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**Box:** 17

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466899  
PR005-01

THE WHITE HOUSE  
WASHINGTON

December 3, 1986

MEMORANDUM FOR: KATHY OSBORNE  
THROUGH: WILLIAM L. BALL, III *WS*  
FROM: *TD* → NANCY KENNEDY *NK*  
SUBJECT: Autographed Photo

Earlier this year, Dr. Burton Smith gave the attached photograph to the head of U.S. Customs in Bermuda.

As I was leaving Bermuda last Sunday, I was asked to have it autographed. The head of U.S. Customs is Robert Daughtridge and I would appreciate it if the photo could be signed by the President and First Lady.

Please forward this photo to Jane Erkenbeck for the First Lady's signature.

Thanks so much!

*Left space for her.  
RR*

To Robert Daughtridge - With appreciation, every good wish & Very  
Loosey & Ronald Reagan

End  
class  
File



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503  
December 4, 1986

The President has seen

12/4  
44455055  
FA003

Final  
OK  
RR

MEMORANDUM FOR THE PRESIDENT

FROM: James E. Miller III

SUBJECT: Funding for Black Colleges and Other Postsecondary Programs for the FY 1988 Budget

In our budget session on Tuesday, some confusion arose (for which I take responsibility) on the proposed funding levels for Historically Black Colleges and Howard University. Let me clarify that the OMB passback contains "level funding" (at the FY 1987 level) for both of these accounts through FY 1992. In other words, the passback contains no cuts for these two programs.

The cuts that appeared in the briefing material result from program terminations and reductions in other educational activities, including: grants to improve management at financially weak schools; counseling and other services for students; a variety of small scholarship and fellowship programs; a number of Congressionally mandated small grants to specific institutions; programs providing grants or loans for construction; seven library grant programs; research and statistics; and departmental management. While Historically Black Colleges and Howard University may apply for such programs, the programs themselves are not designed for these institutions, but for institutions generally.

In light of this clarification, and in the context of Tuesday's discussion, I presumed this approach would meet with your approval. If not, please so indicate and I shall carry out your instructions immediately.

c: The Vice President  
The Chief of Staff

466668  
C0071

December 4, 1986

Dear Chuck:

I'm disobeying your command, but it will be a short answer. You are right, this is a busy time. Thank you for giving me the message from Malcolm Muggeridge and the flight crew -- they and you made my day.

I'm happy to say our polls, which had nosedived when the story broke, started turning around beginning Sunday, November 30 and by Tuesday were up several points. I hope they keep climbing. Apparently, my TV spot on Tuesday had quite an impact.

Again, thanks and all the best.

Sincerely,

**RON**

Mr. Charlton Heston  
2859 Coldwater Canyon Drive  
Beverly Hills, California 90210

RR:AVH:pps

RR Dictation

December 1, 1986

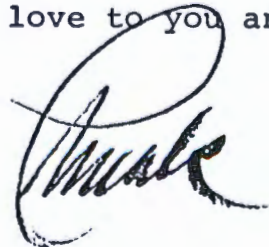
Dear Mr. President:

This is a busy time, don't respond, please. Aside from the pleasure of seeing you at Bill's dinner, I wanted you to know how strongly Lydia and I support you in the current gefuffle. You couldn't stay at the dinner and hear the letter Malcolm Muggeridge sent me to read to you. He said "At eighty-four, I can no longer fly the Atlantic, but please tell President Reagan how sorry I am to miss the opportunity to meet him and express my great respect for the courage and integrity with which he is confronting a very difficult situation." Add to this the comment of the flight crew on the way back to LA the morning after. The pilot told me, having seen the POST picture of us, "Hey, tell him to hang in, huh? That's all of us!"

There's also the toast an old friend of mine (a maverick Democrat) proposed at our Thanksgiving table: "To Colonel North..a good man in a good cause." Finally, a fragment from the grace I offered: "May you let us savor, Lord, the rewards that effort, time and fortune bring us, even as you help us bear the blows that also come from effort, time and fortune."

Don't waver. The people are yours.

... our best love to you and Nancy,





466667  
0071

December 4, 1986

Dear Nackey:

It was good to hear from you. This is just a line to bring you up to date. Evidently, my announcement on TV Tuesday, December 2 had something of an impact. Some have said it put a ring around the whole affair. Our own polls had begun to show a turnaround on the previous Sunday and by Tuesday afternoon were up several points, after a tremendous nose dive. I think most telling was my request for an "Independent Counsel" -- we used to call them a "Special Prosecutor." They are the same thing -- just the title is different.

So far we have only the two individuals who knew about the money transfer and didn't tell me. If the investigation reveals there were others, they, too, will go. Nackey, we had something good going that could have established a relationship with some responsible people in Iran. It is a distortion to suggest we were dealing with the Khomeini -- we could never do that. In fact, the people we were talking to were risking their lives. Now all the publicity has destroyed what we were trying to do and may have destroyed those people as well. The business of the money transfer was none of our doing and a complete surprise to us.

Again, thanks for writing. Nancy sends her best.

Sincerely,

MON

Mrs. William Loeb  
Post Office Box 780  
Manchester, New Hampshire 03105

RR:AVH:pps

RR Dictation

December 1, 1986

William Loeb, President and Publisher, 1946-1981  
Nackey Scripps Loeb, President and Publisher

President Ronald Reagan  
#16691  
The White House  
Washington, DC 20500

Dear Ron:

First of all, of course, you know I am thinking of you and Nancy through some tough times, probably the toughest you as President have had yet. Nevertheless, I think you still can have the love and support of the American people, much more than you have had from those around you. However, the people are waiting and hoping that you can show them that you are still a strong leader.

Years ago, my husband, Bill, said that the only fault that you had was that you were too nice for the job. I think that he was right and what worries me, and worries those who would support you, is that you are perhaps too nice to do what has to be done, and to do it quickly.

Remember in Nashua, New Hampshire, when you grabbed that microphone and would not give it up. Suddenly the country knew you would fight for what you believed and you turned defeat in Iowa into victory in New Hampshire and on to the White House.

A few heads must roll, but that is your only choice if you want to make the Reagan agenda become the agenda for the future. Any president of a company would fire someone like Secretary Shultz for disloyalty in his words and actions after this affair came to light. Any responsible father would turn his kid over his knee for such disloyalty, and that is what people understand. Also, to fail to tell you what goes on is not loyalty--the theory "what he doesn't know won't hurt him"--doesn't apply when "he" is the President, who must shoulder the responsibility. Replace these people with a Jeane Kirkpatrick or

President Ronald Reagan  
December 1, 1986  
Page II

a Paul Laxalt, or others who you can trust and who have the confidence of the American people. I will recognize the power plays you are up against, but after all, it is the President who still has the ultimate power.

For the good of your administration and the good of your country, uncomfortable as it might be, I hope you will act and act quickly. It is a matter of survival for everything in which we believe.

I enclose two of my front page editorials on the subject. This is a long letter, but it is written by a friend, a friend who is very worried at the moment, both for you and for the country.

