

WITHDRAWAL SHEET

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Date: 2/19/98

Cicconi

~~OA 10793~~ Box 1

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. memo	JW Cicconi to James A. Baker, III re Legislative Package Designed to Create Jobs, 2p.	11/11/82	PS
2. memo	JW Cicconi to James A. Baker, III re Senator Hatch's Displaced Workers Bill, 1p.	11/22/82	PS OS 10/17/00

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

- F-1 National security classified information [(b)(1) of the FOIA].
- F-2 Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA].
- F-4 Release would disclose trade secrets or confidential commercial or financial information [(b)(4) of the FOIA].
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- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA].
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

WITHDRAWAL SHEET

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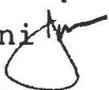
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THE WHITE HOUSE

WASHINGTON

November 1, 1982

MEMORANDUM FOR LYNN WOOD

FROM: Jim Cicconi 
SUBJECT: Attached Resume

I am forwarding the attached resume on James M. Mead for your files. He was disappointed about the prospects for a position, but I reminded him top, full-time openings were rare. I also mentioned that we thought it better to be frank with people so as not to leave them hanging, but that we'd be happy to keep his resume on file just in case.

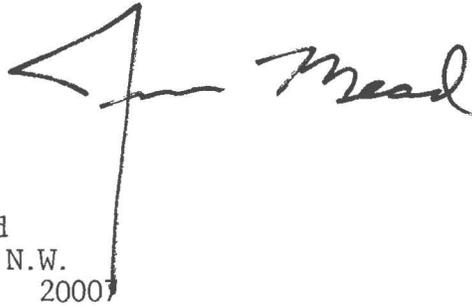
October 19, 1982

Mr. Jim Cicconi
The White House
Washington, D.C.

Dear Jim,

Thank you very much for your interest. It is very kind of you.

With best wishes.

A handwritten signature in cursive script that reads "James M. Mead". The signature is written in black ink on a white background.

James M. Mead
2455 P Street N.W.
Washington, DC 20007
202-338-8537

PS: I WAS ASKED ABOUT CONTRIBUTIONS. OVER THE YEARS I HAVE CONTRIBUTED TO INDIVIDUALS, IE: DICK SCHWEIKER, JACK ECKERD OF FLORIDA AMONG OTHERS. IN 1980 I CONTRIBUTED TO GEORGE BUSH. I HAVE JUST CONTRIBUTED TO SENATOR LUGAR, SENATOR DURENBERGER, CONGRESSMAN CHENEY AND TO PORTER HOPKINS OF MARYLAND FOR HIS RACE.

PPS: THIS IS THE FIRST RESUMÉ, I THINK, THAT I HAVE EVER PREPARED. A NEW EXPERIENCE. MAYBE MY TYPING IS WHERE MY REAL STRENGTH LIES. GOES BACK TO MY NEWSPAPER DAYS.

JAMES M. MEAD
2455 P Street N.W.
Washington, DC 20007
202-338-8537

BORN: 11/4/28 Erie, Pennsylvania

FAMILY STATUS: Married on 8/22/53 to Sally Zurn of Erie, PA
Children: E. Scott, Sara G., Hope M.

EDUCATION: 1956-1958
University of Virginia Graduate School of
Business Administration
Degree: Master of Business Administration

1947-1951
Princeton University
Degree: Bachelor of Arts in Economics

1944-1947
Phillips Academy, Andover, MA
College Preparatory

MILITARY SERVICE: 1951-1953
U.S. Marine Corps 1st. Lieutenant

WORK EXPERIENCE: 9/77-8/82 Kidder, Peabody & Co. Inc.
Vice President & Office Manager
Washington Office 7/79-8/82
Baltimore Office 9/77-7/79

10/59-9/77 Merrill Lynch Pierce Fenner & Smith
Vice President & Office Manager
Trenton, NJ Office 1/69-9/77
York, Pa Office 12/66-1/69
Institutional & Retail Salesperson
Philadelphia Office 10/59-12/66

6/58-10/59 New Jersey National Bank, Trenton, NJ
Credit Analyst, Commercial Loans

9/54-9/56 Erie, PA Daily & Sunday Times
Advertising Space Salesperson

8/53-9/54 U.S. Senator James H. Duff R-PA
Administrative Aide

AFFILIATIONS:

Business: Director, Times Publishing Company, Erie, PA
Publishes Daily and Sunday Newspapers in Erie, PA
Publishes Daily Newspaper in Warren, PA
Publishes Weekly Newspapers in Erie County (PA)
Publishes Semiweekly Newspaper in Lake County (California)
Cable Television in Erie, PA

Social: Springdale Golf Club of Princeton, NJ
Nassau Club of Princeton, NJ

Miscellaneous: Executive Committee, Alumni Council
Phillips Academy, Andover, MA 1973-1976

Princeton University Schools & Scholarship Committee
Philadelphia, PA 1962-1966

Executive Committee, Friends of Princeton Football
1972-1976

Trustee, Graduate Board of Trustees
The Cap And Gown Club of Princeton University

ADDENDA: Godson and Namesake of the Late U.S. Senator James M. Mead D-NY

U.S. Senate	1939-1947
U.S. House of Representatives	1919-1939
Chairman of the Federal Trade Commission	1952-1954

Brother of Mary Mead Flanagin

White House Press Secretary James Hagerty Staff	1956-1960
Republican National Committee Staff	1955-1956

Son-in-law of Pennsylvania Supreme Court Justice Samuel J. Roberts

Justice Roberts will be elevated to Chief Justice on January 1, 1983
Justice Roberts served as Erie County (PA) Republican Chairman

Served on Staff of Late U.S. Senator and Pennsylvania Governor
James H. Duff (Republican) 1953-1954

Volunteer: Philadelphia Committee to Elect Richard Nixon 1960

REFERENCES:

Secretary of Health & Human Services Richard S. Schweiker

Secretary of the Treasury Donald T. Regan

Former Republican Pennsylvania Governor Raymond P. Shafer

Coopers & Lybrand 202-822-4000

George I. Bloom Former Pennsylvania Republican State Chairman

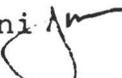
115 North Street
Harrisburg, PA 17101
717-236-8081

THE WHITE HOUSE

WASHINGTON

November 1, 1982

MEMORANDUM FOR KEN DUBERSTEIN

FROM: Jim Cicconi 
SUBJECT: Air Force Congressional Relations Position

As I understand it, you may be consulted regarding the congressional relations job in the Department of the Air Force. In case you are asked, I have heard very good things about General Storey, who is one of the candidates. An outside person I know has termed him one of the best congressional relations people he has dealt with.

THE WHITE HOUSE

WASHINGTON

November 1, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 
SUBJECT: Housing Situation

Don Hovde has reported to CCEA that the housing situation is showing marked improvement. Among other things, he said:

- FHA loan applications are running at 14,500 per week. This translates to 745,000 loans per year, matching the highs of the '77-'79 period.
- Around 50% of such applications are for refinancing, a step "which will help the financial condition of S&L's by clearing out deadwood." Another 25% of the loans consist of new housing starts.
- Hovde stated the S&L's are "getting healthier overnight." They are now offering 12 3/4% mortgages (vs. 14 1/2% offered in early October). This has caused some mortgage bankers to close their doors in order to process the large backlog of loan applications they have received.

While the FHA application figures above should be viewed cautiously since only 25% represent new housing starts, Hovde feels the large amount of refinancing is a sign that housing is beginning a steady recovery. He says it is a necessary "cleaning out" of the system that will be followed by further signs of progress.

As you know, some reference to the above was contained in the President's remarks while on the Western trip. A fact sheet was also apparently sent to Ed Meese, though it has not yet been circulated.

cc: Richard Darman

THE WHITE HOUSE

WASHINGTON

L

November 1, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 

SUBJECT: Yen-Dollar Relationship

Last week CCEA discussed papers prepared on the yen-dollar relationship. The subject arose largely in response to allegations by U.S. businesses that the yen is being purposely undervalued in order to enhance Japanese exports. Beryl Sprinkel admitted that the yen has not only depreciated against the dollar, but has also fallen vis a vis European currencies. However, he maintains there is no evidence the Japanese are manipulating the yen to keep it undervalued; in fact, he is convinced the Japanese government wants the yen to go back up. The Japanese have apparently taken a series of interventionist steps designed to strengthen the yen, causing their official reserves to go down. Though such steps may indicate the intentions of the government, they have not been significant enough to notably strengthen the yen.

The bottom line, according to Sprinkel, is that the Japanese government is not deliberately depressing the yen, although they have not yet taken the vigorous steps necessary to strengthen it.

We will continue to apply quiet pressure on the Japanese government to take stronger steps, though there does not appear to be much optimism for a positive response in the near term.

cc: Richard Darman

THE WHITE HOUSE

WASHINGTON



November 2, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM:

Jim Cicconi 

SUBJECT:

Federal Budget

CCEA is considering an OMB proposal that, in short, would involve placing all off-budget cash outlays on the budget.

This would mean we would have a cash budget that would fully reflect all cash outlays, and which would also measure the total of new federal borrowing each year. OMB argues that we will never get a handle on off-budget expenditures without doing this since they are not given the same scrutiny. Stockman pointed out that there is also no consistency between what is on and off-budget--50% of loans are now on the budget, the rest are off.

CEA, Schweiker and Brock all expressed reservations about doing this, arguing that it will increase perceptions of how big the deficit is (even though we must still borrow for off-budget items as well--\$20B this year alone). They say that by adding so much more to the deficit we may create a feeling that the situation is hopeless.

CEA also argued that including direct loans in the budget, especially those at market rates and to be repaid in full, distorts the economic costs to the government. Another example involves guaranteed loans which, on paper, may resemble an outlay but actually cost the government nothing if they do not go into default.

The CCEA will revisit this idea. Some thought may be given to putting all types of federal credit in one "mini-budget," separate from the actual budget but assembled in one place due to similarity and the need for close scrutiny.

