WHORM Subject File Code: FG006-01
(Federal Government Organizations:
White House Office)
Case file Number(s): 211717-211899
Box: 68

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Reminder

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[redacted]

GM

CALL

FROM

JAMES D. JOHNSTON

VICE PRESIDENT
INDUSTRY-GOVERNMENT RELATIONS

2/27/84

TO Hon. Craig Fuller
The White House

Craig:

Here is good news — 7200 more people called back to work. Looks good for '84.

Jim

We want to help putting automobiles back to work

Deaver — Mike

Sug

[redacted]

SUITE 801
(202) 775-5090
ROOM 13-136
(313) 556-4671

1660 L STREET, N.W.
WASHINGTON, D.C. 20036
GENERAL MOTORS BLDG.
DETROIT, MICHIGAN 48202

[redacted]

Called 3/8/84

GENERAL MOTORS CORPORATION
1660 L STREET, N. W.
WASHINGTON, D. C. 20036
(202) 775-5012

NEWS

IMMEDIATELY, 9 A.M., EST, MONDAY, FEBRUARY 27, 1984

DETROIT -- An estimated 7,200 indefinitely laid-off General Motors employes will be called back to work in the near future as second shifts are added at two assembly plants and production line rates increased at two others, GM President F. James McDonald announced today.

Mr. McDonald made the announcement at a news conference prior to his keynote address at the Society of Automotive Engineers meeting at Cobo Hall this morning.

Some 2,900 employes will return to passenger car and truck assembly plants, he said. The remaining 4,300 will be back to work at component operations that serve the assembly plants.

The increases planned for assembly facilities are as follows:

- The Lakewood, Ga., Chevette assembly plant will add a second shift with 1,350 employes on June 11. The plant has been closed since Sept., 1982. It is scheduled to reopen on the first shift on April 2.

- GM Truck & Bus Manufacturing Division will add a second shift for full-size pickups at its Flint, Mich., truck plant, beginning June 18. Some 1,400 employes will be called back from indefinite layoff.

- The heavy duty truck plant at Pontiac, Mich., will call back about 100 indefinitely laid-off employes when the line rate increases from 72 to 80 vehicles per day on May 21.

- Pontiac Motor Division will add 80 employes on its Fiero assembly line starting April 2, when that line rate increases from 26 to 30 units per hour on each shift.

In his keynote address, GM's president said that when completed by the middle of June, "These moves will mean that some 90,000 GM employes will have been returned to work since the beginning of last year. These steps indicate our confidence in the employment picture for the industry."

* * *

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The Brookings Institution

1775 MASSACHUSETTS AVENUE N.W. / WASHINGTON D.C. 20036 / CABLES: BROOKINST / TELEPHONE: (202) 797-6000

Advanced Study Program

WS

March 8, 1984

Mr. Lee Verstandig
Assistant to the President for
Inter-governmental Affairs
The White House
Washington, DC 20500

Dear ~~Mr. Verstandig~~ Lee:

I want to thank you for participating in our Conference for Business Executives on Understanding Federal Government Operations, held here March 4-9, 1984.

The group enjoyed your remarks very much, and we all felt you shed considerable light on some major public policy issues.

We are grateful to you for taking the time from your busy schedule to be with us.

Cordially,

Warren I. Cikins
Senior Staff Member

P.S. It was great of you to join us. Your presentation was very well received, indeed!

Dg

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THE WHITE HOUSE

WASHINGTON

March 2, 1984

Joel

Dear ~~Mr.~~ Shorin:

Thank you for sending me a supply of the new Topps Baseball cards displaying the "Team Up Against Drug Abuse" logo.

I appreciate your support of the President's drug awareness campaign. The future of America's youth is in jeopardy and every effort must be made to provide an environment whereby future generations may live drug free. Your contribution will help us reach a great many people.

Again, thank you for your efforts and please stop by for a visit next time your travels bring you to the Washington, D.C. area.

Best wishes,

Sincerely,

Carlton

Carlton E. Turner, Ph.D.
Special Assistant to the President
for Drug Abuse Policy

P.S. How is the back? Thanks so much for your support!

Mr. Joel Shorin
Topps Chewing Gum, Inc.
401 York Avenue
Duryea, PA 18642

2/

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American Association of Colleges of Nursing

aacn Eleven Dupont Circle • Suite 430 • Washington, D.C. 20036 • (202) 332-1917, 1918

February 22, 1984

LD

Dr. William L. Roper
Room 235
Old Executive Office Building
Washington, D.C. 20500

Dear Dr. Roper:

Thank you for agreeing to meet with Rosalinda Toth and myself on February 27, at 3:00 p.m. The purpose of the meeting is to share with you the impact which the DRG system has had on nursing services in New Jersey and the role which nursing has played in the success of the new reimbursement system.

Rosalinda will be coming to Washington next week to be the speaker at the Nurses in Washington Roundtable and at Georgetown University. She is the Director of Nursing at Beth Israel Hospital in Newark, New Jersey and has been involved in the implementation of DRGs and RIMs at that institution. Her research on the Relative Intensity Measures (RIMs) of nursing care was instrumental in the policy to adopt that system in conjunction with the adoption of the DRG system in the New Jersey hospitals. She has published extensively and is a nationally recognized speaker on this subject. I am enclosing a copy of her vitae.

We have nominated Rosalinda for appointment to the OTA Commission on Prospective Reimbursement. This nomination will be receiving the endorsement of other national nursing organizations and Congressional members.

We extend our congratulations to you on your appointment to the White House staff. We look forward to meeting with you.

Sincerely,

Hurdis Griffith

Hurdis Griffith, R.N., M.N.
Director of Governmental Relations

HG/cs
enclosure

ROSALINDA M. TOTH
305 Daniel St.
Dover, New Jersey
(201) 361-1926

EDUCATION:

1973-1979	Master of Arts in Nursing Education New York University, New York
1963-1967	Bachelor of Science in Nursing, Seton Hall University, New Jersey
1963	Certificate in Keypunch and Data Processing, Automation Institute, New Jersey
1962-1963	Lived in Casis, France to study the language, people and culture

EXPERIENCE:

6/80-present	Assistant Hospital Director and Director, Department of Nursing, Newark Beth Israel Medical Center, Newark, New Jersey. Responsible for the general administration of nursing and nursing education and other ancillary departments at this tertiary care , teaching hospital. Assists general Administration in the planning and implementation of all hospital activities.
9/79-6/80	Assistant Professor, William Paterson College, New Jersey. Responsibilities include clinical instruction in Medical-Surgical nursing, clinical instruction in Community Health Nursing, lecturing in nursing research, leadership and advocacy. Also assisted in the development of the content for the nursing research course. Assisted in designing a course in legislation in the health care delivery system.
12/78-6/80	Nurse Clinician/Health Education, Dover General Hospital and Medical Center, New Jersey. Responsible for the design and implementation of a five year plan to establish a Health Education Program. Design included research studies, formulation of a Program Budget, protocols, staffing requirements, and in-service education. Additional responsibilities included monitoring standards of nursing practice and implementation of quality nursing care.

4/74-present	Special Nursing Consultant, New Jersey State Department of Health to the DRG project.
12/78-12/79	Consultant, Patient Care, Inc., New Jersey: Responsible for planning and development of the Company's Home Health Agency as the State's first profit making, certified Home Health Agency in New Jersey. Certification was awarded in July, 1978. Role included establishment of Bylaws, Organizational structure, Job Descriptions, Financial structure, Operational structure, Program or Service structure and program policies. Additional responsibilities included sales, marketing, personnel relations, in-service education, utilization review, and maintenance of State's Certification.
8/77-12/77	Acting Executive Director, New Jersey State Nurses Association. Responsible for the implementation and coordination of all Association activities, program and budget. Responsible for seven professional staff and eight non-professional staff. Association represents 60,000 Registered Nurses in New Jersey.
7/75-8/77	Associate Director, Organizational Services, New Jersey State Nurses Association. Responsible for all areas related to nursing practice, including quality assurance, membership activities and promotion, public relations and programming. Editor of both Association publications. Supervisor of three non-professional staff.
7/67-7/75	Supervisor, MCOSS Family Health and Nursing Service, New Jersey. Began as a staff nurse, promoted to Assistant Supervisor in 1970. Supervised one of the Agency's largest Health Centers from 1972-1975. Responsible for twenty four staff. Extensive experience in all aspects of nursing and administration. Responsible for and assisted in the development of clinic services, migrant farm services and utilization of Nurse Clinicians. Maintained an active case load of problem adolescents and drug abusers. Member of the Agency's Audit Committee, and Committee for Development of Problem Oriented Record. Under Agency contract, responsible for school health services, Spring Lake Heights Elementary School in 1967.