Sincerely,

*Nackey*  
Nackey

NSL:Mrs. S. Raymond  
Enclosures

FEDERAL EXPRESS  
OVERNIGHT LETTER

## An Editorial

*Barby Hoeb*  
PUBLISHER



### No Time for Mr. Nice Guy

After six years of a successful Presidency, Ronald Reagan needs support like he never needed it before. True Americans will support him, but only if he takes control — quickly and firmly.

Once and for all, he must tell us and show us that he is in charge. And he must mean it.

He certainly has not gotten the proper support from some of those he appointed in the Cabinet or the White House or the National Security Council. Secretary of State Shultz has behaved disgracefully in blabbing about what a jerk he thinks the President is.

That is certainly what Shultz has done and what his sidekick, Whitehead, did before Congress last week. The Secretary looks more and more like just another candidate hoping to take over the Oval Office. He seems a great deal more eager to come out of this fiasco with the appearance of clean hands and pure heart than he is to serve the President.

The Secretary of State should be asked to leave.

The National Security Council, which, incidentally, includes Vice President Bush, was originally formed to serve in an advisory capacity, but now has evidently developed delusions of grandeur and not only attempts to set the policy, but believes its duty is to put it into operation.

We commend the President for patience and the decency of not wanting to blame his associates, but this is no time for Mr. Nice Guy.

What we need most of all at this time is a President willing to get rid of anyone who is not loyal to him and his program, a President who will take command, clean up this foolishness, and finish the job. We need Ronald Reagan in control.

## An Editorial

*Raymond*  
PUBLISHER



### Take Charge, Mr. President

There are things a lot more important for this country that President Reagan could be doing than having to fight his way out of the mess in which he now finds himself. But fight he must and he'll need the nation's support.

If Ronald Reagan didn't know about this bizarre Mideast-Nicaragua plan, that's not good for one who should be running things. If he did know, it's even worse.

The saddest part of the whole fiasco is that this nation is in a position where some felt it necessary to turn to the wrong methods to accomplish the right purpose — checking the Communists' drive, which has now spread to our doorstep in Central America.

That national purpose has been hobbled, by Communists abroad and by their sympathizers and dupes here at home. They have managed to get the Congress to halt aid to those who are resisting this onslaught and they have helped those who would buddy-up to the Communist system.

No wonder much of the country has lost sight of the dangers it faces.

But this whole Iran performance is something out of a movie script, with the Middle East. freedom fighters, Swiss bank accounts, secret rendezvous. Those who handled it, who should have been working in the best interest of the nation and the President, have instead produced results that could be disastrous for both.

With friends like these, the President doesn't need his enemies. He has every right to be furious. This newspaper commends him for coming out quickly to begin telling the American people what has happened.

It is now essential that he clean out the whole operation, for we cannot afford a government that has lost the people's confidence.

If we expect our President to lead this country in the next two years, he will need the people's support, which would be a lot more dependable than what he has been getting in Washington these days, from both outside and inside the White House.

— THE UNION LEADER, MANCHESTER, N.H. — Friday, November 28, 1966

To Mr. Charlton Heston 2857 Coldwater Canyon Dr,  
Beverly Hills Calif. 90210

Dear Chuck

I'm disobeying your command but it will be a short answer. You are right, this is a busy time. Thank you for giving me the message from Malcolm Muggeridge & the flight crew - they & you made my day.

I'm happy to say our polls which had nose dived when the story broke started turning around beginning Sunday Nov. 30 & by Tues. were up several points. I hope they keep climbing. Apparently my TV spot on Tues. had quite an impact.

Again thanks & all the best.

Sincerely Ron

To Mrs. Wm. Loeb P.O. Box 780 Manchester N.H. 03105

Dear Mackay

It was good to hear from you. This is just a line to bring you up to date. Evidently my announcement on TV Tues. Dec. 2<sup>nd</sup> had something of an impact. Some have said it put a ring around the whole affair. Our own polls had begun to show a turn around on the previous Sunday & by Tues. afternoon were up several ~~points~~ points after a tremendous nose dive. I think most telling was my request for an "Independent Council" - we used to call them a "Special Prosecutor". They are the same thing - just the ~~name~~ title is different.

So far we have only the two individuals who knew about the money transfer & didn't tell me. If the

Dear Church

I'm disobeying your command but it will be a short answer. You are right, this is a busy time. Thank you for giving me the message from Malcolm Muggeridge & the flight crew - they & you made my day.

I'm happy to say our polls which had nose dived when the story broke started turning around beginning Sunday Mar. 30 & by Tues. were up several points. I hope they keep climbing. Apparently my TV spot on Tues. had quite an impact.

Again thanks & all the best.

Sincerely Ron

To Mrs. Wm. Loeb P.O. Box 780 Manchester N.H. 03105

Dear Mackey

It was good to hear from you. This is just a line to bring you up to date. Evidently my announcement on TV Tues. Dec. 2nd had something of an impact. Some have said it put a ring around the whole affair. Our own polls had begun to show a turn around on the previous Sunday & by Tues. afternoon were up several ~~points~~ points after a tremendous nose dive. I think most telling was my request for an "Independent Council" - we used to call them a "Special Prosecutor". They are the same thing - just the ~~name~~ title is different.

So far we have only the two individuals who knew about the money transfer & didn't tell me. If the investigation reveals there were others, they too will go. (over)

Maybe we had something good going that could have established a relationship with some responsible people in Iran. It is a distortion to suggest we were dealing with <sup>THE</sup> Khomeini - we could never do that. In fact the people we were talking to were risking their lives. Now all the publicity has destroyed what we were trying to do & may have destroyed ~~some~~ <sup>those</sup> people as well. The business of the money transfer was none of our doing & a complete surprise to ~~us~~ us.

Again thank you for writing. Nancy sends her love.

ACTED

REDACTED

REDACTED

REDACTED

REDACTED

ACTED

REDACTED

REDACTED

REDACTED

REDACTED

ACTED

REDACTED

REDACTED

REDACTED

REDACTED

ACTED

REDACTED

REDACTED

REDACTED

REDACTED



THE WHITE HOUSE  
WASHINGTON

David Chew

Please take a  
look at these  
before they go  
back to AUIH.

Thanks!  
OK to go, DC 12/4/86  
Ho

WHORM: Presidential Handwriting File

FILE TRANSFER  
BY THE REAGAN LIBRARY STAFF

*Ronald Reagan Personal Papers  
to Presidential Personal (PP)*

Previously filed: *December 1986*

*Presidential Records*

New file location: *Folder 268*

Date of transfer: *5/4/99 JW*

End  
Case  
File

466673

61002

December 4, 1986

Dear Marge:

Thank you for the magnet and for your kind words. It was good to have you here, even if there was no time for a visit. Nancy sends her thanks and best regards, as do I. We'll hang in there.

Sincerely,

**RONALD REAGAN**

Ms. Marge Schott  
The Cincinnati Reds  
100 Riverfront Stadium  
Cincinnati, Ohio 45202

RR:AVH:pps

RR Dictation

446234

12/01/86

December 4, 1986

Dear Karlene:

I took up the matter of the farm and your mother's situation and have only just now gotten word back from our people. I'm sorry to say the word was not good. The law was against us in that the legal limit on a government farm loan is only one-fifth of the amount needed. I tried to see if there were any other avenues open but met with failure. I'm terribly sorry.