THE WHITE HOUSE
WASHINGTON



November 4, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi *JC*
SUBJECT: Specialty Steel Determination

For your information:

The subject of a specialty steel determination was discussed in senior staff this morning. Basically what happened is that Brock prepared a memo for the President on the subject that was circulated for comment. The memo recommended that the President meet with representatives of the U.S. industry very soon and

- assure them that he would consider sympathetically a Brock recommendation for a full period of relief; and
- put our trading partners on notice of our concern and our willingness to impose emergency measures. Also, if imports have not been dramatically reduced by year's end, we would impose temporary import restrictions for the duration of the GATT 201 proceeding.

Clark had problems with the latter recommendation, as did other agencies (who had not cleared it), and asked that the matter be discussed between the agencies before it is taken to the President.

It has apparently not yet been resolved, but must be settled by November 16.

11/9
JC
Pls. keep me posted. Thanks.
JAB III

THE WHITE HOUSE

WASHINGTON

November 4, 1982



MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi *Jic*
SUBJECT: Final Returns of Texas State Races

The percentage totals of Texas state races are:

US SENATE	Bentsen	58.3	Collins	40.7
GOVERNOR	White	53.0	Clements	46.1
LT GOVERNOR	Hobby	58.2	Strake	40.7
ATTY GENERAL	Mattox	58.1	Meier	39.6
COMPTROLLER	Bullock	57.7	Richards	40.6
TREASURER	Richards	61.2	Clark	38.0
LAND COMM'R	Mauro	59.5	Glasscock	38.2

Over 3 million votes were cast. The official state estimate was for a turnout of 2.5 million.

cc: Lee Atwater
Rich Williamson
Chase Untermeyer

THE WHITE HOUSE
WASHINGTON



November 5, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 
SUBJECT: LDC Debt Problems

CCEA and the President were given an update on the debt problems of Argentina, Mexico, and Brazil, three nations which are not earning sufficient foreign exchange to service their debts. In summary, the key points were:

1. Argentina: There is relatively good news here since agreement has been reached with the IMF on all items except for two minor ones. An IMF loan will probably be approved by late December or early January, though the Argentines will need "bridge" financing of about \$1.8B to tide them over till then. The IMF arrangement has been explained to the Argentine public, including the intention to hold inflation to 150%, hold real wages to 5%, and hold down imports while increasing exports. Our people now feel that the problem is 90% solved, and that the political will to follow through seems to be present. Argentina may be able to pay back the IMF by March of 1984.
2. Mexico: This is the most serious problem of the three. It remains precarious because there has been little progress toward an agreement with the IMF even though such an agreement is vital. Mexico will need \$4B from the IMF over a 3-year period. One additional note: Regan mentioned that a recent visit to Mexico by David Rockefeller and Henry Kissinger was "counter-productive" in that it sent the wrong signals to the Mexican leadership.
3. Brazil: The seriousness of this problem is not yet widely known. Brazilian reserves are quite low, and it is estimated that they will need financing of \$3.5B through the end of 1982.

Memorandum for James A. Baker, III
November 5, 1982
Page 2 of 2

Much of the problem of the above countries and other LDCs is simply due to bad investments: they have put their loan money into projects which have not produced the wealth necessary to pay back the loans. Regan and Brock added that, as a partial result of such problems, they feel that the U.S. will have to substantially increase its contribution to the IMF. The matter was reserved for a later decision, however.

cc: Richard Darman

THE WHITE HOUSE

WASHINGTON

November 5, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi

SUBJECT: Unemployment

11/9
MKD
I think we
should definitely
explore doing
these kind of
things.
JAB:TH

As you know, the unemployment rate is expected to increase during the next several months. Our forecasts also indicate that the rate will likely be over 9 1/2% through 1983, and almost 9% during 1984.

With the prospect of high unemployment for the next two years, it is, I feel, important not only that we formulate policies which will specifically address the problem, but also that the President be perceived as personally concerned about unemployment and determined to do something about it.

As mentioned the other day, one idea would be for the President to undertake a short series of visits to areas of high unemployment. [The visits could be characterized as an attempt to personally view the problem, visit with those most seriously affected, and discuss means of dealing with it. The President could tour factories where layoffs are threatened or where they have already occurred (with perhaps more to follow), visit with local officials, and perhaps have Q&A sessions with groups of unemployed workers.]

Such sessions might, in some cases, be awkward or unpleasant; however, it is important that the President convey an image of being more personally and directly concerned about the unemployed (as he is). His message, of course, is that we are trying, we have already laid the groundwork, we are looking at other possible measures to help, and that our top priority is to put Americans back to work. [The American people, not just the unemployed, must feel that the President is "on their side," that his concern for the unemployed and his determination to help are beyond reproach.] Use of such a strategy, combined with lack of a credible alternative from the other party, is one of the reasons that FDR was able to survive little progress on unemployment in 1936. In the President's case, such an approach is important due to problems we already have with the "fairness issue," and in order that the President's motives be above suspicion when the inevitable fights begin with O'Neill over the specifics of various "jobs" bills.

to memo

11/9

THE WHITE HOUSE
WASHINGTON

MKD
What do you
think?
JAB III

November 5, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi

SUBJECT: Social Security and the Elderly

A suggestion for you to consider:

The President and the First Lady could perhaps have Thanksgiving dinner with a group of people in a home for the elderly. Such an action could have real symbolic effect, and would be a way of confronting both the "fairness issue" and fears about social security. I realize, though, that this would entail a genuine personal sacrifice on the President's part.

Another option would be for the President and First Lady to simply visit such a home, or perhaps some elderly who are hospitalized, during the Thanksgiving holiday period.

Yes

JAB:

Couldn't we still do this on next good out-of-town 12/9 trip? Christmas?

12/6

Yes. Prepare a note to M.D. for my sig suggesting it.

JAB III

THE WHITE HOUSE

WASHINGTON

November 8, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 

SUBJECT: Medicare Cost Containment

As you know, the subject of controlling Medicare costs will be discussed with the President on Wednesday. This has been previously discussed in CCHR and can be summarized as follows:

The Problems

1. Medicare costs have increased dramatically since 1970.
For example:

1970	\$ 9.3B
1975	20.8B
1980	47.3B
1985	94.8B (projected)

As you can see, these costs have become a major part of the budget deficit problem in the out years. The trend in recent years has been especially bad-- between 1975 and 1980, the annual increase in Medicare costs averaged 18%.

2. Currently, hospitals have no incentive to control costs. The US government pays 40% of all hospital bills in the country and, under Medicare, hospitals are paid whatever they spend. This has, of course, resulted in hospital cost increases which have run well ahead of the inflation rate (as reflected in the CPI). In 1982, for example, inflation in hospital costs was three times greater than the overall inflation rate. It is argued that much of this higher rate of increase is related to the above-stated lack of cost control incentives, but a portion of has also been used to fuel growth of 15-20% per year in the hospital industry.
3. Medicare payments vary greatly without real difference in the quality of care. For example, payments for a heart attack (of similar nature and treatment) vary between \$1500 and \$9000; payments for cataract removal vary between \$450 and \$2800.

Proposal for Prospective Payment

HHS is suggesting what amounts to a prospective payment system whereby a hospital would have a good idea in advance what payments it can expect to receive for Medicare treatment. In short, HHS would determine the proper payment level for 467 diagnosis classifications, and would then make payments based on what the diagnosis of a patient was at discharge plus a hospital-specific adjustment formula (to account for differences in area costs such as labor). HHS feels this would

- a. provide hospitals with an incentive to hold down costs;
- b. reward efficient delivery of services (since hospitals could keep any surplus of payment over cost);
- c. encourage hospitals to specialize, thus further reducing costs while increasing quality;
- d. limit the nearly automatic cost increases each year (since all costs incurred are reimbursed) to a set formula that would be devised to reflect legitimate cost inflation plus an allowance for new technology.

Ancillary benefits of the proposal are that it reduces the regulatory burden (simpler forms), allows Medicare to accurately forecast expenditures (which cannot be done now with any reliability), and is less complex to administer since there is one set of payment levels.

Payment Classifications

Some examples of classifications for diagnosis were given in the CCHR meeting. Though I had thought it would be impossible to take into account all the variables, HHS seems to have done a very convincing job. The classifications themselves are based on an extensive Yale study, and include four factors: diagnosis, age, treatment, and discharge status. While there is admittedly some incentive for doctors to upgrade a diagnosis to obtain higher payments, it is felt that this is not likely since it would more directly involve a doctor's integrity. If it became a problem, though, the auditors could easily focus on it.

Other Options

Other options considered were:

1. Per diems-- in essence, paying hospitals according to the

number of patients hospitalized each day. HHS dislikes this because there is a built-in incentive for hospitals to keep patients as long as possible, thereby running up costs further.

2. Per capita payments for Medicare patients of \$2,000 each, the average Medicare patient cost. This option is being pushed by the Hospital Association. HHS opposes it, arguing that some hospitals will "skim" the less costly patients and make a big profit, leaving the taxpayer supported hospitals with the burden of handling the most costly patients (those above the average \$2,000 payment).

Outlook

It is clear to all that Medicare costs need to be brought under some control. The same arguments that apply to cutting other areas of the budget, like entitlements, also apply here with the same degree of urgency. If that is accepted, then it can be argued that the HHS "prospective payment proposal" is probably the best option for achieving the necessary incentives to hold down costs.

From a political standpoint, the Hospital Association will fight this proposal tooth and nail. The AMA, though it has not committed itself fully yet (and Schweiker has some hope), will probably also fight it. The insurance industry, on the other hand, might well be an ally here since they might reasonably conclude that success in holding down Medicare costs would also hold down all health care costs in a sort of ripple effect.

This plan will be presented to the President on Wednesday. Once a decision has been made, and full details are revealed, we will have a much better picture of its prospects in Congress.

cc: Richard Darman

THE WHITE HOUSE

WASHINGTON

November 9, 1982

MEMORANDUM FOR DAVE GERGEN

FROM: Jim Cicconi *JC*

SUBJECT: Draft Materials for President's News
Conference

References to the Clean Air Act in the draft materials include a note to the President regarding possible "use of low-cost lime in lakes" to combat the acid rain problem. The draft also mentions that "except for acid rain provisions, the Senate bill is generally acceptable."