9/63-11/67	Keypunch Operator and Data Processor, National Newark and Essex Bank, Bloomfield, New Jersey
LICENSURE:	R.N. License, New Jersey

AFFILIATIONS:

1. American Society for Nursing Service Administrators
2. American Nurses Association
3. New Jersey State Nurses Association
4. National League for Nursing
5. Society for Advancement in Nursing
6. New Jersey Consumer Health Education Association
7. Rockaway Township Republican Club
8. American Society of Law and Medicine

OFFICES & APPOINTMENTS:

1. New Jersey State Nurses Association
   a. County Co. Chairperson for the re-definition of the N.J. Nurse Practice Act.
   b. N.J. delegate to American Nurses Association Convention, 1976, 1978, 1980.
   c. Board appointed representative to: N.J. State Dept of Health re: DRG Project Council on Continuing Education. Ad Hoc Committee for National Accreditation 1977-1978. NJSNA - N.J. Hospital Association Liaison Committee, 1980-present. N.J. Joint Practice Committee 1979-1980.
   d. Secretary, Board of Directors 1978-1982.
   e. Treasurer, Constituency #1, 1978-1979
   f. President, Constituency #1, 1979-1981
   g. Chairperson, Fund Raising Committee, Constituency #1, 1978-1980.
   h. Chairperson, Community Health Division, 1978-1980.
   i. Task-Force on Implementation of the 1985 Resolution, 1979-1980.
   j. Nursing Shortage Committee, 1982-present.
   k. Committee on National Credentialing Center, 1980-present
   l. Ad hoc Committee on Prospective Payment, N.J.S.N.A.
   m. Member, Bylaws Committee
   n. Member, Resolutions Committee

2. Regional Health Planning Council of N.J. (H.S.A.)
   a. Executive Committee - Board of Trustees 1980-1982
   b. Appropriateness Review Committee 1980-1982
3. Morris County Mental Health Board
   a. Member, Board of Directors 1980-present
   b. Chairperson, Legislation Committee 1980-1982
4. Rockaway Township Republican Club
   a. Chairperson, Bylaws Committee 1977-1980
   b. 2nd Vice President, 1977-1978
   c. Parliamentarian, 1977-1980
   d. Treasurer, 1978-1979
5. Rockaway Township Republican Committee
   a. Committee woman for Ward I, District 2, 1977-1982
6. Founder & First Chairperson, Southern Monmouth Regional Drug Council, 1968-1975
7. Advisory Committee, Brookdale Community College, 1969
8. Board of Directors, Manasquan Counseling Service, 1973-1975
9. Treasurer, N.J. Nurses Coalition for Action in Politics, 1977-1979
10. State Co. Chairperson for the Health Professions campaign to elect Jeffrey Ball to U.S. Senate, 1978
11. Nursing Advisory Committee, Fairleigh Dickenson University Department of Nursing, Masters Program Planning Committee 1982 - present.
12. Advisory Board to the Center for Nursing Leadership. Development of the Institute of Research & Service in Nursing Education, Columbia University, Teachers College.

PUBLICATIONS:

1. Micheletti, J. and Toth, R., "Diagnosis Related Groups: Impact and Implications" Nursing Management, September, 1981.
2. "Reimbursement Mechanisms Based on Nursing Diagnosis." Proceedings of the fifth National Conference on Nursing Diagnosis, St. Louis, Missouri, 1982. In print.
3. "Costing Out Nursing Services" Proceedings of the 18th National Convention of the National League for Nursing, Philadelphia, Pennsylvania, 1983. In print.
4. DRG's: Strategies for Nursing Management J.B. Lippincott Co., Philadelphia, PA. In print due for release April, 1984.
5. "DRG's and the Issue of Quality" Nursing Economics, March, 1984.

OTHER:

1. Unpublished paper, "Community Teaching in Sex Education", presented at Trenton State College, 1968
2. Unpublished paper, "The Family Nurse Therapist" presented at the N.J. State Nurses Association Convention, 1970
3. Developed new Health Record adopted by three Monmouth County School systems, 1968
4. Developed curriculm for and taught Sex Education classes, Red Bank Community Center, 1968-1969, Red Bank Methodist Church, 1969, Belford Methodist Church, 1970, Girl Scouts of Wall Township, 1971
5. Co-designed Media Learning Package for N.Y. Hospital, Newborn Intensive Care Unit and Rhode Island University on Peritoneal Dialysis of the Infant
6. Speaker's Bureau, National Clearinghouse for Nursing Diagnosis, 1977-present
7. Unpublished paper, "Nursing Diagnosis, the Cornerstone Practice", presented at the Annual Convention of the American Cancer Society, 1979
8. National Speaker on D.R.G. Nursing Diagnosis and Professional Nursing Issues.

AWARDS and HONORS

1. Recipient, ANA Honorary Membership Award, 1981
2. Member, William Patterson College, School of Nursing Honor Society
3. Citizens award from Monmouth County Board of Freeholders for work in drug abuse education.

PERSONAL:

Birthdate - May 25, 1945
Excellent health, active sportswoman, well organized with attention to detail. Very analytical, avid reader, amateur photographer, mechanic and horsewoman.

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Federation of American Hospitals

Michael D. Bromberg, Esquire, Executive Director

National Offices 1111 19th Street, N.W., Suite 402
Washington, D.C. 20036 Telephone 202/833-3090

March 6, 1984

LD

William L. Roper, M.D.
Special Assistant to the President
for Health Policy
Room 235 Old Executive Office Building
Washington, D.C. 20500

Dear Bill:

Thank you for coming to our rescue and participating in our "Hill Panel" in San Francisco last week. I was glad that you were able to be in San Francisco with Jack Svahn and therefore able to bail us out when three of our panelists could not make it.

I think that our members and guests enjoyed the sessions we offered on our program because of the issues discussed and the information gained. Thank you again.

Sincerely,

Mike

Michael D. Bromberg
Executive Director

MDB:nca

Bill -
Great job - thanks again
Mike

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The Foundation for
Women's Health in Alabama

March 5
2:00

February 7, 1984

Dr. William L. Roper
Room 235
Old Executive Office Building
Washington, D.C. 20500

Dear Dr. Roper:

Jeanenne Morrow, President of the Foundation for Women's Health in Alabama, will be in Washington the week of March 5-9, 1984. She wishes to meet with you about the possibility of government funding for a massive Wipe Out Cancer campaign for Alabama women.

We have persuaded Johnson & Johnson of New Brunswick, New Jersey to use Alabama as a model for the rest of the country in educating women and their families as to the importance of getting Pap smears.

The Vice President of Johnson & Johnson is interested in this project and has expressed a desire to supply matching funds if we can interest the government in seeding the program.

With your help, Alabama can become a model for the whole nation, setting standards in cancer screening and detection for the female population, thereby reducing the number of deaths caused by the number one killer in our state.

Other information is enclosed to give you an idea of our other projects.

I shall be in touch soon as to the date you may see Mrs. Morrow.

Sincerely,

June Cunniff

June Cunniff

Post Office Box 7307-A Birmingham, Alabama 35253 (205) 933-9420

Sun., Nov. 6, 1983
The Birmingham News 14D

Sunday Health

Group cites female cancer as chief target, set to attack

By **Anita Smith**
News medical editor

A group of Alabama women have targeted female cancer as a top-priority health problem and are getting ready to tackle it.

On Nov. 13-14, the Foundation for Women's Health in Alabama will sponsor a Wipe Out Cancer clinic in Leeds. It will offer Pap tests for cervical cancer and instruction in breast self-examination.

"We plan for this clinic in Leeds to be the first of several similar efforts in the state to be sponsored by our foundation," said its president, Jeanenne Morrow of Birmingham. "We want to spread an awareness that with a very simple process — a Pap test or a breast self-examination — Alabama women can greatly reduce the incidence of women's cancer. This is something we have to do for ourselves."

The foundation Mrs. Morrow heads has favored a controversial women's hospital project at Brookwood Medical Center, and held a series of workshops identifying health issues affecting women.

"Alabama women attending our workshops overwhelmingly felt that attacking women's cancer should be our first priority," said Mrs. Morrow.

The Wipe Out Cancer clinic in Leeds is slated from 1 to 5 p.m. Nov. 13, and from 3:30 to 9 p.m. Nov. 14. It will be at the Brookwood Leeds Clinic at 207 Parkway Drive SW.

A $2 donation is asked of each patient to help defray costs, such as supplies, said Mrs. Morrow. Several health professionals have volunteered their time to staff the clinic, she said.

She said 10 Leeds businesses have offered to pay part or all the $2 donation for each of their employees who attends.

For more information, or to make an appointment, call 933-9524 or 699-6145.

Appointments aren't required, but Mrs. Morrow said women with appointments will be seen first.

Mrs. Morrow said the foundation wants to expand its Pap tests and breast self-examination instruction into a storefront clinic in downtown Birmingham, and into a mobile van for rural parts of the state.

She said the foundation has submitted proposals to some national foundations for funding help.

Wed., Feb. 1, 1984 The Birmingham News

Jeanenne Morrow:

Women put health care in last place

By **Edna Boone Johnson**
News staff writer

Too many Alabama women put their well-being last in line behind family and work, says Jeanenne Morrow, president of the Foundation for Women's Health, a volunteer, non-profit organization begun in 1982.

Mrs. Morrow, who has worked countless hours as a volunteer in various health-related areas since the '60s, says she wants that to change and is working to see that it does.

Alabama women typically push aside medical checkups because their working hours conflict with doctors' hours. What's more, they sometimes go to work sick because time off work is saved for tending ill children or husbands, says Mrs. Morrow. Others simply can't afford regular health care, she says.

The state has a high death rate from cervical cancer (the No.1 killer of Alabama women) and breast cancer (No.4) simply because many women don't have regular Pap smears and don't conduct regular breast self-examinations, according to Mrs. Morrow.

Estimates from health department officals say only 10 percent of women in the state have Pap smears each year, and only 50 percent have ever had one, she says.

"The women in this state can't put their health last," says Mrs. Morrow, adding that in Alabama about 60 percent of women work and 40 percent are heads of households.

