

Ronald Reagan Presidential Library
Digital Library Collections

This is a PDF of a folder from our textual collections.

WHORM Subject File Code: FG384

(Federal Government Organizations:
President's Private Sector Survey on Cost Control)

Case file Number(s): 090200-095999

Box: 2

To see more digitized collections visit:

<https://www.reaganlibrary.gov/archives/digitized-textual-material>

To see all Ronald Reagan Presidential Library inventories visit:

<https://www.reaganlibrary.gov/archives/white-house-inventories>

Contact a reference archivist at: **reagan.library@nara.gov**

Citation Guidelines: <https://reaganlibrary.gov/archives/research-support/citation-guide>

National Archives Catalogue: <https://catalog.archives.gov/>



U.S. National Archives & Records Administration

Current Status Details for CTRH RECID: 090340 MAIN SUBCODE: FG999

Current Status	None
User Name	dbarrie
Status Date	2012-12-20
Case Number	
Notes	Transferred to FG384

[Change Status](#)

[Close Window](#)

Review Status History

<u>No.</u>	<u>Status</u>	<u>Date</u>	<u>User</u>	<u>Case Number</u>	<u>Notes</u>
1	None	2012-12-20	dbarrie		Transferred to FG384

17

no
prosscc

096340

4200

1140

FG999

FI001-03

Craig Fuller, Esq.

From J. PETER GRACE

President's Private Sector Survey on Cost Control

Donald Rumsfeld
John Q. Moore

JUL 9 1982 719

G. D. Searle & Co.
Box 1045
Skokie, Illinois 60076
Telephone 312 982 7100

Donald Rumsfeld
President and
Chief Executive Officer

Copy: J. Peter Grace ✓
F. E. Larkin
K. Y. Millian

cc Gary Fuller esq
John D
They make
over 100 million after tax
\$7,500
after tax
He is just
a zone head
having been
left out of
a big position
jah

July 2, 1982

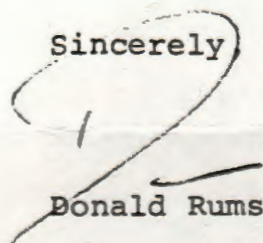
John D.J. Moore
W. R. Grace & Co.
Grace Plaza
1114 Avenue of the Americas
New York, NY 10036

Dear John:

Thank you so much for your note. I am sorry that we didn't connect by phone. Apparently you called me when I was out and I called you when you were out. In any event, we have given some thought to the proposal, and while I am certainly enthusiastic about what you are doing, I am afraid our situation here at the company is such that it is not an appropriate time for us to be participating in that way.

You are a great guy to be helping. Know that I will be wishing you and the Administration the very best.

Sincerely



Donald Rumsfeld

REC'D. CA JUL 16 1982

DOUGLAS

STUDENTS

The following information was received from the Department of Education regarding the status of the students listed below.

The Department of Education has advised that the following students are currently enrolled in the State University System. The information provided includes the student's name, address, and the institution where they are currently enrolled.

Best regards,

John Doe
State University

OFFICE OF POLICY DEVELOPMENT

FG384

RA

FG381

STAFFING MEMORANDUM

DATE: 8/23/82 ACTION/CONCURRENCE/COMMENT DUE BY: FYI

SUBJECT: President's Private Sector Survey on Cost Control

Activities in real property

	ACTION	FYI		ACTION	FYI
HARPER	<input type="checkbox"/>	<input type="checkbox"/>	DRUG POLICY	<input type="checkbox"/>	<input type="checkbox"/>
PORTER	<input type="checkbox"/>	<input type="checkbox"/>	TURNER	<input type="checkbox"/>	<input type="checkbox"/>
BARR	<input type="checkbox"/>	<input type="checkbox"/>	D. LEONARD	<input type="checkbox"/>	<input type="checkbox"/>
BAUER	<input type="checkbox"/>	<input type="checkbox"/>	OFFICE OF POLICY INFORMATION		
BOGGS	<input type="checkbox"/>	<input type="checkbox"/>	GRAY	<input type="checkbox"/>	<input type="checkbox"/>
BRADLEY	<input type="checkbox"/>	<input type="checkbox"/>	HOPKINS	<input type="checkbox"/>	<input type="checkbox"/>
CARLESON	<input type="checkbox"/>	<input type="checkbox"/>	PROPERTY REVIEW BOARD	<input type="checkbox"/>	<input type="checkbox"/>
DENEND	<input type="checkbox"/>	<input type="checkbox"/>	OTHER	<input type="checkbox"/>	<input type="checkbox"/>
FAIRBANKS	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
FERRARA	<input type="checkbox"/>	<input type="checkbox"/>	<i>✓</i> Craig Fuller	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GUNN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
B. LEONARD	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
MALOLEY	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
MONTOYA	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
SMITH	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
UHLMANN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
ADMINISTRATION	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

Remarks:

Aug 19 82 memo to Ed Harper from Bruce Selfan, Property Review Board

Please return this tracking sheet with your response.

Edwin L. Harper
Assistant to the President
for Policy Development
(x6515)



PROPERTY REVIEW BOARD
17th & PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20500

August 19, 1982

20 AUG 1982

MEMORANDUM FOR EDWIN L. HARPER
CHAIRMAN, PROPERTY REVIEW BOARD

FROM: BRUCE SELFON **B**

SUBJECT: PRESIDENT'S PRIVATE SECTOR SURVEY ON
COST CONTROL

You asked for an overview of the PPSSCC and its activities on real property. As you know, there are 35 task forces and I have spoken to 5 of them (Air Force, Army, Interior, Real Property Management, and Space/Facilities Management) so far. In addition, I have been in touch with Howard Messner and other people at the PPSSCC headquarters office. They have asked us to provide them with background material on the PRB for their library.

All of the groups have come to me at an early stage of their development. Thus, they have not had time to reach conclusions, but were in a fact-finding mode. The personal qualifications of the teams were impressive, but it seemed to me that the level of commitment is uneven.

Since it is uniformly accepted that the Federal agencies have too much property, the PPSSCC teams are generally focusing on ways to cut down. I frankly encouraged them to look at aspects of agency activities that would complement our program. For example: ways to provide incentives to identify unneeded property; improvements in the sales procedures; leasing provisions for minerals, timber, etc.; consolidation of underutilized facilities and the track record of the agency in monitoring compliance with use restrictions on previously donated property. Evidently, the teams have been discouraged from talking to the Hill and this may limit their output in some respects.

With all of the early interest, I expect that some PPSSCC recommendations will impact on the PRB. I will continue to advise you as their activities progress.

OFFICE OF POLICY DEVELOPMENT

FG 384

STAFFING MEMORANDUM

DATE: 8/17/82 ACTION/CONCURRENCE/COMMENT DUE BY: 8/23/82

SUBJECT: Activities Report - Week of August 9 (see notes)

	ACTION	FYI		ACTION	FYI
HARPER	<input type="checkbox"/>	<input type="checkbox"/>	DRUG POLICY	<input type="checkbox"/>	<input type="checkbox"/>
PORTER	<input type="checkbox"/>	<input type="checkbox"/>	TURNER	<input type="checkbox"/>	<input type="checkbox"/>
BARR	<input type="checkbox"/>	<input type="checkbox"/>	D. LEONARD	<input type="checkbox"/>	<input type="checkbox"/>
BAUER	<input type="checkbox"/>	<input type="checkbox"/>	OFFICE OF POLICY INFORMATION		
BOGGS	<input type="checkbox"/>	<input type="checkbox"/>	GRAY	<input type="checkbox"/>	<input type="checkbox"/>
BRADLEY	<input type="checkbox"/>	<input type="checkbox"/>	HOPKINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARLESON	<input type="checkbox"/>	<input type="checkbox"/>	PROPERTY REVIEW BOARD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DENEND	<input type="checkbox"/>	<input type="checkbox"/>	OTHER	<input type="checkbox"/>	<input type="checkbox"/>
FAIRBANKS	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
FERRARA	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
GUNN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
B. LEONARD	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
MALOLEY	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
MONTOYA	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
SMITH	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
UHLMANN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
ADMINISTRATION	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

Remarks: Return to B.S.

Please return this tracking sheet with your response.

Edwin L. Harper
Assistant to the President
for Policy Development
(x6515)



PROPERTY REVIEW BOARD

17th & PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20500

August 16, 1982

AUG 16 1982

MEMORANDUM FOR EDWIN HARPER
CHAIRMAN, PROPERTY REVIEW BOARD

FROM: BRUCE I. SELFON *Bun*
ACTING EXECUTIVE DIRECTOR, PRB

SUBJECT: **ACTIVITIES REPORT - WEEK OF AUGUST 9**

The principal PRB staff activities for the week of August 9 follow:

1. As a follow up to the Board meeting on August 7, circulated draft minutes for comment to staff attendees.
2. Sent the "National Debt Retirement Act of 1982" draft legislative package into White House system for signature by the President and transmittal to Congress. *Pls. Keep me posted on this.*
3. Held a meeting with Department of Defense to review current status of excess properties. Following the meeting, they indicated all properties would be presented to Congressional committee for screening by September. Also discussed new property survey techniques.
4. Met with Interior, GSA and OMB re Cook Inlet Tribe in Alaska. The Cook Inlet Tribe has rights under 1980 legislation to bid on surplus property to satisfy land claims against the U.S. The value of Cook Inlet claim is estimated between \$60-150 Million.
5. Met with another Private Sector Survey team led by Kimberly-Clark. This team is looking at vacant, as opposed to improved property. *Pls give me an over view of what the P2S2C2 is up to on Property.*

Next week's major activities will be:

1. **Follow up on Board meeting activities:**
 - (a) survey teams
 - (b) ex parte guidelines
 - (c) agriculture program
2. **Josh Muss will begin courtesy calls on Hill; he is scheduled for Percy, Kramer and Joan McEntee.**

cc: Gerald Carmen Bob Thompson
 Annelise Anderson Lynn Skolnick
 Fred Khedouri Bob Carlstrom
 Mike Horowitz Richard Hauser
 Ed Gray Karna Small

SH

EP

file
091320
FG 384

THE WHITE HOUSE
WASHINGTON

TR

August 13, 1982

MEMORANDUM FOR CRAIG L. FULLER

FROM: FRED F. FIELDING

SUBJECT: PPSSCC Use of Government Messenger Service

The answer to your question as to whether the President's Private Sector Survey on Cost Control can use a government messenger is a general no. As DeDe Neal, General Counsel for the Office of Administration explains, unless an entity is part of the Executive Office of the President, messenger service cannot be provided unless a reimbursement agreement is reached. Even then it would be very much out of the ordinary. A similar position has been taken by the Department of Commerce, to which the PPSSCC is attached for administrative purposes.

8/20
Bud -
I just want
fly - sorry
AL

8/31 - told
Bud Vance

'82 AUG 16 A9:21

EF

091320

FG384

WE FI001-02

TN001-01

THE WHITE HOUSE
WASHINGTON

July 29, 1982

NOTE FOR FRED FIELDING

FROM: CRAIG L. FULLER

Can PPSSCC use the government
messenger service?

President's Private Sector Survey on
Cost Control

FG384

**WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET**

DEW

- O - OUTGOING
- H - INTERNAL
- I - INCOMING
Date Correspondence Received (YY/MM/DD) 1/1

Name of Correspondent: Craig L. Fuller

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Use of government messenger service by PPSSC

ROUTE TO: Office/Agency (Staff Name)	ACTION		DISPOSITION	
	Action Code	Tracking Date YY/MM/DD	Type of Response	Completion Date YY/MM/DD
<u>CU Holland</u>	<u>ORIGINATOR</u>	<u>82,07,29</u>		<u>C 82,08,13</u>
	Referral Note:			
<u>CU AT11</u>	<u>D</u>	<u>82,07,30</u>		<u>C 82,08,13</u>
	Referral Note:			
<u>CU FREL</u>	<u>S</u>	<u>82,08,13</u>	<u>FF A</u>	<u>82,08,13</u>
	Referral Note:			
		<u>1 1</u>		<u>1 1</u>
	Referral Note:			
		<u>1 1</u>		<u>1 1</u>
	Referral Note:			

- ACTION CODES:**
- A - Appropriate Action
 - C - Comment/Recommendation
 - D - Draft Response
 - F - Furnish Fact Sheet to be used as Enclosure
 - I - Info Copy Only/No Action Necessary
 - R - Direct Reply w/Copy
 - S - For Signature
 - X - Interim Reply
- DISPOSITION CODES:**
- A - Answered
 - B - Non-Special Referral
 - C - Completed
 - S - Suspended

FOR OUTGOING CORRESPONDENCE:
 Type of Response = Initials of Signer
 Code = "A"
 Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.
 Send all routing updates to Central Reference (Room 75, OEOB).
 Always return completed correspondence record to Central Files.
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: _____ Media: 0 Individual Codes: 1.1.10

Prime Subject Code: EG 384 Secondary Subject Codes: _____

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

SIGNATURE CODES:

CPn - Presidential Correspondence

- n - 0 - Unknown
- n - 1 - Ronald Wilson Reagan
- n - 2 - Ronald Reagan
- n - 3 - Ron
- n - 4 - Dutch
- n - 5 - Ron Reagan
- n - 6 - Ronald
- n - 7 - Ronnie

CLn - First Lady's Correspondence

- n - 0 - Unknown
- n - 1 - Nancy Reagan
- n - 2 - Nancy
- n - 3 - Mrs. Ronald Reagan

CBn - Presidential & First Lady's Correspondence

- n - 1 - Ronald Reagan - Nancy Reagan
- n - 2 - Ron - Nancy

MEDIA CODES:

- B - Box/package
- C - Copy
- D - Official document
- G - Message
- H - Handcarried
- L - Letter
- M - Mailgram
- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

THE WHITE HOUSE

WASHINGTON

August 13, 1982

MEMORANDUM FOR CRAIG L. FULLER

FROM: FRED F. FIELDING *Orig. signed by FFF*

SUBJECT: PPSSCC Use of Government Messenger Service

The answer to your question as to whether the President's Private Sector Survey on Cost Control can use a government messenger is a general no. As DeDe Neal, General Counsel for the Office of Administration explains, unless an entity is part of the Executive Office of the President, messenger service cannot be provided unless a reimbursement agreement is reached. Even then it would be very much out of the ordinary. A similar position has been taken by the Department of Commerce, to which the PPSSCC is attached for administrative purposes.

FFF:DEW:jlk
FFFielding
DEWilson
Subject
Chron

JUL 29 1982

THE WHITE HOUSE
WASHINGTON

July 29, 1982

091404

NOTE FOR FRED FIELDING

FROM: CRAIG L. FULLER

Can PPSSCC use the government
messenger service?

EF

7/24

091675
1140
FG384

J. PETER GRACE
1114 AVENUE OF THE AMERICAS
NEW YORK, N.Y. 10036

File
~~discussed~~
~~by phone w/~~
~~JPG/agreed~~
to solve
case by case
↙

July 14, 1982

The Honorable Edwin Meese, III
Counsellor to the President
The White House
Washington, D. C.

Dear Ed,

I am hoping to be able to speak to you about the following on Thursday at the White House gathering, but knowing how things like this are, I am committing the point to writing.

The PPSSCC membership under the Executive Order is limited to 150 members. Two things are occurring:

- 1) The job is bigger and more demanding than it originally appeared. (This always happens, i.e., Murphy's Law.)
- 2) Some of our + 140 members are not performing the way we had hoped on the one hand, but not badly enough to be kicked off by me.

When No. 2 has occurred, I have been compromising by adding one or two more members to a Task Force to try to shame the non-performers via peer pressure from their Task Force cohorts. This has worked, but it means more people on the Task Forces.

May I ask you, please, to have the Executive Order amended to make the PPSSCC Executive Committee 175 members, up from 150 members.

I sincerely hope that you will understand the reasons for this change and also that it will not be too inconvenient for you and Craig.

Sincerely,

Peter

cc: The Honorable Craig Fuller

THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

July 28, 1982

MEMORANDUM

TO: Craig Fuller

FROM: Bud Nance *Bud*

SUBJECT: PPSS -- Congressional Interest,
Government Operations Committee

We have noticed a significant increase in Congressional interest in the PPSS. Most of it appears benign. However, I would like to let you know we have begun getting inquiries from Jack Brooks' Government Operations Committee. The rumors we get say he thinks the PPSS and the Roth-Bolling bill are nothing but political actions. Ken Duberstein should be made aware of this.

092931
1140
FG 384

FG031.
FG033.08
LE

8/2
Ken
Siz
CF



U.S. National Archives & Records Administration

Current Status Details for CTRH RECID: 093105 MAIN SUBCODE: FG999

Current Status	None
User Name	dbarrie
Status Date	2012-12-20
Case Number	
Notes	Transferred to FG384

[Change Status](#)

[Close Window](#)

Review Status History

No.	Status	Date	User	Case Number	Notes
1	None	2012-12-20	dbarrie		Transferred to FG384

FB 999

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
- H - INTERNAL
- I - INCOMING

Date Correspondence Received (YY/MM/DD) 82108106

Name of Correspondent: Harold Washington

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Response to Mr. Spitzerstein's July 6 letter regarding his inquiry concerning the apparently racist remarks made by J. Peter Grace.

ROUTE TO: Office/Agency (Staff Name)	ACTION Action Code	Tracking Date YY/MM/DD	DISPOSITION	
			Type of Response	Completion Date YY/MM/DD
<u>LA Duke</u>	ORIGINATOR	<u>82108107</u>	<u>NAN</u>	<u>C 82,08,09</u>
	Referral Note:	<u> / / </u>		<u> / / </u>
	Referral Note:	<u> / / </u>		<u> / / </u>
	Referral Note:	<u> / / </u>		<u> / / </u>
	Referral Note:	<u> / / </u>		<u> / / </u>

ACTION CODES:
 A - Appropriate Action
 C - Comment/Recommendation
 D - Draft Response
 F - Furnish Fact Sheet to be used as Enclosure

I - Info Copy Only/No Action Necessary
 R - Direct Reply w/Copy
 S - For Signature
 X - Interim Reply

DISPOSITION CODES:
 A - Answered C - Completed
 B - Non-Special Referral S - Suspended

FOR OUTGOING CORRESPONDENCE:
 Type of Response = Initials of Signer
 Code = "A"
 Completion Date = Date of Outgoing

Comments: See ID 084883

Keep this worksheet attached to the original incoming letter.
 Send all routing updates to Central Reference (Room 75, OEOB).
 Always return completed correspondence record to Central Files.
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: _____ Media: 2 Individual Codes: 1230 _____

Prime Subject Code: FG999 Secondary Subject Codes: WE010 HU016
HU013-80
ST 051-02

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

SIGNATURE CODES:

- CPn - Presidential Correspondence**
- n - 0 - Unknown
- n - 1 - Ronald Wilson Reagan
- n - 2 - Ronald Reagan
- n - 3 - Ron
- n - 4 - Dutch
- n - 5 - Ron Reagan
- n - 6 - Ronald
- n - 7 - Ronnie

- CLn - First Lady's Correspondence**
- n - 0 - Unknown
- n - 1 - Nancy Reagan
- n - 2 - Nancy
- n - 3 - Mrs. Ronald Reagan

- CBn - Presidential & First Lady's Correspondence**
- n - 1 - Ronald Reagan - Nancy Reagan
- n - 2 - Ron - Nancy

MEDIA CODES:

- B - Box/package
- C - Copy
- D - Official document
- G - Message
- H - Handcarried
- L - Letter
- M - Mailgram
- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

August 11, 1982

Dear Harold:

Thank you for your note of August 4. I regret that our response, regarding the unfortunate remarks made by J. Peter Grace several months ago, was not satisfactory to you; nevertheless, I can assure you that this Administration will continue to do everything we can to address as expeditiously and effectively as possible the major issues of concern to minority citizens, including blacks and women.