It is my understanding that EPA would be strongly opposed to the above references. On the subject of using lime in lakes, EPA says that, while this might be of some help in smaller lakes, it is not an answer to the overall problem. Kathleen Bennett at EPA told me that any reference to use of lime in lakes would raise all sorts of questions that we cannot now answer and could imply that we thought it was an answer to acid rain in general. Regarding the Senate bill, it is my understanding that EPA has serious problems with several parts of the bill apart from the acid rain provision.

cc: Richard Darman
Craig Fuller

11/16
I like both these
ideas. Good paper, Thom.
JAB

JAB
You asked what we
might put into a
"jobs package" ...
Jim 11/11

THE WHITE HOUSE
WASHINGTON

November 11, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi *Jim*

SUBJECT: Legislative Package Designed to Create Jobs

In addition to the transportation user fees proposal, which would create an estimated 320,000 jobs, there are two other proposals which look promising in terms of job creation. They are:

1. Converting extended unemployment benefits into an optional employment cost reduction. This would apply only in those high unemployment states where workers are currently eligible for up to thirteen weeks of extended benefits. While it sounds complicated, it boils down to this: an unemployed worker can choose to receive his extended benefits in voucher form; his employer could then redeem the voucher to defray the cost of that employee's wages. This would be a type of job subsidy which would encourage firms to hire the unemployed by reducing wage costs.

The number of jobs subsidized would be around one million, though it is estimated that only 100,000 net new jobs would be created in FY 1983. Cost in FY 1983 is estimated at \$1.2B to \$2.0B. Costs, and jobs created or subsidized in FY 1984, would be about 1/3 of the figures for 1983.

This option was attractive to CCEA, and a more detailed paper was requested on it. It was also suggested that the proposal could be funded by taxation of unemployment benefits.

2. Implementing a summer youth differential for the minimum wage. In short, this option would allow a minimum wage of \$2.50/hr. instead of the current minimum wage of \$3.35/hr. for youth under the age of 22. The differential would apply only during the period May 1 through September 30. The AFL-CIO, as you know, has always opposed a lower minimum wage for youth, arguing that it would result in the displacement of older workers. That argument, however, would probably not apply to this idea since displacement is very unlikely when the differential applies only in summer months.

Memorandum for James A. Baker, III
November 11, 1982
Page 2 of 2

It is estimated that between 300,000 and 600,000 new summer jobs would be created by this. The proposal would not require federal outlays and would, in fact, reduce the cost of our current summer youth program by \$75M.

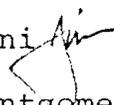
The two proposals mentioned above are being seriously looked into by CCEA on a "crash" basis.

THE WHITE HOUSE

WASHINGTON

November 12, 1982

MEMORANDUM FOR JOHN SCHROTE

FROM: Jim Cicconi 
SUBJECT: Harold Montgomery

Attached is the resume of Harold Montgomery. He is a recent graduate of Stanford and is interested in a job with the Administration. While his main interest is in foreign policy, he is interested in policy generally.

I know Harold's older brother, Phil, quite well. Harold is a solid Republican and did volunteer work for Reagan-Bush in 1980. I think he'd be very good in one of the staff level policy positions we've had trouble placing Republicans in, and I would appreciate any consideration you might give him.

As I understand it, Anne Armstrong will also be sending Helene a note recommending Harold.

Thanks.

HAROLD HENCH MONTGOMERY

- ADDRESS:** 6343 Kalani Place Birthdate: September 20, 1959
Dallas, Texas Height: 6'2"
75240 Weight: 170 lbs.
(214) 239-3667
722-2887
- OBJECTIVE:** To obtain a position in investment banking or consulting which will allow access to decision-making processes.
- EDUCATION:** Stanford University, BA in International Relations, awarded June, 1982.
Stanford University Overseas Campus, Florence Italy, Autumn, 1980.
Stanford University Overseas Campus, Cliveden England, Summer, 1980.
St. Mark's School of Texas, 1966-1978.
- EXPERIENCE:** Resident Assistant, 558 Mayfield House, Stanford University.
Salaried University-student residence liaison, responsible for activities and residence of 53 undergraduates, 1981-82.
Research Associate, New Venture Consultants, Palo Alto, California.
Work in Management Consulting and Financial Analysis, Summer, 1981.
Intern, Office of the Secretary of State of the State of Texas, the Capitol, Austin. Special Assistant to the Secretary, Speechwriting and Internal Policy Review, Summer 1979.
Research Associate with the Australian Department of the Interior Scientific Expedition to the Northern Territory to study the Salt-Water Crocodile, Summer, 1978.
Research Associate with the Cornell University Scientific Expedition to Caripe, Venezuela to study the Oilbird, Summer, 1977.
- ACTIVITIES:** Contributing Editor, *The Stanford Independent*, 1981-1982.
Political Science Honor Society, 1982.
Biweekly Columnist, *The Stanford Daily*, 1981.
Economics Editor, *The Stanford Journal of Economics and Political Science*, 1981.
Travel to 28 States and 41 Foreign Countries on Six Continents, including People's Republic of China, India, U.S.S.R., Hungary, Brazil, South Africa.
Living Experience in 5 Foreign Countries. (Australia, Great Britain, Italy, Spain, Venezuela.)
- INTERESTS:** Natural History, Travel, Literature, Languages (Working Knowledge of Spanish and Italian), Politics.
- REFERENCES:** Available on Request to the Stanford University Career Planning and Placement Center.

THE WHITE HOUSE

WASHINGTON

November 12, 1982

MEMORANDUM FOR SENIOR STAFF

FROM: Jim Cicconi

SUBJECT: Senior Staff Meetings

There will be no senior staff meetings November 15, 16 or 17.
Meetings will resume November 18.

Thank you.

THE WHITE HOUSE

WASHINGTON

November 12, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 
SUBJECT: Judicial Meeting Decisions

The following significant actions were taken at Wednesday's Judicial Selection Committee meeting:

1. 7th Circuit: A decision will need to be made on whether to reject Judge Flaum, who has the strong support of Percy and Thompson. This matter had been left on hold until after the election. There is strong sentiment to reject Flaum on the part of both Meese and Justice (for philosophical reasons--Justice says he would be a "John Paul Stevens type judge"). I asked that Rich Williamson be informed and given a last chance to weigh in on this.
2. 5th Circuit: As already mentioned, I spoke strongly against naming Ben Toledano, arguing that the inevitable furor over his racist background would hurt the President. Fred then asked everyone on the Committee to express their views, and the vote was 7-1 against Toledano. Fred's next step will be to consult with you and Ed Meese, and then have the President make the decision. (FYI, I talked with Governor Treen before the meeting, and he strongly supports Toledano.)
3. Pennsylvania Judgeships and U.S. Attorney: I have already briefed you on most of this. Fred has a draft letter ready to send to Specter, but said he intends to hold it until after Drew Lewis talks with you.
4. Claims Court: Sherm Unger continues to have problems with the ABA. The concerns are in their "integrity" and "judicial temperament" categories. Justice is independently trying to resolve the integrity questions; if they do, the feeling is that we could then push it through. Justice feels the ABA's "temperament" concerns are a smokescreen for personal animosities.
5. District Judgeships, E.D. Tennessee: Howard Baker was holding on these until after the election. Since the situation in that district is a bit of a problem, we expect he will move soon.

Memorandum for James A. Baker, III
November 12, 1982
Page 2 of 2

One additional note: we are moving forward quickly with those appointments where election changes would make post-January confirmation more difficult. Examples are the district judgeships in Ohio (Bell) and New Jersey (Bissell).

THE WHITE HOUSE
WASHINGTON



November 16, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi *JC*
SUBJECT: Number of Federal Employees

You will recall that, in the wake of several news stories, you raised the question as to whether we have actually reduced the number of federal employees during the first year of the Administration.

In response, Ed Meese asked that Don Devine prepare a report for CCMA with the exact figures. At a later CCMA meeting, however, Devine indicated that it was not possible to come up with exact figures until some standard method of measuring the number of employees is agreed on or imposed. He pointed out, for example, that some agencies measure the number of employees in FTE (full time equivalents), while others use body count or some other method. It is uncertain when a reliable report will be available, though they are continuing to work on it.

Various estimates are available, though, and while not exact, they indicate that we are meeting the President's goal of reducing non-defense employment by 75,000. OPM estimates that it has already been reduced by 31,000 "FTE work years," and, if body count is used, the reduction stands at 100,000 fewer employees (excluding defense) than in January, 1981. Incidentally, over 90% of the 100,000 figure has been achieved through attrition, not RIFs. //

cc: Richard Darman

JC:
What's the net after giving effect to Gov's waiver in civilian employees?

JAB III
answered in resp. memo
JC
11/15

THE WHITE HOUSE
WASHINGTON

16 November 1982

TO: JAB III

FYI, you asked that I check into a plan of Byron Donzis re radiating food.

I have arranged for him to meet with Jay Keyworth on his ideas this Wednesday. Jay will then get back to me with an evaluation, and we'll pursue further if necessary.

124

THE WHITE HOUSE
WASHINGTON

16 November 1982

TO: JAB III

RE: Busing

For your information:

The Justice Department has filed an amicus brief asking the Supreme Court to review a Nashville busing case. Justice wants the court to rule that lower courts have the flexibility to cancel busing/desegregation plans that prove counter-productive (by causing white flight, disrupting education programs, etc.).

As I understand it, Justice has been looking for the "right" case to take to the Supreme Court. They apparently feel this is it. The chances for review by the court are greatly improved by Justice's filing.

THE WHITE HOUSE
WASHINGTON



November 16, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 
SUBJECT: Specialty Steel

For your information:

The decision memo on the specialty steel issue went to the President yesterday morning. He has decided on Option 1. This option is the one endorsed by USTR, Commerce, State, and others. Under its terms, the President will request a Section 201 investigation by the International Trade Commission to determine whether increased imports have caused serious injury to the domestic specialty steel industry. If the ITC determines that imports have caused serious injury, the President will then have the option of imposing import restraints. Also, the Administration will closely monitor imports during the Section 201 investigation: this implies the possibility of emergency action under Section 301 if it is felt that imports will cause extreme damage before the Section 201 investigation is complete. Lastly, we will press the Europeans in new negotiations to eliminate their subsidies.