Sincerely,

**RONALD REAGAN**

Ms. Karlene Coon  
Route 1  
Filer, Idaho 83328

RR:AVH:pps


RR Dictation (Sample)

THE WHITE HOUSE

WASHINGTON

November 26, 1986

MEMORANDUM FOR THE PRESIDENT

FROM: ALFRED H. KINGON 

SUBJECT: Karleen Coon's Letter About Her Father's Suicide

You recently spoke to, and received a letter from, Karleen Coon about her father's suicide (see attached). Her father, Kenneth L. Tuckett, was a dairy farmer in Idaho. You asked Secretary Lyng to look into the situation.

Attached is a memorandum from Secretary Lyng explaining that notwithstanding the tragedy of the circumstances there is nothing that the Department of Agriculture can do.

The Tuckett farm was a large operation that had borrowed heavily from private institutions and was unable to pay its debt. Although they had not previously borrowed from Farmers Home Administration (FmHA), the Tucketts informally discussed the possibility of a \$1 million loan from FmHA last summer. FmHA could not loan the money because it exceeded their \$200,000 limit. The family did not avail itself of a lesser amount because it needed so much.

The Prudential Life Insurance Company and the Idaho First National Bank are foreclosing on the Tucketts' property and livestock.

Although terribly sympathetic to the plight of the Coons and Tucketts, Secretary Lyng suggests that no further action be taken by the Department of Agriculture.

I suggest you direct Fred Ryan to immediately have the Office of Private Sector Initiatives look into this case and others like it. You have often spoken about volunteerism and Americans helping one another. This is a wonderful opportunity.

Attachments



DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20250

MEMORANDUM FOR PRESIDENT REAGAN

FROM: Richard E. Lyng *Richard E. Lyng*

SUBJECT: Karleen Coon's letter about her father's suicide

In response to your request, I have looked into the situation on the Tuckett farm. Karleen Coon's father, Kenneth L. Tuckett, took his own life on October 1, 1986.

The Tuckett farm in Filer, Idaho, was a very large dairy operation with a 1,000 cow herd and about 400 milking at any one time. Mr. Tuckett was a good dairyman and had an excellent reputation throughout the community.

It appears that the Tucketts borrowed heavily to expand. The debt grew beyond their means to service it, and their world caved in. In August, they filed for Chapter 11 bankruptcy. The Prudential Life Insurance Company is foreclosing on the land, and the Idaho First National Bank has taken the milking herd.

The Tucketts have not been borrowers from USDA's Farmers Home Administration (FmHA). Last June or July, they informally discussed the possibility of a one million dollar FmHA loan, but this exceeds our \$200,000 limit and could not be done.

This is a tragic case, Mr. President, and Mr. Tuckett's family is understandably shaken and depressed. There is no action we can take to prevent the loss of this farm. It should be kept in mind that most U.S. dairymen are doing well and have been for several years. During your presidency, the federal government has spent well over \$10 billion in dairy support programs. We are now half-way through the "whole-herd" buyout program. Had Mr. Tuckett chosen to sell out, he could have grossed at least \$1.3 million. We understand his debt exceeded that amount.

Unless you made a commitment to Karleen Coon, I suggest that no further action be taken.

Rich  
This young lady told me her father was turned down  
for help. I spoke to her on the phone. I know the farm  
program is pretty tight today as to who is eligible for  
help but could someone look into this? Her mother is still  
charging on so evidently the farm hasn't been foreclosed as yet.  
Please see that President Reagan gets this note. RR

My name is Karleen Coon. I am the daughter of Kenneth L.  
Tuckett of Montevew, Idaho.

The bankruptcy law that you signed earlier this week -- I  
wish it was signed in 1985, because if it had been, my father  
would still be alive. He was one of the farmers whom was  
foreclosed upon. He was a good farmer. He has good farmland, and  
he was a good dairyman. But the bank refused to work with him --  
no matter how hard he tried. Plan after plan was denied. They  
took everything away from him, the cows, machinery, electricity,  
money, pride, ego, love, and finally his life. He shot himself  
under the chin with a 30.06 October 1, 1986. He left a wife, 5  
children, and 10 grandchildren who loved him so much.

I just pray that this law will save the lives of other  
farmers. And with every life that is saved, I'll thank you. Its  
too late for my father but let's hope its not too late for  
others. I'd love to come to the rally, but there are more people who  
are more important than myself.

God bless you for the good you have done.

Sincerely,

/s/ Karlene Coon

Route 1

Filer, Idaho 83328

(208) 326-4017



5

Please see that President  
Reagan gets this note.

My name is Tariene Coon.  
I am the daughter of Kenneth  
T. Tuckett, of Montevideo, Minn.

The bankruptcy law that  
you signed earlier this week  
I wish it was signed in  
1985. Because if it had  
been my father would still be  
alive. He was one of the farmers  
whom was foreclosed upon.  
He was a good farmer he has  
good farmland and he was  
a good dairyman - but the bank  
refused to work with him -  
no matter how hard he tried  
~~at~~ plan after plan was denied.  
They took everything away from  
him. The cows, machinery, electricity,  
money, pride, ego, love and  
finally his life. He shot himself  
under the chin with a 30.06.  
Oct 1, 1986. leaving a wife, 2  
children, 16 grand children who  
loved him so much.

I just pray that this law  
(1986)

Will save the lives of other  
farmers. and with every life  
that is saved. I'll thank you.  
It's to late for my father but  
lets hope its not to late for  
others..

I'd have come to the rally  
but there are more people  
who are more important  
than myself.

God Bless you. for the  
good you have done..

Sincerely

Karlene Coon

Rt 1

Filer, Idaho

833-28

208-326-4017

466672

F 6 005

December 4, 1986

Dear Henry:

Thank you for your mailgram and words of support. As you know, I've appointed Frank Carlucci to be National Security Adviser. He was the unanimous recommendation of Cap, Shultz and Bill Casey. I don't think Jeane Kirkpatrick would be interested in anything less than a Cabinet post, if that. We're only talking two years, and she has a longtime contract at a University. I share your opinion of her; she's great and I admire her very much.

Ed Meese is asking the three-judge panel to appoint a "special prosecutor;" only now they've changed the title to "Independent Counsel" -- but it's the same job.

Nancy sends her love, and from both of us to Grace.

Sincerely,

**RON**

Mr. Henry Salvatori  
1901 Avenue of the Stars  
Los Angeles, California 90067

RR:AVH:pps

RR Dictation

MAILGRAM SERVICE CENTER  
MIDDLETOWN, VA, 22645  
01AM

Western  
Union Mailgram

1-040823S335 12/01/86 ICS IPYRNCZ CSP WHSB  
2132773444 MGMB TDRN LOS ANGELES CA 82 12-01 0652P EST

PRESIDENT RONALD REAGAN  
WHITE HOUSE  
WASHINGTON DC 20500

ATTENTION KATHY OSBORNE

STRONGLY RECOMMEND YOU GIVE YOUR UTMOST CONSIDERATION TO THE  
APPOINTMENT OF JEANE KIRKPATRICK AS YOUR NEW NATIONAL SECURITY  
ADVISOR. WITHOUT KNOWLEDGE OF ALL THE FACTS IT APPEARS TO ME THAT IT  
WOULD BE WISE FOR YOU TO AGREE TO A SPECIAL PROSECUTOR TO INVESTIGATE  
THE IRANIAN AFFAIR.