As a test project that Mrs. Morrow says she hopes will be the basis for similar projects, a cancer screening clinic was set up by the Foundation in Leeds last November.

The screening, which cost each participant $2, drew 226 women during two afternoons, according to Mrs. Morrow.

Although follow-up studies are not finished, Mrs. Morrow reports at least one woman found she had a malignant breast cancer which required surgery. Approximately 34 of the women tested needed some sort of gynecological follow-up, 17 were found to have a medical problem, such as high blood pressure, and 26 needed follow-up breast exams.

Mrs. Morrow says she would like to set up a similar screening in an inner city area — perhaps in Birmingham.

"We're looking for money," she says. "I don't know if we can continue to beg and borrow."

For the Leeds screening, Brookwood Medical Center donated the use of its Brookwood/Leeds Clinic and the services of about 10 nurses. Doctors also donated their time, and several area businesses paid for all or part of their employees' $2 fee.

Not only do such screenings detect medical problems, but they may also prove Alabama women want and will get medical attention, she says.

News staff photo by Charles Nesbitt

Jeanenne Morrow, who works as a part-time music and art teacher, with, from left, Phil Black, Meg Black and Bogey Fiddler.

Eventually Mrs. Morrow aims for the state, a hospital or a professional group to take over screenings.

Mrs. Morrow cites several areas she sees as significant women's health hazards in this state.

First, she says, unemployment and a lack of medical insurance has cut down on prenatal care. Many counties do not have clinics that provide low-cost prenatal medical care, and those women who can't afford private physicians care often never see a doctor until they go into labor, she says.

In 18 counties, there are no public cancer detection clinics, according to Mrs. Morrow. Again, those women who can't afford private care simply get no care, she says.

Alabama has a high rate of teenage pregnancies, says Mrs. Morrow. Babies born to teenage mothers frequently have low birth weights and have a higher rate of birth defects, she says. Again, part of the problem, she says, goes back to lack of prenatal care.

Alabama's infant mortality rate also is increasing, she says.

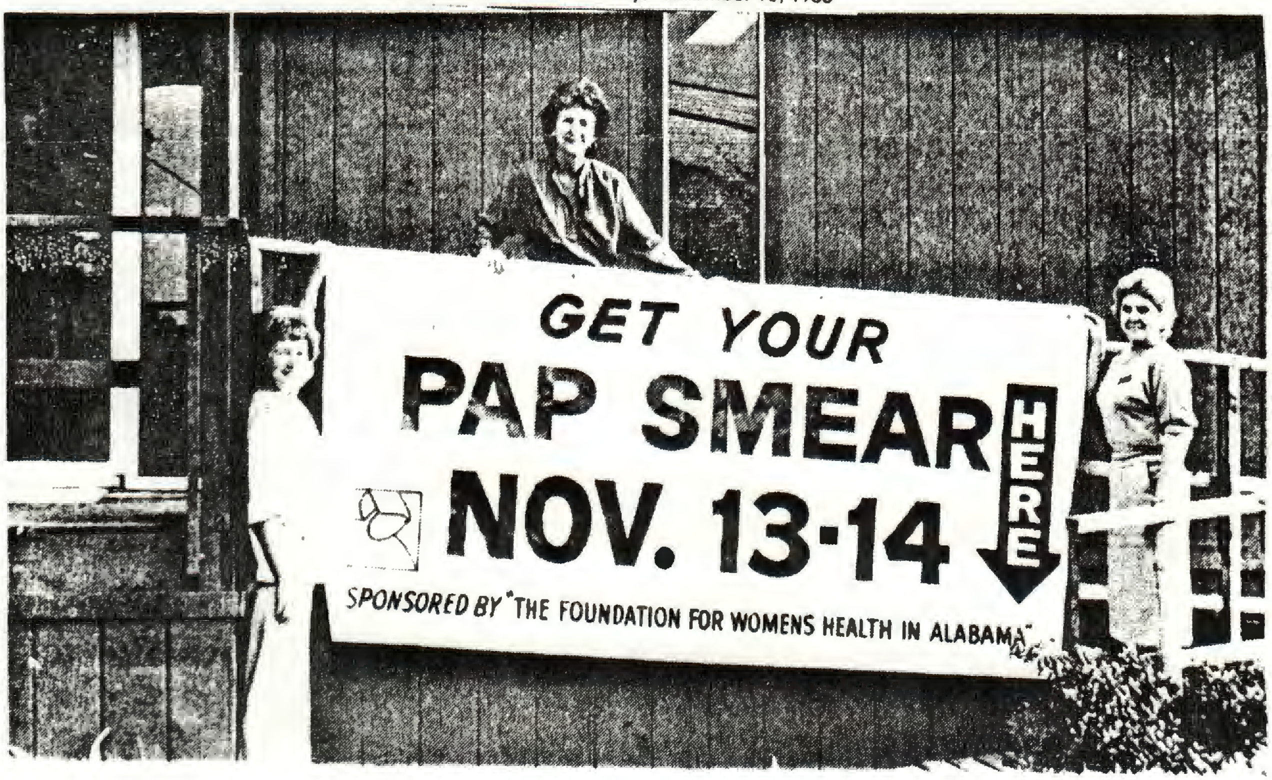
"I've been asked a lot of times why I'm so interested in this," says Mrs. Morrow, who works as a part-time preschool music and art teacher.

"I feel like I've had a lot of opportunities. I have healthy children. I'm healthy," she says. "I really have nothing to gain by this except I feel like this is right. This is something we should do."

THE LEEDS NEWS

November 10, 1983

THE LEEDS NEWS Thursday, November 10, 1983



Cancer clinic scheduled

A special women's cancer screening clinic will be held this weekend in Leeds. The clinic is being sponsored by the Foundation for Women's Health in Alabama. The clinic will be held Nov. 13 from 1-5 p.m. and Nov. 14 from 3:30-9 p.m. at the Brookwood Leeds Health Clinic at 207 Parkway Dr. Appointments may be made by calling the Brookwood Clinic at 699-6145, appointments are not necessary. The upcoming clinic will be the first of its kind to be held in the Leeds area. In the clinic women will be given pap smears in order that early cancer cells may be detected. Pictured are Vivian Coates (left) with the Castailia Literary Club. The Club is helping to alert women by passing out flyers notifying women of the clinic. Elaine Lee (right) is the general manager of the Brookwood Leeds Clinic. Pictured at top is Jeanenne Morrow, with the Foundation of Women's Health in Alabama. (LEEDS NEWS photo by Susan Culwell Love).

THE BIRMINGHAM NEWS

February 2, 1984

BNews 2/2/84

Indigent care 'becoming heavy burden' in state

MONTGOMERY — The cost of providing medical care for Alabama's poor "is beginning to be one of threatening proportions," Dr. Durwood Bradley, chief of staff at the University of Alabama in Birmingham's University Hospital, told a legislative committee Wednesday.

"More and more, this burden of indigent care is falling on the public hospitals of this state," Bradley said.

University Hospital in Birmingham spent $21 million last year for treating those who could not afford to pay, Bradley said.

"It would be wonderful if we could use this money for development of academic programs," Bradley said of the hospital's funds, including $6 million given to it by the state. "Unfortunately, we have to use that money to provide free care for patients who can't pay."

Noting the escalating cost of providing such care, Bradley said he didn't know the solution to the problem, but he asked the Legislature's interim committee on finance and budgets for whatever advice or help it could give.

University Hospital has set aside 50 out of its about 830 hospital beds for the indigent, Bradley said. That's about all the hospital can afford, he added.

But the number of poor patients has been averaging about 58 a day, Bradley said.

University Hospital isn't the only hospital in Birmingham which absorbs a large number of non-paying patients.

Bradley said The Children's Hospital spent $7.8 million last year on indigent care. That's one of the reasons Children's has been having some financial problems, hospital spokesmen have said.

Jefferson County's Cooper Green Hospital, set up by the County Commission to care for the county's poor, also has had its share of financial problems in recent years.

The commission last year abolished Cooper Green's Board of Trustees and recently set up a new board, with less power, to be more responsive to county officials, who have said spending has to be kept in line with available funds.

BIRMINGHAM POST HERALD

August 19, 1983

MORNING MAIL

Misinformation

I would like to correct some misinformation contained in your August 5 Morning Mail, "Current state officials make him sick."

Mrs. Lisa Wallace was invited to become a member of the board of The Women's Hospital of Alabama Research and Education Foundation, as were 90 other outstanding volunteer women in this state, in the summer of 1982. She, as well as her husband, are well-known Alabamians, but at that time they were private citizens. She indicated she accepted because of her great concern for the health of Alabama women.

The foundation is a non-profit organization dedicated to sponsoring educational events so Alabama women may become aware of health issues, and to initiate health related events. We sponsored this year a three-day event featuring Femmy DeLyser, best-selling author and childbirth educator, and a seminar with Dr. Cecilia Fenoglio, vice chairman and professor of the Department of Pathology at Columbia University.

Because of the high incidence of cancer and the low rate of detection in this state, the foundation has selected the problem of female cancer detection and treatment as its number one project for the upcoming year. We have been engaged in research with local, state, and national sources, as well as seeking professional recommendations, for we are horrified at these statistics:

- Breast cancer is the number one killer of women in Alabama and invasive cervical cancer is the fourth leading cause of death.

- Mortality from malignant neoplasms in Alabama showed an increase of 20.3 percent from 1971 to 1981.

