, Mr. Gough is extremely familiar with the problems of minority contractors and promises to develop new and continue existing programs that will assure MCA members a fair portion of Metropolitan Detroit construction dollar. He assures continued and new relationships with the Associated General Contractors, The Southeastern Builders Association, Unions, Chamber of Commerce, Builders Exchange Dodge Report and similar construction industry organizations. He is asking the support of the entire Metropolitan Detroit construction industry to assist him and MCA in making Detroit a better place to work and live.

Contract Opportunities

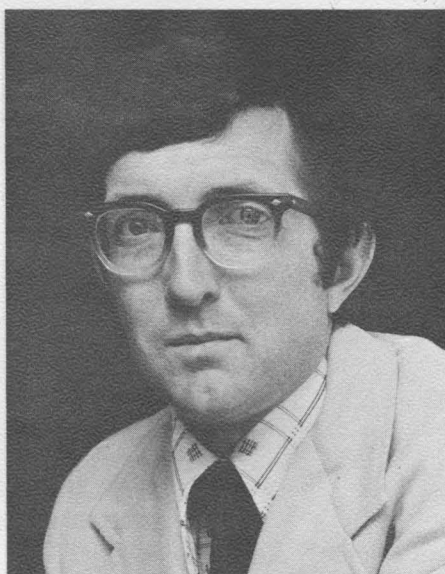
The U.S. Department of the Interior and Alyeska Pipeline Service Company recently announced plans which call for offering "at least \$200 million in contract bidding opportunities to minority businesses." The plan further stipulates that \$155 million in contracts would be awarded to minority firms, firms which have goods and/or services to sell in connection with the construction of the Trans Alaska Pipeline.

Anyone interested in exploring the matter further, please contact:

John F. Ratterman or Dennis Fradley
Alyeska Pipeline Service Company
1815 South Bragaw Street
Anchorage, Alaska 99504
(907) 277-1661

or

Anne Banville
1000 Connecticut Avenue, N.W.
Suite 1103
Washington, D.C.
(202) 296-9190



Gerald H. Miller, 32 is the new Director of the Department of Administration. Mr. Miller brings a wealth of know how to his present position, having served in a variety of positions in State government since 1964. He has a Bachelor's degree in mathematics and a masters and Ph.D in Economics. In our newsletter dated March, 1973, we profiled the Department of Administration, which is basically the arm of Michigan's Government. It serves as the State's "watch-dog" over spending and fiscal management, and as the "house-keeper" for most state physical facilities and service.

DO YOU KNOW

THAT — 18-Year-Olds Must Register with Draft Board. Every male citizen and resident alien who attained age 18 but not 26 is still required to register with Selective Service.

Under the Selective Service law young men have three obligations: They must register at age 18; They must notify their draft board when they change addresses; They must carry their draft registration cards with them until their liability expires, normally at age 26.

Registration may be accomplished at any Local Board office by young men reaching 18 years of age. In addition to the Board offices, volunteer registrars are available at most high schools in the area. Men who cannot conveniently appear in person to register can arrange for registration by mail by calling any Selective Service office or by picking up a mail-in registration card at post offices in the area.

THAT — Utley-James, Inc., General Contractor, 1100 Opdyke Road, P. O. Box 1100, Pontiac, MI 48056, is soliciting bid participation from minority general specialty and sub-contractors. They operate on a national basis, however, many projects are located in Michigan as well as the Greater Metropolitan Detroit area. Phone Paul Holley, Jr., (313) 566-4070 or 373-1300.

Send Inquiries and Articles to:

Wallace C. Williams, Editor
1200 Sixth Street
Executive Plaza, Suite 588
Detroit, Michigan 48826
(313) 256-3720

Contractor's Corner

The following is a list of Minority Contractors who are desirous of contract opportunities. For more information contact the Metropolitan Contractors Association, 4450 Oakman Blvd., Detroit, Michigan 48204. Phone number: 933-7500, or call the contractor directly.

JA & J Ornamental Iron & Welding

John Hall
4614 Grand River
Detroit, Michigan 48208
832-2329
Structural Steel and miscellaneous iron fabrication and erection.

IBF Electrical Contractors

Gerald Vincent
7130 Tuxedo
Detroit, Michigan 48204
934-2684
Electrical Residential & Commercial

Artful Construction Company

James Holt
8108 Grand River
Detroit, Michigan 48204
894-1069
Complete Home Modernization

Haley Construction Company

James M. Haley
13700 Puritan
Detroit, Michigan 48227
834-5420
General Contractor-Commercial & Industrial. Specializes in form concrete work.