We appreciate your thoughts and suggestions in this regard, and please do not hesitate to let me know whenever I may be of assistance.

With best wishes,

Sincerely,

Kenneth M. Duberstein
Assistant to the President

The Honorable Harold Washington
House of Representatives
Washington, D.C. 20515

KMD:CMF:nap

THE WHITE HOUSE
WASHINGTON

Aug 9

To: KEN

From: CHARLIE

The attached is FYI
(do you feel a response
is needed?)

JEM

3
K.D.
HAROLD WASHINGTON
FIRST DISTRICT, ILLINOIS

WASHINGTON OFFICE:
1610 LONGWORTH BUILDING
WASHINGTON, D.C. 20515
☒ (202) 225-4372

DISTRICT OFFICE:
7801 SOUTH COTTAGE GROVE AVENUE
CHICAGO, ILLINOIS 60619
☐ (312) 783-6800



CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

August 4, 1982

COMMITTEES:
EDUCATION AND LABOR

SUBCOMMITTEES:
EMPLOYMENT OPPORTUNITIES
ELEMENTARY, SECONDARY, AND
VOCATIONAL EDUCATION

HEALTH AND SAFETY

GOVERNMENT OPERATIONS

SUBCOMMITTEE ON MANPOWER
AND HOUSING

JUDICIARY

SUBCOMMITTEE ON CIVIL AND
CONSTITUTIONAL RIGHTS

CONGRESSIONAL BLACK CAUCUS
EXECUTIVE COMMITTEE

093105

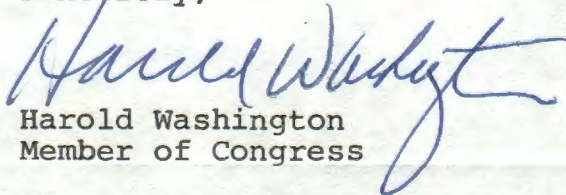
Mr. Kenneth M. Duberstein
Assistant to the President
THE WHITE HOUSE
Washington, D.C.

Dear Mr. Duberstein:

Thank you for your letter of July 6th in response to my inquiry concerning the apparently racist remarks made by J. Peter Grace.

If you are satisfied with explanations of this nature, then I suppose that's the end of it. However, my own view is that with two years remaining, it's unfortunate that the Administration continues to be hobbled by an image of profound insensitivity toward women and people of color. This sort of incident hardly helps, does it?

Sincerely,


Harold Washington
Member of Congress

HW/nwc

EDUCATION AND LABOR
GOVERNMENT OPERATIONS
JUDICIARY
CONGRESSIONAL BLACK CAUCUS
EXECUTIVE COMMITTEE



CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

WASHINGTON
OFFICE OF THE CLERK
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515
PHONE (202) 225-4800

August 1987
Nancy Palmer 8/11/87

083102

... for your letter of July 6th in response to
... regarding the apparently racist remarks
...
... we are satisfied with explanations of this nature,
... at the end of it. However, my wife
... with two years remaining in a workplace
... that the situation continues to be filled by
... of prejudice insidiously being worn and people
... of color. This sort of incident really helps, does it?

[Handwritten signature]
...
...

N



U.S. National Archives & Records Administration

Current Status Details for SECL RECID: 093390CA MAIN SUBCODE: FG999

Current Status	None
User Name	dbarrie
Status Date	2012-12-20
Case Number	
Notes	Transferred to FG384

[Change Status](#)

[Close Window](#)

Review Status History

<u>No.</u>	<u>Status</u>	<u>Date</u>	<u>User</u>	<u>Case Number</u>	<u>Notes</u>
1	None	2012-12-20	dbarrie		Transferred to FG384

093390CA

PY, FG999

THE WHITE HOUSE
WASHINGTON

August 9, 1982

MEMORANDUM FOR BECKY DUNLOP

FROM: CRAIG L. FULLER *CS*
SUBJECT: Ed Wilson Memo on PPSSCC

I am at a bit of a loss to know why Ed would want to involve the department legal counsels in the implementation process with regard to the recommendations of the PPSSCC.

The process discussed to date is as follows:

- the Task Forces present their findings and recommendations to the department under review and the department has an opportunity to respond--the format for the final report has been/is being worked out with OMB to insure consistency and to ease tracking and implementation.
- the Task Forces report to the PPSSCC offices with comments from the Department as appropriate. The PPSSCC forwards the report and recommendation from each Task Force to OCA for staffing. Regular staffing will be used, with the principal responsibility for tracking recommendations falling to Joe Wright and his management group.

I think Ed Wilson should refrain from greater involvement with respect to implementing recommendations.

→ 153 at present

105

THE WHITE HOUSE

WASHINGTON

August 6, 1982

MEMORANDUM FOR BECKY NORTON DUNLOP
Special Assistant to the President and
Director, Office of Cabinet Affairs

FROM: D. EDWARD WILSON, JR. *D.E.W.*
Associate Counsel to the President

SUBJECT: President's Private Sector Survey -
Implementation of Survey Recommendations

Attached for your review and recommendation is a copy of a memorandum prepared by me for Richard A. Hauser, Deputy Counsel to the President. The focus of this memorandum is on the method by which Survey recommendations can be implemented (agency action, executive order or legislation). Dick's and my discussion of it brought us to the conclusion that the question is one of policy and should be referred to you and Craig Fuller for a determination. As this topic will be discussed at a meeting on Wednesday, August 11, 1982 at the Survey offices, I would appreciate some guidance from you prior to that date.

If you have any questions, please do not hesitate to contact me (X2934).

cc: Richard A. Hauser

REC'D. CA AUG 06 1982

REC'D. CA AUG 06 1982

JUL 23 1982

THE WHITE HOUSE

WASHINGTON

July 23, 1982

MEMORANDUM FOR RICHARD A. HAUSER

FROM:

D. EDWARD WILSON, JR. *D.E.W.*

SUBJECT:

President's Private Sector Survey -
Implementation of Survey Recommendations

Stanley Harsh, Legal Counsel at the Survey, has raised the issue of determining the method by which each Survey recommendation can be implemented (agency action, Executive Order or legislation). This paper discusses (1) the approximate number of recommendations, (2) possible procedures for making the determinations and (3) policy issues that should be considered.

Approximate Number of Recommendations

There are about 35 task forces. Only the USDA group is in a position now to provide a rough estimate of the number of recommendations it will be making -- 50-75. Taking the low figure and extrapolating, the Survey may make over 1700 recommendations.

Procedures for Determining Method of Implementation

As you can see, a recommendation-by-recommendation determination of the type of action needed for implementation is a large task. It cannot, in all probability, be carried out by the Survey staff within the time allowed (December 31, 1982), particularly as the large majority of recommendations will not be received in the Survey office until September, 1982.

One option available is to "farm out" the recommendations to private law firms that have volunteered their services to the Survey. I am concerned that this route is difficult to manage and will take too long. Private firms, however, might be used to provide opinions on the more complex or controversial recommendations.

A second option is to ask the general counsels to provide legal guidance. This could be requested at the same time the agency is asked whether it concurs in the recommendations pertaining to it; in fact, it is probable that the manner of implementation would be part of the basis for the agency's position. Having expertise in the statutes regarding particular

Richard A. Hauser
Page two
July 23, 1982

recommendations, the general counsels (and their staffs) should be able to provide guidance in a timely manner. */

The so-call "cross-cutting" task forces deserve a separate word. Recommendations of these groups may have to be handled on a case-by-case basis as they will not apply to any one agency. (For example, recommendations of the Federal Management System Task Force will have broad application.)

Policy Issues

While the method of implementation may be a legal decision, the fact that more than one course of action may be available for a particular recommendation makes this issue one of policy. On the one hand, it may be advantageous to lean toward agency or Executive Order actions to achieve earliest possible implementation. On the other, it may be more politic to make the "option decision" on a case-by-case approach, based on thorough analysis. Either method of determining the implementation options, discussed above, takes the policy decision away from the Administration.

There is a substantial question whether the Survey should even engage in this exercise. While the Survey has, scheduled this task, it is not absolutely required by the Executive Order.

A better option may be to have the Survey simply present its recommendations to the President, leaving the form of implementation to be determined after OMB and OPD have examined them. (In line with this, I have heard that a new advisory committee may be created to oversee implementation of the recommendations; perhaps this group could also determine the manner of implementation.)

Another factor to be considered in deciding this issue is the financial resources of the Foundation. Simply put, there may not be enough money to pay for staff and support services to accomplish this task without drawing again on W. R. Grace & Co., which has already been extremely generous in terms of donated money, manpower and technical resources.

*/ There are two subheadings to this option. The first has the general counsels providing formal written opinions on each recommendation. This will probably take too long. The second has the agency staffs provide "curb stone" opinions that will not be attributed to the agency, but simply used for guidance by the Survey. This second option could be combined with using private firms for the more important recommendations.

Richard A. Hauser
Page three
July 23, 1982

Finally, there is the question of time. The recommendations will begin to pour into the Survey from the task forces in September. The report must be finished by December 31. The Survey's time might be better spent supplying and refining reasons supporting its recommendations rather than determining the exact method of implementation.

THE WHITE HOUSE

WASHINGTON

July 29, 1982

MEMORANDUM FOR ED WILSON

FROM: BECKY NORTON DUNLOP *BND*
SUBJECT: GSA POSITION VIS A VIS PPSSCC

Attached is the memorandum from GSA outlining the General Counsel's opinion on the PPSSCC matter.

As I mentioned, I will contact Bud Nance and GSA to advise them that we will set up a meeting as soon as you have the opportunity to review all the pertinent documents.

BND

Thanks.

✓ cc: Craig Fuller

REC'D. CA JUL 29 1982

BND

THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

July 27, 1982

MEMORANDUM

TO: Craig Fuller

FROM: James W. Nance *Bud*

SUBJECT: PPSS -- GSA bill for space at the Commerce Department

GSA has sent Commerce a bill for \$12,000 for the space one of our task forces is using in GSA. Commerce does not have money to pay for our space and neither do we. That would really bring everything to a halt.

I have talked to Ray Klein, the deputy at GSA, and he said it was at the advice of the lawyers that he had sent the bill. Ray would like to meet with reps from your office, OMB, and Fred Fielding's office. Ray and I would be there. We would like to have the meeting this Friday afternoon, if possible. It is requested you designate a rep and a time so that we can get this settled.

cc: Janet Colson

- Ed Wilson
 - GSA counsel
 - Bud Nance

REC'D. CA JUL 26 1982

THE WHITE HOUSE

WASHINGTON

July 29, 1982

MEMORANDUM FOR ED WILSON

FROM: BECKY NORTON DUNLOP *BND*

SUBJECT: GSA POSITION VIS A VIS PPSSCC

Attached is the memorandum from GSA outlining the General Counsel's opinion on the PPSSCC matter.

As I mentioned, I will contact Bud Nance and GSA to advise them that we will set up a meeting as soon as you have the opportunity to review all the pertinent documents.

Thanks.

cc: Craig Fuller



Date : July 27, 1982 -

Reply to
Attn of : LG

Subject: The President's Private Sector Survey on Cost Control in the
Federal Government - Executive Order 12369, June 30, 1982

: Legal requirement for reimbursement by the above Committee
to Federal agencies providing support services

Memo to the Files

A question of current concern is whether any authority exists for Federal agencies to provide administrative support services to the above-named Committee and not be reimbursed therefor. We can find no such authority and in fact find several persuasive reasons why failure to obtain full reimbursement for support services provided could violate the Anti-Deficiency Act (31 U.S.C. 628).

As an initial consideration, Section 3.(e) of the Executive Order cited above provides in pertinent part: "The Committee is to be funded, staffed and equipped, to the extent practicable and permitted by law, by the private sector without cost to the Federal Government." It seems clear that at least a part of the reason for including such a statement is a recognition of the fact that the President by Executive Order cannot direct that agency funds be spent for a purpose not authorized by the Congress. In this regard, that portion of the Anti-Deficiency Act now codified at 31 U.S.C. 628 provides:

"Except as otherwise provided by law, sums appropriated for the various branches of expenditure in the public service shall be applied solely to the objects for which they are respectively made, and for no others."

While it is true that GSA funds, for example, are clearly available for the purchase of such items as office supplies and equipment, this is so only with respect to the support of GSA programs and any use of the supplies not in furtherance of a GSA program would need to be fully reimbursed.

The remaining portion of Section 3.(e) of the Order references section 1525 of title 15 of the U.S. Code wherein the Secretary of Commerce is authorized to engage in special studies programs with private organizations, the costs of which may be shared equitably between the Commerce Department and the private organization. Further, the Secretary of Commerce is authorized to waive the payment of the private organization's share of the costs if approved by the Office of Management and Budget. Nothing in this provision of law, however, authorizes other agencies to absorb any part of the cost of the operations of the special studies groups whether they are to be administered by the Commerce Department, private organizations, or a combination thereof.

Under the framework set up by the Executive Order, it is our view that agencies should be reimbursed through the Commerce Department for all costs incurred in support of the Committee. If Commerce wishes to waive the cost to the Committee and absorb the charges within its own resources, section 1525 of title 15 would appear to support such an action. We can find no authority, however, for other agencies to underwrite the costs of the Committee's operations.

David C. Fisher
DAVID C. FISHER
Attorney Advisor
General Law Division

EXCEPTION TO
STANDARD FORM 1081
2 TREASURY FRM 2500
FISCAL SERVICE
BUREAU OF ACCOUNTS
1081-107-10
APPROVED BY NARS
APRIL 1977

VOUCHER AND SCHEDULE OF WITHDRAWALS AND CREDITS

Vou. No. _____ (Office billed)
N00338
Vou. No. _____ (Billing Office)

To Disbursing Officer—Office Billed

_____ (D.O. symbol)

You are authorized to effect the withdrawals and credits indicated below.

Disbursing Officer—Billing Office

300

Washington, D. C. 20226

_____ (D.O. symbol)

_____ (Address)

PAID BY

WITHDRAW FROM—	PAY TO—
DEPARTMENT Department of Commerce BUREAU Assistant Administrator for Adm AGENCY STATION SYMBOL ADDRESS Washington, DC	DEPARTMENT General Services Administration BUREAU Finance Division AGENCY STATION SYMBOL 47-00-8004 XXXXXXXX 47-00-0013 ADDRESS Washington, D. C. 20407

BUREAU REFERENCE	SUMMARY		BUREAU REFERENCE	SUMMARY	
	APPROPRIATION OR FUND SYMBOL	AMOUNT		APPROPRIATION OR FUND SYMBOL	AMOUNT
			N00338	127.2	\$4,600.00
	TOTAL			TOTAL	\$4,600.00

Details of charges or reference to attached supporting documents

Reimbursement to GSA for funding the President's Private Sector Survey on Cost Control in the Federal Government in accordance with Executive Order 12369, Public Law 91-412 15 USC 1525 Section 3c.

Contract, Inventory Management Review Group

For use of office billed:

For use of billing office:

C.O. Cr. 111.1 7/1/82

CERTIFICATE OF OFFICE BILLED

I certify that the items listed herein are correct and proper for payment from the appropriation(s) designated.

_____ (Date)

_____ (Authorized administrative or certifying officer)

Paid by check No. _____

C/D No. _____, dated _____

EXCEPTION TO
STANDARD FORM 1081
2 TREASURY FRM 2500
FISCAL SERVICE
BUREAU OF ACCOUNTS
1081-107-10
APPROVED BY NARS
APRIL 1977

VOUCHER AND SCHEDULE OF WITHDRAWALS AND CREDITS

Fom. No. _____
(Office billed)

Fom. No. N00339
(Billing Office)

To Disbursing Officer—Office Billed

(D.O. symbol)

You are authorized to effect the withdrawals and credits indicated below.

Disbursing Officer—Billing Office

300

(D.O. symbol)

Washington, D. C. 20226

(Address)

<p>PAID BY</p>

WITHDRAW FROM—

PAY TO—

DEPARTMENT Department of Commerce
BUREAU Assistant Administrator for
AGENCY STATION SYMBOL Administration
ADDRESS Washington, DC

DEPARTMENT General Services Administration
BUREAU Finance Division
AGENCY STATION SYMBOL ~~47-00-0004~~ XXXXXXXX 47-00-0013
ADDRESS Washington, D. C. 20407

BUREAU REFERENCE	SUMMARY		BUREAU REFERENCE	SUMMARY	
	APPROPRIATION OR FUND SYMBOL	AMOUNT		APPROPRIATION OR FUND SYMBOL	AMOUNT
			N00339	192X	\$5,689.00
	TOTAL			TOTAL	\$5,689.00

Details of charges or reference to attached supporting documents

Reimbursement to GSA for funding the President's Private Sector Survey on Cost Control in the Federal Government in accordance with Executive Order 12369, Public Law 91-412 15 USC 1525 Section 3c.

Contract, Inventory Management Review Group

For use of office billed:

For use of billing office:

C.O. Cr. 111.1 7/1/82

CERTIFICATE OF OFFICE BILLED

I certify that the items listed herein are correct and proper for payment from the appropriation(s) designated.

(Date)

(Authorized administrative or certifying officer)

Paid by check No. _____

C/D No. _____, dated _____

THE WHITE HOUSE

WASHINGTON

May 13, 1982

*Ray Kline - 566-1226
Dep. Admin, GSA*

MEMORANDUM FOR THE EXECUTIVE DEPARTMENTS
AND SELECTED AGENCIES

FROM: EDWIN MEESE III *EM III*
COUNSELLOR TO THE PRESIDENT

SUBJECT: President's Private Sector Survey
on Cost Control

*\$10,000 charges -
for providing services
space, telephones
+ supplies*

120 days o

*contact
Carmen*

In February, the President announced the formation of a Private Sector Survey on Cost Control. Its purpose is to make an in-depth review of the Executive Branch of the government, placing special emphasis on eliminating overlap, duplication and red tape, identifying non-essential administrative activities and increasing management effectiveness. I am sure you agree that government can be made more efficient. It is our responsibility to the American people and those who follow us to take this action.