With the development of screening methods, such as Pap smear, jet wash, breast self-examination, the death rate nationwide has been reduced as much as 70 percent for cervical cancer. But Alabama public health officials estimate that only 10 percent of Alabama women receive a Pap smear each year, and that 50 percent of the women in the state have never received one, making us a national disgrace!

Certainly Mrs. Wallace is interested in improving the health of women and infants in this state, as was the late Governor Lurleen Wallace, who gave her life as an Alabama statistic.

Jeanenne Morrow
President, Women's Hospital of Alabama
1833 Lakeridge Rd.

THE FLORENCE TIMES TRI CITIES DAILY 9/20/83

Cancer detection campaign planned for women

"The women's foundation is making an educational and clinical effort to improve health care delivery for women."

By Linda J. Quigley
Staff Writer

A cancer detection campaign for Alabama women has been "targeted as the number one priority" of the Foundation for Women's Health in Alabama.

The campaign is aimed toward educating women about cancer detection and providing a clinical detection program.

This campaign, coupled with an ongoing health education effort, is part of the enlarged scope of activity of the organization, which, as the Women's Hospital of Alabama Research and Education Foundation, originally sought to establish a women's hospital in Birmingham.

"The women's foundation is making an educational and clinical effort to improve health care delivery for women," Dr. Elizabeth Walter, foundation vice president, told a meeting of the American Association of University Women in Florence Monday night. "Our program can be a model for others. The foundation is a brand new concept. We are getting inquiries, but there is not another foundation of this type in the United States," Walter said. "We are setting up a pilot project and from that we are going to grow."

Citing the high incidence of cervical and breast cancer among Alabama women, Walter said "substantial pledges" of financial support from health-related industries "will enable us to reach tens of thousands of women who do not have regular pap smears."

In public health departments in at least 45 of Alabama's 67 counties, pap smears for cervical cancer detection are not done. "One physician estimated that 50 percent of Alabama women have never had a pap smear and only 10 percent have one annually," Walter said. "Alabama has the highest rate of cervical cancer in the nation."

In its effort to aid in early cancer detection in women, the foundation will initiate an educational program stressing the importance of breast self-examination and pap smears, and will set up and supervise a detection program.

Walter said details of the program are not complete, but it is expected to begin in the Jefferson County area where a large number of women can benefit from the service. The plans include the operation of at least two clinics and a mobile van

The program also provides for collecting data about women's health care and needs for educating both medical personnel and clients.

Walter, an associate professor of art at the University of North Alabama, has worked with the volunteer network of women since its beginning one year ago. Its initial objective was to support a plan that would have added a $30 million women's hospital to Birmingham's Brookwood Hospital complex.

Despite support by many doctors in the Birmingham area, the proposal and subesequent appeal were denied by the State Health Planning and Development Agency. After the appeal failed, the women's foundation issued a statement supporting "any effort by any hospital to raise the quality of services for women and their infants."

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THE WHITE HOUSE
WASHINGTON

WS

March 13, 1984

MEMORANDUM

TO: WH/ EOB/ NEOB STAFF

FROM: CAROL McCAIN
DIRECTOR
WHITE HOUSE VISITORS OFFICE

SUBJECT: WHITE HOUSE TOUR SCHEDULE CHANGE

The White House Public-Congressional Tours will be closed Friday morning March 23rd. Those tickets will be honored any other day that week.

On behalf of the Visitors Office, I would like to apologize for the inconvience this causes your visitors.

Thank you for your cooperation in this matter.

~~gu~~ 202/785-2000 - Guest Qts.

2/14

CS 211814

4200

FG006-01

Lunch - Tues. 2/14 - Noon Hay Adams

KH make res.

WELLS FARGO BANK
NATIONAL ASSOCIATION

415/396-5223

JACKSON L. SCHULTZ
Senior Vice President

January 9, 1984

Craig L. Fuller
Assistant To The President
For Cabinet Affairs
The White House

Dear Craig:

I was just looking at my 1984 Calendar and note that the Bohemian Grove encampment starts July 13 and runs through July 28. I'd like to invite you to attend as my guest at Camp Interlude, just a couple of camps above Owl's Nest, your boss's camp, on Kitchen Hill. Knowing your schedule to be a lot busier than mine (which is busy enough), you'll have to pick out weekends or any other time you would like to attend. If you'll take care of the air fare to and from San Francisco, I'll take care of the rest!

I hope you can do this, for I know you would enjoy it. Johnny Rousselot has been with me a few times in the past and he can give you probably a more candid rundown on Interlude and its inmates. I guarantee you a good time, with lots of good talk, entertainment, and -- for sure -- a full capacity of booze and food, to the extent it pleases you.

OK

At this point see if your schedule will permit. No need for quick timing decisions, or really any decisions since the guest applications won't be out for a few months. I'll be in Washington D.C. early February, mid-February, and end-February for meetings and will see if you are free for lunch, or dinner, or what-have-you and I can elaborate and discuss details with you.

Weekends during the Grove are most active, and I think the 20th or 27th would be most interesting (or both if you can make it). At any rate, we can talk about it.

Hope you can come!

Warmest personal regards.

Sincerely,

Jack

See - ~~Hay Adams~~ Sylvia

12:15
1:00 p

211879
4200
FG006-01

PBA

23 NORTH FRONT STREET • POST OFFICE BOX 152 • HARRISBURG, PENNSYLVANIA 17108 • TELEPHONE ~~717 232-3881~~ 717/255-6922

JOHN J. BOLGER
Vice President and
Chief Administrative Officer

MAR 2 - 1984

February 29, 1984

Dear Faith:

I was happy to hear from the ABA that you and your mother will be joining us for lunch at the Hyatt Regency on Capitol Hill on Wednesday, March 7. Incidentally, we will be in the Olympic Room. We plan to be finished no later than 1:00 to 1:15 p.m.

As far as your remarks, we would be interested in hearing your thoughts on the election, the feelings of the Administration concerning the Bush Task Force and the budget. Please allow some time for questions and answers.

5 -

get some details on the "Bush Task Force"

I'll look forward to seeing you on Wednesday, Faith. Thanks, again.

Sincerely,

John

The Honorable Faith Whittlesey
Office of Public Liaison
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D. C. 20500

Carol

23 NORTH FRONT STREET • POST OFFICE BOX 152 • HARRISBURG, PA. 17108 • TELEPHONE 717/255-6922

JOHN J. BOLGER
Vice President and
Chief Administrative Officer

FEB 21 1984 Susie

February 16, 1984

Dear Faith:

If you haven't already, you will be hearing from the American Bankers Association about a request for you to visit with the Pennsylvania Bankers Association delegation when they are in Washington March 7.

Since I'm responsible for this trip, Faith, I sure hope that you can fit us in your busy schedule. We are reasonably flexible at this time as we'd like to meet with you and your people.

Our delegation is approximately 25 bank presidents from Pennsylvania representing various size banks. The delegation also includes our counsel, John Brennan from Dechert Price and Rhoads.

Hope to see you in March, Faith. I'll wait to hear from you.

Sincerely,

John

The Honorable Faith Ryan Whittlesey
Office of Public Liaison
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D. C. 20500

11:30
3/7

Pennsylvania Bankers Association

DELEGATION MAKING 1984 WASHINGTON TRIP

PBA EXECUTIVE COMMITTEE

President: R. Roy Hager, Chairman of the Board and Chief Executive Officer, Bucks County Bank and Trust Company, Perkasie

Second Vice President: Karl E. Wenk, Jr., Vice Chairman and Director, The Provident National Bank, Philadelphia

Treasurer: John T. Wagner, Vice Chairman of the Board, Continental Bank, Philadelphia

Executive Vice President: Thomas B. Shriver, Pennsylvania Bankers Association, Harrisburg

Immediate Past President: L. Manley Preston, President, First National Bank of Canton

Chairman, Education/Training Council: Lawrence T. Jilk, Jr., President and Chief Operating Officer, National Bank of Boyertown

OTHERS

PBA Counsel: John J. Brennan, Esquire, Dechert Price and Rhoads, Philadelphia

Chairman, PBA Agency Relations Committee: John W. Rheiner, Jr., President and Chief Operating Officer, Easton National Bank and Trust Company, Easton

Member, ABA Government Relations Council: William F. Roemer, Chairman and Chief Executive Officer, Pennbank, Titusville

Member, ABA Government Relations Council: John Nicholl, General Counsel and Secretary, Legal/Loans Adjustments, Equibank, Pittsburgh

Member, ABA Council: Craig G. Ford, Executive Vice President, Mellon Bank, Pittsburgh

Member, ABA Council: Glenn Y. Forney, President and Chief Executive Officer, Security Bank and Trust Company, Stroudsburg

Member, ABA Council: William K. Francis, Chairman of the Board and President, Citizens and Northern Bank, Wellsboro

Member, ABA Council: Richard M. Linder, Chairman and President, The Drovers & Mechanics Bank, York

Member, PBA Agency Relations Committee: Richard E. Bauer, Senior Vice President, The Provident National Bank, Philadelphia

~~Member, PBA Agency Relations Committee: Richard F. Laux, President and Chief Executive Officer, United Penn Bank, Wilkes-Barre~~

Vice President and Chief Administrative Officer: John J. Bolger, Pennsylvania Bankers Association, Harrisburg

Director, Government Relations Council: James R. Biery, Pennsylvania Bankers Association, Harrisburg

THE VICE PRESIDENT

OFFICE OF THE PRESS SECRETARY

For Immediate Release
December 13, 1982

Contact: Meredith Armstrong
(202) 456-6445

Vice President George Bush today announced the formation of a Task Group on Regulation of Financial Services, charged with formulating a legislative program to revise the Federal government's regulatory structure for financial institutions. The Task Group will be chaired by the Vice President, with Secretary of the Treasury Donald T. Regan acting as Vice Chairman.