REST ASSURED THAT WHATEVER YOUR DECISION YOU CAN COUNT ON GRACE AND  
ME TO BE WITH YOU ALL OF THE WAY. BEST WISHES

HENRY SALVATORI

18:51 EST

*1901 Avenue of the Stars  
Los Angeles CA 90067*

MGMCCMP

466671  
C0071

December 4, 1986

Dear Paul:

Thanks for writing as you did and for your generous words. I share your observations about the media. I think we've put a ring around this thing now with my TV announcement on Tuesday. Even here in Washington, where the fire burns the hottest, you can feel a difference. But we'll go forward with the Independent Counsel and take whatever action his findings may call for. I'm happy to say that our own pollster (and he's the best) found that, after my nose dive, the polls between Sunday and Tuesday turned up by several points.

Nancy sends her best and, again, my thanks.

Sincerely,

**RON**

Mr. Paul Trousdale  
1703 Fernald Point Lane  
Santa Barbara, California 93108

RR:AVH:pps

RR Dictation

1703 Fernald Lane  
Point  
Santa Barbara Calif. 93108

PAUL TROUSDALE

11/25/56

Dear Mr President

We happened to be at the White House for a large dinner just after the Watergate Hotel breakin. After minute a little fat lady reporter insisted upon accompanying us back to our hotel. Jean went to bed, and I bought drinks for this person and listened carefully for 3 hrs. She told me: "We are going to get the president as we now have a foot in the door for the first time, and will never let up." I asked why, and she said "because he is a danger to our cause". I asked what cause, and she said "the cause that everyone should share and share alike every dollar from US production".

The next day I warned the president; the liberal press where out to get him no matter how.

I believe the communists have infiltrated our schools and press.

a word of extreme caution. Take the offensive. The last press conference came across defensive. You have nothing to hide but they are trying to catch you in the smallest misstatement and blow it up. The only way they got RN, a fine man + president, was making it appear the great white father lied to his children.

3

PAUL TROUSDALE

The truth of the matter is simply that:  
The Communists have Cuba + now Central  
America

The Communists are supplying arms to  
try and take over Iran, and then the far  
East, and then control the oil supply of the  
world, and then to take over the world.

~~That~~ No country can operate with a  
press who is pre informed of every move.  
The risk to friendly Iranians and others in  
other countries is simply that the press  
causes death to our allies.

I suggest you prepare a statement  
leaving nothing they can trip you on  
make it again, even tho you have in  
my opinion already done so — and give  
no press conferences to those sharks  
(bastards + bitches I consider them)

I am God Damn mad. After this  
is over I am going to start a chain letter  
to every Editor in the US, probably to no  
avail. Frustrating to say the least.

The majority all love you to the mistery  
of the press. Keep fighting for us. Best wishes, Paul

very much. -

Ed Meese is asking the 3 judge panel to appoint a "special prosecutor" only now they've changed the title to "Independent Council" - but it's the same job.

Nancy sends her love & from both of us to  
Grace. Sincerely Ron

To Paul Trousdale 1703 Fernald Point Lane  
Santa Barbara Calif.

Dear Paul

Thanks for writing as you did and for your generous words. I share your observations about the media. I think we've put a ring around this thing now with my ~~radio~~ TV announcement on Tues. Even here in Wash. where the fire burns the hottest you can feel a difference. But we'll go forward with the independent investigator & take whatever action his findings may call for. I'm happy to say that our own pollster (and he's the best) found that after my nose dive the polls between Sunday & Tues. turned up by several points.

Nancy sends her best and again my thanks.  
Sincerely Ron



To Ms. Marge Schott - The Cincinnati Reds  
100 Riverfront Stadium  
Cinn. Ohio 45202

Dear Marge

Thank you for ~~my~~<sup>the</sup> magnet & for your kind words. It was good to have you here even if there was no time for a visit. Nancy sends her thanks & best regards as dad. We'll hang in there.

Sincerely RR

To Ms. Karleen Coon Route 1 Filer Idaho 83328

Dear Karleen

I took up the matter of the farm & your mother's situation and have only just now gotten word back from our people. I'm sorry to say the word was not good. The law was against us in that the legal ~~limiting~~ limit on a <sup>govt.</sup> farm loan ~~was~~ <sup>is</sup> only one fifth of the amount needed. I tried to see if there were any other avenues open but met with failure. I'm terribly sorry.

Sincerely RR

To Mr. Henry Salvatori 1901 Ave. of the Stars  
L.A. Calif. 90067

Dear Henry

Thank you for your mailgram and words of support. As you know I've appointed Frank Carlucci to be Nat. Security Advisor. He was the unanimous recommendation of Cap, Schultz & Bill Casey. I don't think ~~James~~ K. would be interested in anything less than a Cabinet post if that. We're only talking 3 yrs. & she has a long time contract at a university. I shall

Thank you for ~~my~~<sup>the</sup> magnet & for your kind words. It was good to have you here even if there was no time for a visit. Nancy sends her thanks & best regards as dad. We'll hang in there.

Sincerely RR

To Mrs. Karleen Coon Route 1 Filer Idaho 83328

Dear Karleen

I took up the matter of the farm & your mother's situation and have only just now gotten word back from our people. I'm sorry to say the word was not good. The law was against us in that the legal ~~limit~~<sup>limit</sup> on a <sup>govt.</sup> farm loan ~~is~~ only one fifth of the amount needed. I tried to see if there were any other avenues open but met with failure. I'm terribly sorry.

Sincerely RR

To Mr. Henry Salentoni 1901 Ave. of the Stars  
L.A. Calif. 90067

Dear Henry

Thank you for your mailgram and words of support. As you know I've appointed Frank Carlucci to be Nat. Security Advisor. He was the unanimous recommendation of Cap, Shultz & Bill Casey. I don't think ~~James~~ K. would be interested in anything less than a Cabinet post if that. We're only talking 2 yrs. & she has a long time contract at a university. I shall <sup>love</sup> your opinion of her, she's great and I admire her

End  
Case  
File

466665  
C0671

December 5, 1986

Dear Ron:

Thank you very much for your kind letter; I'm most grateful. Thank you, too, for your prayers. I have great faith and belief in the power of prayer, and as Lincoln once said, "In this job I've been driven to my knees many times because there was no place else to go."

I'll try to be the right kind of "dog" as this "fight" goes on. Again, my heartfelt thanks.

Sincerely,

RONALD REAGAN

The Honorable Ronald H. Walker  
Presidential Plaza  
900 19th Street, N.W.  
Washington, D.C. 20006

RR:AVH:pps

RR Dictation

To Mr. Ronald H. Walker - Presidential Plaza,  
900 19<sup>th</sup> St. N.W. Wash. D.C.

Dear Ron

20005

Thank you very much for your kind letter,  
I'm most grateful. Thank you too for your  
prayers. I have great faith & belief in the power  
of prayer and as Lincoln once said; "In this fair  
I've been driven to my knees many times because  
there was no place else to go."