The Survey is organized along 36 task teams with two members of the Executive Committee assigned overall responsibility for conducting the Survey in your organization. Upon notification of which Executives will head your Survey team, you should schedule a private meeting with them by contacting Bud Nance, now at the President's Private Sector Survey Office (466-5170). When we officially release the names of the Executive Committee, you will see they are some of the most prestigious executives of the country.

Normally, the Survey teams will be headed by a senior vice president associated with one of the Executive Committee members assigned to your organization. I urge you to officially designate your deputy as your organization's contact person with the team. This will demonstrate the high level concern and attention the Survey deserves. The Survey team manager will be instructed to keep your deputy full cognizant of progress and developments. Your deputy should:

- help guide the team to targets of opportunity, where significant savings may be found;
- facilitate team access to agency staff and relative data; and
- keep you apprised of Survey progress.

Upon completion of the team's work, you will have the opportunity to review their findings and recommendations and to provide your comment.

During the time the Survey team is in your Department or Agency, you should provide adequate space and minimum logistical help such as typewriters. Other than this very limited assistance, the team should be self-sufficient. Where "cross-cutting" teams are looking at functions across the government, you may have more than one team in your area at once during short periods.

There will be no attempts to surprise anyone. Instead, we hope this will be a cooperative venture to seek ways to improve the efficiency, effectiveness, and responsiveness of our government. It is not an attempt to criticize individual performance but rather to improve overall efficiency and cost control.

Thank you for your cooperation in this project. If you should at any time have questions about the Survey, please feel free to call me or Craig Fuller, who is the principal White House point of contact on this matter.

Attachment

THE WHITE HOUSE
WASHINGTON

TO: Susie

FROM: BECKY NORTON DUNLOP

put CA # for
PPSSCC on this file
and send to R.M.

093390CA



THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

WS
093408
1140
FG 384
RS

July 28, 1982

MEMORANDUM

TO: Ed Meese
FROM: Bud Nance *Bud*
SUBJECT: PPSS Weekly Management Information Report

Attached is the report from my office on the PPSS for July 19-23, 1982. Special emphasis is being placed on those teams that are lagging to see if we can't get more action.

Beginning this week, I am sending a copy of this report to all members of the Executive Committee. Pride is a big thing with people of the stature we are dealing with, so we hope the competitive juices will flow when they see how they are standing with reference to others.

Attachment

cc: Craig Fuller ✓

REC'D. CA JUL 29 1982

983708



THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

Management Information Report

For

Week of July 19-23, 1982

Prepared By

The Management Office

(Limited Distribution)

President's Private Sector Survey

Box Score Data

As of July 23, 1982

<u>649</u>	Total PPSS Personnel*
<u>148</u>	Executive Committee Members
<u>118</u>	Executive Committee Members Assigned to Task Forces
<u>110</u>	Executive Committee Members Cleared by White House
<u>80**</u>	Exec. Committee Members Cleared for Task Force Assignment
<u>35</u>	Task Forces
<u>32</u>	Project Managers Appointed
<u>446</u>	Task Force Personnel (Excluding Co-chairs)
<u>6</u>	Foundation Staff
<u>49</u>	Management Office Staff
<u>29</u>	Task Forces Briefed
<u>3</u>	Task Forces Scheduled for Briefing
<u>3</u>	Task Forces Not Yet Scheduled for Briefing***
<u>22</u>	Task Forces Working On-Site
<u>2</u>	Work Plans Submitted to Management Office
<u>0</u>	Work Plans Reviewed/Returned to Task Forces
<u>0</u>	Issues Under Phase III Review
<u>0</u>	In-depth Reviews Underway

* (Executive Committee, Task Forces, Foundation Staff, Management Office)

** Eight members (see report dated 7/14/82) have technically been cleared by the Department/Agency; Management Office awaiting formal clearance from the White House.

*** Boards/Commissions - Banking
Federal Construction Management
Transportation

TASK FORCE STATUS BY MAJOR MILESTONE

AS OF: July 23, 1982

TASK FORCE	MILESTONES																			
	Co-Chairmen Assigned	Project Manager Appointed	"Core" Members of Task Force Appointed	Task Force Briefed by Mgt. Off.	Top Agency Officials Interviewed	Key OMB Contract Interviewed	Key GAO Contract Interviewed	Work On-Site Initiated	Work Plan Submitted to Mgt. Off.	Reviewed Work Plan Returned to Task Force	PHASE II COMPLETED	1st Monthly Prog. Brief. for Mgt. Off. Completed	2nd Monthly Prog. Brief. for Mgt. Off. Completed	Prelim. Findings Discussed with Mgt. Off.	Prelim. Findings Discussed with Agency Officials	PHASE III COMPLETED	Draft Task Force Rept. Submitted to Mgt. Off.	Mgt. Off. Suggestions Prov. to Task Force	Final Task Force Rept. Submitted to Mgt. Off.	Task Force Closed Out
(1) Agriculture																				
(2) Air Force																				
(3) Army																				
(4) ADP/Office Automation																				
(5) Boards-Banking & Invest.																				
(6) Boards-Business Related																				
(7) Commerce																				
(8) Defense-Office of Secy.																				
(9) Education																				
(10) Energy/NRC																				
(11) EPA/SBA/FEMA																				
(12) Federal Construct. Mgt.																				
(13) Federal Feeding																				
(14) Federal Mgt. System																				
(15) Financial Asset Mgt.																				
(16) HHS-HDP/ACTION/Ref. Mgt.																				
(17) HHS/PBS/MCFA																				
(18) HHS-Soc. Sec. Adm.																				
(19) Hospital Mgt. (VA Hosps.)																				
(20) HUD																				
(21) Interior																				
(22) Justice																				
(23) Labor																				
(24) Low Income Standards																				
(25) Navy																				
(26) Personnel																				
(27) Procure./Contracts/Inv. Mgt.																				
(28) Real Property Mgt.																				
(29) R & D/WASA/NSF																				
(30) Space, Facil., Property																				
(31) State/ICA/Peace Corps																				
(32) Transportation																				
(33) Treasury (IRS)																				
(34) User Charges																				
(35) Veterans Adm.																				

Note: The Management Office is part of the Office of the Chairman headed by J. Peter Grace, Chairman of the Executive Committee.

■ -- Milestone Accomplished

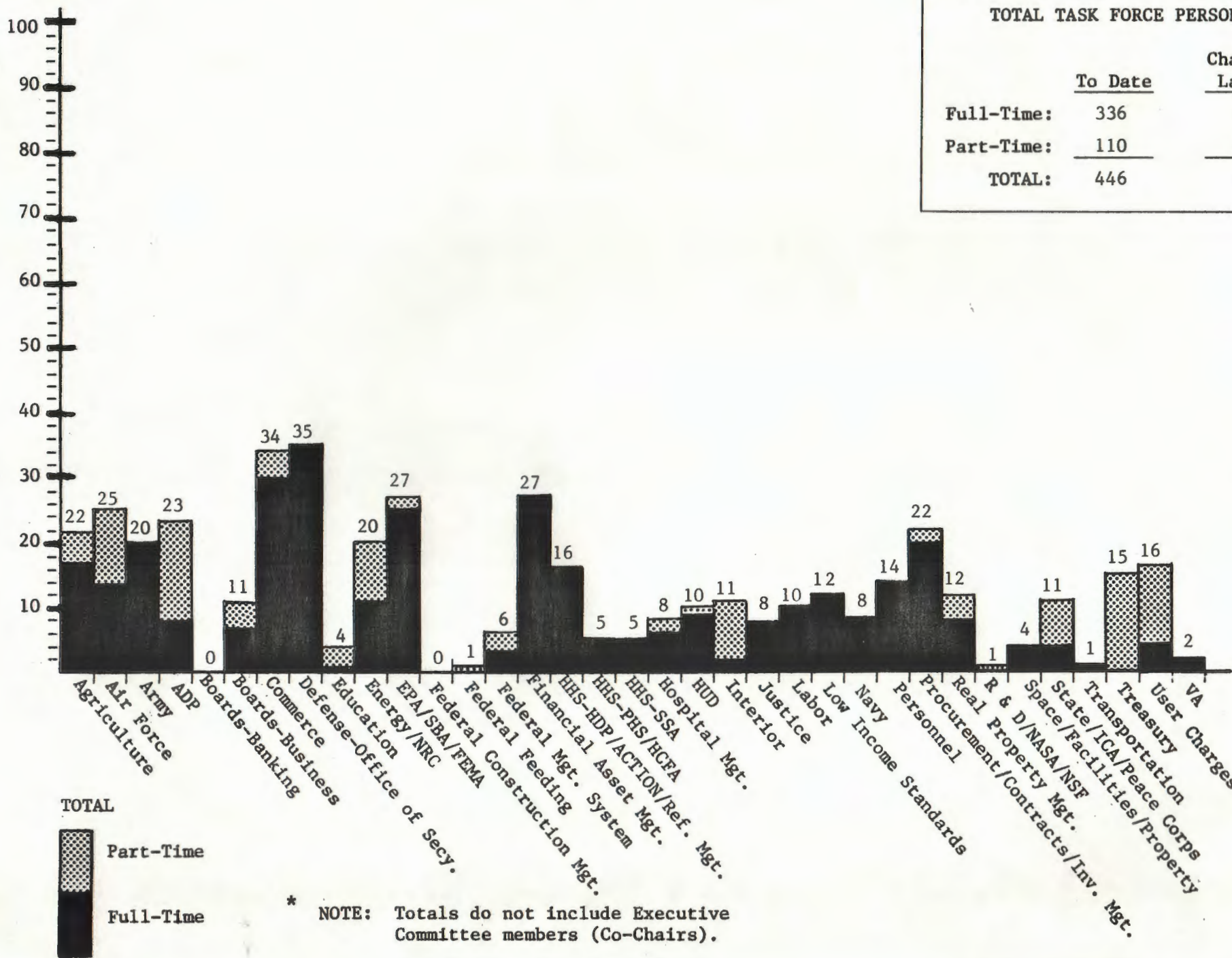
◄ -- Informal Submission to Desk Officer

▣ -- Progress from Prior Week

TASK FORCE RESOURCES COMMITTED

AS OF: July 23, 1982

Task Force Personnel



	To Date	Change From Last Week
Full-Time:	336	+ 37
Part-Time:	110	+ 12
TOTAL:	446	+ 49

* NOTE: Totals do not include Executive Committee members (Co-Chairs).



THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

093426

WS 1140

FG384

MEMORANDUM

TO: C. Fuller, M. Baroody
FROM: J. DiClerico *JMD*
DATE: July 20, 1982
SUBJECT: Newsweek

The attached memo is with Peter Grace for his consideration. I can't speculate on how he'll respond.

What are your views on accomodating this reporter's request?

cc: B. Nance
J. Colson
J. Bolduc

de
CF
820803 - called DiClerico's ofc. + told them CLF's response.

Memo to Mr. A. Navarro re Newsweek's request for interview with J. Peter Grace

Handwritten notes at the top of the page, possibly a name or title.

REC'D. CA JUL 20 1982

TO: SAC, [illegible]
FROM: [illegible]

RE: [illegible]
[illegible text]

DATE: [illegible]
BY: [illegible]

Handwritten notes in the right margin, possibly a date or initials.

Faint, large watermark or stamp in the center of the page.

104458

July 16, 1982

Memorandum to Mr. A. Navarro:

Subject: NEWSWEEK INTERVIEW ON PPSSCC

James Doyle, chief political correspondent for Newsweek magazine based in their Washington bureau, would like to interview JPG in Washington for at least 45 minutes sometime during the week of August 9th, or later in the month of August (except the week of August 23rd) or even September, if necessary. The story, as Doyle proposes to suggest it to his editors for final approval to proceed, would be a profile of JPG in his role as chairman of PPSSCC. He said it would be similar to the Business Week story which appeared on PPSSCC, except it "would be personalized because BW covered the government aspect of it so well."

He would like to possibly arrange his interview at a time when JPG would be meeting or talking with people on PPSSCC. His purpose in trying to do this would be to obtain a feel for how JPG operates and he would not intend to try to embarrass JPG, PPSSCC or individuals involved and he would be willing to put any part of the meeting he witnessed off-the-record, even after the fact. He might wish to talk to JPG briefly before sitting in on such a meeting and finally, after it. When I mentioned that specifics on hoped for

(more)

-2-

results would not be discussed, Mr. Doyle stated that he got that indication from his research thus far, and believed that the White House didn't want to give this project publicity until results were closer. Therefore, he decided the only way to do the story was to personalize it on JPG. Also, he said he would have to bring up the "recent flap over the Puerto Rican issue," but it would not be the major topic of discussion. He would also like to bring a photographer.

Will JPG do this interview?

If so, when?



F. E. Bona

cc: Mr. James DiClerico/PPSSCC



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

Date:

8/9

TO:

CRAIG FULLER

FROM: Associate Director for Management

ACTION:

Approval/Signature _____

Comment _____

Information _____

Draft response for:

For your handling _____

Let us discuss _____

File _____

Set up Meeting _____

With: _____

REMARKS:

*Ken - 8/10
does he see
this?
CF*

2192

093710

1110

FG384

TR

FG006-11

RS

Management Information Report for week of
August 2-6, 1982



THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

093710

111.0

FG384

FG006-11

Management Information Report

For

Week of August 2-6, 1982

noted / File
CR

Prepared By

The Management Office

(Limited Distribution)

.85 W 10 11 82

'82 AUG 10 A11 :45

President's Private Sector Survey

Box Score Data

(As of August 6, 1982)

<u>818</u>	Total PPSS Personnel*
<u>153</u>	Executive Committee Members
<u>125</u>	Executive Committee Members Assigned to Task Forces
<u>119</u>	Executive Committee Members Cleared by White House
<u>81</u>	Executive Committee Members Cleared for Task Force Assignment
<u>35</u>	Task Forces
<u>34</u>	Project Managers Appointed
<u>611</u>	Task Force Personnel (Excluding Co-chairs)
<u>6</u>	Foundation Staff
<u>48</u>	Management Office Staff
<u>32</u>	Task Forces Briefed
<u>2</u>	Task Forces Scheduled for Briefing
<u>1</u>	Task Forces Not Yet Scheduled for Briefing**
<u>29</u>	Task Forces Working On-Site
<u>7</u>	Work Plans Submitted to Management Office
<u>1</u>	Work Plans Reviewed/Returned to Task Forces
<u>0</u>	In-depth Reviews Underway (Phase III)

* (Executive Committee, Task Forces, Foundation Staff, Management Office)




** Federal Construction Management

TASK FORCE STATUS BY MAJOR MILESTONE

AS OF: August 6, 1982

TASK FORCE	MILESTONES																	
	Co-Chairman Assigned	Project Manager Appointed	"Core" Members of Task Force	Task Force Briefed by Mgt. Off.	Top Agency Officials Interviewed	Key OMB Contact Interviewed	Key GAO Contact Interviewed	Work On-Site Initiated	Work Plan Submitted to Mgt. Off.	Reviewed Work Plan Returned to Mgt. Off.	1st Monthly Prog. Brief. for Mgt. Off. COMPLETED	2nd Monthly Prog. Brief. for Mgt. Off. Returned to Task Force	Prelim. Findings Discussed with Mgt. Off.	Prelim. Findings Discussed with Agency Officials	Draft Task Force Rept. Submitted to Mgt. Off.	Mgt. Off. Suggestions Prov. to Task Force	Final Task Force Rept. Submitted to Mgt. Off.	Task Force Closed Out
(1) Agriculture																		
(2) Air Force																		
(3) Army																		
(4) ADP																		
(5) Boards-Banking																		
(6) Boards-Business																		
(7) Commerce																		
(8) Defense-OSD																		
(9) Education																		
(10) Energy/NRC																		
(11) EPA/SBA/FEMA																		
(12) Fed. Const. Mgt.																		
(13) Fed. Feeding																		
(14) Fed. Mgt. Process																		
(15) Fin. Asset Mgt.																		
(16) HHS-HDP/ACTION																		
(17) HHS-PHS/HCFA																		
(18) HHS-SSA																		
(19) Hosp. Mgt.																		
(20) HUD																		
(21) Interior																		
(22) Justice																		
(23) Labor																		
(24) Low Inc. Stds.																		
(25) Navy																		
(26) Personnel Mgt.																		
(27) Proc./Contracts																		
(28) Real Prop. Mgt.																		
(29) R&D/NASA/NSF																		
(30) Land/Facilities																		
(31) State/ICA																		
(32) Transportation																		
(33) Treasury																		
(34) User Charges																		
(35) VA																		

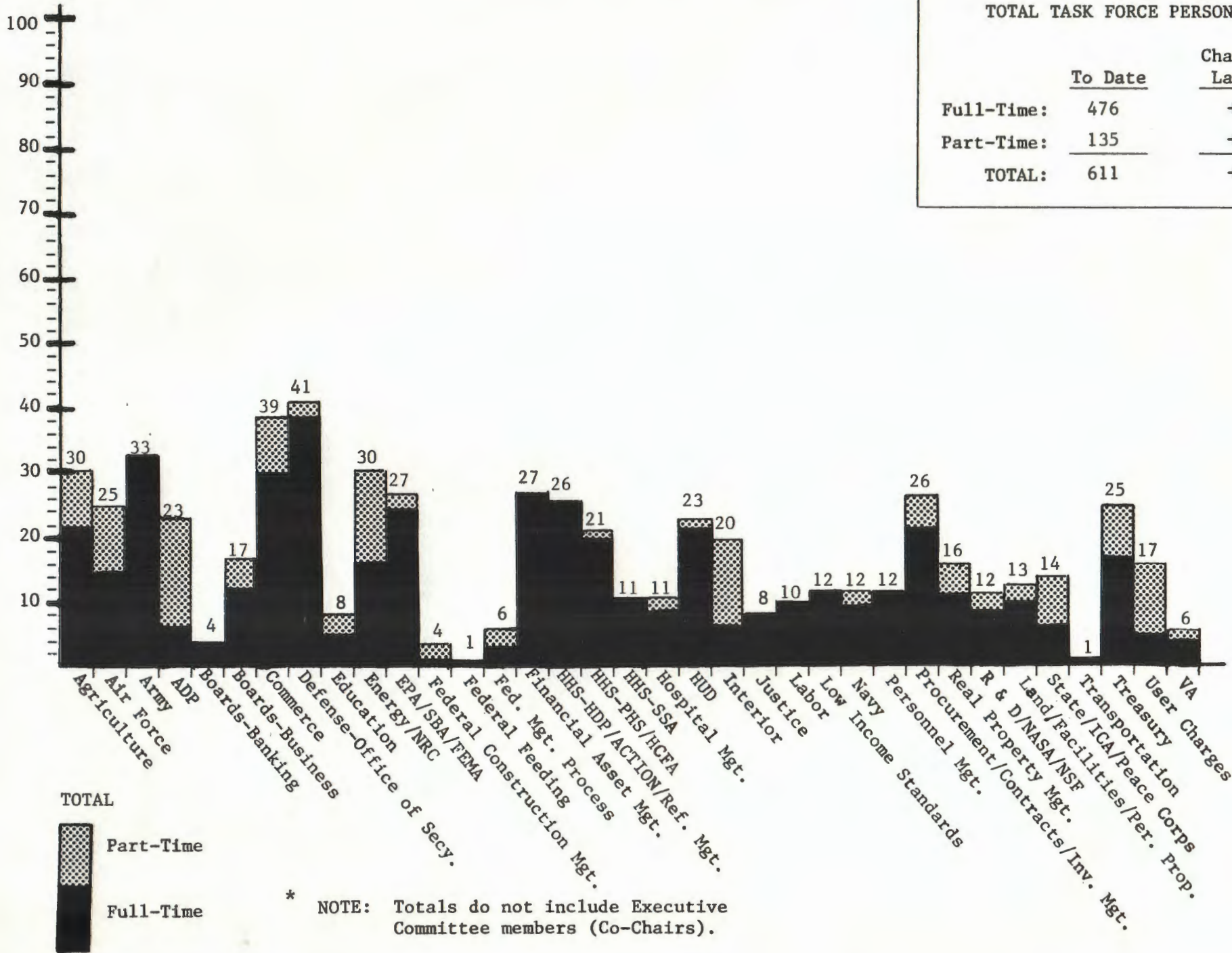
Note: The Management Office is part of the Office of the Chairman headed by J. Peter Grace, Chairman of the Executive Committee.