In addition to the Vice President and Secretary Regan, members of the Task Group are: the Attorney General; the Director of the Office of Management and Budget; the Chairman of the Council of Economic Advisers; the Assistant to the President for Policy Development; the Chairmen of the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, the Securities and Exchange Commission and the Commodity Futures Trading Commission; the Comptroller of the Currency; and the Administrator of the National Credit Union Administration. Richard C. Breeden, Deputy Counsel to Vice President Bush, will head the staff working committee. A copy of the Vice President's letter of invitation and a fact sheet are attached.

The Task Group brings together the heads of all seven Federal financial agencies with the Vice President and other top Administration officials in an unprecedented move to develop specific legislative proposals for reduction of duplication and inconsistencies within the financial regulatory structure.

The Task Group will begin work immediately and is expected to submit its recommendations within 6 to 9 months.

-30-

TASK GROUP ON REGULATION OF FINANCIAL SERVICES

FACT SHEET

Background

Under the existing system, there are seven different Federal agencies which regulate various types of financial institutions, each of which applies its own rules.

In many situations a single institution or transaction is governed by several Federal agencies, each applying independent and often duplicative or conflicting regulations. For example, three separate agencies regulate and audit commercial banks, five agencies (and the Department of Justice) have jurisdiction over mergers or acquisitions involving depository institutions, three agencies provide deposit insurance and one agency regulates bank holding companies, while different agencies may regulate the subsidiaries of the same firm.

Examples of Some Areas of Concern

Bank Exams - Three different agencies audit commercial banks, while a fourth audits thrifts. Each maintains a nationwide staff of examiners, and many institutions must file reports with multiple agencies.

Deposit Insurance - Three separate agencies provide deposit insurance, which is basically identical, yet each agency has different rules and separate insurance pools.

Merger Policies - Five separate agencies and the Department of Justice have authority over mergers among different types of depository institutions. Each agency has its own policies and prohibitions, which may differ. Some acquisitions may require approval of three different agencies.

Holding Companies - The Federal Reserve Board regulates bank holding companies, but other agencies may regulate banking or other subsidiaries of the parent firm.

Conflict in Securities Regulations - As banks, securities firms and insurance companies begin to offer similar or identical products, often with "Hybrid" features, confusion and conflict develop over which agency has jurisdiction to apply its rules. For example, certain accounts incorporate features of both traditional bank deposits and money market funds, and both bank and securities regulators may have jurisdiction.

Waste of Resources - The multiple related agencies all maintain separate legal, auditing, research, data processing and similar staffs. Reorganization may permit staff economies and more efficient specialization in particular areas of expertise.

THE VICE PRESIDENT
WASHINGTON

December 8, 1982

Dear :

This letter is to invite you formally to serve as a member of the Task Group on Regulation of Financial Services, which I chair. Treasury Secretary Regan will serve as Vice Chairman of the Group and, in addition to yourself, its other members will include the Attorney General, the Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, the Assistant to the President for Policy Development, the Chairmen of the Federal Reserve Board, Federal Home Loan Bank Board, Federal Deposit Insurance Corporation, Securities and Exchange Commission and Commodity Futures Trading Commission, the Comptroller of the Currency and the Administrator of the National Credit Union Administration.

As you know, one of the President's earliest initiatives to help stimulate the economy was the creation of the Presidential Task Force on Regulatory Relief. The mandate of the Task Force is to achieve reductions in the burden imposed on the economy by unnecessary or inefficient regulations, whether by administrative action or through legislation.

The Task Force's review of financial institution deregulation suggests that the highly fragmented structure of Federal regulatory agencies is impeding further progress toward a less regulated environment for financial institutions and thus is imposing significant unnecessary costs on consumers of financial services, as well as creating an unnecessary burden on capital formation. Consequently, it was decided that the Administration should organize this Group to work with the Task Force and to recommend options for legislation to revise the current organizational structure.

The Task Group will meet as frequently as the participants deem necessary, but most likely at intervals of two or three months. Between meetings the work of the Group will be carried on by a staff committee to be composed of representatives designated by each member of the Group and headed by Richard C. Breeden of my staff. While there will not be any absolute deadline for developing a legislative proposal, I would hope that the Group will have formulated proposals for the President's review during the next 6 to 9 months.

I look forward to working with you on this project, and I am confident we can develop constructive recommendations.

Sincerely,

George Bush

PRESS RELEASE

THE VICE PRESIDENT

OFFICE OF THE PRESS SECRETARY

For Immediate Release
3 p.m., Tuesday, January 31, 1984

Contact: Meredith Armstrong
202/456-6772

The Task Group on Regulation of Financial Services, chaired by Vice President George Bush, with Treasury Secretary Donald Regan as Vice Chairman, today unanimously endorsed a proposal to reorganize substantially the federal agencies which regulate commercial banks.

The proposal adopted by the Task Group, whose members include the heads of all seven federal financial regulatory agencies, would constitute a sweeping revision of the federal regulatory system for commercial banks. The proposal would strengthen the current supervisory system, while at the same time greatly simplifying and streamlining compliance burdens for regulated firms. While none of the existing agencies would be eliminated, the proposal would substantially revise the current allocation of authorities among the three federal agencies which currently regulate banks and significantly reduce overlap and duplication. The Task Group's proposed revision of the federal financial regulatory system is also designed to complement the legislation proposed by the Administration (currently incorporated in omnibus legislation introduced by Senator Garn) concerning broadened powers and services for holding companies of depository institutions and simplified procedures under the Bank Holding Company Act ("BHCA").

Vice President George Bush told the Task Group at its final session that:

"Taken as a whole, the Task Group's regulatory proposals, together with the Administration's pending legislation concerning product deregulation would represent the most comprehensive revision of federal law affecting financial institutions in the last 50 years. This comprehensive reform would significantly benefit the public by reducing unnecessary waste and inefficiency, encouraging innovation and competition and putting the overall regulatory structure in a position to protect the integrity and stability of financial markets over the coming decades."

The Task Group's recommendations call for the creation of a new agency, the Federal Banking Agency ("FBA"), within the Treasury Department, with the current Office of the Comptroller of the Currency as its nucleus. The FBA would be responsible for regulating all national banks, with approximately 60% of aggregate U.S. bank deposits. In addition, the FBA would assume from the Federal Reserve Board (the "FRB") the authority to regulate the holding companies of all national banks, except for a limited number of the very largest institutions whose holding companies would remain subject as they are today to FRB supervision. This would include approximately 35 holding companies of national banks among such firms.

Another significant proposal adopted by the Task Group would fundamentally alter the responsibility for defining and interpreting the non-banking activities that bank holding companies can engage in under applicable legislation. This responsibility is currently exercised solely by the FRB. Under the new system the FRB's current authority to define permissible non-banking activities would be transferred entirely to the FBA, which would exercise such responsibilities for all bank holding companies in the U.S. The FRB could disapprove regulations of the FBA that establish or implement the so-called "laundry list" of permitted activities, but only if the Board of Governors determined by a 2/3 vote that any such activity would be likely to undermine the stability of the entire U.S. banking system or have a seriously adverse effect on safe and sound financial practices. Proposals to streamline regulatory procedures for bank holding companies as currently included in the Administration's proposed Financial Institutions Deregulation Act were also endorsed and recommended by the Task Group.

Under the proposal, the FRB, which previously was responsible for federal regulation of more than 1,000 state-chartered member banks and all of the approximately 5,000 U.S. bank holding companies, initially would become responsible for federal regulation of both state member and non-member banks, with approximately 40% of aggregate U.S. bank deposits, together with their holding companies. Current FRB responsibilities for member banks would, therefore, remain unchanged. However, at the same time a new program would be established as described below to transfer much of the current federal supervision of state-chartered banks and their holding companies to state regulatory authorities.

Under the new certification program, federal agencies would be required to defer to state agencies in the supervision of state-chartered banks and their holding companies where state programs are judged to be equivalently reliable to those at the federal level. To the extent certified, federal supervision of non-troubled banks would be largely eliminated, subject only to residual regulatory authority or oversight by the FRB and the insurance authority of the FDIC. Standards for certification would be established by a committee of the FBA, FRB and FDIC, with the FRB acting on individual state applications.

As proposed by the Task Group, "international class" holding companies (those holding companies with significant international activities or whose size is sufficiently large that supervisory problems affecting such institutions would have an international impact) would remain subject as they are today to Federal Reserve supervision of their holding companies (regulation of the subsidiary banks of such firms would remain unchanged). Approximately 25 of the largest U.S. bank holding companies and 25 U.S. holding companies with significant foreign banking activities would fall under this definition.

Under the Task Group's recommendations, the FDIC would give up all general regulatory responsibilities not directly related to its function of providing deposit insurance. The FDIC would remain an independent corporation, but would be refocused exclusively on providing deposit insurance and administering the deposit insurance system. As part of this change in orientation, the FDIC would transfer to the FRB (or state supervisory authorities where certified) its current responsibilities for day to day supervision and examination of healthy state non-member banks. At the same time, the FDIC would target its own efforts on troubled institutions which may pose a direct risk for the deposit insurance system. In this regard, the FDIC would have authority for all insured banks to deny insurance, set risk-related premium levels, revoke insurance or take other enforcement action, and examine troubled banks (and a sample of non-troubled firms) in conjunction with the primary supervisor.