I'll try to be the right kind of "dog" as this  
"fight" goes on. Again my heartfelt thanks.

Sincerely

RR

RONALD H. WALKER  
Presidential Plaza, 900 19th Street, N.W., Washington, D.C. 20006

December 3, 1986

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

As one who felt the sting of Watergate -- I have watched the circling the last couple of weeks with despair.

I know you will handle this problem as you have handled so many before. You have such a reservoir of support across the country. As a businessman, I see it every day.

I wish there was more I could do for you and Mrs. Reagan, but please know that you are in my prayers.

I will close with one I am sure that you have heard before, but it is applicable.....

"It is not the size of the dog in the fight,  
it is the size of the fight in the dog."

Sincerely,



Ronald H. Walker

End  
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ME001-03



End  
Lusc  
File

Mrs. Peter D. Hannaford  
2900 "O" Street N. W.  
Washington, D.C. 20007

J. Phoned  
RK

Dear Mr. President,

Thank you for your note of good wishes. I am almost fully recovered from the broken bones. I'm looking forward to getting back up on a horse, the culprit included, and will do so after the holidays. In the meantime, Peter has the pleasure of exercising his two gold ponies and my "Tatos".

After our wonderful trip to Paris where Peter attended the International Conference on Private Sector Initiatives, we went to London and on to Broadway where we visited your old friend Ed Read and his wife Maryanne. They are both well and send you fond greetings.

Peter and I will always be supportive of you, and hope all goes well for you in the weeks ahead.

Again, thank you for thinking of me. Best wishes for a happy holiday season.

With love,

Irene

7 December 1986

466985  
(0071)

December 8, 1986

Dear Mr. Crosby:

Thank you very much for your letter and words of support. I'm most grateful.

I appreciate also your suggestion about getting a list of questions from Congress and supplying answers. Right now, however, we have a problem with that. I have given the Congress and the press all the information we have. That's why we are bringing in a Special Counsel. These are things about which we don't have the answers. I approved the plan of entering into dialogue with those Iranian individuals. When the leak led to the press exposure, I told them all I knew. The money problem was not known by me and was discovered by the Attorney General in his investigation. He told me what he had found out at 4:30 on a Monday afternoon. On Tuesday morning I told the leaders of Congress and the press what I had learned. Now there will be a House committee and a Senate committee, as well as the Special Counsel searching for whatever additional facts there may be.

Again, my thanks, and thanks for your prayers.

Sincerely,

**RONALD REAGAN**

Mr. Philip B. Crosby, Sr.  
455 Beloit Avenue  
Winter Park, Florida 32789

RR:AVH:pps

RR Dictation

15

KS

Personal  
List  
in Mem  
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date, no  
code

PHILIP B. CROSBY, SR.  
455 BELOIT AVENUE  
WINTER PARK, FLORIDA 32789

1 December, 1986

Hon. Ronald Reagan

Dear Mr. President,

As one of your "Eagles" I want you to know that I am on your side. The using of power is not a science, the sharing of it is impossible.

Corporations pay me and my company very large sums for advice on quality and "getting things done right the first time". We teach them simplicity.

If I were asked for counsel in this present situation I would make only one suggestion: ask Congress for a list of questions they would like answered. Then have them answered clearly and openly. Then answer the follow up list and then go on the offensive with some other subject.

Also it might be a wonderful idea to just say: "This may not have been the greatest idea I ever had".

As I told you in Miami in October we are praying for you.

Best regards,

  
Philip B. Crosby

To Mr. Philip B. Crosby Sr., 455 Beloit Ave.  
Winter Park Fla., 32789

Dear Mr. Crosby

Thank you very much for your letter and words of support. I'm most grateful.

I appreciate also your suggestion about getting a list of questions from Congress and supplying answers. Right now however we have a problem with that. I have given the Congress and the press all the information we have. That's why we are bringing in a special investigator ~~to~~

There are things <sup>about which</sup> we don't have the answers. I approved the plan of entering into dialogue with three Iranian individuals. When the leak led to the press exposure I told them all I know. The money problem was not known by me and was discovered by the Attorney General in his investigation. He told me what he had found out at 4:30 on a Mon. afternoon. On Tues. morning I told the leaders of Cong. & the press what I had learned. Now there will be a House committee & a Senate committee as well as the special council ~~to~~ searching for whatever additional facts there may be.

Again my thanks & thanks for your prayers.

Sincerely RJK

To Rev. Billy Graham (We have his address)  
Dear Billy

Being on a Caribbean Island had a rather heavenly sound right now. I hope it was a wonderful time for you both.

This is just a line to thank you for

words of support. I'm most grateful.

I appreciate also your suggestion about getting a list of questions from Congress and supplying answers. Right now however we have a problem with that. I have given the Congress and the press all the information we have. That's why we are bringing in a special investigator.

There are things <sup>about which</sup> we don't have the answers. I approved the plan of entering into dialogue with three Iranian individuals. When the leak led to the press exposure I told them all I know. The money problem was not known by me and was discovered by the Attorney General in his investigation. He told me what he had found out at 4:30 on a Mon. afternoon. On Tues. morning I told the leaders of Cong. & the press what I had learned. Now there will be a House committee & a Senate committee as well as the special council ~~to~~ searching for whatever additional facts there may be.

Again my thanks & thanks for your prayers.

I sincerely ROR

To Rev. Billy Graham (We have his address)  
Dear Billy

Being on a Caribbean Island had a rather heavenly sound right now. I hope it was a wonderful time for you both.

This is just a line to thank you for your message and for Isaiah 43:2 believe me it  
(over)

helped and was & is most comforting.

Nancy sends her very best & from both of  
us regards to Ruth.

Sincerely  
Ron

466674  
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December 8, 1986

Dear Billy:

Being on a Caribbean Island had a rather heavenly sound right now. I hope it was a wonderful time for you both.

This is just a line to thank you for your message and for Isaiah 43:2; believe me, it helped and was, and is, most comforting.

Nancy sends her very best, and from both of us regards to Ruth.

Sincerely,

**RON**

The Reverend Billy Graham  
Post Office Box 937  
Montreat, North Carolina 28757

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RR Dictation

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PMS THE PRESIDENT, DLR

ATTN KATHY OSBORNE, DLR

WHITE HOUSE

WASHINGTON DC 20500

RUTH AND I ARE ON A SMALL ISLAND IN THE CARIBBEAN BUT WE ARE PRAYING FOR YOU SEVERAL TIMES A DAY

WE ARE CLAIMING ISAIAH 43:2 "WHEN THOU PASSEST THROUGH THE WATERS, I WILL BE WITH THEE; AND THROUGH THE RIVERS, THEY SHALL NOT OVERFLOW THEE; WHEN THOU WALKEST THROUGH THE FIRE, THOU SHALT NOT BE BURNED; NEITHER SHALL THE FLAME KINDLE UPON THEE."



GOD BLESS YOU  
BILLY GRAHAM

1044 EST

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THE WHITE HOUSE  
WASHINGTON

December 8, 1986



PAT BUCHANAN:

The President thought you would be interested in this information. If this isn't self-explanatory, just give me a call.