-  -- Milestone Accomplished
-  -- Progress from Prior Week
-  -- Informal Submission to Desk Officer

TASK FORCE RESOURCES COMMITTED

AS OF: August 6, 1982

Task Force Personnel



TOTAL TASK FORCE PERSONNEL		
	To Date	Change From Last Week
Full-Time:	476	+ 76
Part-Time:	135	+ 19
TOTAL:	611	+ 95

* NOTE: Totals do not include Executive Committee members (Co-Chairs).

FG384

**WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET**

- O - OUTGOING
- H - INTERNAL
- I - INCOMING
Date Correspondence Received (YY/MM/DD) 1 / 1 /

Name of Correspondent: Roger W. Jepsen

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: J. Peter Grace and his "association" with Otto Ambrose

(Letter from R. Richard Erickson also)

ROUTE TO: Office/Agency (Staff Name)	ACTION		DISPOSITION	
	Action Code	Tracking Date YY/MM/DD	Type of Response	Completion Date YY/MM/DD
<u>CU Holland</u>	ORIGINATOR	<u>82108106</u>		<u>82108106</u>
	Referral Note:			
<u>CU ATII</u>	<u>D</u>	<u>82108106</u>		<u>82108106</u>
	Referral Note:			
<u>CU FIREL</u>	<u>S</u>	<u>82108106</u>	<u>FF A</u>	<u>82108106</u>
	Referral Note:			
		<u>1 1</u>		<u>1 1</u>
	Referral Note:			
		<u>1 1</u>		<u>1 1</u>
	Referral Note:			

- ACTION CODES:**
- A - Appropriate Action
 - C - Comment/Recommendation
 - D - Draft Response
 - F - Furnish Fact Sheet to be used as Enclosure
 - I - Info Copy Only/No Action Necessary
 - R - Direct Reply w/Copy
 - S - For Signature
 - X - Interim Reply
- DISPOSITION CODES:**
- A - Answered
 - B - Non-Special Referral
 - C - Completed
 - S - Suspended

FOR OUTGOING CORRESPONDENCE:
 Type of Response = Initials of Signer
 Code = "A"
 Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.
 Send all routing updates to Central Reference (Room 75, OEOB).
 Always return completed correspondence record to Central Files.
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: _____ Media: 2 Individual Codes: 1320

Prime Subject Code: FB 384 Secondary Subject Codes: HU 010 HU 040
RM 032
ND 016

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

SIGNATURE CODES:

- CPn - Presidential Correspondence**
 n - 0 - Unknown
 n - 1 - Ronald Wilson Reagan
 n - 2 - Ronald Reagan
 n - 3 - Ron
 n - 4 - Dutch
 n - 5 - Ron Reagan
 n - 6 - Ronald
 n - 7 - Ronnie

- CLn - First Lady's Correspondence**
 n - 0 - Unknown
 n - 1 - Nancy Reagan
 n - 2 - Nancy
 n - 3 - Mrs. Ronald Reagan

- CBn - Presidential & First Lady's Correspondence**
 n - 1 - Ronald Reagan - Nancy Reagan
 n - 2 - Ron - Nancy

MEDIA CODES:

- B - Box/package
 C - Copy
 D - Official document
 G - Message
 H - Handcarried
 L - Letter
 M - Mailgram
 O - Memo
 P - Photo
 R - Report
 S - Sealed
 T - Telegram
 V - Telephone
 X - Miscellaneous
 Y - Study

THE WHITE HOUSE

WASHINGTON

August 6, 1982

Dear Senator Jepsen:

Helene von Damm, Assistant to the President for Presidential Personnel, has asked me to respond to your letter concerning J. Peter Grace and his "association" with Otto Ambros.

Mr. Grace, in conjunction with the normal clearance process, informed us that W. R. Grace & Co., employed Dr. Ambros strictly as an overseas technical consultant due to his special expertise in coal chemistry in conjunction with W. R. Grace & Co.'s efforts in coal gasification. Dr. Ambros is no longer connected with W. R. Grace & Co.

Mr. Grace has a long career of service to civic, charitable and religious organizations. His seventeen years as Treasurer of the National Jewish Hospital in Denver should serve as ample evidence that he does not support or condone the activities for which Dr. Ambros was convicted. Mr. Grace would not have been appointed to head the President's Private Sector Survey on Cost Control had we not been satisfied that his contacts with Otto Ambros in no way reflected an anti-Semitic attitude or approval of Dr. Ambros' activities during World War II.

With best regards.

Sincerely,

Orig. signed by FFF

Fred F. Fielding
Counsel to the President

The Honorable Roger W. Jepsen
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE
WASHINGTON

Date 8/6/82

Suspense Date _____

MEMORANDUM FOR: Richard Heuser

FROM: D. EDWARD WILSON, JR.

ACTION

- Approved
- Please handle/review
- For your information
- For your recommendation
- For the files
- Please see me/call me
- Please prepare response for
_____ signature
- As we discussed
- Return to me for filing

COMMENT

10
AW

THE WHITE HOUSE
WASHINGTON

August 2, 1982

Dear Senator Jepsen:

has asked to respond to

Helene von Damm, Deputy Assistant to the President and Director of Presidential Personnel, ~~recently provided me with your June 1, 1982~~ letter concerning J. Peter Grace and his "association" with Otto Ambros.

As you know, Otto Ambros was tried and convicted as a war criminal at the Nuremburg trials. His crime was the use of slave labor in the chemical plant operated by I.G. Farben during the war. He served his sentence and was released by the Allied Powers. *He*

Mr. Grace, in conjunction with the normal clearance process, informed us that ~~some years later~~ W. R. Grace & Co., employed Dr. Ambros strictly as an overseas technical consultant due to his special expertise in coal chemistry in conjunction with W. R. Grace & Co.'s efforts in coal gasification. *Dr. Ambros is no longer connected with W. R. Grace & Co.*

Mr. Grace has a long career of service to civic, charitable and religious organizations. His seventeen years as Treasurer of the National Jewish Hospital in Denver should serve as ample evidence that he does not support or condone the activities for which Dr. Ambros was convicted. Mr. Grace would not have been appointed to head the President's Private Sector Survey on Cost Control had we not been satisfied that his contacts with Otto Ambros in no way reflected an anti-Semitic attitude or approval of Dr. Ambros' activities during World War II.

With best regards.

Sincerely,

Fred F. Fielding
Counsel to the President

The Honorable Roger W. Jepsen
United States Senate
Washington, D.C. 20510

ROGER W. JEPSEN
IOWA

United States Senate

WASHINGTON, D.C. 20510

(202) 224-3254

093900CU

June 1, 1982

Helene Von Damm
Director of Personnel
The White House
Washington, D.C. 20500

Dear Helene:

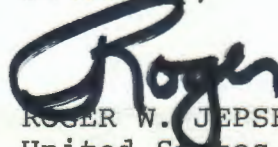
I have attached a letter I have received from a close friend.

Can your office give me the facts about Peter Grace's association with Otto Ambros?

Finally, I would like to know the status of Peter Grace's appointment.

Thank you for your help.

Sincerely,



ROGER W. JEPSEN
United States Senator
I O W A

RWJ:hp

**ECONOCO
INC.**

R. Richard Erickson
President

1982 MAY 12 AM 9 39

May 6, 1982

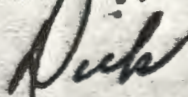
Senator Roger Jepsen
Senate Office Building
5327 Dirksen
Washington, D.C. 20010

Dear Roger,

Peter Grace, an appointee by the President to chair the Private Sector Survey on Cost Control, has been reported in the press to have strong personal ties with former convicted Nazi war criminal Dr. Otto Ambros. The idea that Ambros, who was a factory manager at Monowitz when more than 25,000 slave laborers died, has found the favor of Grace and, therefore, could potentially influence the decisions Grace would be making on behalf of the President, is appalling. Surely the President's staff hasn't done their homework.

Roger, if you can do something about having this appointment withdrawn or denied, you would be doing all of us, including the President, a big favor. Please give my regards to Dee.

Cordially,



R. Richard Erickson

RRE/gt

THE WHITE HOUSE

WASHINGTON

April 20, 1982

MEMORANDUM FOR CRAIG L. FULLER

FROM: FRED F. FIELDING ^{Orig. signed by FFF}

SUBJECT: Nance Correspondence With Representative Lantos

I have reviewed Admiral Nance's draft response to Congressman Lantos' inquiry concerning Dr. Otto Ambros' contact with the Department of Energy. During the review, my staff discussed Mr. Lantos' request with the Admiral and examined all documents located in the White House filing system that could bear on this matter.

It appears that we have no information on Dr. Ambros' activities other than that supplied to us in confidence in conjunction with J. Peter Grace's clearance for appointment. However, Dr. Ambros' contacts with American firms and the Department of Energy are a matter of public record. In view of this, I have, with Bud Nance's concurrence, responded to Mr. Lantos' inquiry by suggesting that he contact the Department of Energy and the Library of Congress. For your information, a copy of the reply is attached, together with the material you provided to me.

I appreciate your bringing this matter to my attention.

THE WHITE HOUSE

WASHINGTON

April 26, 1982

Dear Mr. Lantos:

As Admiral Nance is deeply involved in establishing the President's Private Sector Survey on Cost Control in the Federal Government, he has asked that I respond to your March 25, 1982 letter requesting information concerning Dr. Otto Ambros' connection with the United States Department of Energy.

The Admiral informed me that his March 16, 1982 letter to you providing a summary of Dr. Ambros' business activities since his release from prison was drawn from public documents provided to us by J. Peter Grace during the normal clearance process. Review of this material does not, unfortunately, illuminate Dr. Ambros' contacts with the Department of Energy.

Since Dr. Ambros has never been considered for an appointment in the Administration, we have not collected information concerning him or his activities, except as they may relate to an appointee. In view of this, I suggest you contact the Department of Energy directly for whatever information that may be contained in that organization's files.

Sincerely,

Orig. signed by FFF

Fred F. Fielding
Counsel to the President

The Honorable Tom Lantos
United States House of Representatives
Washington, D.C. 20515

bcc: Kenneth Duberstein
Craig Fuller

MAY 18 1982 0042



THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

May 17, 1982

MEMORANDUM

TO: Fred F. Fielding
FROM: Bud Nance *Bud*
SUBJECT: Peter Grace/Otto Ambros

Fred, attached are certain papers I received from Tony Navarro, Senior Vice-President at Grace, showing the contacts Otto Ambros had with DOE/ERDA. Also included are personal letters from Ambros on the subject. Believe you might like to keep this in your Peter Grace file.

ANTONIO NAVARRO

BUD

ATTACHED SHOULD
BE USEFUL.

THE LEAD TO ERDA/
DOE APPEARS TO BE
PROF. GOUSE.

USE AS WARRANTED,
BUT PLEASE DON'T
RELEASE THE LETTERS
WITHOUT CHECKING
BACK WITH US.

REGARDS & GOOD LUCK.

CORPORATE COMMUNICATIONS

AJ 4/1

GRACE

Washington Research Center

W. R. Grace & Co.

7379 Route 32

Columbia, Maryland 21044

FACSIMILE TRANSMISSION COVER LETTER

Date: March 31, 1982

TO: Company Name W. R. Grace - New York

Facsimile Telephone Number (212) 764-6137

ATTN: Name Antonio Navarro

FROM: Name L. V. Triggiani

Special Information or
Instructions to Recipient:

Total number of pages: 4 (Including this cover letter)

We are transmitting from a Panafax MV-1200 machine.

Automatic receive - (301) 531-4367

IF YOU DO NOT RECEIVE ALL OF THE PAGES, PLEASE CALL ASAP:

(301) 531-4365

or

(301) 531-_____

Machine operator for this transmission: _____

REV 2 1976

November 16, 1976

DR. OTTO AMBROS
Kniebisstrabe 14
68 MANNHEIM 1
Tel. (0621) 812594
Telegr. mannheim chronolo
Teletype 046-2187

11/23

Mr. Robert M. Coquillette
W. R. Grace & Co.
Grace Plaza
1114 Avenue of the Americas
New York, N.Y. 10036

Dear Bob:

Re.: Your RMC/OA - No. 58 of November 10, 1976

I was very pleased to read that AgChem considers to develop an ammonia plant running on coal as the source for synthesis gas.

As you know, we had a meeting about coal hydrogenation at Kniebisstrasse 14 on November 9 which was attended by Professor Gouse and one of his associates from ERDA. ERDA may perhaps participate in the pilot plant which we plan to construct at Veba-Chemie in Scholven.

On this occasion we also discussed the conversion of coal, oil residuals and by-products of the refinery into synthesis gas. You know that we want to install gasification pilot plants for various processes. ERDA is also interested in these problems.

It is not our intention to use synthesis gas for production of ammonia. Our partner wants to study the development with us alone and he also requested not to make any secrecy agreements. We hope that in one year from now a little plant will have supplied us with exact data.

With best regards.

Sincerely,

cc: Messrs. C. F. Horn
K. G. Scheye
L. V. Triggiani

BY

AN

OCT 6 1976

October 1st, 1976

OTTO AMBROS

Kniebühlstraße 14
68 MANNHEIM 1
Tel. (0621) 812594Telegr. mannheim chemie
Teletype 046-2187

Dr. L. V. Triggiani
V. R. Grace & Co
Washington Research Center
7379 Route 32
Columbia, Maryland 21044

Dear Len:

As you know, a team of chemists and engineers who developed and operated the hydrogenation of coal in a scale of 4 million tons / year at the former IG-Farbenindustrie, have formed the so-called

"Hydrierkreis"

under my direction. Currently, we project a pilot plant for 100 tons/day which is planned to be integrated in the Veba-Chemie refinery.

AN
This "Hydrocircle" has become known in the United States via discussions between officials of both countries. We expect the visit of Professor Gouse and his associates for a meeting at Ebenunger Eichen on November 8 and 9. Mr. Reichl, President of Conoco, has already announced his visit and a third party the name of which I do not know yet requested to meet with us.

On the occasion of our meeting with Professor Gouse I want to learn more about the US plans especially the ERDA program.

AM

I repeat confidentially that a commission of ERDA plans to come to Mannheim in October to discuss our process called

"IG - Neu-Verfahren"

I don't know whether this coal conversion process producing a fuel oil that costs at least twice as much as Arabian crude oil is applicable under U. S. conditions. Germany is at mercy of the Arabs and Russians as regards oil supply. But it is not my business to judge the autarc or strategical reasons.

I had another idea and asked for help.

It is my suggestions to "jet mill" coal by hydrogen under pressure. On June 12, 1976 I asked WRC for blue prints of Gali Sanchez's Jet Mills Exposé and I hope to be supported by Bob Coquillette in this question.

3. - I have confidentially disclosed some results of our new gasification process for coal, oils, residual oils a. o. Patent applications are filed. Bob Coquillette gave me a good paper about "The Direct Reduction of Iron Ore."

The press announced some days ago that the Korf Engineering Company in Baden-Baden - together with Krupp and Salzgitter - have submitted to the Russian Government a 20 000 pages project for a direct reduction plant to be erected near Kursk at the cost of DM 5 billion.

The above mentioned process may be utilized in one phase. I shall keep Bob Coquillette informed as this process may be interesting for the Natural Resources Division".

4. - Bob and I discussed the new phase of bio-genetic processes to substitute some chemical processes for making chemo-therapeutics and alcoholoids. I stressed the knowledge of Dr. Nickell who gave a brilliant lecture at Boehringer Ingelheim. Boehringer will contact Dr. Nickell again in Clarksville. W. R. Grace has to decide whether or not it will engage in this new development.

Does
know
more?

JAN 18 1980
January 18, 1980

Memorandum to Mr. J. Peter Grace

ABC Sunday News Closeup

We have carefully reviewed and analyzed the ABC Closeup program titled "Escape from Justice: Nazi War Criminals in America," which appeared on Sunday evening, January 13, at 7:00 p. m.

Our overall impression of the program was that ABC was trying to provide an "attention-getter" by riding on the kite of the picture, "Holocaust." While the horrors of the Nazi concentration camps have been fading in people's minds, there is still a fascination with the unbelievable brutality of the camps. Since the subject is such a lurid one, the news media still feels it useful to use since it still attracts attention. As we see it, ABC was trying to avoid the aspect of stale news by ostensibly expressing a new and different aspect of the old story, namely, that there are unpunished Nazi war criminals in America and that they have escaped from justice.

They took the tack of criticizing the U. S. government for the unpunished Nazi war criminals in the U. S. without indicating that the U. S. has no criminal jurisdiction over anyone, including Nazis, who are alleged to have committed crimes outside the territory of the U. S. It took a good deal of perception to finally realize that the only thing the U. S. can do would be to find out if the people involved committed perjury in obtaining visas to the U. S. or in obtaining U. S. citizenship. If the U. S.

could establish this to the satisfaction of a court, then the visas or citizenships could probably be voided. These people could be tried in a subsequent deportation proceeding.

