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## STEEL

### Pace of Domestic Recovery

The steel industry is slowly recovering from its long and deep slump, which dates to 1980. The operating rate has risen in recent weeks to 57-58 percent, above last year's 48.4 percent but still well below breakeven. Order books remain weak, and many in the industry believe that demand is going to plateau at about the current level for most of the remainder of 1983.

If this happens, steel unemployment will remain above 100,000 and financial losses will continue. The industry lost \$3.3 billion last year, a record, and sees little hope of breaking into the black before next year. In the meantime, necessary investment has had to be postponed. The industry, which estimates that it must invest \$6-7 billion a year to modernize, will spend only \$1.5 billion this year on plant and equipment. If the pace of modernization does not accelerate, substantial plant closures and company failures are likely.

### Trade Off Between Imports and Investment

Cash-poor and starved for sources of capital, U.S. Steel was receptive to an offer from the British Steel Corporation to provide semi-finished steel slabs for, and to become part-owner of, its Fairless facilities near Philadelphia. The proposed arrangement has drawn criticism from the United Steelworkers, who object to the closing of the hot metal portion of Fairless (1950-vintage open hearths), and from others who find it ironic that U.S. Steel would buy subsidized slabs from BSC. From U.S. Steel's point of view, its only choices are to eliminate 2,000 jobs now in order to make the finishing mill--and 5,000 jobs--viable, or to close the plant down. It simply sees no way to raise the necessary \$1.7 billion to revamp the mill completely.

### Challenge of Imports

While there is considerable criticism of this (and every previous) Administration's steel trade policy, we have conducted a record number of investigations into allegations of unfair trade in steel over the past 2 years. Since mid-1981 the Commerce Department has completed, negotiated settlements in, or has under investigation 41 cases. This past summer the Administration resolved the 44 cases filed against the European Community by limiting steel exports from the Community to the U.S.

Last month, Ambassador Brock declined to initiate a formal investigation requested by the U.S. Steel industry of steel imports from Japan because our analysis of the facts and our consultations with the Japanese led to conclude that Japan was exercising self-restraint, reducing its exports by 34 percent last year.

Moreover, in response to an investigation initiated at your request, the U.S. International Trade Commission ruled on March 24 that imports of specialty steel (stainless steel) were injuring the domestic industry, which is concentrated in Western Pennsylvania. We expect to receive the Commission's recommendation as to remedy by May 6 and will expedite the implementation of effective relief.



Provided by: VA

Can you have the Veterans Administration reduce its two year time requirement to enable the Institute to be eligible more quickly for VA benefits?

§ 1789 U.S. Code 38 requires that a training program be in existence for two years prior to being eligible for VA certification. This is not a provision which can be waived by the Administrator.

4/5/83

Mr. President

THE WHITE HOUSE  
WASHINGTON

At 4:30 p.m. we were  
without a reply from  
the Veterans Administration  
4 April 1983

we will forward their  
answer to the question  
raised here prior to  
your departure.

MEMORANDUM

To: Bill Henkel

From: Rick Ahearn

FLA

Craig Fuller

Re: Probable Question to be Asked the President at Control Data Institute

One of the questions likely to come up at Control Data will be the certification of the Institute by the Commonwealth of Pennsylvania. This question will be asked because it affects the veterans who are taking part in the training program. Without certification of the school, they will not be able to receive approval by the Veterans Administration for benefits, so the trainees are unable to receive veterans benefits to attend the school. The question to the President will probably be: "Is there anything he can do to get the Veterans Administration to speed up its process so that the trainees now enrolled will be able to receive their benefits." Some of the trainees will have their unemployment checks run out half way through their schooling process. They will then be unable to attend the classes and finish their schooling because of financial hardship. Some of them are having trouble providing food for their families and others are losing their homes and automobiles. If the Veterans Administration benefits were made available to them, they would be able to make it through the training program. This affects a large number of trainees. It is their understanding that after the State approves their program, it is still a two-year process for the Veterans Administration to approve their school. Paperwork has been submitted through a Mr. Ralph Rattanni, Training Specialist-Veterans Education, Bureau of Accreditation Program, Department of Education, Commonwealth of Pennsylvania, State Office Building, Room 1208-A, Pittsburgh, PA 15222, telephone number (412)565-5364.