THE WHITE HOUSE
WASHINGTON

17 November 1982

TO: JAB III

RE: David Paton

You'll recall that David Paton has continued to contact you about HHS proposals re the Medicare reimbursement of optometrists. Paton and other ophthalmologists are incensed about the regs.

FYI, at my request Chris DeMuth had his staff do a detailed review of the regs. I asked for this after Paton sent you a very sharply worded response to your letter on the regs (which Chris had drafted).

Bottom line is that Chris is convinced HHS' regs are reasonable. The final regs will come over in the spring, and OMB intends to approve them. No doubt you'll hear more from Paton between now and then, but his views have received more than an ample hearing and he's changed no one's mind.

A handwritten signature in cursive script, appearing to be "JAB", is located at the bottom center of the page.

THE WHITE HOUSE

WASHINGTON

November 18, 1982

MEMORANDUM FOR ARAM BAKSHIAN

FROM: Jim Cicconi *JWC*
SUBJECT: Radio Talk on Trade

Regarding the revised draft of the radio talk recently circulated, I would suggest that the consequences of protectionism are a bit overdrawn. On page 2, for example, I feel it is an exaggeration to state that protectionism and trade wars led to World War II. Admittedly, resource/trade problems were a major factor in Japan's decision to go to war in 1941; however, there were many other factors at play, including militarism, which makes this a deceptive analogy. Further, it could be argued that war with Japan resulted more from U.S. trade sanctions imposed for foreign policy reasons (which could in turn raise questions about the consequences of our trade sanctions against the Soviet Union).

On another point, the statement (on page 4 of the revised draft) that the U.S. will seek to ensure that our industries "can compete on an equal basis in international trade" is a positive addition. The original draft sent the desired subtle signals abroad, but did not have the necessary signals for domestic consumption.

cc: Richard Darman

→ Revised

Document No. _____

WHITE HOUSE STAFFING MEMORANDUM

DATE: November 18 ACTION/CONCURRENCE/COMMENT DUE BY: c.o.b. TODAY

SUBJECT: PRESIDENTIAL RADIO TALK RE TRADE

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	FULLER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MEESE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	GERGEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BAKER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HARPER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEAVER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	JENKINS	<input type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MURPHY	<input type="checkbox"/>	<input type="checkbox"/>
CLARK	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input type="checkbox"/> P	<input checked="" type="checkbox"/> SS	WILLIAMSON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DOLE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	VON DAMM	<input type="checkbox"/>	<input type="checkbox"/>
DUBERSTEIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BRADY/SPEAKES	<input type="checkbox"/>	<input type="checkbox"/>
FELDSTEIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input type="checkbox"/>	<input type="checkbox"/>	<u>BAKSHIAN</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Remarks:

Please provide any comments directly to Aram Bakshian by c.o.b. today, with an information copy to my office.

Thank you.

Richard G. Darman
Assistant to the President
(x2702)

Response:

(Elliott)
November 18, 1982
10:30 a.m.

PRESIDENTIAL RADIO TALK: TRADE
SATURDAY, NOVEMBER 20, 1982

My fellow Americans. I've talked to you on a number of occasions about the economic problems and opportunities our Nation faces. But as you've probably heard on news reports, America's problems are not unique. Other nations face very severe economic difficulties. In fact, both developed and developing countries alike have been in the grips of the longest worldwide recession in post-war history.

That's bad news for all of us. When other countries don't grow, they buy less from us and we see fewer jobs created at home. When we don't grow, we buy less from them, which weakens their economies, and, of course, their ability to buy from us. It's a vicious cycle.

You can understand the danger of worldwide recession when you realize how much is at stake. Exports account for over 5 million jobs in the United States. One out of every three acres planted by American farmers produces crops for exports. But because of their recessions, other countries are buying fewer American farm products than usual. Our farmers are hurting, and they're just one group.

So we are trying to turn this situation around. We are reminding the world that, yes, we all have serious problems; but our economic system, based on individual freedom, private initiative and free trade, has produced more human progress than

any other in history. It's in all our interests to preserve it, protect it and strengthen it.

We are reminding our trading partners that preserving individual freedom and restoring prosperity also requires limiting Government intervention in the marketplace. The United States took the lead, after World War II, in creating an international trading and financial system that limited Governments' ability to disrupt free trade across borders. We did this because history had taught us an important lesson: free trade serves the cause of economic progress; and it serves the cause of world peace.

When governments get too involved in trade, economic costs increase and political disputes multiply. Peace is threatened. In the 1930's, the world experienced an ugly spectre: protectionism and trade wars that eventually led to real wars and unprecedented suffering and loss of life.

I hear some say today that we must run up the American flag in defense of our markets. They would embrace protectionism again and insulate our markets from world competition. The last time the United States tried that, American boys soon followed the American flag into World War II. I am old enough, and hopefully wise enough, not to forget the lessons of those unhappy years. The world must never live through such a nightmare again.

We are in the same boat with our free world trading partners. If one partner shoots a hole in the boat, does it make sense for the other one to shoot another hole in the boat? Some say yes and call that getting tough. I call it stupid. We

shouldn't be shooting holes, we should be working together to plug them up. We must strengthen the boat of free markets and free trade, so it can lead the world to economic recovery and greater political stability.

Here's how we are working to do that:

We insist on sound domestic policies at home that bring down inflation and we expect no less in other countries. Through the International Monetary Fund, the world institution that manages money, we are putting pressure on other countries to correct their domestic economic policies so they will not have to intervene in international trade and currency markets.

We remind other countries that as the U.S. leads the way out of this worldwide recession, they will benefit as we buy more goods from them. This will enable them to grow and buy more goods from us and that will mean more jobs for all of us. That is the way of free markets and free trade.

We will say no to protectionism, because it can only lead to less jobs for them and less jobs for us. In just four days, the trade ministers of virtually all the free world countries will meet in Geneva, Switzerland, to seek ways to respond to the challenges to the integrity of our international economic system. We were instrumental in convening this international meeting because we believe strongly that our trading system is at a crossroads. Either free world countries go forward, and sustain the drive toward more open markets, or, they slide back to the mistakes of the 1930's, and succumb to the evils of more and more government intervention.

The United States will reject protectionist and defeatist proposals. Instead, we will set new goals and lay out a program for limiting government intervention in world markets.

We will lead with a clear sense of our own commercial interests and a quiet determination to defend these interests. We will ensure, through our actions at home and abroad, that U.S. industries can compete on an equal basis in international trade. Let no one misunderstand us: We are generous and farsighted in our goals, but we intend to use our full power to achieve these goals. We seek to plug the holes in the boat of free markets and free trade and get it moving again in the direction of prosperity. But our influence is big, and no one should mistake our determination to use it if they seek to destroy the boat and sink us all.

That's how the United States is working in the world on behalf of freedom, economic prosperity and peace.

I'll be back again next week. Thanks for listening. God bless you.

THE WHITE HOUSE
WASHINGTON

19 November 1982

TO: JAB III

RE: Sherm Unger

Unger has some real problems with the ABA on two grounds: integrity and judicial temperament. In the last meeting, we felt that if Justice could resolve the integrity questions to our satisfaction, then we could roll the ABA on the temperament points (which are the ones that really involve sour grapes on the part of lawyers he's beaten).

Ed Schmults told me today that there are three "integrity" points that "are not insignificant", but which would not be sufficient normally to disqualify Unger. However, Schmults thinks they're such that you should be personally briefed on them before deciding.

Fred Fielding will be in touch with you soon to go over those concerns.

A handwritten signature, possibly "Jim", is written below the text. It consists of a stylized, cursive name.

THE WHITE HOUSE

WASHINGTON

BRIEFING MEMORANDUM FOR THE PRESIDENT

Friday, November 19, 1982

9:30 a.m. (90 minutes)

The Cabinet Room

I. PURPOSE

This is a continuation of the last budget meeting. It is intended to focus on several substantial "loose ends" -- as suggested by the agenda below.

It is not a decision meeting. But your reactions/guidance will be helpful in giving direction for further staff work.

II. AGENDA

- (1) Summary of where we left off -- after non-defense guidance of November 12th.
 - (a) How do recommended cuts relate to cuts previously sought from the Congress?
 - (b) What percentage of these are we likely to be able to achieve politically?
 - (c) What are the economic implications of the associated deficit projections?
- (2) Additional issues affecting deficits and growth:
 - (a) Tax cut acceleration
 - (b) Lewis plan re gas tax and infrastructure
 - (c) Social Security problem-solving
 - (d) Inflation or Budget Resolution Adjustment for Defense

III. PARTICIPANTS

The President
George P. Shultz
Malcolm Baldrige
Donald T. Regan
David A. Stockman
Edwin Meese III
James A. Baker III
Michael K. Deaver
William P. Clark
Richard G. Darman
Martin S. Feldstein
Craig L. Fuller
Edwin L. Harper
Richard S. Williamson

Sherman Unger - up for Judgeship - has
some people in the ABA shooting at him.
Justice says after investigations that there
is nothing to them & we should go
ahead & appoint him.

I concur - no check on him has
shown him to be guilty of anything
but being smart aggressive & tough
The ABA hasn't come out against
him - they just won't ^{stalling} make a
recommendation after some
months. Its unfair; we should
appoint him now so the
lame duck ^{session} can approve

JC: Where are we on this?

JAB

THE WHITE HOUSE

WASHINGTON



November 22, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM:

Jim Cicconi *JC*

SUBJECT:

Senator Hatch's Displaced Workers Bill

You asked that I check into this legislation by Senator Hatch with a view toward whether it might be the type of bill we could endorse.