The focus was given of a presumption of guilt of the people in question even though there is clear difficulty of obtaining proof, or the accused people in obtaining evidence to support any defense some 35-40 years after the alleged event.

Moreover, an attempt was made to give credibility to the story by the extensive coverage of rows and rows of corpses, skull and bones, etc., etc. The statement was made frequently that the 200 "alleged" war criminals in the U. S. who had escaped justice were responsible for two million murders. Furthermore, that they were part of a huge number of "alleged" war criminals who had escaped conviction, i. e., "for every one convicted at Nuremberg, 100 escaped." There was an attempt to give objectivity to their story by citing that the surge of refugees at the end of World War II was a natural cover for the escaped war criminals and they gave minimal credit to the idea that the U. S. government got some benefit from the information from some of these war criminals.

It was in this context that they sandwiched in the ideas that some of the alleged war criminals were receiving protection from the U. S. government or from some corporations. They cited some cases of protection by the CIA and even President Nixon, and

that put a somewhat sinister view on Nixon's participation, and they varied from their main theme by bringing in the Otto Ambros case. The Ambros case, of course, did not fit with the thrust of the story, i. e. , unconvicted Nazi war criminals who had gotten refuge and were protected in the U. S.

Ambros did not escape from justice, does not live in America, and is not being sheltered by anyone anywhere. He in fact lives freely and productively in Mannheim, Germany, as the program itself went on to make evident.

Be that as it may, the treatment of the Ambros case in the midst of the whole ambiente of the program could not help but give an impression of guilt by association. This, more than anything else, gave an unfair bias to the Ambros incident and could not help but lead an uninformed viewer to get a biased and incomplete picture.

Actually, the facts and circumstances surrounding the Ambros incident were quite factual, but the incompleteness of the story and the fact that it was inserted in a program of this kind could not help but give a very unfavorable aspect to the incident.

For reasons we are at a loss to explain, the program had the characteristics of an attempt to do a hatchet job on the U. S. government, W. R. Grace & Co. , and yourself.

In selecting you, they showed clear discrimination.

They did not disclose the fact that when you secured Dr. Ambros' services as a chemical consultant, he had served his prison term and that he has been used as a consultant by Distillers Limited, the second largest U.K. chemical company; by Pechiney, a substantial French chemical company; and by the United States Government itself. Also not disclosed were the facts that in later years Dr. Ambros' services were also used by Dow Europe (Switzerland) and, in 1971, he was invited by Dow Chemical U.S. to a technical seminar in the United States.

Nor, for that matter, was it disclosed that Dr. Ambros was selected by the German state authorities under both Chancellor Adenauer and Chancellor Erhard (both notoriously friendly to the Jewish community) to be a Board member of SKW, of Hibernia (now VEBA), of Scholven-Chemie, of VIAG and of Phenolchemie.

These are large and important German Government companies, and Dr. Ambros became an active director of them, not a consultant as in our case. As late as 1977, at the age of 75, he was Chairman of Knoll, a major pharmaceutical company in Germany, 75%-owned by the BASF chemical complex formed under the aegis of the Allied Government. **Within the last six months, Dr. Ambros has again been consulted by scientists from the U.S. Department of Energy because of his deep knowledge of coal technology, which this country sorely needs today.**

When all the above countries and the above corporations have made use of Dr. Ambros' services, why in the world single you out for public criticism and opprobrium?


In selecting Dr. Ambros himself, there was discrimination as well. Twenty-four directors and executives of I. G. Farben, to which Dr. Ambros himself belonged, were brought to trial by the United States at Nuremberg, and thirteen of them were convicted along with Dr. Ambros. Three of his superiors at I. G. Farben were among those condemned. Why, then, when it comes time for a broad expose' to U. S. audiences, was Dr. Ambros alone selected for attack? As far as we know the facts, when you first met Dr. Ambros, he had been brought back into society, and you accepted him as you found him. Whatever moral judgment anyone may rightfully choose to make as an individual, he did not "escape from justice" in any legal or social sense.

Nothing on the plus side was mentioned about you to mitigate the effect except, perhaps, to point out that you shared your position with the U. S. government itself. Your lifelong involvement, despite the demands of business, with civic, charitable, church and intergroup activities was not mentioned, nor your association of fifteen years with the National Jewish Hospital as Treasurer, and other ecumenical activities you have participated in over the years. On the contrary, the impression is left that you may support or condone war crimes, anti-Semitism, slave labor, or any of the negatives which the ABC program purposely or inadvertently attributed to you by insinuation.

In retrospect, we stand by our recommendation to you at the time that you not grant ABC News an interview. It was obvious then

and has been proven since that ABC had already made up its mind that the U.S. government was derelict in its duty with respect to prosecuting alleged Nazi war criminals, and your participation was wanted only to support that fact—not to deny it or even qualify it.

We recognize that some people might conscientiously disagree with your actions and with our recommendation, but we hope that they will understand that your decision to make available to American industry Dr. Ambros' exceptional scientific knowledge was arrived at in good conscience and implied no sanction of a shameful period in the history of mankind which we know you deplore along with us all.


R. M. Coquillette


A. Navarro

JJOC RLM FEB 3 An

DR: OTTO AMBROS
Kniebisstraße 14
68 MANNHEIM 1
Tel. (0621) 812594
Telegr. mannheim chemola
Teletype 046-2187

January 30, 1980

cc: FFH
DGL
CUC
NLY
AL &
LNB
AN
JAGM

Mr. J. Peter Grace, Jr.
W. R. Grace & Co.
Grace Plaza
1114 Avenue of the Americas
New York, N. Y. 10036

Dear Peter:

I just received your memorandum of January 18, 1980 concerning
ABC Sunday Evening Documentary

with attachments.

Thank to you, Messrs. Coquillette and Navarro and to W. R. Grace & Co. for the help granted again against these permanent attacks. Anew I regret very much that your name was connected with the Otto Ambros case. I am sure that your letter to Mr. Goldenson will be successful. ABC has done a great injustice with its unfair attitude. I know that the official America does not share this tendency.

May I correct the chart enclosed with above memo.

Under 11 my chairmanship at Knoll AG is mentioned, but when I was chairman its owners were

- 75 74.9% Arnsperger family (and not BASF)
- 25 25.1% Chemie Grunenthal

In 1977 BASF acquired a share of 74.9% and Prof. Seefelder was appointed as my successor.

On page 4 of the memo it's the same - when BASF acquired the majority of the Knoll shares I had to retire at an age of 76.



FEB 5 1980

Finally on page 5 - Why - was Dr. Ambros alone selected for attack?
The reason - OA still is alive, hard working and happy to 'live freely and productively in Mannheim". If I was senile and consequently not able to enjoy technical cooperation with W. R. Grace and ERDA or be connected with other modern developments, I would not selected for being "dragged through the mud".

I hope the American media will learn from W. R. Grace' honest philosophy expressed with your letter.

Once again, thank you very much for your friendship.

Sincerely,

W. R. Grace

ERDA = ENERGY RESEARCH AND
DEVELOPMENT ADMINISTRATION

24 I.G. Farben executives brought to trial
 11 I.G. Farben executives acquitted
 13 I.G. Farben executives convicted
 27 Executives from 3 Industrial Companies
 (including I.G. Farben) convicted

Dr. Ambros' superiors who were also convicted: -
 Dr. Hermann Schmitz - Chairman of the Vorstand
 Dr. Carl Krauch - Chairman of the Aufsichtsrat
 (Supervisory Board)
 Dr. Ter Meer - Member of management at
 President level

Dr. Otto Ambros - 11 Consultancies and Directorships with major Government-owned and Public Companies other than
 W. R. Grace & Co. since release from prison for war crimes.

<u>Country</u>	<u>Company</u>	<u>Owner</u>	<u>Activity</u>	<u>Duration of Board Membership</u>
<u>Consultancies</u>				
1. England	Distillers Limited	Public	One of the Largest U.K. Chemical Companies	
2. France	Pechiney	Public	Chemicals	
3. United States	Dow Europe (Switzerland)	Public	Second Largest U.S. Chemical Company	
<u>Directorships</u>				
4. Germany	Suddeutsche Kalkstickstoff-Werke (SKW)	German Government	Under the accepted Governments of Chancellors Adenauer and Erhard	Fertilizers Carbide Derivatives 1952 - 1967
5. Germany	Hibernia now Veba A.G.	German Government		Coal/Cokery/Ammonia 1952 - 1966
6. Germany	Scholven-Chemie A.G. - now Veba Oel and Chemische Werke Huls	German Government		Oil Refinery/Plastics/Chemicals 1957 - 1967
7. Germany	VIAG	German Government		Power/Aluminum 1961 - 1974
8. Germany	Phenolchemie	50% German Government 50% Other coal/tar companies	Phenol Synthesis	Since 1953
9. Germany	Grunzweig and Hartman	Public	Roofing and Other Materials	1954 - 1972
10. Germany	Feldmuhle A.G.	Flick KG	Paper/Cartons	1957 - 1964
<u>Chairmanship</u>				
11. Germany	Knoll	74.9% Arnspenger Family 25.1% Chemie-Grunenthal	Pharmaceuticals	1960 - 1977

14. Have you ever been publicly identified, in person or by organizational membership, with a particularly controversial* national or local issue? If so, please describe.

Mr. Grace has been publicly identified personally and by reason of his executive positions at W.R. Grace & Co. with the following issues which can be construed as controversial:

I. W.R. Grace & Co. has, as one of its consultants to its chemical business, Dr. Otto Ambros, who was convicted as a Nazi war criminal at the Nuremberg trials and sentenced to prison. Mr. Grace has been criticized in the national press and on network television about being associated with Dr. Ambros, but has always considered the criticism to be unfortunate and unfair. Notable Jewish leaders (e.g., Arnold Forster, general counsel for the Anti-Defamation League of B'nai B'rith) have joined Mr. Grace in describing this criticism as unfair. Mr. Grace was introduced to Dr. Ambros, a man of exceptional scientific knowledge, in 1951 after Dr. Ambros' sentence had been commuted and he was released from prison. Over the years, Dr. Ambros has also been engaged as a consultant by Distillers Ltd. (U.K.), Pechiney (France) and Dow Europe (Switzerland), as well as by government-owned companies in West Germany during the administrations of Chancellors Adenauer and Erhard. Within the past two years, the U.S. Dept. of Energy has consulted with Dr. Ambros on coal liquefaction and coal gasification.

As for Mr. Grace, his life-long record of civic, charitable and church activities, including his 16 years' service as Treasurer of the National Jewish Hospital in Denver, should amply demonstrate that he does not support or condone war crimes, anti-Semitism, slave labor or any similar outrages against civilization.

II. W.R. Grace & Co. conducted an advertising campaign in support of President Reagan's tax cut proposals prior to their enactment into law and this has resulted in Mr. Grace being identified in the public mind with an issue which probably qualifies as controversial. Mr. Grace also wrote articles on the same subject which were published in the press and, in one instance, resulted in a public debate with The Washington Post which also received attention.

III. In Mr. Grace's speeches to various organizations, universities, etc., over the last few years, the more controversial aspects of the country's economy were addressed, and his views - which paralleled those of the Reagan candidacy and, later, Administration - were of course, not shared by everyone.

15. Have you ever submitted oral or written views to any government authority (executive or legislative) or the news media, on any particularly controversial* issue other than in an official governmental capacity? If so, please describe.

Mr. Grace submitted his views on controversial issues to Governmental authorities in the following circumstances:

I. In 1958, Mr. Grace sent a letter to the U.S. Consul in Stuttgart, Germany recommending that Dr. Otto Ambros be given a visa to travel to the U.S. to attend a technical meeting. (Dow Chemical also invited Dr. Ambros to a similar type of meeting.) Mr. Grace's letter has recently received national attention in the form of criticism on national television and in the national press, as mentioned in Item 14 above. Excerpts from Mr. Grace's letter to the U.S. Consul were quoted out of context, attempting to establish that Mr. Grace's support of Dr. Ambros' visit to the U.S. as a technical consultant could be equated with approval by Mr. Grace of illegal activities under the Nazi regime.

II. In May 1981, Mr. Grace testified before the Senate Finance Committee at a hearing that was then considering (H.R. 4242) a bill that was to become the Economic Recovery Tax Act of 1981.

17. Have you ever had any association with any person or group or business venture which could be used, even unfairly, to impune or attack your character and qualification for this position?

Other than his professional associations with Dr. Otto Ambros mentioned above in answer to Item 14 and Item 15, Mr. Grace has had no associations which could be used to attack or impugn his character.

18. Do you know anyone who might take any steps, overtly or covertly, to attack your appointment? If so, please identify and provide the basis of the potential attack.

In the past, Daniel Dorfman, a syndicated columnist, has written articles which appeared in 1980 in the Daily News in New York and in Esquire magazine (in 1978) attacking Mr. Grace in the matter of Dr. Otto Ambros; as did Charles R. Allen, Jr. of New York, who wrote to the President of Yeshiva University in June 1981 protesting the selection of Mr. Grace as the recipient of Yeshiva University's Distinguished Service Medal also because of the connection of Mr. Grace with Dr. Ambros. The American Broadcasting network, in an ABC News Closeup in January 1980 also saw fit to connect Dr. Ambros and Mr. Grace.

It is conceivable that the persons connected with the foregoing, or other individual members of the Jewish community might take steps overtly or covertly to attack Mr. Grace's appointment because of matters described in answers to Items 14 and 15.

19. Please provide any other information which you regard as pertinent or which could be the possible source of embarrassment to you, or to the President, if publicly known.

Photopies of articles written by Daniel Dofrman which appeared in the New York Daily News and Esquire are enclosed, along with the letter sent by Charles Allen to the President of Yeshiva University, and pages from the script of the ABC News Closeup program relating to Mr. Grace and Dr. Ambros.

Likewise, there is enclosed a set of photocopies of The Washington Post editorials and the W.R. Grace & Co. advertisements which took issue with The Washington Post in the matter of President Reagan's tax proposals.

CHARLES R. ALLEN, JR.

180 Cabrini Blvd.
New York, N.Y. 10033
May 21, 1981

Dr. Norman Lamm
Office of the President
Yeshiva University
500 West 185th St.
New York, N.Y. 10033

My dear President Lamm:

Because of the great esteem in which I hold your University, it is with great pain and concern that I write this missive. Yeshiva is not only a center of learning and scholarship but a living symbol of the intellectual, scientific and artistic gifts which the Jewish people have brought to all peoples.

I must emphatically protest and recoil with shock at the announcement which your school issued to the press that J. Peter Grace, identified as president (He's actually the chairman) and CEO of W. R. Grace & Co. is to receive Yeshiva University's Distinguished Service Award "for his outstanding leadership in civic and humanitarian endeavors." The award will be bestowed at your annual "corporate dinner" on June 16th at the New York Hilton. (Jewish Press, Fri, May 22, 1981, p.17)

I protest this award to Mr. Grace who both personally and corporately has utilized and interceded in behalf of a convicted war criminal, Otto Ambros of I. G. Farben who for years has been a highly paid consultant of W.R. Grace & Co.

I do not know whether you are aware of the following:

* On Jan. 13, 1980, ABC-TV Network presented an hour's documentary titled "Escape From Justice: Nazi War Criminals In America" which was seen by millions across the nation.

* A central focus of that documentary was Project Paperclip, a high-level intelligence operation begun by the United States as early as 1944. Its purpose was to bring German and Austrian scientists, technicians, technologists and other techno-crats to the United States. The Joint Chiefs administered Paperclip through the mid-1950s for the State Department, Commerce Department, various Intelligence agencies and private business. I have determined in my research that 1,558 Paperclip specialists were ultimately brought here. Virtually all were of necessity, minimally NSDAP members; many

were SS members; some were bona fide war criminals.

- * Although the latter were supposedly barred from participating in the Paperclip undertaking, some, through "negligence," as the ABC-TV documentary averred, were allowed into the United States under Paperclip.
- * ABC-TV illustrated a major instance. States the script (pp 17-24 in extenso): "The first is the case of Otto Ambros, shown here (visual) on trial at Nuremberg. Ambros was a chemist and a director of the notorious I. G. Farben Chemical Company which supplied gasoline and rubber for Hitler's war effort. Ambros is credited with developing a form of synthetic rubber, called buna, and he played a supervisory role in the construction of Farben's buna plant in the Polish village of Auschwitz."
- * I.G's labor of course was slave labor, mostly Jewish slave labor. The ABC-TV documentary reports correctly: "For his role there, Otto Ambros was convicted of slavery and mass murder and sentenced to eight years in prison."
- * The full details concerning Ambros' crimes during the Holocaust may be found of course in Case VI, US v Carl Krauch et al. (I.G. Farben Case), Aug. 14, 1947-July 30, 1948, Transcripts of Proceedings and Document volumes. Also see The Crime and Punishment of I.G. Farben by the late, distinguished scholar Joseph Borkin (N.Y. 1978).
- * Ambros was Nazi Germany's "authority on poison gas" and I.G. Farben of course was a majority interest in the company which manufactured and delivered to the SS zyklon B.

Notwithstanding his conviction and extraordinarily brief imprisonment for three years (a dissenting judge in Case VI said the sentences would have pleased "a chicken thief"), Ambros was able to enter the United States via Paperclip.

As the ABC-TV documentary correctly reports: "... (Ambros) was helped in a bid to enter the United States by this man, J. Peter Grace, President of W. R. Grace & Company..."

ABC-TV then showed its millions of viewers copies of actual documents and stated: "This copy of an internal State Department document describes how J. Peter Grace helped Otto Ambros in his efforts to enter the United States. In a memorandum to the U.S. Ambassador to Germany, Grace acknowledges that Ambros was a war criminal. But he adds that in the years he's known Ambros, and I quote

here, 'we have developed a very deep admiration, not only for his ability but more important for his character in terms of truthfulness and integrity'."

The date of the memorandum in point (actually it was an Airgram sent from Stuttgart, Germany to the Secretary of State, John Foster Dulles) was August 1, 1958. Evidence shows indisputably that Ambros was given a special visitor's visa on at least three other occasions in 1968, 1969 and 1971 at the behest of J. Peter Grace.

Why was Mr. Grace so solicitous of Otto Ambros? Reported ABC-TV in its documentary: "Grace officials confirmed a business relationship between their corporation and Ambros. Today, Otto Ambros does consulting work for W. R. Grace and Company...."

Mr. Grace, by the way, refused to be interviewed for the telecast. I also know that Mr. Grace attempted to dissuade ABC-TV from airing the documentary, most specifically the segment exposing his solicitous interventions in behalf of a war criminal found guilty of "slavery and mass murder" (under Count III) at the U.S. Nuremberg War Crimes Trials following the Holocaust.