Gaudy Brothers Construction

Raymond Gaudy
3815 12th Street
Ecorse, Michigan 48229
386-7578
Masonry and Concrete-Residential/Commercial

MINORITY BUSINESS LEADERSHIP CONFERENCE

(Continued from page 1)

successful businessmen concerning the present state of the economy and the State's business program.

Among the issues discussed were energy conservation program, Business Income Tax (BIT) proposal and OEE's small business program.

Mr. Berkley Burrell, successful businessman and President of the National Business League, Washington, D.C., was the conference speaker.

Congressional Sub-Committee on Minority Business

Through the efforts of Congressman Parren J. Mitchell (D-MD), a sub-committee on SBA oversight and Minority Enterprises was created in the newly created committee on Small Business.

The Committee on Small Business will replace the old House Permanent Select Committee on Small Business and its sub-committee which were abolished under the new congressional Reorganizational Plan.

Congressman Mitchell is confident that the whole committee will approve this action.

MICHIGAN OMBE REPORTS

During the month of February, the Office of Minority Business Enterprise packaged 3 business loans totaling \$82,500. The State of Michigan awarded 29 contracts totaling \$4,895 and the Federal Government awarded 19 contracts totaling \$363,126.

MEMBERS OF MINORITY BUSINESS OPPORTUNITY COMMITTEE

Urban Bankers Association
Metropolitan Contractors Credit Corp.
U.S. Department of Commerce
U.S. Department of Labor
U.S. Army Tank-Automotive Command
U.S. Army Corps of Engineers
U.S. Post Office
General Services Administration
Mayor's Committee for Industrial & Commercial Development
IRS Data Center
Inner City Business Improvement Forum
Defense Contract Admin. Services Bureau
Michigan Manpower Planning
Veterans Administration
Veterans Administration Hospital
Small Business Administration
Greater Detroit Chamber of Commerce
Internal Revenue Service
U.S. Department of Justice
Economic Development Corporation
Department Housing & Urban Development
Michigan Department of Commerce
Office of Minority Business Enterprise

SBA MINORITY LOANS

The Small Business Administration approved 4 direct loans to Minority owned businesses during February, 1975, the total dollar value was \$84,000. During the same month 10 guaranteed loans were also approved, totaling \$541,000. The grand total was \$625,000. In addition to Detroit, 2 direct and 5 guaranteed loans respectively were approved: Flint, Romulus, Inkster, Grand Rapids, Benton Harbor, Cassopolis, and Southfield.

DETROIT MBOC

Applications are being accepted to fill an executive director's position in the Detroit-Minority Business Opportunity Committee.

Applications and position description information may be obtained by writing or calling the Michigan-OMBE office.

Wallace C. Williams, Director
1200 Sixth Street
Executive Plaza Bldg.
11th Floor-North Tower
Detroit, Michigan 48226
(313) 256-3720

Commerce Publishes Market Data Handbook

Over 250 published sources for Federal and state statistical data are indexed by subject matter in a new handbook for market researchers and statisticians published by the U.S. Department of Commerce.

The 70-page handbook, designed to list market research sources in one compact and convenient reference package, groups the statistical publications under the headings of population, income, employment, sales and taxes.

Each entry in the listing shows the title of the statistical publication; the kinds of data it provides; its geographical coverage; the frequency of the data and of publication; and the name and address of the issuing agency.

The handbook, "Measuring Markets: A Guide to the Use of Federal and State Statistical Data," includes examples demonstrating the use of statistics in market measurement and a discussion of the applicability of statistical measurements to the understanding and analysis of markets marketing and market forecasting.

"Measuring Markets: A Guide to the Use of Federal and State Statistical Data" is available at \$1.35 per copy from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

DCASR Announces Awarded Contracts

The following is a list of selected contracts received for administration, by Defense Contract Administration Services Region-Detroit (DCASR-Detroit) during February, 1975. They may provide some contracting leads for Minority Businesses located in Michigan. If further information is needed, contact:

John S. McCallum
or

Douglas Koster
Small Business and Economic Utilization Office DCASR-Detroit
1580 E. Grand Blvd.
Detroit, Michigan 48211
(313) 923-0100 (ext. 265)

Brooks and Perkins, Inc.

Livonia, Michigan 48150
F34601-74-A-0061-RJ41
\$158,524.00
Latch Assembly, for C-130 Aircraft

R. C. Allen, Inc.

Grand Rapids, Michigan 49501
F33657-75-C-0360
\$131,660.00
Gyroscope, Rate Switching

All-Flo Products Co., Inc.