  
David Chew

THE WHITE HOUSE  
WASHINGTON

December 4, 1986

*File*

AL KINGON:

FYI, the attached has been forwarded to the President in response to a request he made.

David Chew

THE WHITE HOUSE  
WASHINGTON

December 4, 1986

MR. PRESIDENT:

Attached is Bill Brock's response to the concerns about the JTPA Program you saw in the current issue of Human Events. Bill's letter is responding to a note that Don Regan sent setting forth your concerns.

DAVID  
David L. Chew

Thanks - David I think  
Pat Buchanan might like to  
see this - the article & the  
reply. RR



STAFF PAPER

Response to "The Failure of  
Federal Job Training Programs"

This is a review of "The Failure of Federal Job Training Programs" written by James Bovard and published August 28, 1986 by CATO Institute as Policy Analysis No. 77. The Bovard paper attempts to present the last 25 years of job training programs as expensive failures which, moreover, have harmed those they were targeted to help. After a few negative words about the Work Progress Administration, the writer criticizes programs beginning with the Area Redevelopment Act (ARA) and progressing through to the Job Training Partnership Act of 1982 (JTPA).

We have not commented on the writer's anecdotal account of earlier job training program history from ARA to CETA, since your principal concern is with the major task of managing JTPA. However, the type and number of errors which are rife in the JTPA section of Mr. Bovard's paper clearly indicate the likelihood of similar misrepresentations in the critique of earlier programs. Mr. Bovard's analysis contains a number of factual errors and seriously misrepresents the accomplishments achieved under JTPA. While a few problems have emerged as the program matures, the basic concepts which underlie the system are sound and widely accepted as such. Mr. Bovard either does not understand these accepted concepts or does not hold with them.

One fundamental principle which undergirds the program is that a partnership between the public and private sectors is essential to effectively address the employment needs of economically disadvantaged youth and adults. Consequently, the JTPA program fashions a cooperative effort among business, labor, educators and elected officials at the State and local levels. Private Industry Councils (PICs) and local elected officials work together to tailor job training programs which match the requirements of local labor markets. This means training disadvantaged participants in the job skills demanded by employers.

Mr. Bovard's principal thrust suggests that this public/private partnership approach is of limited value at best, and is more likely a grand ruse designed to line corporate pockets with

taxpayer dollars. This of course impugns the integrity of those 15,000 members of PICs, including 8,500 business persons who volunteer their time to advise and direct this nationwide public effort. More importantly, the private sector involvement best ensures the training is offered for jobs which exist.

Moreover, the attack against on-the-job training (OJT) subsidies to employers as a "private-sector boondoggle" is clearly unjustified. OJT is the most effective tool for placing disadvantaged participants into workplace training settings; and employer-based training is known to result in permanent private sector jobs more often than training conducted outside the workplace. In short, while OJT doesn't create jobs, it does create training opportunities and permanent employment for disadvantaged people; unskilled people who would typically not be hired.

Compensation for these training programs clearly represents a trivial percentage of all private sector training. Indeed, OJT programs in JTPA simply represent an honest attempt to provide economically disadvantaged individuals with access to the wealth of occupational training provided by the corporate sector. This also makes society an obvious winner.

Mr. Bovard also claims that the Department used "sleight of hand" to inflate the program's success. However, JTPA's placement rates do not exclude people who drop out of the program, as he alleges; they do appropriately exclude those still receiving program services. While it is possible that the most employable may find jobs first in a new program, JTPA is a mature enough program that basing placement rates on terminees rather than enrollees has not overstated success; the entered employment rate was 64 percent during both the transition year and the last program year.

Similarly, Mr. Bovard misuses the Gary Walker study to leave the impression with the reader that the people placed by JTPA hold jobs for only one day. In fact, the Department places so much value on the objective of securing stable employment for program participants that we are implementing a ninety-day follow-up of participants on an ongoing basis. We are confident that the results will far surpass the anecdotal evidence cited for the CETA program by Mr. Bovard.

Mr. Bovard raises the issue of "creaming"; that JTPA only serves the most employable of the disadvantaged. Clearly program operators must balance a desire to serve those most in need with a determination to serve those who will benefit most from training services. This is an important and difficult judgment Congress gave to States and localities to make. Our analysis shows that JTPA administrators are quite successful in reaching individuals who are substantially disadvantaged. JTPA entrants have lower incomes, longer periods of unemployment and are more likely to be minorities or on welfare than are the eligible population. Only on the measure of education does JTPA enroll a relatively more advantaged population. And this may simply signify a higher degree of motivation, certainly a wise factor on which to ration scarce training resources.

Mr. Bovard also criticizes JTPA for having guidelines so broad that twice as many individuals are eligible for JTPA as were for CETA. This is clearly wrong. The eligible populations under the basic training titles of both programs are poor people, the economically disadvantaged.

Mr. Bovard takes particular issue with the fact that JTPA permits employed persons to apply for training. He suggests that a large proportion of JTPA enrollees have quit their jobs simply to enter government-subsidized training. There is no evidence this occurs and little incentive because JTPA offers no training stipends. In fact, only 5 percent of JTPA enrollees are employed full-time at application, while another 5 percent are employed part-time. And these workers are still poor.

The Bovard article also makes an issue out of the fact that roughly a fifth of JTPA enrollees have some college or post-high school education. While it is correct that 17 percent of enrollees have some post-high school training, these individuals are probably those that have spent a year or even less in a community college or technical school. And they are also economically disadvantaged.

Mr. Bovard also criticizes the JTPA program's average wage at placement of \$4.62 an hour by saying that it is barely half the national average hourly wage of \$8.64. It is difficult to know what to make of such a comparison. JTPA participants, by definition, are either economically disadvantaged or suffer from barriers to employment. Close to 40 percent of them are youth.



Seventy-two percent were unemployed and looking for work at program application, and another 18 percent were out of work and not even looking for jobs. All are entering new jobs for which they will be paid the entry wage. Because JTPA serves individuals with employment difficulties, is it fair to judge the program by whether its wage at placement equals the national average?

Further, Mr. Bovard states that if the more capable enrollees were left out of the average, the typical JTPA wage at placement would drop to around \$4.00 an hour. This is simply wrong. Even among high school dropouts, the average wage at placement is \$4.33.

In discussing JTPA youth programs, Mr. Bovard reports that less than 40 percent of youth enrollees get jobs. This is simply incorrect. The job placement rate for youth is 50 percent, while 58 percent of youth positively terminate from the program by entering employment, entering the military, or returning to school. Mr. Bovard then criticizes the Department of Labor for use of the "youth competency" concept. This is a somewhat puzzling criticism given that most experts in the training field are concerned for the long-term employability of youth rather than for immediate success measures. Surely, most individuals would regard a youth receiving a GED or returning to high school as of equal long-term significance as the youth being placed in a job.