The W. R. Grace corporation's other involvements along this vein go beyond the Ambros story; for example there has been recently increased participation in Grace equity by the Flick interests of Germany (the Federal Republic). I assume your knowledge of the history of the Friedrich Flick interests during the Holocaust. (See Case V, U.S. Nuremberg War Crimes Trials, for the record of its officials' guilt in war crimes, spoliation, deportation and massmurder as well as extensive financing of Hitler, the NSDAP and Himmler's "Circle of Friends.")

The Jewish Press item (supra) also notes among Mr. Grace's other "extensive credits" his directorship of Radio Free Europe/Radio Liberty. I will not go into the factual evidence here but simply state flatly what I have already published: RFE and RL both have been found utilizing accused Nazi war criminals and collaborators living in the United States.

I have taken the time out of my own extremely busy schedule in order to bring this matter to your attention. I do so with the utmost respect for yourself, your Office and Yeshiva University. Please understand this.

Professor Emil Fackenheim, the moral philosopher and himself a survivor of Auschwitz as you well know, instructed those of us attending "The Voice of Auschwitz" symposium at The Cathedral of St. John the Divine in 1974. He said that any kind of a denial of the Holocaust or any "yielding to despair" about the necessity to

Dr. Lamm

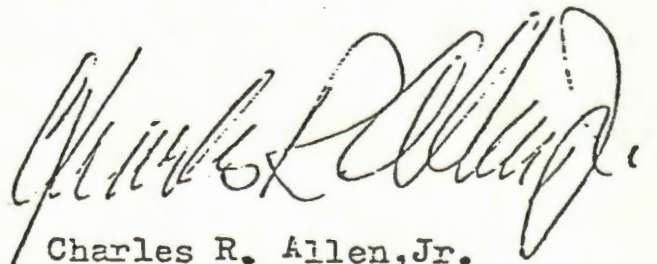
- 4 -

5.21.81

provide a continuous solidarity with the Six Million (as well as with the other millions of the Nazi genocides) would be to present Hitler with posthumous victory, and thus contribute toward the possibility of a second Holocaust.

Allow me once more to protest your June award, Sir, to J. Peter Grace and the W. R. Grace and Co. as, in my view, you are most assuredly contributing to such denial and such despair by what you are doing.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Charles R. Allen, Jr.", written in dark ink.

Charles R. Allen, Jr.

enc./

CRA/ec

ABC NEWS CLOSEUP

ESCAPE FROM JUSTICE: NAZI WAR CRIMINALS IN AMERICA

as broadcast over the
ABC TELEVISION NETWORK

Sunday, January 13, 1980

7:00 - 8:00 PM EST

Produced and Directed by: Richard Gerdau
Written by: Richard Gerdau
Michael Connor
ABC News Correspondent: Tim O'Brien
Closeup Correspondent: Michael Connor

(c) 1980 American Broadcasting Companies, Inc.

All Rights Reserved

VIDEO

AUDIO

TIM O'BRIEN: (O/C) (CONT)

ABC News has learned of one high-level intelligence program that not only allowed war criminals into this country, but did so with the official sanction of our government. Correspondent Michael Connor investigated the details of that program.

MICHAEL CONNOR: (V/O)

It was called "Project Paperclip". And from the end of World War II to the mid-1950's, it brought more than 900 German scientists to the United States. Classified government documents describe how the Joint Chiefs of Staff administered the program for the American military and the Departments of State and Commerce. "Paperclip's" goal was to recruit and exploit the best of German brain power for use by both the military and American business. Officially, "Paperclip" barred active Nazis. But screening procedures were lax and in some cases, negligent. Two separate cases illustrate the point.

(MORE)

DOCUMENT OF
PAPERCLIP RECRUITS

VIDEO

PHOTO OTTO AMBROS

FARBEN EXTERIORS

AUSCHWITZ CONCENTRATION
CAMP STOCK

ELIE WIESEL O/C

AUDIO

MICHAEL CONNOR: (V/O) (CONT)

The first is the case of Otto Ambros, shown here on trial at Nuremberg. Ambros was a chemist and a Director of the notorious I.G. Farben Chemical Company which supplied gasoline and rubber for Hitler's war effort. Ambros is credited with developing a form of synthetic rubber, called buna, and he played a supervisory role in the construction of Farben's buna plant in the Polish village of Auschwitz. For I.G. Farben, Auschwitz concentration camp inmates provided a plentiful source of cheap labor. One survivor of the Farben plant is author Elie Wiesel.

ELIE WIESEL:

Those who could work, worked. Those who could not, were killed. Work ... was just a slow process of death. No food. No rest. Only work. The overseers were Kapos, the SS; but also civilians. I was in touch constantly with German civilians who were maesters. They were in charge of the work projects. I was very young.

(MORE)

VIDEO

AUDIO

ELIE WIESEL: (O/C) (CONT)

I remember those days because probably ... more often than not, I wonder how did I manage to ... to do that much work. To carry stones that were heavier than ... than I was. And

MICHAEL CONNOR: (V/O)

The Nuremberg prosecution charged that each day at Farben's plant one hundred people died from sheer exhaustion. For his role there, Otto Ambros was convicted of slavery and mass murder and sentenced to eight years in prison. But even while on trial at Nuremberg, Ambros was a target for United States government recruiters from "Project Paperclip". As a convicted war criminal he could not officially join the program. But Ambros, American government, and American business cooperated in other ways. His prison sentence was commuted after only three years by American officials and he was helped in a bid to enter the United States by this man, J. Peter Grace, President of W.R. Grace, a major American chemical company.

AUSCHWITZ

AMBROS ON STAND

PAPERCLIP DOCUMENT
WITH AMBROS' NAME

STILL - J. PETER GRACE

VIDEO

AUDIO

MICHAEL CONNOR: (O/C)

This copy of an internal State Department document describes how J. Peter Grace helped Otto Ambros in his efforts to enter the United States. In a memorandum to the United States Ambassador to Germany, Grace acknowledges that Ambros was a war criminal. But he adds that in the years he's known Ambros, and I quote here, "we have developed a very deep admiration, not only for his ability, but more important, for his character in terms of truthfulness and integrity." It's not clear precisely what effect this memo had. All we know is that on three occasions in 1968, 1969 and 1971, the United States State Department waived regulations which should have barred Ambros from entering the country. And in each of those years it granted him a special visitor's visa. Why Ambros was given special treatment is unclear. Both the State Department and J. Peter Grace refused to be interviewed for this broadcast. However, Grace officials confirmed a business relationship between their corporation and Ambros.

MICHAEL CONNOR AT DESK

CONNOR O/C

(MORE)

DAILY NEWS

THURSDAY, JANUARY 10, 1980

There's corporate hypocrisy on Nazi connection

HERE'S A REVOLTING EXAMPLE of corporate hypocrisy; it's also an insight into the ugly side of American business you don't hear too much about. A couple of public relations guys at chemical biggie W. R. Grace recently extolled boss J. Peter Grace to me for his openness and candor with the press. Said one: "Talk to any reporter about Peter Grace and he'll tell you that Peter is one of the frankest corporate executives around. He'll meet with anybody and talk about anything ..."

Impressive words, indeed, and so I rose to the challenge; I made a pitch to see the personification of corporate openness. The subject matter on my mind: Otto Ambros.

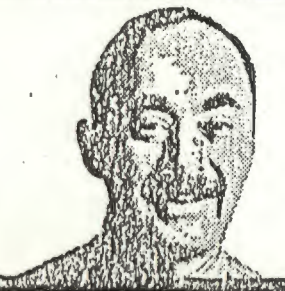
Now you may never have heard of Ambros, but he's a well-known figure to the prosecutors of Nazi war criminals at the Nuremberg trials. Ambros, a brilliant scientist, was the overall head of poison gas activities at Auschwitz. He was also a director of a nearby I.G. Farben plant in which inmates of the concentration camp — used as slave labor — were dying at the rate of 100 a day from exhaustion. For his participation in the Nazi war effort, Ambros received one of the stiffest sentences at the Nuremberg trials — eight years for engaging in slavery and mass murder.

THAT SENTENCE WAS LATER commuted to just three years by John J. McCloy, at the time the U.S. High Commissioner of Germany. McCloy, presently a member of the New York law firm of Milbank, Tweed, Hadley & McCloy, obviously felt leniency was called for.

Now Ambros' activities may be repugnant to some people, but not, apparently, to Peter Grace (or McCloy). Grace made a strong personal pitch to bring Ambros into the United States — going so far as to express "deep admiration" for the convicted war criminal in a private letter to the U.S. ambassador to Germany. Ambros did manage to make it to the United States for brief visits in 1968 and 1969, but adverse publicity blocked his entry in later years. Undaunted, the resourceful Grace — determined to capitalize on Ambros' broad expertise in synthetic rubber and synthetic fuels — hired him as a company consultant (a position he presently holds with Grace in Mannheim, Germany).

My intended question to Peter Grace: At what point, if ever, does corporate morality supercede the profit motive? Forgive me, friends, but I won't be able to

**DAN
DORFMAN**



provide you with any answers. Peter Grace, that frank, candid executive "who'll meet with anybody and talk about anything," was — and no doubt will continue to be — unavailable for comment.

Incidentally, I'm not the only one Peter Grace won't talk to about his ties to people or companies with former Nazi connections. Such ties would include his firm's biggest stockholder, West Germany's Friedrich Flick Group, an industrial giant whose growth was greatly accelerated during the Hitler era by gobbling up Jewish-owned businesses through coercion. Its founder, now deceased, was also convicted of Nazi war crimes. Flick owns about 34½ percent of Grace.

This Sunday evening, the ABC network will be airing a special on Nazi war criminals in America and the Ambros-Peter Grace connection will be discussed. Alas, ABC will have to do without any comment from Peter Grace. The essential message to ABC from the personification of corporate openness (through a company spokesman): Get lost!

Enough said about the hypocrisy of W. R. Grace.

The Nazi Connection

The past that Germany's Flick Group and W.R. Grace won't talk about

I don't know how much you know about a West German industrial biggie called the Friedrich Flick Group or even whether you've ever heard of it. But that's going to change. We may be in for a media blitz as the traditionally highly secretive Flick group has suddenly decided it wants to be known and loved in America. And so the Düsseldorf-based firm—with about \$3.2 billion in annual sales, which are largely generated from the chemical, machinery, and paper businesses—recently hired itself a top public relations firm: none other than prestigious Carl Byoir & Associates. Byoir's clients read like a *Who's Who* of corporate America: the likes of Woolworth, A&P, Honeywell, Hallmark Cards, and Borg-Warner.

Flick's desire for good PR here is understandable: It's fast becoming an emerging force in American business. In January of 1976, for example, it anted up \$109 million for a 12-percent interest in W.R. Grace & Company, the country's fifty-first-largest corporation (annual sales of close to \$4 billion). And just a couple of weeks ago, it completed a \$256-million tender offer for another 19 percent of this chemical giant—making it by far the company's single largest shareholder. If that's not enough, it recently shelled out another \$100 million for a 34½-percent interest in U.S. Filter Corporation. Flick's buying spree is all part of a drive to spend \$1 billion before the end of this month to reap the substantial tax benefits in Germany—up to \$500 million—from the sale of a 29-percent interest in Daimler-Benz, the maker of Mercedes cars. To enjoy this tax bonanza—and it's clear it won't be able to spend the entire \$1 billion in time—Flick has to reinvest the money in government-approved businesses by December 30.

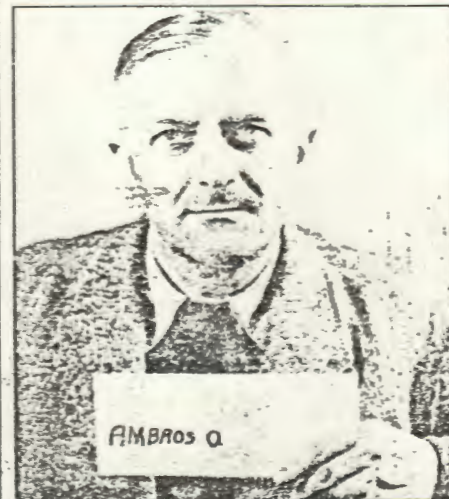
Byoir's role is clear: Get Flick better known to the U.S. financial community and sell the press on favorable coverage.

Now Byoir, I'm sure, would be pleased to talk to you about Flick (Byoir's telephone number is 212-986-6100). But don't you dare ask about the early history of the company (it began its ascendancy around 1915) or for any background on the founder, Friedrich Flick, who died in the

Dan Dorfman reports on the business and financial world in each issue.



Flick Sr. at Nuremberg: "The greatest single power behind the Nazi war machine."



Ambros: Jailed for slavery, mass murder.

early 1970s. Byoir is so uptight on that subject that its usually publicity-hungry president, Bob Wood, refuses to take any calls to discuss it. Now, most savvy PR men know, of course, that effective press communications means facing up to both the good and the bad. But Flick is a very new and no doubt lucrative account, and an obviously frightened Wood is simply not about to rock the boat at this juncture by talking to the press about a couple of highly controversial matters. In brief:

□ That founder Friedrich Flick (his fifty-one-year-old son Friedrich Karl Flick

now runs the firm)—a vigorous supporter of the Hitler regime—was described by prosecutors at the Nuremberg war trials as "the greatest single power behind the Nazi war machine."

□ That the growth of the Flick group during the Hitler era was undeniably accelerated through the acquisition of Jewish-owned businesses by coercion and at greatly deflated prices.

The Nuremberg trials ended with the late Friedrich Flick being sentenced to a seven-year jail sentence for exploitation of slave labor (notably concentration camp inmates), looting industries in occupied countries, and collaboration with Himmler's dreaded SS. Flick was also in the forefront in developing the Hitler war machine through the expansion of Germany's iron, steel, and coal production and the construction of tanks and armored cars. He was also active in the early development of the Luftwaffe.

It would, of course, be grossly unfair to indict the current Flick regime for the company's past sins. But there are legitimate questions to be raised. For example, where do Friedrich Karl Flick's current sympathies lie, and how will they impact the company's U.S. investments? Does the firm employ any former Nazis who strongly supported the Hitler war effort—including relatives and associates of the founder who also went to jail for their pro-Nazi

activities? Surely such questions are not out of line for a company that wants to be known and loved in America.

Byoir said there was no way Flick could legally respond, since it was involved in a tender offer for Grace shares. When I pointed out that the offer had already been completed, Byoir was back immediately with another phony excuse. It explained that sometime in early December, Flick would be holding a press conference in conjunction with the issuance of its annual report and that it wasn't about to undercut that conference with an interview. I assured Byoir I would confine my questions to the Nazi issue. I guess I said the wrong thing. Byoir told me to forget it. I also got a brush-off from the folks at Flick, who told me: "We'd prefer you deal with Carl Byoir." It seems Flick and Byoir have their runaround act down pat.

Flick aside, one can understand Byoir's sensitivity on the subject of German clients. You see, back in the 1930s the agency was hired by the German Tourist Information Office to promote American travel in Germany. And that effort later became the focal point of a couple of congressional investigations, amid allegations that the PR firm was spreading anti-Semitic propaganda. Byoir was quick to respond that it was "exonerated" on both occasions. Nonetheless, it's interesting to note that a G.S. Viereck, a known Nazi propagandist, testified at one of the hearings that he had been associated with Byoir for the purpose of encouraging U.S. tourists to come to Germany. Viereck later went to jail as an unregistered German agent.

Another question that popped into my mind is the reaction of W.R. Grace to Flick's background (keeping in mind, of course, that Grace is not about to antagonize a company that is not only its largest stockholder but that may, in fact, go for total control of Grace at some point down the road). I tried repeatedly to reach boss Peter Grace. Alas, no luck. A spokesman said the usually loquacious Grace was pro-



Grace: "I admire Ambros's integrity."

hibited from saying anything, as the company was in registration with a proposed food-company acquisition (a ludicrous response, since the two issues are unrelated). However, the spokesman did tell me: "Peter Grace knew the late Flick well. . . . They were friendly, and he [Peter Grace] respected him very much."

As it turns out, Friedrich Flick wasn't the only Nazi war criminal whom Peter Grace respected. I was in Washington the other week and got my hands on an internal State Department document related to an effort by Grace to obtain a visa for Dr. Otto Ambros. As outlined in the book *The Crime and Punishment of I.G. Farben*, by Joseph Borkin, Ambros, a brilliant scientist and the overall head of Farben's poison gas activities and synthetic rubber production at Auschwitz, received one of the stiffest sentences handed down at the Nuremberg trials: eight years for engaging in slavery and mass murder.

The memorandum, dated August 1, 1958, quoted Grace as saying in a letter to the U.S. ambassador to Germany: "During the seven years we have known Dr. Ambros and have had the opportunity of working with him, we have developed a very deep admiration not only for his ability, but more important for his character in

terms of truthfulness and integrity."

Grace concluded his pitch for a visa with the observation: "There would not appear to be any good reason which should prevent this."

Adverse publicity, though, blocked Ambros's entry into the U.S., and nearly ten years later the convicted war criminal was still trying for a visa. Interestingly, in his pursuit of a visa, Ambros, in a November 14, 1967, memorandum detailing his interest in coming to the U.S., spoke of his business association with the Flick group. In that memo, he also mentioned four U.S. companies he had done work for—Dow Chemical, Rohm and Haas, W.R. Grace, and Deering Milliken. The trail on Ambros is fuzzy after that, but at last reports, he was alive and living in Germany.

I rang up U.S. Filter to get its assessment of Flick's past. Like Byoir, it's running scared too. I was told by U.S. Filter counsel John Farrell Jr.: "You're dealing with controversy, and I won't discuss it with you on the phone." I volunteered to meet him face-to-face, but that didn't work. Farrell said his schedule the next couple of days just wouldn't permit it.

Byoir's shabby PR notwithstanding, all signs indicate that Flick is on the upswing as a factor in American business. European rumors have it that the German firm is anxious to strengthen its foothold here through investments in other important American companies. And hiring Byoir is regarded as part of that strategy. That being the case, Flick, at some point, will surely be pressed to come to grips with questions about its past and its relevance, if any, to the future. It may well be that its answers will quickly put to rest the entire ugly issue. Or maybe not. Considering, though, that the company will undoubtedly rely heavily on the advice of its own PR firm, the real question may be: Will Flick have sense enough to overrule its flack's (Byoir's) clumsy attempts to sweep the Nazi past under the rug? That could prove its biggest American challenge of all.

KI TO SLASH A-arms, envoy says

security. And third, they know d himself to (weapons) mod- if they wait, it will be harder" ack from a six-day, six-nation an allies, said the U.S. START a refinement of 30 competing

were "equality, verification, negotiability." He interpreted as meaning, "There must be i for both sides."

ed that the Soviet Union would Moscow was being asked to intercontinental ballistic mis- nited States, and more "throw- escent systems destined for y both sides, but usable as ips.

the United States would have submarine-launched ballistic he Soviet Union, he but agreed ad "about 5 million kilograms to our 2 million." (The figure

refers to the high-explosive equivalent of nuclear warheads.)