The proposal adopted by the Task Group would represent a significant simplification of the current regulatory system. Among the changes which would be accomplished by the Task Group proposal are:

- The number of federal agencies handling day-to-day bank supervision would be reduced from 3 to 2. This would make it significantly easier for the supervisory agencies to coordinate their activities and adopt joint approaches to common problems.

- The interpretation of the Bank Holding Company Act's limitations on permitted activities of bank holding companies, and responsibility for developing regulations defining the manner in which such activities must be conducted, would be transferred from the Federal Reserve to an Executive branch agency directly accountable to the President. While the Federal Reserve would no longer be responsible for initiating changes in such regulations, it would retain a right to disapprove regulations under specified conditions. Prudential standards for all types of bank holding companies would be developed jointly by the FBA and FRB.

- Henceforth all individual banking organizations (except for the 50 international class holding companies) would be able to have a single federal regulatory agency to handle all regulatory issues in the operation of both its bank and its holding company, rather than the two different federal agencies which are required in virtually all cases today. This will strengthen supervision by eliminating possibilities that supervisory problems would "fall through the cracks" between the regulator of the bank and a different regulator for the bank holding company and its related affiliates. In addition to strengthening supervision, this proposal will permit significant economies for regulated firms by permitting integrated organizations to be subject to a single regulator. Elimination of this overlap among bank and holding company regulators would represent substantial reduction in current duplication among federal regulatory authorities.

- For approximately 50 "international class" holding companies (and foreign holding companies operating in the U.S.), the current holding company supervisory authority of the Federal Reserve would remain unchanged. However, subsidiary banks of such organizations would continue to be regulated by their primary federal or state supervisor.

- Under a completely new program, Federal duplication of state supervisory efforts would be substantially reduced by transferring current federal responsibilities to the states to the extent supervisory programs are comparable to those of the relevant federal agencies. This new program will make it possible for states to take over many current federal responsibilities for state-chartered institutions where the state seeks such authority and makes the necessary investment in its supervisory program. In addition, the current practice under which state-chartered banks are not subject to the same federal regulator as national banks would be maintained, thereby preserving the historic tradition of dual regulation of state and national banks which has existed for more than 120 years and is one of the nation's oldest examples of cooperative federalism.

- The FDIC's authority to monitor and control its insurance risk in all insured banks will be enhanced through new procedures to target examination and enforcement resources on troubled institutions irrespective of charter type, as well as by the ability to assess risk related premiums.

In addition to the Vice President and Secretary Regan, the members of the Task Group include: the Attorney General, the Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, the Assistant to the President for Policy Development, the Chairmen of the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, the Securities and Exchange Commission, the

Commodity Futures Trading Commission and National Credit Union Administration, and the Comptroller of the Currency. The Task Group's Staff Director is Richard C. Breeden, Deputy Counsel to the Vice President.

Today's meeting was held in the Roosevelt Room of the White House, and represents the culmination of more than a year of review and study. The recommendations adopted by the Task Group today complement the actions of the Task Group at its meeting in late December. At that time the Task Group adopted approximately 30 separate recommendations concerning reform of the deposit insurance system, eligibility for thrift regulation, increased functional regulation, reduction of unnecessary regulatory burdens and other areas. All recommendations of the Task Group will be submitted to the President for approval as proposed legislation in the near future.

federal register

Monday
February 7, 1983

Part V

Office of the Vice President

Federal Regulation of Financial Services; Request for Comments

OFFICE OF THE VICE PRESIDENT

Federal Regulation of Financial Services

AGENCY: Office of the Vice President.

ACTION: Request for comments.

SUMMARY: The Task Group on Regulation of Financial Services is undertaking a study of the problems of the existing system of Federal regulation of financial institutions and services. Within a period of approximately nine months the Task Group intends to complete its review of the current regulatory system and to make a report to the President concerning any desirable areas for change.

In order to gather the information necessary for this study and to encourage public participation in the process all interested parties are being invited today to present their views on the issues discussed below, or on any other relevant issues they may wish to bring to the attention of the Task Group.

DATE: Comments must be received by March 14, 1983.

ADDRESS: Interested parties are invited to submit two copies of written data, views, or arguments concerning the problems of the existing Federal regulatory structure and suggesting alternatives to the Task Group on Regulation of Financial Services, Room 1060, Department of the Treasury, 15th Street and Pennsylvania Avenue, N.W., Washington, D.C. 20220.

FOR FURTHER INFORMATION CONTACT: Richard C. Breeden, Deputy Counsel to the Vice President (202–456–6445).

SUPPLEMENTARY INFORMATION: On December 13, 1982, Vice President George Bush announced the formation of a Task Group on Regulation of Financial Services, charged with reviewing the Federal government's regulatory structure for finanical institutions and proposing any desirable legislative changes to the existing system.

The Vice President of the United States is Chairman of the Task group. Other members are the Secretary of the Treasury (Vice-chairman); the Attorney General; the Director of the Office of Management and Budget; the Chairman of the Council of Economic Advisers; the Assistant to the President for Policy Development; the Chairman of the Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Federal Home Loan Bank Board, National Credit Union Administration, Securities and Exchange Commission and Commodity Futures Trading Commission; and the Comptroller of the Currency.

Need for Regulatory Relief and Reorganization

The current system of Federal regulation of financial institutions and services is highly complex, and the type and nature of regulatory requirements vary significantly among different types of institutions and the products they may offer. This situation has developed as a result of an historic series of piecemeal changes to the system. As the financial system itself became more complex with the appearance of new types of financial intermediaries, markets and products, the regulatory system became correspondingly more complex with the creation of new agencies or the expansion of historic agency responsibilities.

Although each part of the current system may have been created in response to specific problems or perceived needs, recent trends in the financial system as a whole have highlighted problems with the current regulatory structure. These include:

1. *Differential Treatment.* As many types of institutions and the products which they offer have become more similar and come into increasingly direct competition with one another, differences in regulatory controls are much more likely to influence artificially the behavior of savers, investors of consumers. In some cases, such as interest rate limitations, the effect of differences in regulatory controls may be so great as to induce significant shifts of consumer behavior, and thereby to alter materially the opportunities of the competing institutions. In addition to altering competitive advantages artificially, differences among regulatory agencies which may have common or overlapping jurisdiction can prevent transactions which might overwise occur or sharply increase non-productive overhead in order to comply with conflicting government policies. Finally, to the extent that historic types of institutions become more similar, there may be less justification for continuing to maintain entirely separate regulatory agencies.

2. *Excessive Regulatory Controls.* In some areas particular regulatory requirements, whether created by statute or regulations, may impose costs which far exceed any public benefits derived therefrom. For example, depository institutions are currently required to obtain regulatory approval in advance before conducting certain types of ordinary corporate activities, such as opening or closing offices, forming holding companies or engaging in types of activities which are expressly permitted. Such requirements could be repealed or modified simply to require notice to the appropriate regulatory authority. The current system may also impose inordinately burdensome record-keeping or information collection requirements, excessive or ambiguous disclosure obligations and many other highly detailed controls which result in substantial costs to borrowers, savers or investors. Excessive regulatory controls may exist both with respect to types of transactions as well as basic operations of certain types of institutions.

3. *Overlap and Duplication.* In some areas the jurisdictions of regulatory agencies may in fact overlap so that institutions may be forced to adhere to multiple sets of operating requirements, accounting or record-keeping policies and reporting obligations, as well as being subjected to multiple examinations or supervisory reviews. Such duplication may consume significant employee and officer time, as well as require unnecessarily large expenditures for internal or external professional services.

4. *Agency Responsiveness.* For a variety of reasons significant delays may occur in obtaining regulatory approval for otherwise permissible transactions or activities. For example, delays may be created because of confusion as to whether a given agency has jurisdiction, or in resolving opposing viewpoints of two or more agencies which possess concurrent jurisdiction. Such delays may represent a significant burden for institutions which seek to respond to competitive developments, take advantage of business opportunities or reduce activities in a given area. In addition to raising the costs of individual transactions significantly, general regulatory policies of an agency may also raise the cost of normal operations through unnecessary paperwork or other similar requirements in particular areas. The costs of delays and reporting requirements may have a disproportionately severe impact on smaller institutions.

5. *Difficulties in Management of Shared Responsibilities.* The existing allocation of agency responsibilities frequently requires that several agencies cooperate when addressing certain financial institution issues. Problems of failing institutions, the regulation of bank holding companies and their subsidiaries, mergers and acquisitions, efforts to develop inter-agency uniformity in examinations and the deregulation of interest rate controls are all cases in point. Problems of inter-agency coordination may unnecessarily

delay favorable resolution of such issues, imposing needless costs on the institutions and their customers and undermining confidence in the financial system.

6. *Overlap and Conflict between State and Federal Requirements.* Because of the dual system for chartering and supervising depository institutions, Federal controls over state-chartered entities may represent an unnecessary layer of regulation and an area where greater deference could be given to state regulatory responsibilities.