Mr. Bovard also takes a wild swing at the Job Corps. He erroneously claims that Job Corps recruiters encourage youth to drop out of high school and join the Corps. The only situations in which non-dropouts can join is when responsible school officials certify that the youth can no longer benefit from school but could benefit from the Job Corps. Mr. Bovard's overall assessment that Job Corps is a failure is plain wrong as borne out in recent, rigorous evaluation studies. Job Corps returns \$1.46 for every dollar spent on it. Job Corps has been shown to be at least moderately successful in increasing employment and earnings, while reducing welfare dependency and criminality. This may not be perfect, but this certainly is an important contribution toward dealing with a particularly difficult group of disadvantaged young people.

Lastly, though the Bovard piece contains numerous other errors not here addressed, we take particular exception to his assertion that the Department has shown little or no interest in honestly evaluating job training programs, especially JTPA.

This speaks volumes regarding his ignorance of this Agency's long-standing commitment to, and expenditure of substantial resources on, rigorous program evaluation. Our recent launching of the JTPA field experiments, which incorporate a random assignment methodology, clearly demonstrates our determination to objectively measure society's return on its investment in human resource development among the poor.

It is unfortunate that the Bovard article suffers from these numerous errors; they might have been avoided had the author consulted with us on questions of fact. Such "analysis" built on emotions rather than facts is merely sensationalism. The JTPA program is not perfect, and the amount of money allocated to it is small relative to the labor market needs it is designed to address, but it is in fact addressing national workforce problems. The employment problems of economically disadvantaged individuals are serious and real. Certainly, the issues surrounding JTPA deserve a serious and objective treatment.

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR  
WASHINGTON, D.C.

December 2, 1986

The Honorable Donald T. Regan  
Chief of Staff  
The White House  
Washington, D.C. 20500

Dear Don:

Thank you for your note of November 19 regarding James Bovard's "Job Training: A Reagan Administration Boondoggle" in the current issue of Human Events.

This is not the first attack by Mr. Bovard on Job Training Partnership Act (JTPA) programs. The Human Events article is adapted from an August 1986 Cato Institute report written by Mr. Bovard. Prior to that, he published essentially the same article in the New Republic. Before that, he published a story lambasting the old CETA program.

The Human Events article, like Mr. Bovard's previous pieces on JTPA, is rife with factual errors and misrepresentations. He refers to outcome statistics from the JTPA program which are understated and incorrect. Let me set the record straight:

- o JTPA trains workers who are least likely to be hired or trained by the private sector.
- o The Administration and Congress support a strong role for business in planning and oversight of JTPA training so that the training, both in classrooms and on-the-job, will be tailored to meet business standards. About 8,500 business persons volunteer their time to advise and direct our job training effort nationwide.
- o OJT is the most effective tool for placing disadvantaged people into workplace training settings; and employer-based training best ensures permanent, private sector jobs for people.
- o Classroom training is also an effective tool used in JTPA, particularly when training providers operate under performance-based contracts which specify placement rates and the criteria jobs must meet.
- o Overall, JTPA had a 60 percent entered employment rate during the past program year.

- o The most recent administrative data also indicate that 50 percent of youth terminating from JTPA this past program year were placed in jobs, and that 58 percent of youth had some positive termination, including entering employment, entering the Armed Forces, or a registered apprenticeship program, returning to school full time, or completing a major level of education.
- o All current evidence points to the importance of basic education and high school completion as keys to subsequent labor market success. The Congress and this Administration are correct in regarding a youth receiving a GED or returning to high school as being of equal long-term significance as the youth being placed in a job.
- o The Department of Labor currently collects substantial amounts of JTPA program data, including detailed annual administrative data from local service delivery areas (SDAs) and quarterly program data collected by the U.S. Bureau of Census.
- o The Department has funded a number of studies on the implementation of the JTPA program, and has recently launched a major evaluation of the JTPA program which will include field experiments in 20 communities.
- o The Department has 10 Regional Offices which monitor local JTPA programs, as well as a fully staffed Inspector General's office which has oversight over local JTPA operations.

Mr. Bovard cannot be seen as an honest critic of employment and training programs. He writes in a sensationalistic style. His conclusions are based on anecdotes dating back to the 1970s and the old CETA program, selective and misrepresentative quotes from more serious studies of CETA and JTPA programs, and anecdotes about programs in only four SDAs out of the 600 SDAs that exist in the country. His writings do not even appear to be based on original field work. The anecdotes from the four local JTPA programs come not from the author, but from news articles already published by other writers.

The Department of Labor welcomes serious studies of JTPA. However, the issues surrounding training programs for the disadvantaged population deserve much more serious treatment than is provided by Mr. Bovard. We are determined to make our employment and training programs as successful as possible. Two areas in which the Department is currently working toward improvements are:

- o Quality of services to youth, with an emphasis on basic academic and occupational skills development; and
- o The implementation of a follow-up system to measure job retention and earnings.

I am enclosing a fuller response prepared by the Department of Labor to Mr. Bovard's larger Cato Institute piece.

Very truly yours,



WILLIAM E. BROCK

WEB:udl

Enclosure

# Job Training: A Reagan Adm

By JAMES BOV

President Reagan has often bragged about the Job Training Partnership Program, a federal training program created in 1982 to replace the discredited CETA program. According to Reagan, 68 per cent of the disadvantaged JTPA trainees have been placed in jobs, thanks to their training. But, in fact, JTPA is a prize boondoggle that uses taxpayer dollars to pay for routine business operating expenses.

In 1982, when CETA's authorization expired, many Reagan Administration officials initially fought the idea of creating any program to replace CETA.

Many conservatives believed that the federal government had no business even trying to train people for private sector jobs, and that no amount of bureaucratic wizardry would make a new program a success. But, partly due to the 1982 recession, and partly due to Congress' love of a good pork barrel and good photo opportunities (job training programs are usually dispersed as grants to state or local governments, and politicians love to pose with disadvantaged youth supposedly being saved by these programs), JTPA was enacted and the President vigorously endorsed the product of the endless congressional compromises in October 1982.

## Labor Department Ignorant Of Effectiveness of JTPA

JTPA is probably not as bad as CETA, but it is nowhere near as good as Reagan Administration officials proclaim. Former Labor Secretary Ray Donovan called JTPA "one of the greatest achievements in the history of government social policy," and current Labor Secretary Bill Brock calls it "a model for human resource programs." Yet, after an extensive investigation, it is clear that the Labor Department has little or no idea how the JTPA program is functioning around the country — and apparently does not want to know.

JTPA spends \$3.5 billion a year on programs for the economically disadvantaged, displaced workers, summer jobs for youth, and the Job Corps. The summer jobs and Job Corps programs have remained basically unchanged since CETA's time, when conservatives ridiculed them for being ineffective, wasteful, and a corrupter of young people's work ethics.

CETA's largest element was Public Service Employment—a "make-work" scheme which paid millions of people to participate in things like nude sculpture classes with "Braille reading" exercises, providing free rides to the welfare office, putting fake doors on old buildings as a part of a city beautification program, and paying tens of thousands of people to indulge in political activism. JTPA avoids these absurdities — but unfortunately has created new inanities of its own.