Ortonville, Michigan 48462
DAAE07-75-C-2286
\$129,790.50
Bard Assembly, Low and Reverse

Ainsworth Manufacturing Co.

Div. of Howell Industries, Inc.
Southfield, Michigan 48075
DAAE07-75-C-2387
\$118,096.88
Windshield Assembly, Flat

Auto Specialties Manufacturing Co.

St., Joseph, Michigan 49085
F42600-75-D-1205
\$176,400.00 (Est.)
Friction Lining

Jet Electronics & Technology, Inc.

Grand Rapids, Michigan 49508
N00383-75-C-3223
\$733,115.00
Indicator, Attitude

Fraser Manufacturing Corporation

Lexington, Michigan 48450
DAAA09-75-C-6638
\$313,843.84
Traverse and Elevating Mechanism

PONTIAC SEMINAR

A Minority Business Seminar will be held at Oakland University April 17, 1975, commencing at 8:30 a.m. in the Oakland Center, Rochester, Michigan.

The program is being designed to help the small minority enterprises with many of their business problems in the areas of accounting, marketing, purchasing, contract bidding, and bonding.

This seminar is being sponsored by the Pontiac Area Urban League, the Urban Affairs Center of Oakland University, the Pontiac Area Urban League, the Corporation, the Human Resources Department of the City of Pontiac, and the Office of Minority Business Enterprises.

For further information contact the Pontiac Area Urban League, 50 Wayne Street, Pontiac, Michigan, 338-4581.

Clark Equipment Company

Benton Harbor, Michigan 49022
DAAE07-75-C-0051
\$16,106,215.00
Family of Militar Engineer Construction Equipment (FAMECE)

Zapton Manufacturing Inc.

Detroit, Michigan 48208
DAAE07-75-C-2574
\$178,084.60
Door & Side Curtain Kits

McCord Corporation

McCord Heat Transfer Division
Detroit, Michigan 48202
DAAE07-75-C-2642
\$205,720.90
Engine Coolant Radiators

Dow Chemical, USA

Government Marketing
Midland, Michigan 48640
DSA400-75-C-4068
\$2,536,519.20

Trichloroethylene, Technical

The Bendix Corporation

Aerospace Systems Division
Ann Arbor, Michigan 48107
F42600-75-D-1066 D.O. #0001
\$1,270,580.00 (Est.)
Inspect & Repair ERCS Payload Sections

BREAKFAST NEWS



BREAKFAST GROUP GUEST SPEAKER

Mr. Rolland M. Wilkening, Executive Vice President-Barton-Malow Company will be the guest speaker on Tuesday, April 10th, 1975, 7:30 A.M. at the regular monthly MBOC Breakfast meeting at Sharon & Mickey's Restaurant, 14300 Fenkell, Detroit, Michigan.

In the MB newsletter, April, 1974, we said that Sharon & Mickey's Restaurant, 14300 Fenkell was becoming one of Detroit's leading dining places. The food was excellent, the service was good, and the decor pleasant.

One hundred eighteen breakfast guests agreed with us last month. The Minority Business Breakfast group met there for the first time and enjoyed the plentiful and delicious food.

Our guest panelists, Dennis Mongoven, Wayne State University; Gus Boneschansker, U of M and Ernest Marshall, Detroit Board of Education, were most informative concerning their respective Minority purchasing programs. I am sure that many of the Minority suppliers present will realize some contracts from these institutions.

The speaker for our April Breakfast will be Mr. Rolland M. Wilkening, Exec. Vice President, Barton-Malow Company. This should be a must for our regular attendees, especially those who are in the construction business.

Proper seating arrangements will be made to accommodate the crowd. See you:

Date: April 8, 1975

Time: 7:30 A.M.

Place: Sharon and Mickey's
14300 Fenkell at Freeland

Cost: \$2.50 or (.50 for coffee & roll)

THE IMPORTANCE OF KEEPING RECORDS

Financial management begins with good records. Unless you have had accounting training, one of your first steps when entering the business world should be to make a connection with a good reliable accountant. He will help you plan and set up your accounting system and will explain its use. He can tell you about business procedures you must follow if your records are to be kept properly. This is important, because records and systems are inseparable. The best record books in the world are of no use unless they are kept up-to-date. Have a system, and establish a pattern for keeping the accounts current. If necessary, arrange to have an accountant keep the records and prepare the reports on a part-time basis. There are many reasons for keeping complete and current records, but probably the most important to you is the fact that they will help to increase your profits. With an adequate, yet simple bookkeeping system, you can answer such questions as the following:

How much business am I doing?
What are my expenses?
Are they out of line?
What is my gross profit?
What is my net profit?
How much am I collecting on my credit business?
What is the condition of my working capital?
How much do I owe?
What is my net worth?
What are the trends in my receipts, expenses, profits, network, etc.?
Is my financial position improving?
How much of each dollar is profit?