The bill, in short, provides federal funds for state-level planning to deal with layoffs through counseling, retraining, etc. Workers would be eligible for such programs when they apply for unemployment benefits if a state counselor certified their need for retraining. The authorization for FY 1983 is \$300M.

Though there may be some points here we might develop further, this bill, on the whole, is the type of "solution" to a social problem that has caused much of our current budget problem. The initial authorization of \$300M would probably balloon greatly in future years. In effect, Uncle Sam might end up paying for much of the massive job retraining that is inevitable over the next decade due to basic changes in the U.S. economy.

The basic retraining of workers is more properly the responsibility of the private sector: not just the responsibility of those companies laying off workers, but also of those companies who will be needing workers in the future. In the case of the latter, the future of many companies, particularly high tech industries, is tied to the availability of trained workers. The role of government should be to encourage this activity within the private sector, perhaps through tax incentives/writeoffs or even partial funding of startup costs.

I am going to discuss some possible alternatives on the subject with Al Angrisani of DOL.

ORRIN G. HATCH
CHAIRMAN

United States Senate

COMMITTEE ON
LABOR AND HUMAN RESOURCES

November 9, 1982

Jim--

Here is some summary information on S. 2650, the Displaced Worker Readjustment Act.

The bill was suggested to Senator Hatch by a Utah constituent who is also prominent in the field of labor and manpower economics.

If you have any further questions or need for material, please do not hesitate to call.

Kris Iverson
224-2550

1 tion, shifts in consumer preferences, business failures, and
2 other factors by—

3 (1) encouraging employers to give advance notice
4 of impending plant closings or mass layoffs,

5 (2) providing for cooperation between employers
6 and public agencies in facilitating transfer to new em-
7 ployment opportunities prior to layoff,

8 (3) developing and carrying out reemployment
9 plans to achieve readjustment for displaced workers,

10 (4) making available transition services to accom-
11 plish such readjustment, and

12 (5) using the period of unemployment compensa-
13 tion eligibility to carry out readjustment activities.

14 **DEFINITIONS**

15 **SEC. 3.** As used in this Act—

16 (1) The term “displaced worker” means any indi-
17 vidual who is laid off from regular employment, who
18 was previously steadily employed, and who has little
19 realistic probability of being rehired in that previous
20 employment or of being rehired, in a timely fashion, in
21 a job of equal pay and status, as determined by the
22 State.

23 (2) The term “Secretary” means the Secretary of
24 Labor.

1 (3) The term "State" includes the several States,
2 and the District of Columbia.

3 (4) The term "unemployed persons" means per-
4 sons who are without jobs and who want or are availa-
5 ble for work. The determination of whether persons are
6 without jobs shall be made in accordance with criteria
7 used by the Bureau of Labor Statistics, the Depart-
8 ment of Labor in defining persons as unemployed.

9 AUTHORIZATION OF APPROPRIATIONS

10 SEC. 4. There are authorized to be appropriated
11 \$300,000,000 for the fiscal year 1983 and for each of the
12 succeeding three fiscal years to carry out the provisions of
13 this Act.

14 ALLOTMENT

15 SEC. 5. (a) From the amount appropriated for fiscal year
16 1983 under section 3, the Secretary shall—

17 (1) allot 50 per centum of such amounts on the
18 basis of the relative number of unemployed persons
19 during the calendar year 1982 within the State com-
20 pared to the total number of such persons in all States;
21 and

22 (2) allot 50 per centum of such amount on the
23 basis of the relative number of unemployed persons
24 who were unemployed for fifteen weeks or more during

1 the calendar year 1982 within the State compared to
2 the total number of such persons in all States.

3 (b) From the amount appropriated for fiscal year 1984
4 and each succeeding fiscal year the Secretary shall—

5 (1) allot to each State an amount which bears the
6 same ratio to 50 per centum of such amount as the
7 amount expended by that State in the fiscal year prior
8 to the fiscal year for which the determination is made,
9 for the uses described in section 6(1) bears to the total
10 amount so expended for all States; and

11 (2) allot to each State an amount which bears the
12 same ratio to 50 per centum of such amount as the
13 amount expended by that State in the year preceding
14 the fiscal year for which the determination is made for
15 the purposes described in section 6(2) bears to the total
16 amount so expended for all States.

17 (c) The portion of any State's allotment under subsec-
18 tion (a) or subsection (b) for a fiscal year, which the Secretary
19 determines will not be required for the period such allotment
20 is available for carrying out the purposes of this Act, shall be
21 available for reallocation from time to time, on such dates
22 during such period as the Secretary may fix, to other States
23 based on need and ability to expend the funds consistent with
24 the provisions of this Act and taking into account the propor-
25 tion of the original allotments made available to such States

1 under subsections (a) and (b), as the case may be, for such
2 year, but with such proportionate amount for any of such
3 other States being reduced to the extent it exceeds the sum
4 which the Secretary estimates such State needs and will be
5 able to use for such period for carrying out such portion of its
6 State application approved under this Act, and the total re-
7 duction shall be similarly reallocated among the States whose
8 proportionate amounts are not so reduced. In carrying out
9 the requirements of this subsection, the Secretary shall take
10 into account the climatic conditions and such other relevant
11 factors as may be necessary to assure that no State loses
12 funds necessary to carry out the purposes of this Act. Any
13 amount reallocated to a State under this subsection during a
14 year shall be deemed part of its allotment under subsections
15 (a) and (b), as the case may be, for such year.

16 (d) Any allocation to a State may be reallocated only if
17 the Secretary provides thirty days advance notice to the chief
18 executive.

19 USES OF FUNDS

20 SEC. 6. Grants under this Act shall be used in accord-
21 ance with the provisions of this Act, by the States—

22 (1) for mass layoff and plant closing early warning
23 readjustment services programs; and

24 (2) unemployment insurance reemployability plan-
25 ning programs.

1 APPLICATIONS AND REQUIREMENTS

2 SEC. 7. (a) Each State desiring to receive an allotment
3 for a fiscal year under this Act, shall submit an application to
4 the Secretary. Each such application shall be in such form as
5 the Secretary shall require. Each such application shall—

6 (1) provide for the establishment and operation by
7 the State of an early warning readjustment service pro-
8 gram for displaced workers described in clause (2) and
9 an unemployment insurance reemployability planning
10 program for displaced workers described in clause (3),
11 which will be the joint responsibility of the State job
12 training council and the State department of employ-
13 ment security (or other similar agency designated by
14 the chief executive);

15 (2) describe the provisions for an early warning
16 readjustment service program designed to assure—

17 (A) that each employer within the State con-
18 templating closing a facility within the State em-
19 ploying more than twenty-five employees or
20 laying off more than twenty-five per centum of
21 the employees of any single facility within the
22 State will be eligible for the readjustment services
23 assisted under this Act if the employer provides at
24 least one hundred and eighty days notice of such
25 closing or layoff, except that the warning period

1 may be reduced to ninety days if the employer
2 provides persuasive evidence that knowledge prior
3 to the regular period was not available;

4 (B) that the notice required by an employer
5 under subclause (A) will be made to the State job
6 training council, the department of employment
7 security (or similar agency of the State as desig-
8 nated by the chief executive), the appropriate
9 local private industry council, or the appropriate
10 local office of the State employment service;

11 (C) that (i) the notice given by the employer
12 under subclause (B) will be forwarded to the chief
13 executive of the State promptly, and that upon re-
14 ceiving the notice the readjustment service of the
15 State assisted under this Act will take the initia-
16 tive in appointing and assembling a readjustment
17 committee consisting of representatives of the no-
18 tifying employer of the displaced workers of that
19 employer, the State department of employment
20 security (or similar agency as designated by the
21 chief executive), the local private industry council
22 and other appropriate public agencies and private
23 organizations; and (ii) where a collective-bargain-
24 ing agreement is in effect the representatives of

1 the labor organization will be included in such re-
2 adjustment committee;

3 (D) that the readjustment committee estab-
4 lished under subclause (C) will prepare a readjust-
5 ment plan which is satisfactory to both the em-
6 ployer and representatives of the displaced work-
7 ers, to and will be effective only if the chief ex-
8 ecutive approves of the plan;

9 (E) the readjustment services for displaced
10 workers will include—

- 11 (i) personal and family counseling;
- 12 (ii) career planning;
- 13 (iii) job search training;
- 14 (iv) job development;
- 15 (v) communication with other potential
16 employers;
- 17 (vi) on-the-job training by other employ-
18 ers;
- 19 (vii) on-the-job training in other estab-
20 lishments of the participating employer;
- 21 (viii) retraining in classroom settings;
- 22 (ix) relocation assistance; and
- 23 (x) other services with a high probabilit-
24 ity of reducing the personal and economic
25 costs of readjustment; and

1 (3) provide for the establishment of an unemploy-
2 ment insurance reemployability planning program
3 under which—

4 (A) any claimant for unemployment insur-
5 ance benefits who is a displaced worker and
6 who—

7 (i) considers it unlikely that the claimant
8 will be rehired by the immediate previous
9 employer of such claimant, and

10 (ii) considers reemployment by other
11 employers in the local labor market of which
12 the claimant is a resident to be unlikely,
13 may participate in a reemployability program described
14 in this paragraph;

15 (B) the displaced worker claimant described
16 in subparagraph (A) may volunteer to participate
17 in the development of a reemployment plan during
18 the first six weeks of eligibility for unemployment
19 insurance benefits, and, if the claimant so volun-
20 teers, will be required to report for an assessment
21 by a job service counselor and develop a reem-
22 ployment plan with the counselor;

23 (C) the reemployment plan will include—

1 (i) assurance from the previous employ-
2 er of a displaced worker of an early recall to
3 employment, if possible;

4 (ii) job search training leading to super-
5 vised job search and job development, includ-
6 ing the teaching of basic job seeking skills
7 relating to attitude development, interview-
8 ing skills, decisionmaking skills, self-evalua-
9 tion, labor market information, the use of
10 local resources for finding employment and
11 other appropriate skills leading to supervised
12 but self-directed employment search;

13 (iii) referral to an on-the-job training
14 program or classroom occupational and em-
15 ployability training except that not to exceed
16 50 per centum of the compensation paid for
17 on-the-job training may be paid for from fi-
18 nancial assistance paid under this Act;

19 (iv) development of a relocation plan
20 which includes assurances from an employer
21 in another community that work is available
22 to the claimant and such relocation plan may
23 include reimbursement for the cost of job
24 search activities with perspective employers,
25 transportation costs for the claimant, his

1 family and household furnishings, and allow-
2 ances for deposits and other costs associated
3 with relocation; and

4 (v) a statement by the employment
5 counselor that good and sufficient reasons
6 exist for some other alternative program for
7 the displaced worker,

8 (D) the State will, wherever practicable to
9 assure the continued participation of each dis-
10 placed worker claimant in the program assisted
11 under this Act, provide for conditioning the pay-
12 ment of unemployment insurance benefits on con-
13 tinued participation in the program, consistent
14 with the requirements of section 3304 of the In-
15 ternal Revenue Code of 1954;

16 (4) contain provisions describing the manner
17 in which the State will participate in an interstate
18 layoff and plant closing program established by
19 the Secretary;

20 (5) contain assurances that the State will
21 comply with the limitations contained in section 8;
22 and

23 (6) contain such other provisions as the Sec-
24 retary may reasonably require.

