

**[10/8/79-Not Submitted-DF]**

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THE WHITE HOUSE  
WASHINGTON

09 Oct 79

FOR THE RECORD:

NOT SUBMITTED TO PRESIDENT,  
WATSON MEMO WAS SENT TO  
THE FIRST LADY EXPLAINING  
SITUATION. CC ATTACHED.

THE WHITE HOUSE  
WASHINGTON

October 8, 1979

DF

MEMORANDUM FOR THE FIRST LADY

FROM:

JACK WATSON *Jack*

SUBJECT:

Response to the Letter from Coretta King  
regarding Randolph Blackwell

I regret the confusion on this matter and the Commerce Department's delay in responding to Mrs. King's letter. I have attached a copy of the letter signed by Luther Hodges responding to it.

Upon receiving the August 14th letter, my staff discussed the matter with appropriate Commerce officials. After personally reviewing the results of those discussions and the circumstances regarding Mr. Blackwell, I thought it best for neither the President nor White House Staff to become involved in the dispute and asked that Commerce respond to the letter directly and immediately. Having communicated that instruction to Commerce, my staff and I assumed that the matter was appropriately handled.

It was not until September 28 that my staff was informed that Commerce had not yet replied to Mrs. King. My staff immediately contacted Commerce officials and asked that the letter be signed without further delay, and that a copy be hand-delivered to me.

If you would like specific information on the substance of the problem, please let me know.

Attachment

cc: SUSAN Clough



THE UNDER SECRETARY OF COMMERCE  
Washington, D.C. 20230

Dear Mrs. King:

President Carter has requested the Commerce Department to respond on his behalf to your August 14 letter concerning our support of Dr. Randolph Blackwell and our new Atlanta Office of Minority Enterprise Program Development (OMEPD) which he directs. We apologize for the delay in this response, necessitated by the careful and lengthy investigation your stated concerns required.

Certainly, the Commerce Department is aware of the great potential for minority business development under our growth industries program. You can be assured that we have every intention of backing this potential with the support needed to insure its success.

Such success is, however, contingent upon sound management and attention to administrative detail that has until now not been forthcoming from Dr. Blackwell. While we are committed to supporting the OMEPD mission, we cannot accept responsibility for: funding projects that lack a staff capable of designing and managing them; hiring staffers with neither work plan nor office organization to guide them; or efficiently handling administrative support from Washington without some measure of timely and forthright OMEPD cooperation and assistance.

Attention to such concerns is vital if OMEPD programs are ultimately to affect in a real and positive manner the youth, veterans, rural people and senior citizens to which your letter refers. Dr. Blackwell, as director, is responsible for such management concerns but has neglected them while blaming Commerce for deliberate obstructionism. Yet we will not -- and in good conscience cannot -- fund project proposals simply because they exist. If meaningful minority economic development is to occur, we must insure that people are taught to fish rather than simply paying a few fishermen.



Rather than outline OMEPD's specific management problems, let me address what has and can be done.

First, we are currently processing applications for people Dr. Blackwell has proposed and selected as OMEPD staff members. There has been and will be no problem in financing the staff and office administration costs as outlined in the original agreements establishing OMEPD.

Second, although the \$1 million in grants financing allocated to OMEPD for FY 1980 was not tapped last fiscal year, you can be assured that OMEPD has a similar sum of money to fund potentially successful projects during the current fiscal year.

Finally, the Commerce Department, in the interest of expediting the program, is designing an OMEPD grants application process both to guide applicants in providing the type of proposal information the Department expects and to encourage OMEPD's selection of projects most likely to qualify for eventual funding. These guidelines should be ready shortly and are being discussed with OMEPD staffers to insure full understanding of their goals.

With continued hard work and cooperation from all sides, OMEPD is expected to move toward fulfilling its promise. The fact that, despite the many management problems to date, OMEPD still exists and is funded should indicate the measure and depth of Commerce Department commitment to supporting its mission and potential.

Sincerely,

Luther H. Hodges, Jr.