Governor Thornburgh may also be asked to comment on this, as it is a State accreditation matter. Ed Redfern has informed Mr. Cuyler Walker ((717)787-4540) of Governor Thornburgh's staff of this specific problem so they are aware and investigating it from their end.





Q: Why does the U.S. government buy imported computers?

A: Some of the government's computers are from foreign sources for a combination of two reasons, one of which has to do with proper procurement practice and the other with our international trade obligations. Government procurement of computers is done through competitive bidding in order to obtain the best possible price/value relationship. Also, under the General Agreement on Tariffs and Trade, we have to provide treatment to the products of our trading partners which is no less favorable than that accorded to domestic products. This means that foreign manufacturers cannot be excluded from the bidding process. I might add that our trading partners are obliged to grant our producers the same access to their procurement processes.



Q: What assurances can you give that once we are trained in high technology jobs, the jobs will not be exported overseas?

A: As President I don't want to see any U.S. jobs exported overseas because U.S. industry has in some way become non-competitive in the world marketplace. My Administration's policy is to ensure that government doesn't cause jobs to be exported. To that end we have reduced the tax burden on individuals and corporations. We have eliminated unnecessary regulations faced by businesses. We have put in place economic policies which will return the U.S. economy to sustained growth without inflation. Also, the Congress passed and I signed legislation creating export trading companies which should assist U.S. businesses to export their products.

The best assurance that U.S. jobs won't go overseas is a dynamic and growing U.S. economy. With that as a starting point, I have confidence in our workers and our business leaders to stay competitive.



## TALKING POINTS

### Health Benefits for the Unemployed

- o There has been discussion recently about starting a new Federal program to aid the jobless by assisting them with their health needs.
- o While a desire to help the unemployed is certainly understandable, there are real problems involved in launching such a new entitlement program.
- o There is the fundamental issue of whether the Federal government properly has a role in providing health care benefits to the unemployed. Not everything that is a good idea ought to be a Federal program.
- o Several of the States have taken the lead to design programs for their unemployed citizens to receive health care, and a single Federal program would certainly lessen the States' incentive to act on their own.
- o The basic designs for such a plan that have been mentioned are either the use of Federal funds, or some mechanism to put the cost of the program on employers in the states, or some combination of these.
- o Any enlargement of Federal spending only makes the deficit larger, and anything that increases the cost to employers, whether through a payroll tax or through higher health insurance costs, will harm the recovery, by making it harder to put people back to work.
- o Beginning such a new program on a limited basis will be quite difficult. There are other groups which have little or no health insurance protection. The pressures to enlarge the program to include others beyond the recently unemployed will be very strong.
- o We now have Federal programs for health care for the poor (Medicaid) and the elderly and disabled (Medicare). With the addition of an entitlement for the unemployed, it will be only a short move to add the other groups, and we would have a single Federal program for all health care in the nation.
- o A final point is worthy of consideration. The recovery has begun. If we are not careful, we will enact a new Federal program, that will take months to start up, just as the problem is receding.
- o A better response for us to make is to encourage the efforts already well underway in the private sector, by physicians, hospitals, and others, to provide care to the unemployed and their families at no cost.
- o Surely in the long run we will have done more to improve the health of Americans this way, than if we just launch another Federal program.



# Jobs protesters aim to sour Reagan's visit

By Jennifer Lin  
and Jane Blotzer  
Post-Gazette Staff Writers

The National Conference on the Dislocated Worker, which will be addressed here by President Reagan tomorrow, will be anything but harmonious.

Reagan's visit may help underscore labor's unhappiness with business and government, despite the wishes of conference organizers hoping to highlight the "spirit of partnership and deep concern" among the three groups.

Protesters — mostly laid-off workers — will rally at Point State Park across from the Hilton Hotel, where Reagan is scheduled to speak at 2 p.m.

"We're trying to drive home to the president that we're not asking for handouts; we're asking for jobs," said Robert McIntyre, executive vice president of the state's AFL-CIO in Harrisburg who plans to join the protesters.

"We see our jobs going across the ocean and our people want work," McIntyre added.

In addition, United Steelworkers' leaders are boycotting the conference to express their anger about a proposed deal by U.S. Steel Corp. to import unfinished steel from Britain.

USW Vice President Leon Lynch won't deliver a welcome address to the 700 conferees because David M. Roderick, U.S. Steel's chairman, heads the National Alliance of Business, a main sponsor of the event.