Send Inquiries and Articles to:

Wallace C. Williams, Editor
1200 Sixth Street
Executive Plaza, Suite 588
Detroit, Michigan 48226
(313) 256-3720

The Entrepreneur for the month of April will be James and Delores King, owners, King Educational Games, P.O. Box 1315, Pontiac, Michigan, 48056, (313) 332-9691.

SUPPORT YOUR MINORITY BUSINESSES

We have many qualified Minority Businesses located throughout the state. It is our responsibility to assure each one our support and patronage.

Each month, we will provide free spot advertisement of 10 such businesses. If you want yours included in this spot, please let us know by mail, and we will be happy to accommodate.

It will be up to you to let us know you exist.

Send requests to:

Dora R. Gough
Associate Editor
Minority Business Newsletter
1200 Sixth Street
Detroit, Michigan 48226

Mestizo Consultants, Inc.

1114 N. Capitol
Lansing, Michigan 48906
(517) 484-0051
Jessie Guzman, President
Chicana Resource Specialists Public Relations, Advertising, Promotions, Bilingual Printing & Recording, Proposal Writing & Program Development.

Flowers by Smith

3908 W. Warren Avenue
Detroit, Mi. 48208
898-2340
Edward M. Smith, Owner
Flowers for all Occasions

Thomas L. Whatley Agency, Inc.

14710 Puritan
Detroit, Mi. 48227
(313) 272-5955
Thomas L. Whatley, President
Complete Insurance Service

Byron's Flowers

11851 Woodward Ave.
Detroit, Mi. 48203
(313) 868-2202
Nat Duff, Owner
FTD florist — Telefloral — Flora Fox

Abigail Answering Service

13033 W. McNichols
Detroit, Mi. 48235
(313) 863-1464
Carrie B. Maxwell, Prop.
Established 1971
Secretarial Answering Service, Serving Detroit and Suburbs.

Duhon Printing & Office Supply Co.

3518 Detroit Street
Flint, Mi. 48505
(313) 785-4791
Emma Duhon, Owner
Newly opened printing and office supply center.

Eagle Medical Supply, Inc.

16321 East Warren Avenue
Detroit, Mi. 48224
(313) 885-0556
William Brown, President
Complete Medical Supplies

Thomas Care Homes

1331 Cadillac Blvd.
Detroit, Mi. 48214
(313) 822-6966
Frederick & Mildred Thomas, Owners
Nursing Facilities — 3 locations

Ed-Dine Enterprises

3240 W. Euclid
Detroit, Mi. 48206
(313) 899-2647
Ed Whitehead, Owner
Customized Security Systems, Burglar & Fire, Intercom, PA, CCTV — MATV

Marquette Telephone Answering Service

1850 E. Werner
Marquette, Mi. 49855
(906) 226-8491
Diane Decota
Established 1940
Statewide Service

MINORITY BUSINESS NEWSLETTER

published by
Michigan Office of Minority Business Enterprises

in conjunction with
Minority Business Opportunity Committee
of the Federal Executive Board
1200 Sixth Ave., Detroit, Michigan 48226

Richard K. Helmbrecht, Director
Michigan Department of Commerce

Norton Berman, Director
Economic Expansion

Editor
Wallace C. Williams

Associate Editor
Dora R. Gough

Officers & Committee Chairmen MBOC

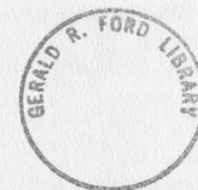
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Dora Gough Data & Publicity
Teddy Kern Concessions
John McCallum Procurement

The purpose of this monthly publication is to inform you, the minority business community, about economic development, to alert you to opportunities that exist, and to focus on programs and projects designed in your interest.

National Circulation

MB NEWSLETTER

Michigan Office of Minority Business Enterprises
1200 Sixth Street, Executive Plaza, Suite 588
Detroit, Michigan 48226



meda

Mission Economic Development Association

MAR 17 1975

2920 - 22nd Street • San Francisco, California 94110 • Telephone (415) 824-9194

March 12, 1975

Mr. Fernando E.C. De Baca
Counselor to the President
The White House
Washington, D.C.