Previous Reorganization Proposals

Since the late 1930s numerous proposals have been put forward by both governmental bodies and private groups for reorganization of the Federal agencies regulating commercial banks and other depository institutions. For example, in 1949 the Commission on Organization of the Executive Branch of Government (the Hoover Commission) suggested that: (1) The Office of the Comptroller of the Currency (OCC) more properly belonged under the Federal Reserve Board than in the Treasury Department; (2) the functions of the Federal Deposit Insurance Corporation (FDIC) should be transferred to the Federal Reserve System (FRS); and (3) all Federal bank supervision should be combined, preferably in the FRS. In 1961, the Commission on Money and Credit recommended that the supervisory functions of the OCC and the FDIC be transferred to the FRS. In 1971, the Hunt Commission recommended that: (1) An "Administrator of National Banks" assume the OCC's supervisory responsibilities; (2) an "Administrator of State Banks" assume the supervisory responsibilities of the FRS and the FDIC; and (3) a "Federal Deposit Guarantee Administrator" assume the FDIC's insurance responsibilities. In 1975, the FINE Study recommended combining the supervisory and examination functions of the FDIC, FRS, OCC, the Federal Home Loan Bank Board (FHLBB) and the National Credit Union Administration (NCUA) into a single "Federal Depository Institutions Commission." In 1981, legislation (S. 1721) was proposed which would have consolidated the FDIC, the Federal Savings and Loan Insurance Corporation (FSLIC) and the National Credit Union Share Insurance Fund (NCUSIF) into one Federal deposit insurance fund. Finally, the Futures Trading Act of 1982 (H.R. 5447) largely resolved a jurisdictional dispute over financial futures between the Securities and Exchange Commission and Commodity Futures Trading Commission. The Act codified an agreement reached a year earlier between the two Commissions on a range of issues which, among other things, clarified the statutes administered by the agencies and set forth procedures enhancing cooperation between the agencies.

The reorganization proposals enumerated above, although by no means exhaustive, suggest the scope and nature of the proposals for Federal regulatory reorganization to date. While these proposals have generally centered on depository institutions, ongoing developments in the financial services markets suggest that this restricted focus is no longer appropriate, as depository and non-depository institutions have come to take on similar powers and compete in the same markets.

Traditional Arguments For and Against Reorganization

Arguments For: Proponents of reorganization have based their case on a variety of considerations, among which the following have frequently been cited:

1. Elimination of the duplication of activities among the several agencies will permit cost savings and enhance operating efficiency for the private sector.

2. Having fewer agencies would clearly fix responsibility for regulation of financial institutions and provide a focal point for Administration, Congressional, and public concerns regarding regulatory policy.

3. Agency reorganization would facilitate the handling of problem institution cases, which frequently require extensive coordination among several regulatory agencies.

4. Reorganization would remove inconsistencies in the regulation of bank holding companies and their subsidiary banks. Under the existing system, the FRS regulates all bank holding companies, while one of the other agencies usually has responsibility for the banking subsidiaries. Thus, it is difficult for a single agency to get a complete picture of the relationship between holding company and subsidiary, and the institution as a whole is subjected to at least two different sets of rules and regulators.

5. The existing division of responsibilities among agencies permits differential treatment of different institutions, giving rise to inequities. The several agencies have differed among themselves in their policies toward mergers and in their supervisory practices and requirements. According to some observers, the multi-agency structure tends to foster a "competition in laxity" as one agency or another seeks to maintain or increase it share of regulated institutions by adopting a more permissive regulatory posture.

Arguments Against: Arguments against reorganization have generally centered on the following themes:

1. Creation of fewer agencies would tend to concentrate power within a reduced number of government entities, raising the danger of arbitrary or inflexible behavior. Agency pluralism may be useful, since it subjects the regulators to checks and balances. A related commonly-voiced concern is that concentrating Federal regulation would tend to favor Federally chartered institutions over state-chartered institutions, thus undermining the "dual banking system" and "states rights." The power of a single Federal regulator, chartering and supervising all national institutions and regulating all Federally insured state-chartered institutions, would quickly dwarf that of state regulatory authorities even for state-chartered institutions.

2. Agency diversity increases the chances that innovative approaches to policy problems will emerge. The exchange of ideas resulting from different approaches to similar problems and sometimes even competition among regulators to achieve basic regulatory innovations may be superior to the single agency approach. A sole regulator, not subject to challenge from other agencies, might tend to be entrenched, conservative and shortsighted. In addition, there is a danger that its regulatory policies would tend to favor the type of institution making up the bulk of its regulatees.

3. The existing structure in any case works quite well despite its apparent cumbersomeness. Coordination among the agencies has improved, and little more of consequence could be achieved through consolidation or other extensive reorganization. Potential cost savings through consolidation are minimal.

4. Recent major legislative changes should be absorbed before structural changes in the regulatory system are considered.

The Impact of Deregulation of Financial Institutions

Deregulation of financial institutions is bringing about changes both in the functions of the regulatory agencies and in the structure of the country's financial system. At the same time, significant private sector innovations—such as the development of financial conglomerates which may offer credit, real estate, brokerage and insurance services, among others—also call into question the appropriateness of the current Federal regulatory structure. While the precise details of the future cannot be known, it is reasonable to expect three broad sets of changes to be particularly relevant to questions of agency structure.

First, most restrictions on prices and products offered by depository institutions will end. As a result, many if not all of the legal distinctions between the traditional categories of these institutions will disappear, although individual institutions may continue to specialize.

Second, the distinctions between depository and other financial services institutions will continue to erode, as depositories increasingly enter activities traditionally limited to investment banking, brokerage and insurance firms and vice-versa.

Third, depository institutions will continue to expand their geographic scope of operations through increased electronic services, expansion of subsidiary activities and expanded inter-state branching as a result of merger and acquisition activity.

The foregoing changes will tend to intensify the problem of inequities arising from the current differential treatment of financial institutions. They will also cause increasingly severe problems of conflicting regulatory policies and duplication as more and more institutions become subject to multiple regulatory agencies. Without modification, however, the current system may be unable to resolve the conflicts and inequities which have already occurred among financial institutions, and such problems can only be expected to worsen over time.

In sum, ongoing and prospective changes in the regulatory and economic environments appear to strengthen the traditional arguments for agency reorganization, transfers of regulatory authority or elimination of regulatory controls on particular activities. In a deregulated environment characterized by more diversified institutions, there may be a much greater need for a system which can flexibly accomodate new products and services and technological developments, while at the same time providing consistency and uniformity in agency treatment of financial institutions. Under these circumstances, greater coherence among regulatory agencies and a more precise definition of agency responsibilities may be much more important to the overall integrity and efficiency of financial markets than has previously been the case.

Comments: In order to gather information pertinent to this study the Task Group on Regulation of Financial Services invites representatives of the financial services industries, the broader business community, governmental and community bodies and interested members of the general public to present their views. Two copies of written comments on the issues discussed above, and other relevant concerns, would be appreciated. The following outline of issues and options may be helpful to respondents, although it should not be considered exhaustive of the possibilities the Task Group or respondents to this notice may consider.

Problems, Issues and Options of Financial Regulatory Agency Structure

I. Goals of Financial Regulation

The goals and purposes underlying the regulation of financial institutions, instruments, and markets in the United States have been identified by various observers to include the following:

1. Assuring safety and soundness of financial institutions, and of the financial system as a whole, both to protect individual depositors and to avoid or limit secondary effects of a failed institution.
2. Avoiding conflicts of interest, fraud, and consumer abuses.
3. Promoting orderly markets to encourage savings and capital formation and to support macro-economic stability.
4. Avoiding excessive concentrations of economic and financial resources.

Should these goals be reappraised in light of emerging realities in the marketplace?

Has the evolution of the financial system changed the weight that public policy should place on these goals? Are there additional goals that should receive new attention in the framing of government regulatory policies and in organizing the financial regulatory agencies? Would other less costly regulatory approaches achieve these or alternative goals?

II. Assessment of the Existing Structure

1. *Differential Treatment.*—Are there differences in policies and procedures among the several regulatory agencies which result in differential treatment of institutions engaged in similar activities or which, absent unnecessary restrictions, would engage in similar activities? Are there overlapping responsibilities which may give rise to significant jurisdictional or policy conflicts among agencies or create dual jurisdictions with actual or potential conflict in operating requirements?

2. *Excessive Regulatory Controls.*—What specific regulatory or legislative controls or other requirements, procedural or substantive, could be eliminated, reduced or modified to reduce overall costs, increase efficiency or promote better services for consumers? What does compliance with current regulatory requirements cost on an annual basis, as a percentage of operating expenses or in absolute dollars? Give as much detail as possible concerning the costs of compliance with particular statutes or regulatory programs.

3. *Overlap and Duplication.*—Are there unnecessary costs and inefficiencies entailed by the performance of similar or identical functions by different regulatory agencies? What specific areas of duplication result in higher costs, excessive paperwork or record-keeping or reduced competitive activity?

4. *Agency Responsiveness.*—Does the complexity of the existing structure cause confusion or undue delay in completing transactions or otherwise impose unnecessary costs or burdens on the institutions and public which must deal with the agencies? In what specific areas do current regulatory controls result in unnecessary delays in completing ordinary transactions?