In Washington, a press agent said Reagan has wanted to visit Pittsburgh for a long time.

"He is keenly aware of the situation in the city. That is why he wants to visit," said assistant press secretary Mark Weinberg. "It's impossible for a president to visit everywhere, so he chooses cities and forums that are representative — pieces of the whole."

Weinberg said Reagan is looking forward to meeting personally with dislocated workers. As for the planned demonstrations, Weinberg said, "It comes with the territory."

Pennsylvania Republicans Sen. John Heinz, Gov. Thornburgh and

Reps. William Clinger of Warren County and Thomas Ridge of Erie will be part of the president's entourage. Sen. Arlen Specter, R-Philadelphia, has not yet decided if he will accompany the president.

Lynch said last week that U.S. Steel's plan to buy steel from Britain — instead of making it at a U.S. Steel mill — reflects "a callous indifference to the real plight of the dislocated workers everywhere."

William H. Kolberg, president of the NAB, said yesterday he was "very sorry" about the USW's decision not to attend since unions, like the government and business, must help workers displaced from their jobs. The NAB tries to organize programs that provide the jobless with training and employment opportunities.

The focus of the conference, Kolberg said, is finding out what can be done to ease the problems of laid-off workers. This could include setting up job retraining programs, finding financial aid or helping workers to accept the fact that the "good ol' days" in the steel mill or automobile plant may never return.

Another topic will be how local governments can tap federal funds that are now available for aiding workers on protracted layoffs.

Once Reagan signs the new jobs bill, \$110 million will be available for training programs, Kolberg said.

Conference speakers include Labor Secretary Raymond Donovan; Los Angeles Mayor Thomas Bradley; and Delaware Gov. Pierre S. du Pont IV.

From Europe, Harry Meisel of the West German labor office and Per Silenstam of the Swedish labor market board will hold a panel discussion concerning measures taken by their governments to train displaced workers.

Also addressing the conference will be John T. Dunlop, former secretary of labor and now a professor at Harvard University; and Michael Arnold, executive director of the AFL-CIO's Human Resources Development Institute.

Sen. Heinz's press secretary said yesterday that the senator will try to talk with Reagan during the trip about the need for health care coverage for the unemployed.

Heinz wrote the president yesterday urging him to review proposed legislation addressing this "severe and pressing" problem.

"I recognize the administration had some reservations about certain aspects of earlier versions of this emergency relief measure . . . Heinz said in the letter. "This legislation does not create a new entitlement but rather appropriates \$1.1 billion over the next two years as a grant-in-aid program to the eligible states."



# Retraining program on president's agenda

By Mark Roth

Post-Gazette Staff Writer

For years now, William C. Norris of Control Data Corp. has preached the value of business and government working together to use computers to teach new job skills.

Tomorrow his proselytizing will pay off with a visit by President Reagan to a Control Data computer training site on the Northside.

Using more than \$560,000 in state and federal funds, the Control Data Institute in the Allegheny Center Mall is teaching 135 laid-off steel workers and other former factory employees how to install and repair computers.

Reagan plans to stop by the center, observe the computerized teaching program and talk with workers enrolled in the eight-month course, which is designed to prepare them for entry into the still-growing field of computer repair.

Mary Putnam, the center's supervisor, said she has suspended regular instruction tomorrow in honor of the visit, but has invited all program participants to come and meet the president if they wish.

Since many of the participants are laid-off steel workers, the president could be in for some tough questions, Control Data officials acknowledged.

But a White House press spokesman said yesterday that the chance to answer workers' questions off-the-cuff "is the aspect of the trip that's of particu-

lar interest to the president."

The training center visit was suggested to Reagan by Thornburgh administration officials after they learned he would be flying into Pittsburgh tomorrow to speak at a national conference on unemployment.

Reagan is "particularly interested in private-sector involvement in efforts that are being undertaken to reduce unemployment through retraining [of workers]," the White House spokesman said.

Under Norris' direction, Control Data has spent 11 years and \$900 million developing its computerized PLATO teaching system for training workers in new job skills.

For most of that time, the PLATO program was a money-loser that was supported by the company's lucrative computer manufacturing and financial services operations.

By next year, though, Control Data hopes to see a \$200 million profit from the PLATO operation, and Norris believes it will be the firm's most profitable division by the end of the century.