Mrs. Martin Luther King, Jr.  
234 Sunset Avenue, N.W.  
Atlanta, Georgia 30314

THE WHITE HOUSE  
WASHINGTON  
04 Oct 79

Pauline--

Re First Lady's request on Lottie Watkins. First, please send this memo to the First Lady from Jack with a cc to Susan Clough (as we requested yesterday). Also, it isn't necessary to tell the First Lady a detailed chronology of what happened within you staff, just a general assessment of the situation is enough so she knows the reasons for a Commerce response and the delay. At the end attach documents for the First Lady's information in case she wants to read them over. Please send memo to us and we will forward to the First Lady. Don't want to be abrupt, but the First Lady did express her concern last week.

Thanks.

Marion Bartle  
Rick Hutcheson's office

THE WHITE HOUSE  
WASHINGTON  
28 Sep 79

Susan--

On the First Lady's note to you re Lottie Watkins (and her concern re Dr. Blackwell/Office of Minority Business Enterprise at Commerce), Jack Watson's staff has been handling this. Apparently this is an extremely sensitive issue and the White House must keep out of it. Therefore, Kreps office responded to the letter Lottie Watkins refers to and promised it will be sent out on Monday at the latest. (The letter mentions that it was referred to Kreps by the White House).

~~Pauline Schneider (#2140) on Watson's staff knows the subject thoroughly and would be the one the First Lady's staff should contact if they have any questions.~~

Marion Bartle  
Rick Hutcheson's office

ID 794177

THE WHITE HOUSE

WASHINGTON

DATE: 28 SEP 79

FOR ACTION: JACK WATSON

INFO ONLY:

SUBJECT: MATERIAL FROM LOTTIE WATKINS TO THE FIRST LADY RE  
OFFICE OF MINORITY ENTERPRISE PROGRAM DEVELOPMENT AT  
COMMERCE

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+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: +

+++++

ACTION REQUESTED: IMMEDIATE TURNAROUND

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

<input checked="" type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND
<input type="checkbox"/>	NO DEADLINE
<input type="checkbox"/>	FOR APPROPRIATE HANDLING
<input type="checkbox"/>	LAST DAY FOR ACTION

*From  
Mrs  
Carter*

<input type="checkbox"/>	ADMIN CONFID
<input type="checkbox"/>	CONFIDENTIAL
<input type="checkbox"/>	SECRET
<input type="checkbox"/>	EYES ONLY

ACTION  
FYI

<input type="checkbox"/>	VICE PRESIDENT
<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	CUTLER
<input type="checkbox"/>	DONOVAN
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<input type="checkbox"/>	<input type="checkbox"/>	CRUIKSHANK
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<input type="checkbox"/>	<input type="checkbox"/>	MOE
<input type="checkbox"/>	<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	<input type="checkbox"/>	PRESS
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<input type="checkbox"/>	<input type="checkbox"/>	SPETH
<input type="checkbox"/>	<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	<input type="checkbox"/>	TORRES
<input type="checkbox"/>	<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	<input type="checkbox"/>	WISE

*4177*

Susan Clough -  
Lothie Watkins gave  
this to me at Block  
Census reception -  
she is very  
concerned about  
it. R

Electrostatic Copy Made  
for Preservation Purposes

THE WHITE HOUSE  
WASHINGTON

SUSAN CLOUGH

The attached was returned in Mrs. Carter's outbox. It is being forwarded to you for appropriate handling.

Madeline MacBean

9/26/79



September 18, 1979

Mrs. Lottie Watkins  
107 Mathewson Place SW  
Atlanta, Georgia 30314

Dear Mrs. Watkins;

In her announcement of this Office, Secretary Juanita Kreps stated that the Office should have certain objectives. She expected the Office (see enclosed announcement) "to sponsor demonstration projects and pilot programs, using grants and contracts". In the wake of that announcement it was determined that the Office should have \$1,250,000. in resources for the remainder of FY/79, \$1,000,000. for programs and \$250,000. in administrative funds.