5. *Management of Shared Responsibilities.*—Do different agencies work together effectively in areas where their statutory responsibilities require such cooperation—as in regulating bank holding companies and their subsidiaries, administering securities margin regulations or handling problem institution cases? Do current inter-agency coordinating groups, such as the Depository Institutions Deregulation Committee (DIDC) and Federal Financial Institutions Examination Council (FFIEC) reduce or increase costs and efficiency? Do inter-agency agreements such as that between the Securities and Exchange Commission and the Commodity Futures Trading Commission offer a means of resolving jurisdictional tensions in other areas?

6. *State and Federal Requirements.*—In which areas do Federal controls over state-chartered entities represent an unnecessary layer of regulation?

7. What aspects of the current regulatory system are most important to preserve?

III. Reform Issues and Options

1. *Reorganization of Depository Regulators.*—If reorganization is called for, what agencies should be included or excluded and what regulatory functions should any such agency or agencies

perform? Should reorganization result in a new regulatory authority lodged in one of the existing agencies or in a newly created one? If the latter, what form should the new agency take, how should it be administered and how should it be integrated, if at all, with other parts of the government? If reorganization results in a reduction of the current number of agencies, which should be the surviving regulatory agencies and what should be the scope of their authorities? Is regulation by function feasible instead of regulation by institutions? Finally, if a substantial reorganization of structure is desirable, should changes be introduced in stages, or in one comprehensive measure?

2. *Organizational Issues Pertaining to Non-Depository Regulators.*—What reorganization, consolidation or coordination would be desirable between the regulatory agencies dealing with securities trading, commodity futures trading and/or depository institutions? Does the current system adequately identify agency responsibilities and priorities in the event of conflicting rules or policies among such agencies?

3. *Deposit Insurance.*—Should any or all of the three Federal deposit insurance funds be consolidated? Please indicate the reasons for or against merging the funds. Is it appropriate to consider the Securities Investor Protection Corporation in this regard? What is the appropriate role for the deposit insurance agencies in the regulation of depository institutions and their holding companies?

4. *Coordinating Mechanism.*—Apart from or in addition to agency reorganizations, could increased regulatory effectiveness be obtained through the creation or elimination of interagency committees? Alternatively, could the current system be improved by transferring particular responsibilities to different agencies or by designating primary agencies in particular areas in the event of conflict? Should enforcement of consumer protection laws continue to be divided among agencies, or centralized in one consumer-oriented agency, e.g., the Federal Trade Commission (FTC)?

5. *Elimination of Regulatory Overlap and Conflict.*—To what extent can the problems of the existing structure be rectified without new organizational arrangements—for example, through statutory changes designed to define more clearly the respective areas of responsibility of the different agencies? Should depository institution regulators have authority over mergers and acquisitions by regulated institutions, and if so to what extent?

6. *Monetary Authority Regulatory Role.*—What involvement in regulation of financial institutions is necessary to execute responsibilities for monetary policy, to act as the lender of last resort and to provide a framework for stability of the overall system? What information and experience with the ongoing activities of institutions is required to fulfill these roles and can this information or experience be obtained other than by direct regulation of banks and holding companies?

7. *Securities Regulation Issues.*—To what extent should the current system for establishing margin requirements and practices be changed? What changes would be desirable in current laws and regulations governing investment companies and investment advisors to reduce costs to consumers or to harmonize such regulation with pooled investment media maintained by insurance companies or depository institutions? In what other ways should current regulatory controls over securities issuers, underwriters or markets be reduced?

8. *Additional Regulatory Relief Possibilities.*—Apart from or in addition to agency reorganization, what current regulatory or statutory restrictions on financial institutions or their holding companies should be eliminated or modified to reduce direct and indirect costs to consumers, to improve the services available to the public or for any other reason? (Please be specific.) What safeguards against conflicts of interest, harmful intra-company transactions or unsafe practices by depository institutions and their holding company affiliates would be preferable to current regulatory controls, reporting requirements and examinations? Could improved public disclosure replace certain agency reporting and regulatory requirements?

IV. Other

Dated: February 3, 1983.

Richard C. Breeden,

Deputy Counsel to the Vice President.

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PRESS RELEASE

THE VICE PRESIDENT

OFFICE OF THE PRESS SECRETARY

For Immediate Release
6 p.m., Thursday, December 22, 1983

Contact: Meredith Armstrong
202/456-6770

The Task Group on Regulation of Financial Services, chaired by Vice President George Bush with Treasury Secretary Donald Regan as Vice-Chairman, today endorsed a package of approximately 30 specific recommendations for legislation to improve the current system of federal regulation of financial services. The group met at the residence of the Vice President for three hours, and adopted these recommendations following discussion of the Task Group's staff report.

The recommendations adopted by the Task Group cover several major issue categories. These include (1) eligibility for regulation as a thrift institution, (2) reform of the federal deposit insurance system, (3) federal duplication of state regulatory activities, and (4) increased functional regulation and elimination of unnecessary regulatory controls. The attached fact sheet summarizes some of the major changes which would be effected under the Task Group recommendations.

The Task Group did not schedule issues concerning reorganization of the three federal agencies which regulate commercial banks for today's meeting. Action will be taken with respect to consolidation and reorganization of these agencies at the Task Group's next meeting which will be scheduled early in January. The members of the Task Group include: the Secretary of the Treasury, the Attorney General, the Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, the Assistant to the President for Policy Development, the Chairmen of the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, the Securities and Exchange Commission, the Commodity Futures Trading Commission and National Credit Union Administration, and the Comptroller of the Currency.

Upon completion of the Task Group's work at its next meeting, the recommendations of the Task Group will be forwarded through the Cabinet Council on Economic Affairs to President Reagan for his consideration. Upon review by the President the approved package will be forwarded by the Administration to the Congress as proposed legislation. The Task Group expects to announce all its other specific recommendations following completion of its next meeting.

FACT SHEET

Summary of Major
Recommendations Adopted by the
Task Group on Regulation of Financial Services
December 22, 1983

1. Eligibility For Regulation As A Thrift Institution

Under the current system, any institution with a thrift charter is eligible to be regulated by the Federal Home Loan Bank Board. The thrift regulatory system includes a number of regulatory advantages designed to encourage institutions to specialize in traditional thrift activities. However, in recent years thrift institutions have received authority to engage in a broader spectrum of activities, with no corresponding minimum participation required for housing and other traditional activities. In addition, commercial banks which have an equal level of participation in mortgage lending and other thrift activities are not entitled under the current system to obtain any of the regulatory treatment available for thrift institutions.

Under the recommendations adopted by the Task Group, eligibility for thrift regulation will be based on an institution's functional activities in the marketplace rather than its type of charter. To be eligible for thrift regulation, an institution would be required to maintain a minimum percentage of its overall assets in activities relating to residential housing finance. Both banks and thrift institutions which satisfy the "Portfolio Test" proposed by the Task Group would be eligible for regulation by the Federal Home Loan Bank Board. All such institutions would obtain deposit insurance from the FSLIC and would be governed by all rules and regulations applicable to thrift institutions.

Except for the smallest institutions, any thrift institution which failed to satisfy the Portfolio Test over an averaging period would be subject to all rules and regulations applicable to commercial banks and would become regulated by a bank regulatory agency.

2. Reform of the Federal Deposit Insurance System

Under the current system there are three separate federal deposit insurance agencies. Although banks and thrifts compete directly for deposits from the general public, at present thrifts are required to maintain significantly lower minimum capital than banks. In addition, deposit insurance premiums are assessed today on a flat rate basis with no differences in the premium paid by a financially strong or weak firm. Finally, large deposits in excess of federal insurance coverage (more than $100,000 per account) are fully protected in many bank failures if the failed institution is merged with a healthy institution. In such a situation, even though such deposits are uninsured, the practical result is usually that such deposits do not bear a share of the cost of handling the failure.

Under the Task Group's recommendations, the separate insurance funds existing today would continue to be maintained. However, the insurance funds for banks and thrifts would be required to establish and implement over a phased period common minimum capital rules and accounting standards in order to encourage stronger capital backing for all insured institutions. In addition, under the Task Group's recommendations the deposit insurance agencies would be authorized to vary deposit insurance premiums based on the riskiness of insured institutions. However, the deposit insurance agencies would be required to rely on private sector ratings of riskiness to the extent feasible. Finally, the current de facto full insurance coverage for large jumbo deposits in failed banks which are merged with healthy institutions would be reduced over time.

3. Federal Duplication of State Regulatory Activities

Under the dual banking system, both the states and federal agencies charter and regulate depository institutions. At present, federal bank regulators supervise all state chartered banks, irrespective of the quality of state supervisory authorities which also regulate such institutions. The federal agencies also review decisions by state regulatory agencies on a variety of matters not directly related to bank solvency.

The Task Group adopted recommendations to strengthen the responsibilities of state regulatory agencies over state chartered institutions. In states which maintain strong regulatory programs, federal oversight would be reduced substantially from current levels. In other states, federal agencies would alternate their activities with those of state regulators in order to reduce wherever possible duplication between federal and state agencies.

4. Increased Functional Regulation and Elimination of Unnecessary Regulatory Controls

Under the current system four agencies plus the SEC regulate the securities activities of banks and thrifts. Four agencies plus the Department of Justice also enforce the antitrust laws applicable to banks and thrifts. In addition, federal controls remain over the number of activities such as the location of bank branches which have become outdated.

The recommendations adopted by the Task Group would consolidate all securities regulation applicable to banks and thrifts in the SEC. Likewise, all antitrust responsibilities would be centralized in the Department of Justice. In addition, the Task Group recommended reduction or elimination of a variety of outdated or unnecessary regulatory controls.