Besides the Northside training center, which opened in January, Control Data also has a district headquarters in Mt. Lebanon and other offices Downtown.

The Minneapolis-based company recorded \$4.3 billion in sales and \$155 million in earnings last year, and has 27 other job training centers around the country, company officials said.

# Factions At Odds Going Into Jobs Conference

By NICHOLAS KNEZEVICH  
Press Labor Writer

A top-level national conference on plant shutdowns and dislocated workers will open here tomorrow in the wake of a three-way tempest involving labor, industry and government.

Some of the nation's leading figures are at odds and refuse to cross paths here. And rank-and-file jobless, plus those against Reaganomics, plan to make their displeasure known.

It started out as a serious effort by labor, industry and government agencies to discuss ways to aid the dislocated worker. But, says one critic from the AFL-CIO, it's turning out to be a "big public relations thing ... and I don't expect to be excited by the end results."

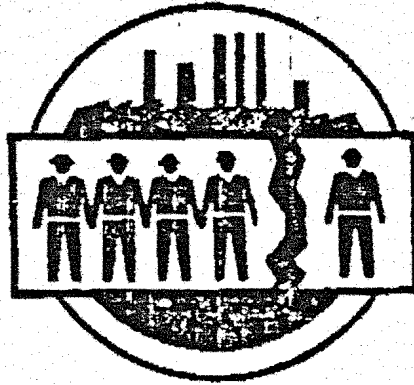
The conference at the Hilton Hotel, Downtown, will be highlighted by a visit by President Reagan on Wednesday, the second day of the gathering. Two main sponsors among 13 co-sponsoring agencies are the National Alliance of Business and the AFL-CIO.

Reagan's appearance and U.S. Steel Corp.'s recent revelation that it is dickering to buy British-made steel touched off full-blown resentment among labor.

Michael Arnold, head of the AFL-CIO's Human Resources Institute, said he is having difficulty getting a second substitute keynoter to deliver labor's policy statement.

But, he adds, "It should not be regarded as a labor boycott ... there have been complications."

At the outset, Lane Kirkland, AFL-CIO president and a Reagan critic, was to make the union's address. Instead, the head of the 15 million-member "House of Labor" switched off and will attend a union in-house conference in South Carolina.



Whether a coincidence as the union claims, Kirkland's plans were changed after the NAB invited Reagan.

First pinch-hitter for Kirkland was Leon Lynch, vice president for human resources for the United Steelworkers of America. Lynch earlier agreed to sub for USW President Lloyd McBride, who also developed a scheduling "conflict."

Lynch, in turn, washed his hands of the conference last week, declaring:

"If U.S. Steel Corp. is to be one of the greatest practitioners of policies which are leading to a further erosion of our industrial base and likewise being a leader in this conference, then I cannot in good conscience lend my name or that of the United Steelworkers to its proceedings."

He added that with more than 150,000 steelworkers jobless, it would be insulting to attend in the face of U.S. Steel's import plans that would mean fewer steel jobs.

The union also feels it has been slapped in the face after signing last month a \$2.9 billion concessions contract with the industry, including U.S. Steel.

The USW and U.S. Steel were to act as local conference co-hosts. Now U.S. Steel Chairman David M. Roderick will deliver tomorrow's welcoming statement along with Mayor Richard Caliguiri.

Meanwhile, Reagan and Secretary of Labor Raymond Donovan, another speaker at the conference, apparently plan to fence-mend with labor elsewhere. They are scheduled to meet next week in the White House with a minor wing of the labor movement, the National Federation of Independent Unions, representing about 75,000 workers.

A spokesman for the AFL-CIO's Kirkland observed that the small federation is not representative of the large segment of labor. Nor has Kirkland ever been a presidential guest, "but he and Secretary Donovan occasionally have lunched together."

A protest demonstration by jobless hard hats from the hard-hit Mon and Beaver valleys is slated for noon Wednesday across the street from the Hilton. They also plan to make themselves visible along Reagan's motorcade along the Parkway West from Greater Pittsburgh Airport.

About 700 invitees — now heavily weighted with industry and government participants — will attend the two days of conference workshops that will follow tonight's opening reception.

Tomorrow's sessions will include a symposium addressing "The Nation's Economy in Transition — What are the implications for business, labor and government?"

Workshops tomorrow and Wednesday will deal with labor and management models for helping the dislocated worker, federal resources to assist the unemployed, European ideas for retraining, state programs for dislocated workers and community response to their economic problems.