JTPA's current claim to fame is that

*Mr. Howard is a freelance journalist who has written on government job training for the Wall Street Journal, New Republic and the Heritage Foundation. This article is adapted from a Cato Institute policy analysis.*

68 per cent of its graduates are placed in private jobs. But the national 68 per cent placement rate is concocted from 50 state measurements with no consistency or uniformity. JTPA's placement figures are "largely one-day-on-the-job" figures, according to Gary Walker, a New York consultant who has evaluated the program for the Ford Foundation and others.

(A 1979 General Accounting Office report found that 78 per cent of those who got jobs through government training programs in Tidewater, Va.,

**'Since JTPA provides subsidies to employ most able low-income people, needy, le be worse off in the labor market than be**

were either fired or quit within six months.)

Perhaps even more misleading, JTPA's placement rate refers only to "graduates." In some states, people who drop out of training programs are treated as if they never existed. This little sleight-of-hand — routinely used in previous government training programs — makes JTPA look far more successful than it actually is.

Though JTPA is supposedly designed to serve the most needy job applicants, local program operators are systematically neglecting the hardship cases and giving aid to people who are easy to put in jobs — and could usually find jobs on their own.

Walker's study noted that in one area, the local Private Industry Council (PIC) paid a local private job training school that "reportedly turned down 25 eligibles for every one accepted; in another, a bank teller program screened 118 JTPA eligibles to get 19 enrollees."

JTPA pays employers 50 per cent of a worker's wages for up to six months if the employers claim to be giving the employee on-the-job training. Little monitoring is done to insure that businesses actually train the worker. The Private Industry Councils are encouraging business to use JTPA for their routine training expenses, and are bragging that participating companies have lowered their operating expenses.

In Cincinnati, JTPA is paying for in-house training program costs previously paid by General Electric. In Spring Hill, Tenn., JTPA will help pay training costs at General Motors' new Saturn plant. In New Jersey, a PIC set up a special program, subsidized by JTPA, to train 40 youths to repair fast-food machines at McDonald's restaurants. The PIC boasted that the program had a high placement rate, but McDonald's would have had to train people to fix the equipment anyway. The only difference was who paid for the training, McDonald's or the taxpayers?

The Pittsburgh Press recently ran a series of articles that concluded that JTPA "is mired in a bureaucratic tangle that throws millions of dollars into dead-end training programs."

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# Ryan Administration Boondoggle

By JAMES BOVARD

ates are placed in national 68 per cent concocted from states with no consistency in JTPA's placement of one-day-on-the-job training according to Gary consultant who program for the Ford

rs. Accounting Office per cent of those through government Tidewater, Va.,

There were the usual myriad stories of waste, fraud and abuse. One employer defended himself: "Just because a businessman has an on-the-job training contract and his two sons are his only employees, where's the conflict of interest? Is it wrong to upgrade the skills of your children?"

One participant in an electronic training program complained, "There was never enough equipment to work on and most of the equipment was from 1969." One woman who wanted to attend morticians' school was "frus-

count as "youth competencies" almost any activity that teenagers choose short of suicide. "Youth competencies" usually refers to "employability skills," such as "world of work awareness," "making change" for a dollar, and demonstrating "effective non-verbal communication with others." This allows the programs to measure their success by the number of certificates they hand out, rather than by the number of people who get jobs.

The average wage for JTPA hires is \$4.62 an hour—barely half the national average hourly wage, and not exactly a banner achievement, since most JTPA'ers have high school degrees. If the college-trained and most capable recruits were left out of the average, the typical JTPA wage would probably be around \$4 an hour. Employers would have had to hire and possibly train people for these jobs regardless of JTPA.

JTPA simply means that some low-income people get hired for low-paying jobs instead of other low-income people who would have been hired without the program. Since JTPA provides subsidies to employers who hire primarily the most able low-income people, needy, less-skilled job-seekers may be worse off in the labor market than before JTPA was created.

Federal training programs are based on the false assumption that businesses lack incentive to train workers. But this is nonsense; businesses have always trained workers and always will. Federal training programs are almost always unnecessary or worthless, either providing training that would have been provided anyway at no expense to taxpayers, or providing bad training or training for jobs that don't exist.

For 25 years, politicians and bureaucrats have promised training programs that would carefully meet the needs of the private sector. But, after over 50 different federal training programs, there is not a single clear success.

Bad training is worse than no training at all. Studies by the Urban Institute showed that participation in CETA resulted in "significant earnings losses for young men of all races and no significant effects for young women."

A study by SRI Inc., a Labor Department contractor, concluded that "participation in CETA results in significantly lower post-program earnings" and that "all program activities have negative effects for men." While CETA was rolling in the millions, liberals—and even some conservatives—claimed it was a success. In the coming years, students will likely reveal that JTPA has also had negative earnings effects on participants.

Though some type of training program may be a political necessity, given the public naivete about the incorrigibility of government training programs, it is not necessary for the President to brag about this kind of boondoggle.

**Provides subsidies to employers who hire primarily the needy, less-skilled job-seekers may be worse off in the labor market than before JTPA was created.**

quit within six months. More misleading, it refers only to the states, people training programs are not existed. This list is routinely used in training programs. A look far more usually is.

is supposedly the most needy local program systematically partnership cases and people who are easy and could usually own.

noted that in one Industry Council private job training program turned down 25 percent accepted; in another program screened to get 19 enrollees."

yers 50 per cent of up to six months if it to be giving the training. Little to insure that business the worker. The Councils are ent to use JTPA for expenses, and are participating companies operating expenses.

JTPA is paying for program costs prevent General Electric. In JTPA will help pay General Motors' new Jersey, a PIC set am, subsidized by youths to repair fast-food McDonald's restaurants that the placement rate, but have had to train equipment anyway. was who paid for McDonald's or the tax-

press recently ran a that concluded that in a bureaucratic millions of dollars ing programs."

trated by JTPA bureaucrats who said she needed psychological counseling because her career goal was morbid."

Another trainee complained, "They give you directories of companies and have you call vice presidents to get around the personnel office, but all that happens is that you get transferred to the personnel office anyway."

In Pittsburgh, 96 per cent of JTPA funds were being spent on classroom instruction, even though classroom instruction is known to be the least effective training method. But it is much easier to stick clients in a classroom than to place them in private jobs, so employment and training bureaucrats often favor endless classroom training.

JTPA is paying for "employment-generating activities" in the states. The Private Industry Councils are using tax dollars to advertise and persuade businesses to relocate in their domain, and can even pay relocation costs in certain cases. Thus the federal government is giving the state money so that they can shanghai each other's business.

The most dubious "employment-generating activity" is the use of JTPA as a routine slush fund by local companies trying to procure federal contracts. Illinois used JTPA funds to set up Procurement Outreach centers around the state to help local businesses chase federal contracts. The National Alliance of Business thought this program was so clever that it gave Illinois an award for the program.

## Less Than 40 Per Cent of JTPA Youth Get Jobs

JTPA's youth programs are as bad as CETA's. Indiana Sen. Dan Quayle (R.), a chief author of the act, claims that "JTPA has a job placement rate... for the young people around 70 per cent." But, even according to the Labor Department's statistics, less than 40 per cent of JTPA youths get jobs—even for a single day.

JTPA inflates its apparent success rate by mixing job placements and other "positive terminations"—including returning to school and development of "youth competencies."

The Private Industry Councils can

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End  
Case  
File