Dear Mr. De Baca:

The purpose of this letter is to keep your office apprised of the minority economic development process here in San Francisco and of our efforts to secure access to that process.

The attached letter to the Secretary of Commerce is self-explanatory. It is an outline of our efforts to secure equitable access and due process from the Office of Minority Business Enterprise in San Francisco. While we do not like to pursue equity in this manner, we are forced into it because of the quality and status of the communications emanating from the San Francisco Regional Office of OMBE.

Please note that we are also greatly concerned about the deterioration of business assistance to the Spanish-Speaking community of San Francisco since the decentralization of OMBE in October of 1973. It is this kind of performance that jeopardizes programs that have been set up to assist minority businessmen. The community recommended MEDA to be the representative of the Spanish-Speaking in economic development. Of the three major ethnic groups, two have received funding from OMBE. The exception is the Spanish-Speaking.

We presently have a small planning grant from the Model Cities Corporation of the city of San Francisco. We will use this grant to secure funds from other agencies such as OMBE. We would like to ask you to assist us to see that the investment from the community and the Model Cities Corporation is not in vain.

We will continue to keep your office informed on these local matters.

Sincerely,

Benjamin Ramos
Benjamin Ramos
President





Mission Economic Development Association

2920 - 22nd Street • San Francisco, California 94110 • Telephone (415) 824-9194

February 26, 1975

The Honorable Frederick B. Dent
Secretary, U.S. Department of Commerce
14th & Constitution Ave, NW
Washington, D.C. 20230

Dear Secretary Dent:

On September 21, 1974, the Mission Economic Development Association of San Francisco, as a court of last resort, wrote a letter to the President of the United States concerning the injustices and inequities suffered by us as a result of the arbitrary insensitive and capricious administrative practices of the San Francisco Regional Office of the Office of Minority Business Enterprise.

The purpose of this letter is to follow up and follow through on all of those matters that have arisen as a result of our initial letter to the President. First, let me again thank you for the courtesy and prompt reply to our request for a fair hearing on our concerns. Many of the difficulties of this case would never have arisen had there been effective and honest communication from the Office of Minority Business Enterprise in San Francisco.

Several substantive issues have surfaced as a result of the communications from your office, the General Accounting Office, the Comptroller General, the Office of Minority Business Enterprise and other concerned, affected, and interested parties. These yet unresolved issues impinge heavily upon fair play and administrative justice from the Office of Minority Business Enterprise here in San Francisco. Specifically, the series of communications that have evolved from this matter have surfaced the following specifics:

1. Available information indicates that the "favored proposal" forwarded by the San Francisco Office of OMBE to procurement in Washington was actually written by the San Francisco Regional Office.
2. Secondly, the San Francisco Regional Office then convened a "Review Panel" to review and select the proposal that it had itself written.

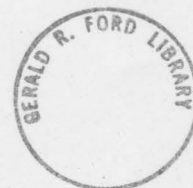


3. The San Francisco Regional Office arbitrarily prevented the transmittal of proposals to Washington--other than the one that it had written.
4. The writing of the proposal in question by the San Francisco Regional Office has been admitted to a Department of Commerce Investigator, Martin Norton.
5. A routine examination of the chronological events leading up to this case indicate the San Francisco Regional Office of OMBE made behind the scenes arrangements with "pre-selected" individuals several months before they became a legal, incorporated entity.
6. Further examination of the facts shows that the San Francisco Regional Office of OMBE proceeded to write, rewrite, and correct technical weaknesses in the "favored" proposal during the same period of time that it was suppose to be reviewing competing applications.
7. While the San Francisco Regional Office of OMBE was closing a deal with its "pre-selected" candidate, it was telling the other applicants that their proposals established procuring processes.

In view of all of the above, how can anyone expect to get fair play from the Office of Minority Business Enterprise? How widespread are these practices? How many other abuses go unreported? Mr. Romero, as the official record will show, has already formally indicated his personal biases against the proposal that we have submitted? How, then, can we expect objective treatment from his office?

It appears to us that the issuance of a competitive request for a porposal is only the first of a series of steps needed to correct the situation described above. The arbitrary use of public office to perpetrate procedural and administrative inequities upon citizens must not be condoned or tolerated. Hence, we are hereby requesting that all of the above issues be investigated immediately by your office, the Department of Justice, the General Accounting Office, the Comptroller General or other offices with appropriate jurisdiction.