Among tomorrow's speakers are

John T. Dunlop, Harvard professor and former secretary of labor; Secretary Donovan; Malcom Lovell, former undersecretary of labor; Alexander Trowbridge, president of the National Association of Manufacturers.

Also, Gov. Pierre S. du Pont, of Delaware; Thomas Bradley, mayor of Los Angeles; Pierce Quinlan, National Alliance of Business vice president; Paul Dempsey, Department of Commerce, and Peter Weitz, from the German Marshall Fund of the United States.

From labor, the AFL-CIO's Arnold and Edward Carlow, president of the Sheetmetal Workers union, still plan to attend.

Wednesday's workshop leaders will include Kenneth McClellan of the Committee for Economic Development, Ann Donohue of the National Commission for Employment Policy, Joan Wills of the National Governors Association and Madeleine Hemmings of the U.S. Chamber of Commerce.

As the fractured Hilton conference opens, another symposium — "Economic Transition" — will be held tomorrow through Thursday at the William Penn Hotel, Downtown, by the University of Pittsburgh.

Experts from industry, academia, business and government will take part in that dialogue, sponsored by Pitt's Graduate School of Business Associates program.

While labor is not on the program, U.S. Rep. Joseph M. Gaydos, D-McKeesport, of the Mon Valley, which is considered labor's congressional seat, will speak as a member of the Congressional Steel Caucus.

Pitt's School of Social Work, along with Pittsburgh Neighborhood Alliance, also will hold a Saturday conference on "Economic Justice for Pittsburghers" at the United Jewish Federation, Oakland.

This parley is aimed at developing citizens' participation and neighborhood involvement in decision making.

*E*

THE WHITE HOUSE

WASHINGTON

NATIONAL ALLIANCE OF BUSINESS DISLOCATED WORKERS CONFERENCE

DATE: April 6, 1983  
LOCATION: Pittsburgh, PA  
TIME: 1:00 P.M.  
  
FROM: James K. Coyne, Special Assistant  
Private Sector Initiatives

I. PURPOSE

To demonstrate interest in putting Americans back to work by showcasing the cooperative efforts represented by this conference.

II. BACKGROUND

The conference is sponsored by the National Alliance of Business, U.S. Department of Labor, Commerce, HUD, AFL-CIO, Business Roundtable, U.S. Chamber of Commerce and others, to encourage the exchange of information between these organizations with respect to the displaced worker.

The audience is comprised of corporate executives, labor leaders, employment and training professionals and academics with an interest in local innovative approaches to assist dislocated workers.

Your post-luncheon address will be on the final day of a three-day conference. Note: Two weeks ago in the Roosevelt Room, you briefly met with National Alliance of Business Chairman David Roderick and the Executive Board of NAB. Roderick will greet you in the Holding Room prior to your speech.

III. PARTICIPANTS

- David M. Roderick, Chairman, National Alliance of Business and U.S. Steel, and other head table guests
- 600 conference participants

IV. PRESS PLAN

- Open Press coverage

V. SEQUENCE OF EVENTS

- Holding Room - met by Roderick
- Roderick escorts you to podium
- Remarks
- Depart



THE WHITE HOUSE

WASHINGTON

April 5, 1983

MEMORANDUM FOR THE PRESIDENT

FROM: ED ROLLINS *ER*

SUBJECT: PENNSYLVANIA - POLITICAL BRIEFING

1984 Presidential Race

Pennsylvania will send 98 delegates and alternates to the Republican National Convention.

The Philadelphia Inquirer noted in early March that Governor Thornburgh would like to lead the state's delegation.

1980 Presidential Race

President Reagan carried the state by a 324,000 margin (50% to 43%) in 1980. However, he lost 8 southwest counties in the Pittsburgh area by almost 61,000 votes.

1984 Political Races

- o No statewide races in 1984, but;
- o 10 Republican House members will be up for re-election.

1982 Election ResultsU.S. Senate:

Incumbent Republican John Heinz was re-elected to a second term by a 60% to 40% margin (carrying 64 out of 67 counties) over his Democrat opponent Allegheny County Commissioner Cyril Wecht. (Two out of the three counties lost were in the southwest corner of the state.) Heinz's margin was the largest of any incumbent Republican Senator.