To date the Office has had to function with staff persons detailed by courtesy of other agencies and of course it has been unable to function properly. Although six (6) slots have been authorized, only one (1) has been filled.

We have submitted several proposals. The Deputy Under Secretary's Office has never even acknowledged receipt of any one of them, and of course none have been funded. Due to the enthusiasm of Dr. Blackwell and others in the Office many segments of the Black community are excited about the potential of the Office. If we do not move quickly there will be no use made of the one million dollars of this year's funding (September 30, 1979).

Secretary Kreps placed the Office of Minority Enterprise Program Development in the Under Secretary's Office. At that time there was a vacancy in the Office of the Under Secretary, therefore we have had to deal with the Deputy Under Secretary, Frederick Schenck; who has done little in the way of helping to establish and get approval of any kind of operating procedures for the Office.

NEEDED ACTION: The Department of Commerce needs to tell somebody why we are not functioning properly.

Sincerely yours,

Randolph T. Blackwell

RTB/dmz  
Enc.

UNITED STATES DEPARTMENT OF  
**COMMERCE**  
**NEWS**  
WASHINGTON, D.C. 20230

OFFICE  
OF THE  
SECRETARY

Elliott McLean (202) 377-3024

G 79-34

FOR RELEASE THURSDAY,  
MARCH 1, 1979

BLACKWELL NAMED TO HEAD NEW  
COMMERCE MINORITY BUSINESS  
DEVELOPMENT PROGRAM

Dr. Randolph T. Blackwell has been named to head a new Department of Commerce program aimed at encouraging the growth of major economic development programs among minorities, Secretary of Commerce Juanita M. Kreps announced today.

Secretary Kreps said she has appointed Dr. Blackwell to the newly created position of Director of the Office of Minority Enterprise Program Development (OMEPD). OMEPD will develop new program initiatives, particularly those that involve technology transfers in the creation of minority employment in growth industries. His office will sponsor demonstration projects and pilot programs, using grants and contracts. OMEPD will develop joint projects with Federal agencies and the financial community and private sector.

"Randy Blackwell has the creative abilities that this challenging new position requires," Mrs. Kreps said. "He will be able to bring to bear all the Department's resources on minority business program development." He will be headquartered in Atlanta.

Blackwell has served since May of 1977 as Director of the Office of Minority Business Enterprise (OMBE), a Commerce Department agency. The Secretary said that in the two years Blackwell has served as OMBE director "he has demonstrated a creativity and imaginative flair."

As an example, she cited the development of two alcohol fuel demonstration projects as a means of encouraging minority enterprise and dealing with the Nation's energy problems. The projects are being carried out by a Black co-op in Alabama and by a Chicano community in Colorado.

-over-

"He was instrumental in the recent award by the Defense Department of a \$22 million contract to a Chicago minority firm to provide retort packaged foods which have an estimated indefinite shelf life," the Secretary added. "Not only will these foods eliminate the need for military C-rations, but they hold promise of alleviating world hunger problems.

"This is the sort of far-reaching and innovative approach that we want to apply in our minority development program," Mrs. Kreps said.

She pointed out that Blackwell will work closely with the Commerce Department's Economic Development Administration, and such other Federal agencies as the Department of Housing and Urban Development, the Community Services Administration, the Farmers' Home Administration, and ACTION.

Mrs. Kreps said that Blackwell would report directly to the Under Secretary of Commerce. A successor as OMBE director will be announced in the near future, she added.

Before joining the Commerce Department, Blackwell was Executive Director of Southern Rural Action, Inc., a non-profit Atlanta organization engaged in developing small business ownership in Southern communities.

Prior to that, he was a close associate of Dr. Martin Luther King, serving as program director for the Southern Christian Leadership Conference of Atlanta for two years.

A native of Greensboro, North Carolina, he holds a degree in sociology from North Carolina A & T College, and a Juris Doctor degree from Howard University. He taught economics at Alabama A&M College in Huntsville, Alabama, and social sciences at Winston-Salem Teachers' College in North Carolina.