The bespectacled envoy, who was once Gen. Douglas MacArthur's press spokesman in Korea, also anticipated that the Soviet delegation might reject the U.S. units of account — warheads, not launchers.

"They will say equality of weapons is not equality of security," he predicted, hinting at the complexity of balancing different weapons systems designed to deter attacks on different portions of geography.

Rowny said Phase 1 of the talks would concentrate on ICBMs because these "have the highest yield, are the most accurate and are also the most vulnerable." He hoped to conduct all phases of the talks "in a continuum" but did not rule out possible interim agreements.

The United States would aim for a ban on encrypted telemetry — the absence of which from SALT II was one of the "fatal flaws" Rowny denounced. U.S. diplomatic sources

say the Soviets have agreed to the ban.

Telemetry refers to radio signals that reveal a missile's trajectory and range. If encrypted, START inspectors from each country would be unable to verify the ranges of each other's missiles.

Asked why both superpowers retained overkill capacities, Rowny said: "Because each side wants equality of deterrence and must therefore retain a second- or third-strike capability."

He added: "We have no intention of striking the Soviets, and I don't think they have any intention of striking us."

Despite the need for deterrence, if the one-third reduction in strategic warheads called for by Reagan were achieved, "We are not going to freeze at that point. We're going to go further, all the way to zero nuclear weapons, if possible."

the Nicaraguan Development hich provides credit to mem- ratives. An additional \$660,000 attlemen's Federation, \$455,000 of Agricultural Producers and s to groups such as coffee grow- oducers and a scholarship

c Church will receive \$115,000. Kemp, R-N.Y., who opposed the e decision a "dilemma." Kemp orted anti-Sandinista elements, d that any funds given to the would tend to strengthen the ; control.

im also can serve as a "clear mocratic groups in Nicaragua in American countries that the s can be counted on, said Otto nt administrator with the Agency onal Development.

aid other countries in the area, ed States, have their interests buildup of the private sector in

also said it was a misconception ipient groups for the aid were wners or already wealthy inter- most of the money would go to lass.

am Lehman, D-Fla., who voted said he wished there was a way id be directed toward the most he described as the "bled-white

andinista revolution in July 1979, States pledged \$75 million in aid a in an effort to encourage polit- m and a mixed economy.

m, however, as the government e leftist, support for the aid pro- ngress and the White House a result only about \$57 million leased.

Remove-Grace movement joined by 150 congressmen

BY A WASHINGTON TIMES STAFF WRITER

More than 150 congressmen have joined in a demand that President Reagan remove J. Peter Grace as chairman of the President's Private Sector Survey on Cost Control because of Grace's comments on Puerto Ricans and food stamps and his relationship with a convicted Nazi war criminal.

Grace, chief executive officer of the multibillion dollar W.R. Grace Company, was in Europe and could not be reached for comment on the congressional demand for his removal.

Within the last several weeks he has sought to clarify his comments made in a speech in Dallas on May 27 that "900,000 (Puerto Ricans) live in New York, and they're all on food stamps, so this food stamp program is basically a Puerto Rican program. I've got nothing against Puerto Ricans but this is a little much."

Yesterday, a White House spokesman said, "I can reconfirm the president's confidence in Mr. Grace."

The spokesman also said the White House had pointed out that in the Dallas speech Grace "was speaking for himself and not the president."

The spokesman said he had not heard of the charges that Grace was instrumental in bringing Dr. Otto Ambros, a German scientist sentenced to eight years in prison during the Nuremberg war crime trials, into the United States and that Grace then hired him as a consultant to his chemical company.

The congressional drive was launched by Rep. Robert Garcia, D-N.Y., and joined by

religious and ethnic groups, including the U.S. Catholic Conference, B'nai B'rith, National Puerto Rican Forum and the Mexican-American Legal Defense Fund.

The Private Sector Survey was established by Reagan as a watchdog agency to help find waste in government.

Several news reports have detailed the Grace-Ambros relationship, and a spokesman for Grace said Grace saw no problem in employing Ambros. The first records of the relationship are the correspondence that Grace had with the State Department seeking a visa for Ambros in the 1950s.

The day after the Dallas speech Grace issued a statement that said, in part:

"I believe, however, that in presenting this chart I said that 'almost all' of the Puerto Ricans in New York City are on food stamps and that this was basically a Puerto Rican program.

"These are oratorical mistakes for which I apologize."

Last week, Grace flew to Puerto Rico for a meeting with Gov. Carlos Romero Barcelo. As a result, Barcelo wrote to Reagan saying that Grace had a "sense of genuine remorse."

"I am satisfied that Mr. Grace truly desires to make amends with the people of Puerto Rico and that he has taken appropriate steps in making a real effort to do so."

Garcia said he and Barcelo work "under different political restraints." He pointed out the Puerto Rican Senate has passed a resolution calling for Reagan to remove Grace.

J. Peter Grace Raises Hispanics' Hackles In Speech at Dallas

Having Labeled Food Stamps 'Puerto Rican Program,' He Seeks to Apologize

By ANN HUGHES

Staff Reporter of THE WALL STREET JOURNAL

NEW YORK—J. Peter Grace, the outspoken chairman of W.R. Grace & Co., appears to be less adept at politics than at making money.

Mr. Grace, whose board gave him a \$1 million bonus last year in appreciation of his business accomplishments, has apologized for statements he made at a speech in Dallas last week.

Mr. Grace told the American Feed Manufacturers Association that the federal food stamp program is "basically a Puerto Rican program." United Press International reported that Mr. Grace also said that all the Puerto Ricans in New York City are on food stamps. Mr. Grace said he believes he said "almost all" the Puerto Ricans.

"These were oratorical mistakes for which I apologize. I do not want these verbal mistakes to be interpreted that I am against Puerto Rico or Puerto Ricans because I certainly am not," Mr. Grace said Friday after news reports with such headlines as "Stamps Puerto Ricans" appeared.

Mr. Grace heads President Reagan's Private Sector Survey on Cost Control in the

Federal Government. Asked to comment on Mr. Grace's remarks, a White House spokesman said, "Mr. Grace was giving his personal views and we have no comment on it."

Oakley Ray, president of the American Feed Manufacturers Association, said that Mr. Grace's main point was that "somehow or another spending and deficits had to be brought under control," and that Mr. Grace "used an awful lot of statistics." One statistical chart used by Mr. Grace in his speech is entitled "Puerto Rican Food Stamps."

Mr. Ray said he felt feed manufacturers who heard the speech didn't "even give it (the Puerto Rican remarks) a thought until they picked up the paper this morning. . . . He obviously wasn't intending to be critical of Puerto Ricans in any way."

Rep. Robert Garcia, who represents the South Bronx, took a less sanguine view, however. He said the remarks were "racist" and demanded both Mr. Grace's resignation and dismissal as head of the President's cost-cutting survey. Mr. Garcia said there isn't a place in the federal government for "a small-minded, mean-spirited, bigoted attitude."

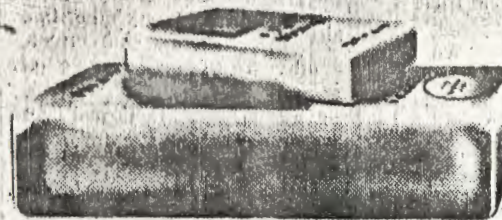
"We've been clobbered with everything today," said one Grace employe about the intensity of the reaction to Mr. Grace's comments. Another glumly said he's been told there would be a demonstration by Hispanic groups outside Grace's midtown Manhattan headquarters today.

The Grace spokesman said that Mr. Grace had been trying to reach Mr. Garcia to apologize but that, as of Sunday, had been unable to do so.

W.R. Grace, maker of chemicals with interests in natural resources and consumer services, has 99 employes and a fertilizer operation in Puerto Rico.

NOTICE OF REDEMPTION

**ATTENTION
GOLD OWNERS!
SWAP YOUR GOLD
FOR OUR KRUGERRANDS
AT SPOT***



Exchange your large bulky bars of unpopular ounces of gold for the famed Krugerrand or silver at spot, giving you instant liquidity, no loss and exciting built-in value. For further information, call Mr. Stuart M. Lopata, Director of Sales - Regional, 1-800-327-2811. International Gold Bullion. One of the most trusted and respected precious



U.S. National Archives & Records Administration

Current Status Details for SECL RECID: 094088CA MAIN SUBCODE: FG999

Current Status	None
User Name	dbarrie
Status Date	2012-12-20
Case Number	
Notes	Transferred to FG384

[Change Status](#)

[Close Window](#)

Review Status History

No.	Status	Date	User	Case Number	Notes
1	None	2012-12-20	dbarrie		Transferred to FG384

ID # 094088 CA

Dew/ FB 999
WS

OFFICE OF CABINET AFFAIRS ACTION TRACKING WORKSHEET

Action resulting from:

- document (attached)
- telephone call
- meeting (attach conference report if available)

Document Date: 82, 06, 25

From: Bud Nance

Date Received: 82, 08, 13

Subject: Intern at PPSSCC

ACTION CODES:

- A — Appropriate Action
- B — Briefing Paper
- C — Comment/Recommendation
- D — Draft Response
- F — Furnish Fact Sheet
- I — Info Copy Only/No Action Necessary
- R — Direct Reply w/Copy
- S — For Signature
- X — Interim Reply

ROUTE TO:

Date Sent	Name	Action Codes	Date Due	Action Taken
<u>82, 08, 13</u>	<u>Fred Fielding</u>	<u>C/R</u>	<u>82, 08, 18</u>	
<u>82, 08, 14</u>	<u>QUATII</u>	<u>C/R</u>	<u>82, 08, 17</u>	
<u>/ /</u>			<u>/ /</u>	
<u>/ /</u>			<u>/ /</u>	
<u>/ /</u>			<u>/ /</u>	
<u>/ /</u>			<u>/ /</u>	

COMMENTS: Any problem with a DOD intern at PPSSCC?

Originator: Dunlop Faoro Fuller Gonzalez Hart Hodapp

KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING MATERIAL AND WHEN THE ASSIGNED ACTION IS COMPLETE, RETURN TO:

Office of Cabinet Affairs
Attention: Karen Hart (x-2823)
West Wing/Ground Floor



THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

June 25, 1982

MEMORANDUM

TO: Craig Fuller

094088

FROM: Bud Nance *Bud*

SUBJECT: PPSS

As you know, we are keeping the PPSS spotless so far as government participation in our effort is concerned, with Janet being the only one on the government payroll. I hope to complete this effort at practically zero cost to the government. However, through an arrangement with "Doc" Cooke over at Defense, I have one of their presidential management interns over here on a rotational basis. As you know, they are newly graduated MBA's that Defense has on a two year "make you learn" period. They rotate to different jobs in Defense. At the end, Defense hopes to keep them. Of course, letting them rotate through here will be extremely beneficial to the intern and will help Defense, as well as giving me a little help. The intern here now is a young lady. She goes to all our meetings as an observer and does some administrative duties.

The fact I want to bring to your attention is we do have an intern here who is on the Defense payroll. However, I do believe it is to the government's advantage. Do you or Ed have any problems with this arrangement?

*7/10/82
Fred Fielding
Any problem w/
a 000 intern at
PPSSCC?
CF*

REC'D. CA JUN 28 1987

[Handwritten notes and signatures, including a large 'R' and 'C']

[Faint, illegible typed text, possibly a letter or report]

1987 JUN 28

Set up
planning -
meeting

Patsy/BND/Janet

Linda Faulhaber - x 7064



THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

will send scenario

[Handwritten signature]

OK

July 12, 1982

LD 1/15

094280
1140

FG384

MEMORANDUM FOR BECKY NORTON DUNLOP

FROM: JANET COLSON *[Handwritten signature]*

SUBJECT: Fact Sheet on the President's Private Sector Survey for use on July 15, 1982

Attached is a first draft of a fact sheet on the President's Private Sector Survey. The attachments have not been included, as they will change up until the last minute as we receive clearance forms, etc. Please let me know the absolute latest date and time when we can provide you with this information.

Tomorrow morning, we will messenger over to you for delivery to the speechwriters the attached fact sheet, some additional facts which the President might want to reference but which do not belong in the basic fact sheet itself, and some talking points.

I have spoken to Ken Cribb about Ed Meese's speech and we will follow the same approach as used for the President's remarks, focusing on different data, however.

Again, the attached is a draft since Bud Nance is out of town today. I will call you tomorrow if there are any major substantive changes.

cc: Craig Fuller

REC'D. CA JUL 12 1982

[Faint, illegible text, possibly bleed-through from the reverse side of the page]

[Faint, illegible text and markings at the bottom of the page, including what appears to be a signature or stamp]

CHF- ✓

For your 3:30
meeting w/

Janet Colson

Patsy / BND

Muffie -

Muffie will bring
suggested scenario.

DRAFT

FACT SHEET

President's Private Sector Survey on Cost Control in the Federal Government

Concept

On February 18, 1982, President Reagan announced the establishment of a Private Sector Survey for the purpose of finding new ways to control the cost of operating the Federal Government. The survey members will assist the various departments, agencies, and independent establishments of the Executive Branch to perform their duties in the most cost-effective and efficient manner possible. The individual task forces will be made up of citizens from across the country, drawing particularly from industry, labor, and the academic communities.

The Inspectors General, the Assistant Secretaries from Management, and the Office of Management and Budget will assist the survey teams as necessary and designate areas of interest in each agency for special survey emphasis.

A tax-exempt organization has been established with industry, labor, and the academic communities contributing financial and personnel resources to support the work of the Survey.

Objective

Special emphasis will be placed on eliminating operational overlap and duplication, identifying nonessential administrative activities, and increasing management effectiveness. Primary attention of the

MORE

task forces will be devoted to areas where maximum benefits can be realized from the efforts expended. To achieve measurable results, recommendations will:

- o Identify opportunities for increased efficiency and reduced costs that can be realized by Executive action, Executive Order, or Congressional legislation.

- o Determine areas where managerial accountability can be enhanced and administrative control can be improved.

- o Suggest managerial operating improvements over both the short and long term.

- o Pinpoint specific areas where further study can be justified by potential savings.

Organization

Three basic groups -- the Executive Committee, the Survey Management Office, and the individual task forces -- will undertake the review. It is anticipated that many individuals will be involved in the project on a volunteer basis.

- o EXECUTIVE COMMITTEE -- The Executive Committee consists of leaders from the business, labor, and academic communities. Members have been selected for their special abilities to give detailed advice on cost-effective management of large organizations. To date, _____ individuals have been officially appointed to the

Executive Committee, which is chaired by J. Peter Grace, Chairman and Chief Executive Officer of W.R. Grace and Company.

Additional individuals are in the process of being appointed to the Committee. A current list of appointments to date is attached.

As part of their contribution to the President's Private Sector Survey, members of the Executive Committee volunteer their time and the services of employees for staff work on the individual task forces, paying their salaries and expenses while serving on the project.

o SURVEY MANAGEMENT OFFICE -- The Survey Management Office is headed by James W. Nance, Director, and Janet Colson, Deputy Director. Offices are located in private sector space at 1850 K Street, N.W., Washington, D.C. 20006. The expenses of the Survey Management Office (space, supplies, support staff) are paid for by the Foundation for the President's Private Sector Survey, Inc., a not-for-profit corporation established for the purpose of supporting the work of the project.

o TASK FORCES -- The review of the Executive Branch of government will be undertaken by 35 task forces, 22 of which are organizationally focused and 13 of which are functionally focused. Task forces are headed by a project manager and are of varying size according to the agency and issues under review. All members of the task forces serve on a volunteer basis. A list of task forces identified to date, along with Executive Committee membership assignments, is attached.

Scope

This nonpartisan, nonpolitical review will be concerned with all major departments, agencies, independent establishments, and government organizations comprising the Executive Branch of the government.

The survey will concentrate on eliminating duplication and inefficiency. Policy, programs, and organizational structure will not be specifically addressed unless special circumstances so dictate.

Funding

Salaries and expenses of the full- and part-time management specialists will be paid by their respective employers. In addition, private sector organizations will provide funding and services to support the work of the task forces through the tax-exempt organization.

Schedule

Task forces are in the process of completing in-depth briefings. They will then prepare comprehensive work plans for the in-depth review of the departments and agencies. Preliminary plans call for the bulk of the review to occur during the months of July, August, and September, with task force reports to be submitted to the Management Office and the Executive Committee in October. A final report will then be prepared for submission to the President.

THE WHITE HOUSE
WASHINGTON

July 13, 1982

NOTE TO CRAIG FULLER

FROM: Patsy Faoro *pf*
SUBJECT: The President's Private Sector
Survey on Cost Control in the
Federal Government Event

The attached Draft Fact Sheet has been sent over to Fielding's office to start the approval process.

Attachment

REC'D. CA JUL 13 1982

'82 JUL 13 A11:33

FACT SHEET

President's Private Sector Survey on Cost Control in the Federal Government

Concept

On February 18, 1982, President Reagan announced the establishment of a Private Sector Survey for the purpose of finding new ways to control the cost of operating the Federal Government. The survey members will assist the various departments, agencies, and independent establishments of the Executive Branch to perform their duties in the most cost-effective and efficient manner possible. The individual task forces will be made up of citizens from across the country, drawing particularly from industry, labor, and the academic communities.

The Inspectors General, the Assistant Secretaries from Management, and the Office of Management and Budget will assist the survey teams as necessary and designate areas of interest in each agency for special survey emphasis.

A tax-exempt organization has been established with industry, labor, and the academic communities contributing financial and personnel resources to support the work of the Survey.

Objective

Special emphasis will be placed on eliminating operational overlap and duplication, identifying nonessential administrative activities, and increasing management effectiveness. Primary attention of the

task forces will be devoted to areas where maximum benefits can be realized from the efforts expended. To achieve measurable results, recommendations will:

- o Identify opportunities for increased efficiency and reduced costs that can be realized by Executive action, Executive Order, or Congressional legislation.

- o Determine areas where managerial accountability can be enhanced and administrative control can be improved.

- o Suggest managerial operating improvements over both the short and long term.

- o Pinpoint specific areas where further study can be justified by potential savings.

Organization

Three basic groups -- the Executive Committee, the Survey Management Office, and the individual task forces -- will undertake the review. It is anticipated that many individuals will be involved in the project on a volunteer basis.

- o EXECUTIVE COMMITTEE -- The Executive Committee consists of leaders from the business, labor, and academic communities. Members have been selected for their special abilities to give detailed advice on cost-effective management of large organizations. To date, _____ individuals have been officially appointed to the

Executive Committee, which is chaired by J. Peter Grace, Chairman and Chief Executive Officer of W.R. Grace and Company.

Additional individuals are in the process of being appointed to the Committee. A current list of appointments to date is attached.