Governor:

Republican Richard Thornburgh was re-elected by a narrow 52% to 48% margin over former Democratic Congressman Allen Ertel. Ertel cut sharply into Thornburgh's early 32 point lead by emphasizing the state's high unemployment rate (11.3% on election day) and the need to create jobs in the depressed industrial and steel belt. Thornburgh was the first Republican Governor to carry Allegheny county in a number of years.

House of Representatives: 1982 Summary

- o The State lost two seats to reapportionment.
- o In the general election;
  - Republicans lost three seats.
  - Democrats gained one seat.



Major 1982 Races and 1984 Outlook3rd C.D. - Philadelphia

Democrat State Representative Robert Borski defeated incumbent Republican Charles Dougherty. Borski will be tough to defeat in this Democrat district.

4th C.D. - West-Central, North of Pittsburgh

Former Democrat turned - Republican Eugene Atkinson lost by a 61 percent to 39 percent margin to Democrat State Representative Joseph Kolter. Kolter was the beneficiary of strong support by organized labor.

7th C.D. - Delaware County, Southwest Philadelphia suburbs

Four-term liberal Democrat Robert Edgar overcame a strong challenge from Republican Steve Joachim and won re-election by a 55 percent to 45 percent margin. Edgar is a possible retiree having previously announced a personal five-term limit on congressional tenure.

8th C.D. - Bucks County, Northern Philadelphia suburbs

In a classic rematch former Democrat Representative Peter Kostmayer narrowly defeated incumbent Republican Jim Coyne by a 50 percent to 49 percent margin. There may be a rematch in 1984.

11th C.D. - Wilkes-Barre, Scranton

Freshman Republican James Nelligan lost to reform - Democrat Frank Harrison by a 54 percent to 46 percent margin in this predominantly Democrat district long represented by Dan Flood. Harrison, who had strong support from organized labor, hammered away at the social security issue vowing never to cut benefits.

17th C.D. - Central, Pennsylvania

Republican State Senator George Gekas defeated Democrat Larry Hochendoner by a 58 percent to 42 percent margin, to win this open seat vacated by Representative Allen Ertel.

21st C.D. - Erie, Northwest Pennsylvania

Republican attorney Thomas Ridge defeated Anthony Andrezeski by a few hundred votes for the open seat formerly held by Republican Marc L. Marks.

Philadelphia's Mayoral Race (May 17 primary)

- o Democrat incumbent William Green is retiring

Democrat Candidates

- o W. Wilson Goode is a black candidate who until recently served as Philadelphia's managing director, the top appointive post in the Green administration.
- o Frank Rizzo is the policeman-turned - mayor who preceeded Green.

**Status:**

Goode is leading Rizzo by 20 points in the polls. This lead is based on Goode's capturing of one-third of the white vote and 90 percent of the black vote. Blacks comprise 43 percent of overall Democrat registration.

**Outlook:**

This race is not nearly as vitriolic as the Chicago mayoral race. Rizzo is expected to further step up his attacks on Goode.

- o Democrats are favored to keep the mayor's post.

**Republican Candidates**

- o Charles Dougherty - A former congressman
- o Tom Gola - A former city comptroller and basketball star.
- o John Egan, Jr. - A stockbroker.

**Outlook:**

The Republican race is expected to be close. Democrats believe Gola would be the tougher opponent in the general election.

**Independent**

Tom Leonard - A Democrat and former city comptroller.

**State Legislature: - Update**

Republican John Shumaker recently won a close special State Senate election for the open legislative seat of freshman Republican Congressman George Gekas.

Pittsburgh

In 1981, Democrat Mayor Richard S. Caliguiri was re-elected to another four year term carrying 81.4% of the vote.

ELECTED OFFICIALS

GOVERNOR - Dick Thornburgh - Republican - Re-elected in 1982

SENATORS - H. John Heinz, III - Republican - Re-elected in 1982

Arlen Specter - Republican - Elected in 1980

U. S. HOUSE OF REPRESENTATIVES - 10 Republican 13 Democrat

<u>REPUBLICAN MEMBERS</u> - Richard Schulze	(5th District)
Bud Shuster	(9th District)
Joseph McDade	(10th District)
Lawrence Coughlin	(13th District)
Don Ritter	(15th District)
Robert Walker	(16th District)
George Gekas	(17th District)
William Goodling	(19th District)
Thomas Ridge	(21st District)
William Clinger	(23rd District)

THE STATE LEGISLATURE

UPPER HOUSE 27 Republicans 23 Democrats

LOWER HOUSE 100 Republicans 103 Democrats

REPUBLICAN STATE PARTY OFFICIALS

STATE CHAIRMAN - Martha Bell Schoeninger

NATIONAL COMMITTEEMAN - Andrew (Drew) Lewis, Jr.