1 (b) The Secretary shall approve any application which
2 meets the requirements of subsection (a), and shall not disap-
3 prove any application submitted under subsection (a) without
4 first affording the State an opportunity for a hearing.

5 LIMITATIONS ON USES OF FUNDS UNDER THIS ACT

6 SEC. 8. (a) No grant under this Act may be used by the
7 State or may be used by any other person with which the
8 State makes arrangements to carry out the provisions of this
9 Act to pay compensation to any displaced worker not de-
10 scribed in the application submitted under section 7 or to
11 make payments for living expenses of the displaced worker
12 claimant under the reemployability plan described in such ap-
13 plication.

14 (b) No State may use more than 15 per centum of the
15 amount received by the State in each fiscal year for adminis-
16 trative expenses.

17 AUDIT

18 SEC. 9. (a) Each State shall provide such fiscal control
19 and fund accounting procedures as may be necessary to
20 assure the proper disbursement of and accounting for Federal
21 funds paid to the State under this Act, including procedures
22 for monitoring the assistance provided under this Act and
23 provide that at least every year each State shall prepare an
24 audit of its expenditures of amounts received under this Act.
25 Each audit required under this subsection shall be conducted

1 by an entity independent of any agency administering activi-
2 ties or services carried out under this Act and shall be con-
3 ducted in accordance with generally accepted accounting
4 principles. Within thirty days after submit a copy of such
5 audit to the Secretary.

6 (b) The Comptroller General of the United States shall,
7 from time to time, evaluate the expenditures by the State of
8 grants under this Act in order to assure that expenditures are
9 consistent with the provisions of this Act to determine the
10 effectiveness of the State in accomplishing the purposes of
11 this Act.

12 PAYMENTS TO STATES

13 SEC. 10. (a) From its allotment under section 5, the
14 Secretary shall make payments to each State in accordance
15 with section 203 of the Intergovernmental Cooperation Act
16 of 1968 (42 U.S.C. 4213), for use under this Act.

17 (b) Payments to a State from its allotment for any fiscal
18 year must be expended by the State in such fiscal year.

19 NONDISCRIMINATION PROVISIONS

20 SEC. 11. (a) No person shall on the ground of race,
21 color, national origin, or sex be excluded from participation
22 in, be denied the benefits of, or be subjected to discrimination
23 under, any program or activity funded in whole or in part
24 with funds made available under this Act. Any prohibition
25 against discrimination on the basis of age under the Age Dis-

1 crimination Act of 1975 or with respect to an otherwise
2 qualified handicapped individual as provided in section 504 of
3 the Rehabilitation Act of 1973 shall also apply to any such
4 program or activity.

5 (b) Whenever the Secretary determines that a State that
6 has received a payment under this Act has failed to comply
7 with subsection (a) of this section or an applicable regulation,
8 he shall notify the chief executive of the State and shall re-
9 quest him to secure compliance. If within a reasonable period
10 of time, not to exceed sixty days, the chief executive fails or
11 refuses to secure compliance, the Secretary is authorized to
12 (1) refer the matter to the Attorney General with a recom-
13 mendation that an appropriate civil action be instituted, (2)
14 exercise the powers and functions provided by title VI of the
15 Civil Rights Act of 1964, the Age Discrimination Act of
16 1975 or section 504 of the Rehabilitation Act of 1973, as
17 may be applicable, or (3) take such other action as may be
18 provided by law.

19 (c) When a matter is referred to the Attorney General
20 pursuant to subsection (b) of this section, or whenever he has
21 reason to believe that the State is engaged in a pattern or
22 practice in violation of the provisions of this section, the At-
23 torney General may bring a civil action in any appropriate
24 United States district court for such relief as may be appro-
25 priate, including injunctive relief.



FACT SHEET
DISPLACED WORKER READJUSTMENT ACT

Purposes

- to motivate employers to give advance notice of mass layoffs and plant closings so that:
 1. joint management-labor-community committees can plan readjustment
 2. readjustment to new employment can occur in advance to layoffs
- to use period of unemployment insurance eligibility to achieve and carry out individual reemployment plans for displaced workers

Need

- 3.9 million, or over two out of every five individuals unemployed nationwide have been laid off without expectation of recall; this is a flow rather than a stock: of those with little or no hope of recall, 54% have been unemployed less than 15 weeks, 36% over 14 weeks, and 18% over 26 weeks
- 6,500 individuals in Utah alone were affected by plant closings and mass layoffs from October 1981 to March 1982
- Employers are frequently reluctant to give advance notice of major cutbacks or closings.
- Laid off workers too often exhaust unemployment compensation before taking necessary readjustment measures.

Services

- personal and family counseling
- job search training, job development and placement
- on-the-job and classroom training
- relocation -- experience indicates about 10% will request relocation assistance
- other services
- bill provides for approx. 150,000 individuals to be served at an average cost of \$2000

Activation

- voluntary state participation
- voluntary employer participation
- voluntary worker participation for first 6 weeks; state flexibility to require participation thereafter

Incentives

- state receives additional federal funds
- employer receives assistance for worker readjustment
- worker receives faster return to full earning potential without income maintenance

Those Involved

- workers
- employers
- unions
- governors
- employment service
- state job training councils
- local private industry councils

SUMMARY OF PROVISIONS OF S. 2650

- Authorization -- \$300 million for four years
- Allotment -- 50% on the basis of the relative number of unemployed workers
50% on the basis of the relative number of long-term unemployed

For FY 1984 and the succeeding two years, half of the state grant can be used for the "early warning readjustment services" and the other half for "unemployment insurance reemployability planning" programs.

The Secretary of Labor has the power to reallocate funds if he determines that the formula misallocates money to states where it is not needed.

- Block grants to states are not automatic -- a state must apply for funds.
- A state's application for funds must include:
 1. establishment and operation of an "early warning readjustment service program"
 - all employers with 25 or more employees are eligible if they layoff 25% of the workforce of a single facility and give six months advance notice of that layoff to the state
 - the readjustment service of the state (joint responsibility of the state job training council and the state employment security office) appoints a "readjustment committee" consisting of employer representatives, displaced worker representatives, state employment security agency, local private industry council, other public or private organizations, and labor unions where there is a collective bargaining agreement in effect
 - the "readjustment committee" submits a readjustment plan to be approved by the governor which includes: personal and family counseling, career planning, job search training, job development, communication with other employers, on-the-job training, classroom retraining, relocation assistance, and other assistance reducing the personal and economic costs of readjustment
 2. establishment of an "unemployment insurance reemployability planning program"
 - any displaced worker who applies for unemployment compensation may participate in a reemployability program after an assessment of his present and future opportunities by an employment service counselor during the first six weeks of UI eligibility (also voluntary)
 - participation in this voluntary reemployability program would make the worker eligible for referral to the various retraining programs approved in the "readjustment plan"
 - the state may choose to require participation of the worker in the reemployability program as a condition for receiving UI benefits

UNCLE SAM MONUMENT

• Mr. D'AMATO. Mr. President, today I am pleased to be introducing legislation which would authorize the Secretary of the Interior to enter into a cooperative agreement to maintain the gravesite of Samuel "Uncle Sam" Wilson and to erect and maintain tablets or markers at his gravesite in Troy, N.Y.

For many years, the people of Troy worked assiduously to gain recognition from the Federal Government that Uncle Sam maintained a home in Troy. On September 15, 1961, the Senate approved a resolution saluting "Uncle Sam" Wilson of Troy, N.Y., as the progenitor of America's national symbol of "Uncle Sam."

I ask unanimous consent that a copy of this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

"UNCLE SAM"

Whereas in a world largely hostile to the idea of freedom we must keep alive the cherished values of our way of life; and

Whereas at a moment in our history when we need all our sense of purpose and capability to match the challenge of disciplined communism some say that our national symbol of "Uncle Sam" is archaic and should be disowned; and

Whereas the symbol of "Uncle Sam" was evoked out of the needs of a young Nation, and is linked to a grassroots character, Samuel Wilson, of Troy, New York, who still represents the strength and idealism that made up the greatest Nation in the world; and

Whereas the years 1766 to 1854, the years in which Samuel Wilson lived, witnessed the birth and glorious progress of the United States, spanning as they did the period before the Declaration of Independence to the emergence of the United States as a world power; and

Whereas no congressional action has ever been taken to make the symbol of that American tradition, the symbol of "Uncle Sam," official and permanent: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the Congress salute "Uncle Sam" Wilson, of Troy, New York, as the progenitor of America's national symbol of "Uncle Sam".

Agreed to September 15, 1961.●

By Mr. HATCH:

S. 2650. A bill to provide readjustment services to workers permanently displaced from their jobs, and for other purposes; to the Committee on Labor and Human Resources.