As part of their contribution to the President's Private Sector Survey, members of the Executive Committee volunteer their time and the services of employees for staff work on the individual task forces, paying their salaries and expenses while serving on the project.

o SURVEY MANAGEMENT OFFICE -- The Survey Management Office is headed by James W. Nance, Director, and Janet Colson, Deputy Director. Offices are located in private sector space at 1850 K Street, N.W., Washington, D.C. 20006. The expenses of the Survey Management Office (space, supplies, support staff) are paid for by the Foundation for the President's Private Sector Survey, Inc., a not-for-profit corporation established for the purpose of supporting the work of the project.

o. TASK FORCES -- The review of the Executive Branch of government will be undertaken by 35 task forces, 22 of which are organizationally focused and 13 of which are functionally focused. Task forces are headed by a project manager and are of varying size according to the agency and issues under review. All members of the task forces serve on a volunteer basis. A list of task forces identified to date, along with Executive Committee membership assignments, is attached.

Scope

This nonpartisan, nonpolitical review will be concerned with all major departments, agencies, independent establishments, and government organizations comprising the Executive Branch of the government.

The survey will concentrate on eliminating duplication and inefficiency. Policy, programs, and organizational structure will not be specifically addressed unless special circumstances so dictate.

Funding

Salaries and expenses of the full- and part-time management specialists will be paid by their respective employers. In addition, private sector organizations will provide funding and services to support the work of the task forces through the tax-exempt organization.

Schedule

Task forces are in the process of completing in-depth briefings. They will then prepare comprehensive work plans for the in-depth review of the departments and agencies. Preliminary plans call for the bulk of the review to occur during the months of July, August, and September, with task force reports to be submitted to the Management Office and the Executive Committee in October. A final report will then be prepared for submission to the President.

END



THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

094527

1140

FG384

August 2, 1982

MEMORANDUM

TO: Ed Meese

FROM: James W. Nance *BOL*

SUBJECT: PPSS Weekly Management Information Report

Attached is the Management Information Report for the week of July 26-30, 1982. We are getting movement in the slow states and should be in much better shape in a short time.

Attachment

cc: Craig Fuller ✓

REC'D. CA AUG 04 1992



THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

Management Information Report

For

Week of July 26-30, 1982

Prepared By

The Management Office

(Limited Distribution)

President's Private Sector Survey

Box Score Data

(As of July 30, 1982)

<u>718</u>	Total PPSS Personnel*
<u>148</u>	Executive Committee Members
<u>124</u>	Executive Committee Members Assigned to Task Forces
<u>111</u>	Executive Committee Members Cleared by White House
<u>75</u>	Executive Committee Members Cleared for Task Force Assignment
<u>35</u>	Task Forces
<u>33</u>	Project Managers Appointed
<u>516</u>	Task Force Personnel (Excluding Co-chairs)
<u>6</u>	Foundation Staff
<u>48</u>	Management Office Staff
<u>31</u>	Task Forces Briefed
<u>2</u>	Task Forces Scheduled for Briefing
<u>2</u>	Task Forces Not Yet Scheduled for Briefing**
<u>27</u>	Task Forces Working On-Site
<u>5</u>	Work Plans Submitted to Management Office
<u>0</u>	Work Plans Reviewed/Returned to Task Forces
<u>0</u>	In-depth Reviews Underway

* (Executive Committee, Task Forces, Foundation Staff, Management Office)




** Federal Construction Management
Transportation

TASK FORCE STATUS BY MAJOR MILESTONE

AS OF: July 30, 1982

TASK FORCE	MILESTONES																	
	Co-Chairmen Assigned	Project Manager Appointed	"Core" Members of Task Force	Task Force Briefed by Mgt. Off.	Top Agency Officials Interviewed	Key OMB Contact Interviewed	Key GAO Contact Interviewed	Work On-Site Initiated	Work Plan Submitted to Mgt. Off.	Reviewed Work Plan Returned to Task Force	PHASE II COMPLETED	1st Monthly Prog. Brief. for Mgt. Off. Completed	2nd Monthly Prog. Brief. for Mgt. Off. Completed	PHASE III COMPLETED	Draft Task Force Rept. Submitted to Mgt. Off.	Mgt. Off. Suggestions Prov. to Task Force	Final Task Force Rept. Submitted to Mgt. Off.	Task Force Closed Out
(1) Agriculture																		
(2) Air Force																		
(3) Army																		
(4) ADP																		
(5) Boards-Banking																		
(6) Boards-Business																		
(7) Commerce																		
(8) Defense-OSD																		
(9) Education																		
(10) Energy/NRC																		
(11) EPA/SBA/FEMA																		
(12) Fed. Const. Mgt.																		
(13) Fed. Feeding																		
(14) Fed. Mgt. Sys.																		
(15) Fin. Asset Mgt.																		
(15) HHS-HDP/ACTION																		
(17) HHS-PHS/HCFA																		
(18) HHS-SSA																		
(19) Hosp. Mgt.																		
(20) HUD																		
(21) Interior																		
(22) Justice																		
(23) Labor																		
(24) Low Inc. Stds.																		
(25) Navy																		
(26) Personnel																		
(27) Proc./Contracts																		
(28) Real Prop. Mgt.																		
(29) R&D/NASA/NSF																		
(30) Space/Facilities																		
(31) State/ICA																		
(32) Transportation																		
(33) Treasury																		
(34) User Charges																		
(35) VA																		

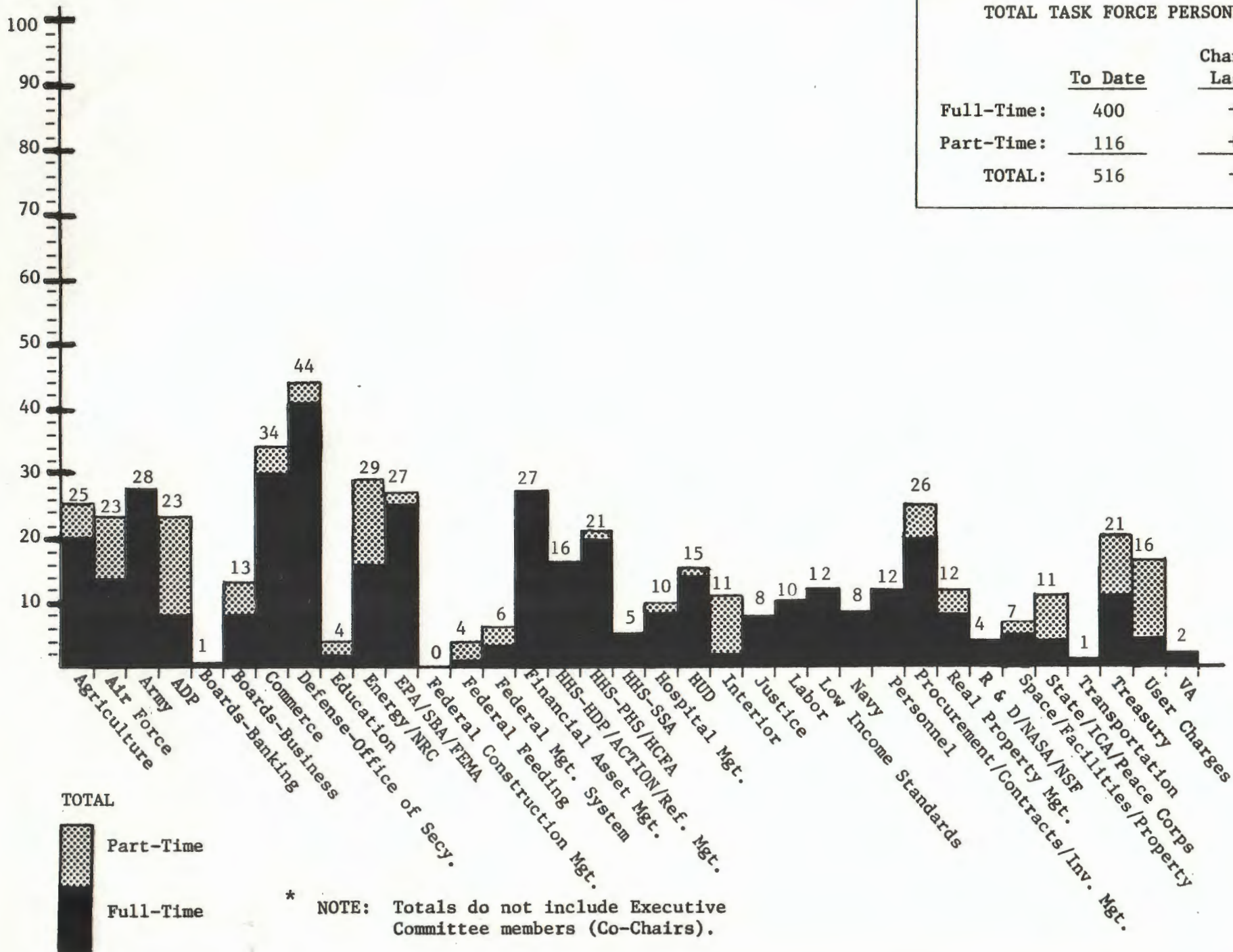
Note: The Management Office is part of the Office of the Chairman headed by J. Peter Grace, Chairman of the Executive Committee.

-  -- Milestone Accomplished
-  -- Progress from Prior Week
-  -- Informal Submission to Desk Officer

TASK FORCE RESOURCES COMMITTED

AS OF: July, 30, 1982

Task Force Personnel



TOTAL TASK FORCE PERSONNEL		
	To Date	Change From Last Week
Full-Time:	400	+ 64
Part-Time:	116	+ 6
TOTAL:	516	+ 70

* NOTE: Totals do not include Executive Committee members (Co-Chairs).

THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL



094716

1140

FG384

LO 16

August 6, 1982

MEMORANDUM

TO: C. Fuller, M. Baroody, R. Raborn

FROM: J. DiClerico JMD.

SUBJECT: PPSSCC Brochure

8/8/82

Jim
good work
I look forward
to seeing the
final product
C. Fuller

Enclosed is a draft copy for the brochure you have all seen mentioned in our communications plan.

It is a general purpose piece intended to give PPSSCC personnel a simple way to introduce the project to a broad range of contacts, and to respond to non-specific requests for information.

The format will be #10 envelope size with graphics that are crisp and appealing but far from posh. We're awaiting a "comp" from a graphics supplier, and we'll be happy to run it by you.

cc: J. Nance
J. Colson
J. P. Bolduc
M. Sanders

PPSSCC BROCHURE

THE MISSION

"It is simply not right for us to squander money that our grandchildren will be held accountable for. We must reverse this process."

With these words, President Reagan announced the formation of his Private Sector Survey on Cost Control in the Federal Government. By Executive Order 12369, signed June 30, 1982, he authorized a team of private citizens to search out overlap, duplication, red tape and non-essential administrative activities in the federal government and to recommend ways to eliminate them.

To spearhead the effort, the President enlisted 150 private-sector executives -- mostly chairman, presidents and/or chief executive officers representing many of the nation's leading corporations. He asked them to bring private-sector management experience and skill to bear on the goal of finding ways to control runaway government spending.

The executives oversee task forces performing in-depth reviews of all major departments and agencies of the executive branch of government. The work of the task forces, involving hundreds of volunteers and financial contributions from corporations and other organizations throughout the nation, will be completed by the end of 1982 when a report of findings and recommendations is submitted to the President.

THE PROBLEM

"Our federal government spends \$83 million an hour, and the interest on national debt for an hour is about \$10 million."

This is one of the astounding facts President Reagan has used to underscore a problem he calls "intolerable". Among other dramatic and alarming indicators of the growth in government spending and the impact of waste, inefficiency and fraud are these:

- o Federal spending nearly doubled in the six years between 1975 and 1981.
- o Between 1971 and 1981, federal debt per capita more than doubled.
- o The federal government now borrows nearly \$9 for every \$10 individuals and organizations put into savings.
- o In a recent year, nearly half of all federal employees claimed they saw or had direct evidence of fraud, waste or mismanagement.
- o A recent check of Social Security computer tapes found that 8,500 people reported dead by Medicare were still receiving benefits.
- o The Congressional Budget Office estimates that nearly 4 percent of 1981 budgeted outlays -- or about \$24 billion -- represented waste.

The victims of this runaway spending and associated waste include Americans at every economic level and in all phases and walks of life.

GUIDING PRINCIPLES

"I have never seen an organization -- whether a business, bank, charitable institution, university, state or city -- that doesn't have some inefficiencies and some waste. Periodic review is essential to keep up efficiency."

The approach of the President's ^{Private Sector Survey on} Cost Control Survey is reflected in this statement by J. Peter Grace, chairman of W.R. Grace & Company, and the person President Reagan selected to be chairman of the project's Executive Committee. Guiding the work are these principles:

- o Policy issues, such as whether given programs should be carried out, are the reserve of the Administration, the Congress and the public. However, to the extent that inadequate or inconsistent application of policy encourages fraud or waste, it becomes a proper concern of the Survey.
- o Reductions in spending should be achieved by managing better, not by sacrificing the quality of services.
- o The focus of the Survey is on systemic inefficiencies, not on the performance of individuals.
- o Running a government is different from running a business. But at the level of systems and procedures, the similarities make it possible for people from the private sector to both understand the problems and bring their experience to bear on them.

(more)

- o There is no single answer to the cost problems of government. A similar private-sector survey initiated by President Reagan when he was Governor of California produced ^{nearly} ~~about~~ 2,000 specific recommendations, some implementable by Executive order or Executive action, others requiring legislative action.

- o Both short-term and long-range solutions to wasteful government spending are sought. Some recommendations may be made, accepted and put into effect while the Survey is ongoing. Others may simply pinpoint areas where further study can be justified by potential savings.

ORGANIZATION AND PROCEDURES

"We want your team to work like tireless bloodhounds. Don't leave any stone unturned in your search to root out inefficiency."

President Reagan's charge to members of his Cost Control Survey left no doubt about the results-orientation of the project. The organization and methods of the team reflect this determined attitude:

Executive Committee

Directing the Survey organization is an Executive Committee of private-sector leaders, all chosen for their special abilities to give detailed advice on cost-effective management of large organizations.

Nearly half of these Committee members head companies in the Fortune 500. They are manufacturers and marketers of virtually every type of industrial and consumer product, and providers of key services to businesses and individuals. The non-partisan group represents about half the states and the District of Columbia.

Committee members volunteer their own time to the project as overseers and working members of task forces, committing at least two days a month to the Survey. They also contribute the services of their employees to work on the Survey.

Note: Executive Committee list in adjacent column.

Task Forces

The work of reviewing the operations of the executive branch is divided among 35 task forces. These include 23 assigned to cover individual departments (such as the Department of Transportation); sections of departments (such as the Department of the Army); or independent agencies (such as the Environmental Protection Agency).

Twelve other task forces study functional areas cutting across departments and agencies (such as data processing, personnel and real property management).

Co-chairing each task force are two or more members of the Executive Committee. Under the co-chairman, each task force is led by a fulltime project manager, who supervises the work of conducting interviews, gathering materials, analyzing findings and developing recommendations. Typically a task force has 40 to 50 members.

A team of senior, private-sector executives provides quality assurance to the work of the task forces and gives counsel and support to the Executive Committee Chairman.

Note: Task Force list in adjacent column.

Management Office

The third major element of the Survey organization is the Management Office, responsible for providing support to the task forces. The core of this office is a project management unit which provides technical guidance and liaison to the task forces.

Led by a director, deputy director and program consultant, the project management group consists of 12 "desk officers" -- professional, senior management consultants who have temporarily set aside their private practices to work on the Survey. Most are Washington-based executives with broad experience in working with the federal government. Each is responsible for preparing task forces for their assignments, guiding their efforts into the most productive areas of review, coordinating communications and monitoring progress.

Several staff groups of the Management Office assist the Executive Committee and the task forces. A legal counsel is responsible for analyzing statutory and legislative issues and providing other required legal services, and a public affairs section handles the Survey's communications with the media, the public and government representatives.

A government resources group from the Inspectors General offices, OMB, GSA and OPM act as bridge between members of the Survey team and the agencies they review.

FUNDING

Salaries and expenses of the task force members are paid by their employers. In addition, private sector organizations contribute funds which pay for overhead expense of the Management Office. Organizations that wish to contribute to the Survey should contact:

Foundation for the President's Private Sector Survey, Inc.
Suite 1150
1850 K Street N.W.
Washington, D.C. 20006
Telephone: (202) 466-7296

General communications should be addressed to:

The President's Private Sector Survey on Cost Control

Suite 1150

1850 K Street N.W.

Washington, D.C. 20006

Telephone: (202) 466-5170



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

094719

1110

FG384

FG6006-11

August 2, 1982

MEMORANDUM TO: JOE WRIGHT
HAL STEINBERG ✓

FROM: HOWARD MESSNER *Howard*

SUBJECT: President's Private Sector Survey--
Progress Report

1. The Commerce and Agriculture teams have completed their diagnostic surveys, prepared work plans, and commenced their in-depth review. Three other teams--Energy, Financial Asset Management, and Personnel--will reach this stage in one to two weeks. Sixteen additional teams are on-site and engaged in their diagnostic reviews. Two teams are still struggling to find project managers and get going--Banking and Investment and Transportation.
2. Peter Grace is planning to hold oral progress reviews for each team at the end of its first and second month of in-depth review. Information presented is expected to provide the first substantive results, or indications of results, for the Survey.
3. The third program managers' meeting was held July 27, and chaired by J.P. Bolduc. The managers were urged to make a concerted drive for findings and recommendations that can be reviewed in time for possible inclusion in the FY 84 budget. They were also urged to work more closely with their respective Inspectors General and Assistant Secretaries for Administration.
4. GAO has been very cooperative in meeting with the various teams and discussing issues and savings opportunities. They have drawn the line, however, on substantive information relating to any of their ongoing audits and studies.
5. A request will be made soon to obtain OMB's technical guidance in costing out various types of savings opportunities. The intent is to follow OMB costing policies, assumptions, and procedures where possible without getting bogged down in overly complex or sophisticated formulas and constructs.

'82 AUG -4 P1:31

8123

- 6. Local SES retirees are being contacted by teams needing staff and invited to serve pro bono. So far, the response has been negligible. The Senior Executive Association is helping by publishing a call for retiree volunteers in their monthly newsletter.
- 7. Several desk officers met with Sam Hughes, Alan Dean, Tom Morris, and other NAPA officials on July 23 for discussion of the Federal management process and recent NAPA studies in that area.

cc: Martha Hesse
David Gerson



**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET**

Date: 8/2

TO: CRAIG FULLER
FROM: Associate Director for Management

ACTION:

- Approval/Signature _____
- Comment _____
- Information _____
- Draft response for: _____
- For your handling _____
- Let us discuss _____
- File _____
- Set up Meeting _____
- With: _____

REMARKS:

2143