#

*Mrs. Martin Luther King Jr.*

234 SUNSET AVENUE, NORTHWEST  
ATLANTA, GEORGIA 30314

*No reply to  
letter  
Luther King*

August 14, 1979

Mr. James E. (Jimmy) Carter, President,  
The White House  
Washington, D.C. 20500

Dear Mr. President:

We are writing to you today about a matter of great importance and consequence to this Administration and to minority people wherever they may be in the country.

On May 4, 1977 Secretary Juanita Kreps announced the appointment of Dr. Randolph T. Blackwell to direct the Office of Minority Business Enterprise. We who have known Dr. Blackwell were especially pleased with this appointment based on his commitment and performance over the past sixteen years, during which time he served as Field Director of the Voter Education Project, as Program Director of the Southern Christian Leadership Conference and as Executive Director of Southern Rural Action, Inc. Just as we expected, shortly after Dr. Blackwell became the OMBE Director, he became the national advocate of new directions for OMBE in the form of growth industry development; contending that it was also possible to continue to do the traditional OMBE management technical assistance programs.

The growth industries program as advocated, we perceive as being in line with your growth industrial pronouncement of September 1977. We certainly agree that if significant economic change is to occur in the minority community the communities must go beyond the "mom and pop" single proprietorships. In spite of certain handicaps within the OMBE structure the growth industries program grew rapidly in national popularity. Growth industry demonstration projects for youth, veterans, rural people, senior citizens and the like were quickly accepted. Perhaps the most widely known of all of these projects is one in Selma, Alabama, a project that OMBE under Dr. Blackwell's leadership funded in 1977 as the first federally funded grass roots gasohol project. This project is being viewed by hundreds of rural people as their first ray of hope in a long time.

From Maine to Hawaii, Alaska to Florida, proposals poured in suggesting growth industry demonstration projects. As time progressed and the new programs developed the need for a special growth industries demonstration office became more apparent.

On March 1, 1979 the Secretary of Commerce issued a press release creating the Office of Minority Enterprise Program Development (OME PD) with Dr. Blackwell at the head. In so doing, Secretary Kreps said:

"Randy Blackwell has the creative abilities that this challenging new position requires. He will be able to bring to bear all the Department's resources on minority business program development."

The new Office was allotted a staff of six personnel, an administrative budget of \$250,000. and a program budget of \$1,000,000. These were commitments for the period between March 1, and September 30, 1979. Now, against a background of this widely circulated press release, the facts are that this Office is still not operational. None of the program money has been used. Only a very small portion of the administrative budget has been used, and only one staff person has been hired.

The net result has been to visit disappointment on thousands of citizens who have known Dr. Blackwell's work over the years and who anticipated great things emanating from this new Office.

Now Mr. President, we call upon you to intercede in this matter, assuring to this new Office the support that it needs. We feel that for you to do so will be in the very best interest of the nation.

Because this is so important to us, representatives of the undersigned would welcome the opportunity to meet with you at an early date to further discuss this matter.

Sincerely yours,

  
Coretta Scott King

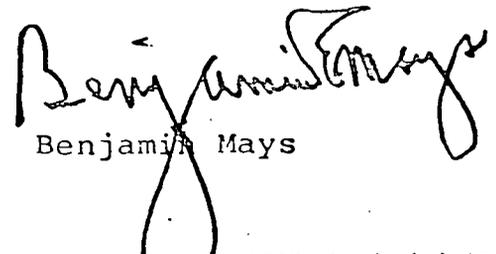
  
John Cox

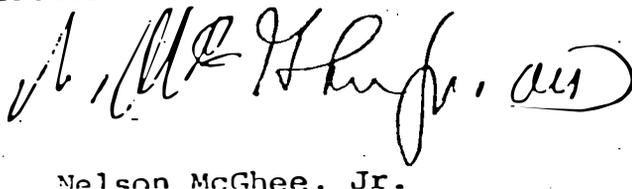
  
M. L. King Sr.

  
Grace T. Hamilton

  
Mildred Glover

  
Lottie H. Watkins

  
Benjamin Mays

  
Nelson McGhee, Jr.