DISPLACED WORKER READJUSTMENT ACT OF 1982

Mr. HATCH. Mr. President, of the nearly 6 million Americans who have lost their jobs, almost 4 million have been permanently displaced. In my own State of Utah, unemployment has jumped precipitously during the past few months primarily because major manufacturing plants, mines, smelters, steel mills, and other employers have made large-scale layoffs. Many of those employers, as with others across the country, are unlikely, in the foreseeable future, to reach the same num-

bers employed as recently as last year and as a result workers must make major adjustments in their lives and working careers.

This body had addressed unemployment problems in the past with such devices as the Trade Adjustment Act. Such programs were, however, palliatives. They provided financial assistance but did little to achieve readjustment and reemployment. The displaced worker provisions of S. 2036 help, and I support this measure, but these provisions come into action only after the layoffs or plant closing have occurred.

Three States have already implemented comprehensive programs for the readjustment and reemployment of dislocated workers, including systems of advance notice of mass layoffs and plant closures. It is time we in Congress also look at the larger issue of worker displacement and investigate ways of incorporating the efforts of existing agencies with employers to address it.

Despite the lack of a U.S. legislative model, there is a substantial experience to draw upon from our Canadian neighbors. Since 1963, Canada has had in effect a series of sticks and carrots to win advance notice from employers of intended mass layoffs and plant closings. Such notice triggers formation of a joint management-labor-government committee to design and carry out a readjustment plan with the goal of obtaining other jobs for the workers before the layoff occurs. Additionally, a number of forward-looking and socially conscious companies, when faced by need to close a plant, have given prior notice to employees and their communities and have worked out plans and procedures to ease the displacement effects. There are some aspects of the Canadian approach which would be unacceptable on the American industrial scene, but along with the experiences of these U.S. companies, it is an impressive model from which many practical lessons can be drawn.

Employers are understandably reluctant to admit publicly to their employees, suppliers, customers, and competitors that they are in difficulty sufficient to threaten major cutbacks or even cessation of operations. Similarly, employees hope against hope. When laid off, they do not admit, even to themselves, that recall is unlikely. They all too often exhaust their unemployment compensation waiting to be recalled. Only when all income stops do they panic and start seriously to make new plans, but by then they have no resources to carry them over the necessary, painful readjustment.

The bill I am introducing today attempts to tackle these twin problems. First the bill provides incentives for employees to voluntarily give advance notice of plant closings and mass layoffs and provides for readjustment planning through a joint management-labor-State and local govern-

ment committee, the objective being to achieve readjustment before rather than after layoffs.

Second, the bill requires of all unemployment insurance recipients an early assessment of reemployment prospects. Those whose reemployment probabilities are low may be required to engage in reemployment planning and training to carry out such a plan, depending on State rules and procedures.

I readily acknowledge that my proposal may not have all of the answers, though I believe that the basic concepts in this legislation are sound. Hearings should be held at the earliest possible time, both in Washington and in other States, to hear from witnesses with experience in administering such programs as well as those who will be affected by such a proposal.

It is time we acknowledged the displaced worker problem differs from the unemployment problem. Each requires a different solution. For the latter, I wholeheartedly support the President's program of tax, spending, and regulatory reductions. This policy addresses the disease of economic "stagflation" and recession to create new growth-oriented industries and jobs. The economy is also aided through an increase in the supply of highly skilled workers prepared to fill these new positions. The Training for Jobs Act (S. 2036) provides training opportunities for the economically disadvantaged, those with barriers to employment, and displaced workers, but a more systematic, prevention-oriented approach is needed to assist potentially long-term unemployed workers, employers, and our economy adjust to our changing economy and period of reindustrialization. I hope Senators will review my proposal and join me as a cosponsor. The amount of time and effort we devote to this program will bring significant economic rewards and savings both in terms of reducing extended income maintenance payments and in promoting one of our best national resources—our labor force.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2650

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Displaced Worker Readjustment Act of 1982".

STATEMENT OF PURPOSE

SEC. 2. It is the purpose of this Act, through grants to States, to facilitate the readjustment to new employment of workers permanently displaced from their customary employment because of technological change, international competition, shifts in consumer preferences, business failures, and other factors by—

(1) encouraging employers to give advance notice of impending plant closings or mass layoffs;

(2) providing for cooperation between employers and public agencies in facilitating transfer to new employment opportunities prior to layoff;

(3) developing and carrying out reemployment plans to achieve readjustment for displaced workers;

(4) making available transition services to accomplish such readjustment, and

(5) using the period of unemployment compensation eligibility to carry out readjustment activities

DEFINITIONS

Sec. 3. As used in this Act—

(1) The term "displaced worker" means any individual who is laid off from regular employment, who was previously steadily employed, and who has little realistic probability of being rehired in that previous employment or of being rehired, in a timely fashion, in a job of equal pay and status, as determined by the State.

(2) The term "Secretary" means the Secretary of Labor.

(3) The term "State" includes the several States, and the District of Columbia.

(4) The term "unemployed persons" means persons who are without jobs and who want or are available for work. The determination of whether persons are without jobs shall be made in accordance with criteria used by the Bureau of Labor Statistics, the Department of Labor in defining persons as unemployed.

AUTHORIZATION OF APPROPRIATIONS

Sec. 4. There are authorized to be appropriated \$300,000,000 for the fiscal year 1983 and for each of the succeeding three fiscal years to carry out the provisions of this Act.

ALLOTMENT

Sec. 5. (a) From the amount appropriated for fiscal year 1983 under section 3, the Secretary shall—

(1) allot 50 per centum of such amounts on the basis of the relative number of unemployed persons during the calendar year 1982 within the State compared to the total number of such persons in all States; and

(2) allot 50 per centum of such amount on the basis of the relative number of unemployed persons who were unemployed for 15 weeks or more during the calendar year 1982 within the State compared to the total number of such persons in all States.

(b) From the amount appropriated for fiscal year 1984 and each succeeding fiscal year the Secretary shall—

(1) allot to each State an amount which bears the same ratio to 50 per centum of such amount as the amount expended by that State in the fiscal year prior to the fiscal year for which the determination is made, for the uses described in section 6(1) bears to the total amount so expended for all States; and

(2) allot to each State an amount which bears the same ratio to 50 per centum of such amount as the amount expended by that State in the year preceding the fiscal year for which the determination is made for the purposes described in section 6(2) bears to the total amount so expended for all States.

(c) The portion of any State's allotment under subsection (a) or subsection (b) for a fiscal year, which the Secretary determines will not be required for the period such allotment is available for carrying out the purposes of this Act, shall be available for reallocation from time to time, on such dates during such period as the Secretary may fix, to other States based on need and ability to expend the funds consistent with

the provisions of this Act and taking into account the proportion of the original allotments made available to such States under subsections (a) and (b), as the case may be, for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Secretary estimates such State needs and will be able to use for such period for carrying out such portion of its States application approved under this Act, and the total reduction shall be similarly reallocated among the States whose proportionate amounts are not so reduced. In carrying out the requirements of this subsection, the Secretary shall take into account the climatic conditions and such other relevant factors as may be necessary to assure that no State loses funds necessary to carry out the purposes of this Act. Any amount reallocated to the State under this subsection during a year shall be deemed part of its allotment under subsections (a) and (b), as the case may be, for such year.

(d) Any allocation to a State may be reallocated only if the Secretary provides 30 days advance notice to the chief executive.

USES OF FUNDS

Sec. 6. Grants under this Act shall be used in accordance with the provisions of this Act, by the States—

(1) for mass layoff and plant closing early warning readjustment services programs; and

(2) unemployment insurance reemployability planning programs.

APPLICATIONS AND REQUIREMENTS

Sec. 7. (a) Each State desiring to receive an allotment for a fiscal year under this Act, shall submit an application to the Secretary. Each such application shall be in such form as the Secretary shall require. Each such application shall—

(1) provide for the establishment and operation by the State of an early warning readjustment service program for displaced workers described in clause (2) and an unemployment insurance reemployability planning program for displaced workers described in clause (3), which will be the joint responsibility of the State Job Training Council and the State Department of Employment Security (or other similar agency designated by the chief executive);

(2) describe the provisions for an early warning readjustment service program designed to assure—

(A) that each employer within the State contemplating closing a facility within the State employing more than 25 employees or laying off more than 25 per centum of the employees of any single facility within the State will be eligible for the readjustment services assisted under this Act if the employer provides at least 180 days notice of such closing or layoff, except that the warning period may be reduced to 90 days if the employer provides persuasive evidence that knowledge prior to the regular period was not available;

(B) that the notice required by an employer under subclause (A) will be made to the State Job Training Council, the Department of Employment Security (or similar agency of the State as designated by the chief executive), the appropriate local private industry council, or the appropriate local office of the State Employment Service;

(C) that (i) the notice given by the employer under subclause (B) will be forwarded to the chief executive of the State promptly, and that upon receiving the notice the readjustment service of the State assisted under this Act will take the initiative in appointing and assembling a readjustment committee consisting of representatives of the notifying employer of the

displaced workers of that employer, the State Department of Employment Security (or similar agency as designated by the chief executive), the local private industry council and other appropriate public agencies and private organizations; and (ii) where a collective bargaining agreement is in effect the representatives of the labor organization will be included in such readjustment committee;

(D) that the readjustment committee established under subclause (C) will prepare a readjustment plan which is satisfactory to both the employer and representatives of the displaced workers, to and will be effective only if the chief executive approves of the plan;

(E) the readjustment services for displaced workers will include—

(i) personal and family counseling;

(ii) career planning;

(iii) job search training;

(iv) job development;

(v) communication with other potential employers;

(vi) on-the-job training by other employers;

(vii) on-the-job training in other establishments of the participating employer;

(viii) retraining in classroom settings;

(ix) relocation assistance; and

(x) other services with a high probability of reducing the personal and economic costs of readjustment; and

(3) provide for the establishment of an unemployment insurance reemployability planning program under which—

(A) any claimant for unemployment insurance benefits who is a displaced worker and who—

(i) considers it unlikely that the claimant will be rehired by the immediate previous employer of such claimant, and

(ii) considers reemployment by other employes in the local labor market of which the claimant is a resident to be unlikely,

may participate in a reemployability program described in this paragraph;

(B) the displaced worker claimant described in subparagraph (A) may volunteer to participate in the development of a reemployment plan during the first 6 weeks of eligibility for unemployment insurance benefits, and, if the claimant so volunteers, will be required to report for an assessment by a job service counselor and develop a reemployment plan with the counselor;

(C) the reemployment plan will include—

(i) assurance from the previous employer of a displaced worker of an early recall to employment, if possible;

(ii) job search training leading to supervised job search and job development, including the teaching of basic job seeking skills relating to attitude development, interviewing skills, decisionmaking skills, self evaluation, labor market information, the use of local resources for finding employment and other appropriate skills leading to supervised but self-directed employment search;

(iii) referral to an on-the-job training program or classroom occupational and employability training except that not to exceed 50 per centum of the compensation paid for on-the-job training may be paid for from financial assistance paid under this Act;

(iv) development of a relocation plan which includes assurances from an employer in another community that work is available to the claimant and such relocation plan may include reimbursement for the cost of job search activities with perspective employers, transportation costs for the claimant, his family and household furnishings, and allowances for deposits and other costs associated with relocation; and

(c) a statement by the employment counselor that good and sufficient reasons exist for some other alternative program for the displaced worker.