Last, but not least, we have a deep concern about the lack of leadership and programatic effectiveness that is emanating from the Regional Office of the Office of Minority Business Enterprise here in San Francisco. Since, the decentralization of OMBE in October of 1973, there has been a steady deterioration of business development servics to the Spanish-Speaking Community in San Francisco.



The Honorable Frederick B. Dent

Page 3

The San Francisco Office of OMBE currently is doing nothing to service the many hundreds of Spanish-Speaking Businessmen in San Francisco. This is especially tragic during these hard times for small businessmen. We need leadership from OMBE--not lip service. We need action--not promises. We are not getting any assistance in an organized manner from OMBE.

Again, the big issue here is administrative justice, equity and equal access. We expect this from the Office of Minority Business Enterprise. We know that you will help us in this. We do not like to pursue fairness in this manner but we are left with no viable options here at the regional level.

Yours very truly,

Benjamin Ramos
Benjamin Ramos
President

BR/pc

cc: General Accounting Office
Comptroller General
U.S. Senator Alan Cranston
U.S. Senator John Tunney
Congressman Philip Burton
Congressman John Burton



SAN FRANCISCO MANPOWER PLANNING COUNCIL

Members

Alternates

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Telephone: 558-3456

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City Hall, Room 205
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Telephone: 558-3231

Supervisor Dianne Feinstein *OESP*
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to Supervisor Feinstein

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Telephone: 864-3200

William Becker, Director ***P.C.*
Human Rights Commission
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San Francisco, CA. 94103
Telephone: 558-4901

Ronald Born, Director
Department of Social Services
585 Bush Street
San Francisco, CA. 94108
Telephone: 558-5913

A. Robert Anania, Director ***** L.D.*
Educational Training and Rehabilitation Service
965 Mission Street
San Francisco, CA. 94103
Telephone: 558-5301

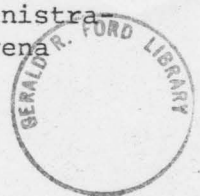
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Members

Alternates

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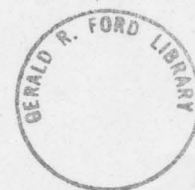
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** Evaluation Committee ** Overall Economic De-
 velopment Committee
 ** Planning Committee *** Labor Market*

Members

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OMBE

OMBE

Greater San Francisco Chamber of Commerce

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Representative of the Handicapped

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1543 Van Dyke
S.F. CA 94124

Frank Buell 9
Dragon's off. of. Jan. Rev.
For Plaza, 9th Floor
1390 Market St.
S.F. CA 94103 558-5626

REQUEST FOR ALLOTMENT AND CERTIFICATION OF CONTRACT

TO THE CONTROLLER

February 1, 1975

Allotment is hereby requested of \$ 6,000.00 Fund General Fund

FROM: Unallotted funds in Appro. No. 2.154.993.000.000 Title CDA/General Fund

TO: Allotted funds in Appro. No. 4.154.993.000.240 Title CDA/Contract Account

To pay contract in amount of \$ 6,000.00 between

Department Mayor's Office, City Demonstration Agency

Contractor MISSION ECONOMIC DEVELOPMENT CORPORATION

NATURE OF CONTRACT

For project operation of Mission Economic Development Project which is to:

- A. Establish administrative offices for the Agency to assure a base of operation for carrying out the Project.
- B. Retain a consultant to initiate and conduct an inventory of existing economic development efforts in the City and County of San Francisco, and to establish useful cooperative agreements and procedures for coordinating related economic development efforts.

Contract period covers February 1, 1975, to June 30, 1975, as per attached contract.



Supervisor of Budgets	CERTIFIED AND RECOMMENDED Mayor's Office, City Demonstration Agency	Completion Bond \$ _____
APPROVALS VERIFIED	APPROVED Department Head	Lien Bond \$ _____
____ Dept.	Chief Administrative Officer, Board or Commission	Sureties _____
____ City Planning	<i>[Signature]</i>	Encum. Date
____ Art Commission	THE CONTROLLER CERTIFIES (when executed by him below) that unexpended and unapplied funds are set aside to pay the above designated contract.	FEB 28 1975
____ Bd. of Supervisors		Contract Journal
Awards	<i>[Signature]</i>	Controller's Contract No. 40386
Signatures Verified		
Unapplied Funds Available		
In Charge of General Office	1 Controller	2 Dept.
	3 Contractor	4 Legal
		5 Gen Audit