(D) the State will, wherever practicable to assure the continued participation of each displaced worker claimant in the program assisted under this Act, provide for conditioning the payment of unemployment insurance benefits on continued participation in the program, consistent with the requirements of section 3304 of the Internal Revenue Code of 1954;

(4) contain provisions describing the manner in which the State will participate in an interstate layoff and plant closing program established by the Secretary;

(5) contain assurances that the State will comply with the limitations contained in section 8; and

(6) contain such other provisions as the Secretary may reasonably require.

(b) The Secretary shall approve any application which meets the requirements of subsection (a), and shall not disapprove any application submitted under subsection (a) without first affording the State an opportunity for a hearing.

LIMITATIONS ON USES OF FUNDS UNDER THIS ACT

SEC. 8. (a) No grant under this Act may be used by the State or may be used by any other person with which the State makes arrangements to carry out the provisions of this Act to pay compensation to any displaced worker not described in the application submitted under section 7 or to make payments for living expenses of the displaced worker claimant under the reemployment plan described in such application.

(b) No State may use more than 15 per centum of the amount received by the State in each fiscal year for administrative expenses.

AUDIT

SEC. 9. (a) Each State shall provide such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this Act, including procedures for monitoring the assistance provided under this Act and provide that at least every year each State shall prepare an audit of its expenditures of amounts received under this Act. Each audit required under this subsection shall be conducted by an entity independent of any agency administering activities or services carried out under this Act and shall be conducted in accordance with generally accepted accounting principles. Within 30 days after submit a copy of such audit to the Secretary.

(b) The Comptroller General of the United States shall, from time to time, evaluate the expenditures by the State of grants under this Act in order to assure that expenditures are consistent with the provisions of this Act to determine the effectiveness of the State in accomplishing the purposes of this Act.

PAYMENTS TO STATES

SEC. 10. (a) From its allotment under section 5, the Secretary shall make payments to each State in accordance with section 203 of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4213), for use under this Act.

(b) Payments to a State from its allotment for any fiscal year must be expended by the State in such fiscal year.

NONDISCRIMINATION PROVISIONS

SEC. 11. (a) No person shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimina-

tion under, any program or activity funded in whole or in part with funds made available under this Act. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 shall also apply to any such program or activity.

(b) Whenever the Secretary determines that a State that has received a payment under this Act has failed to comply with subsection (a) of this section or an applicable regulation, he shall notify the chief executive of the State and shall request him to secure compliance. If within a reasonable period of time, not to exceed 60 days, the chief executive fails or refuses to secure compliance, the Secretary is authorized to (1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted, (2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 or section 504 of the Rehabilitation Act of 1973, as may be applicable, or (3) take such other action as may be provided by law.

(c) When a matter is referred to the Attorney General pursuant to subsection (b) of this section, or whenever he has reason to believe that the State is engaged in a pattern or practice in violation of the provisions of this section, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

By Mr. McCLURE (by request):

S. 2651. A bill to extend the expiration date of section 252 of the Energy Policy and Conservation Act; to the Committee on Energy and Natural Resources.

EXTENSION OF SECTION 252 OF THE ENERGY POLICY AND CONSERVATION ACT

● Mr. McCLURE. Mr. President, at the request of the administration, I introduce a bill to extend the expiration date of section 252 of the Energy Policy and Conservation Act until June 30, 1985. I ask unanimous consent that the text of the bill and the letter of transmittal be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2651

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 252(j) of the Energy Policy and Conservation Act (42 U.S.C. § 6272(j)) is amended by striking "July 1, 1982" and inserting in its place "June 30, 1985".

DEPARTMENT OF ENERGY.

Washington, D.C., June 17, 1982.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is proposed legislation "[t]o extend the expiration date of section 252 of the Energy Policy and Conservation Act."

This proposed legislation is part of the Department of Energy Legislative Program for the 97th Congress. The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this legislation for the consideration of the Congress.

PURPOSE OF THE LEGISLATION

This bill would amend subsection 252(j) of the Energy Policy and Conservation Act (EPCA) by changing the expiration date of section 252 from July 1, 1982, to June 30, 1985. The extension would continue the antitrust defense afforded by section 252(f) of EPCA to United States oil companies participating in the Agreement on an International Energy Program (IEP), thus facilitating their continued participation in the IEP.

BACKGROUND

The IEP originally was signed in 1974 as the result of an effort by the United States to promote cooperation among major industrial countries in reducing dependence on imported oil. There are presently 21 signatories to the IEP, consisting of most of the principal industrialized oil consuming nations. The IEP provided for creation of the International Energy Agency (IEA) as an autonomous entity within the Organization for Economic Cooperation and Development and, under the auspices of the IEA, of an international oil sharing system for use during oil supply emergencies, and an information system on the international oil market. It also required each country to establish an emergency petroleum storage program, and to have a means for restraining demand for petroleum products in the event of an interruption of petroleum supplies to the IEP countries.

Section 252 of the EPCA sets out procedures applicable to the development or carrying out of voluntary agreements and plans of action to implement the allocation and information provisions of the IEP. Under this authority, effective March 21, 1976, United States oil companies entered into the Voluntary Agreement and Plan of Action to Implement the International Energy Program (the Voluntary Agreement) (41 F.R. 13998, April 1, 1976). At present, 21 United States oil companies, including both major international oil companies and independent oil companies, are participants in the Voluntary Agreement.

The antitrust defense provided in section 252(f) is essential to the participation of United States oil companies in the Voluntary Agreement and, through it, in the IEP. The IEP, in turn, can function effectively only with participation by United States and foreign oil companies which are primary sources of information about conditions in the international oil market and would be the primary actors in redistributing oil if the IEP's emergency sharing provisions were activated.

This bill simply extends to June 30, 1985, the effectiveness of the section 252 antitrust defense, thereby synchronizing its expiration with that of Titles I and II of EPCA, and assuring continuity of U.S. company participation in the IEP. All of the other conditions and safeguards presently incorporated in that section will remain unchanged.

COST AND BUDGET DATA

Enactment of this legislation would cause no apparent increase in budgetary requirements for the Department of Energy.

Sincerely,

R. TENNEY JOHNSON,
General Counsel. ●

By Mr. DANFORTH (for himself, Mr. TSONGAS, Mr. BAKER, Mr. GOLDWATER, Mr. HAYAKAWA, Mr. LAXALT, Mr. BRADLEY, Mr. CRANSTON, Mr. MATSUNAGA, Mr. PELL, and Mr. SASSER):

S.J. Res. 202. A joint resolution to express the sense of the Congress of

THE WHITE HOUSE
WASHINGTON

22 November 1982

TO: JAB III

RE: Relations with Organized Labor

For your information:

Preliminary word from AFL-CIO is that they have no problem with Patricia Diaz Dennis for the NLRB post. Also, the AFL-CIO says it has no objection to our nominations (Mahone and Miller) to the Federal Labor Relations Authority. The Teamsters have said the same.

As I understand it, all the above have solid Reagan/conservative credentials, yet we're not drawing strong opposition from labor.

Contrast this with Dotson-- even though the concede we may win, labor is going all-out to defeat him. Lots of blood, but zero policy difference on the NLRB.

Jim:

I don't mean to beat a dead horse: I know you already perceive this point. This is just fuel for future arguments I guess. Jim

THE WHITE HOUSE

WASHINGTON

November 22, 1982

MEMORANDUM FOR SENIOR STAFF

FROM: Jim Cicconi ^{ASST}

SUBJECT: Senior Staff Meetings

There will be no senior staff meetings November 24, 25, 26, and 29. Meetings will resume November 30.

Thank you.

THE WHITE HOUSE
WASHINGTON

22 Nov 1982

TO: JAB III

RE: District Judgeship, S.D. Texas

For your information:

Sen. Tower has decided to recommend Ricardo Hinojosa for the vacant district judgeship in Brownsville. Tower recognizes that Ricardo may have a problem with the ABA due to the fact he has not practiced law for as long as the ABA likes; he feels this can be overcome, though. Ricardo feels he can get the ABA's support also.

J

THE WHITE HOUSE

WASHINGTON

November 22, 1982



MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi *hjc*
SUBJECT: Canadian Trucking

You may recall that differences developed between the U.S. and Canada over entry standards for trucking. In effect, a change in U.S. law eased standards for Canadian truckers to operate in the U.S., while at the same time, Canadian standards on U.S. truckers were not eased. This put U.S. truckers at a disadvantage. While we were looking into the matter, the ICC imposed a moratorium on new certificates to Canadian truckers.

In September, when he signed the Bus Regulatory Reform Act, the President eased the moratorium. Negotiations started with Canada soon after (you may recall that this decision was discussed in senior staff).

This month, the U.S. and Canada reached agreement on an understanding calling for equal treatment for truckers of both nations. The President will soon lift the moratorium completely in response to this.