NATIONAL COMMITTEEWOMAN - Elsie Hillman

REAGAN-BUSH STATE CHAIRMAN - Drew Lewis



SENATOR JOHN HEINZ (R-PENNSYLVANIA)

Senator John Heinz was born in Pittsburgh, Pennsylvania in 1938. He graduated from Phillips Exeter Academy, Yale and Harvard Business Schools. He served in the United States Air Force at the rank of Sergeant. Senator Heinz is married to the former Teresa Simoes-Ferreira and they have three sons: Henry John IV, Andre, and Christopher.

Senator Heinz was first elected to the House of Representatives in 1971 in a special election and was elected in 1976 to the United States Senate and reelected in 1982. He serves on the Finance Committee, the Banking, Housing and Urban Affairs Committee and the Energy and Natural Resources Committee. In addition, he is Chairman of the Special Committee on Aging.

Senator Heinz has expressed a particular interest in international trade issues. He has been active on legislative issues and nominations involving the Export-Import Bank and the International Trade Commission.

Both he and Senator Specter recently have begun to advocate a health care program for the unemployed. Dave Stockman has agreed to discuss this issue with them.

REPRESENTATIVE THOMAS RIDGE

(Republican - Pennsylvania)

Tom Ridge is a freshman Republican from Pennsylvania's Twenty-first District (northwestern corner of state, including Erie). In the 1980 election, Tom's 50.2 percent vote total (a difference of 729 votes from his Democratic opponent) made this one of the closest races nationwide. In the House, Tom is a member of the Banking Committee and the Select Committee on Aging.

Thus far in the 98th Congress, Tom has been very supportive of the Administration on key legislative issues (e.g. voted against the Democrat Budget proposal on March 23rd, and supported the Administration position on all of the key social security votes occurring on March 9th and March 24th). He attended the Presidential breakfast for the House Republican freshman class which was held in the State Dining Room on February 7th.

JOHN HENZ PENNSYLVANIA  
WILLIAM L. ARMSTRONG COLORADO  
ALLENBEE W. DAMATO NEW YORK  
CLAUDE BORTON WASHINGTON  
PAULA HAWKINS FLORIDA  
MACK MATTINGLY GEORGIA  
ERIC HECHT NEVADA  
PAUL TRIBLE VIRGINIA

ALAN CRANSTON CALIFORNIA  
DONALD W. RIEGLE, JR. MICHIGAN  
PAUL S. SARBANES MARYLAND  
CHRISTOPHER J. DODD CONNECTICUT  
ALAN J. DIXON ILLINOIS  
JIM SASSER TENNESSEE  
FRANK R. LAUTENBERG NEW JERSEY

# United States Senate

COMMITTEE ON BANKING, HOUSING, AND  
URBAN AFFAIRS

WASHINGTON, D.C. 20510

M. DANNY WALL, STAFF DIRECTOR  
KENNETH A. McLEAN, MINORITY STAFF DIRECTOR

April 4, 1983

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

Dear Mr. President:

I would like to bring to your attention an issue which may arise during your visit to Pittsburgh this Wednesday; namely, the severe and pressing problems encountered by families who lose their health insurance benefits due to unemployment.

The problem in Pennsylvania, and indeed, across the country, is not the lack of insurance products available for jobless workers; it's the affordability of the premiums. Most unemployed individuals are hard-pressed just to meet their mortgage and rent obligations. In the Pittsburgh area alone, some 15,000 homeowners now are in default on their mortgages, and an additional 22,500 are approaching delinquent status. If the jobless cannot afford their basic shelter requirements, it is easy to see why they cannot afford health insurance on an individual basis. Yet, as a group, the unemployed are especially in need of medical care because they are prone to stress-related illnesses, such as heart disease and alcoholism.

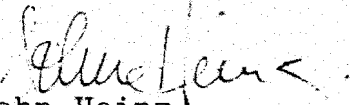
Providing health insurance for the approximately 11 million Americans ravaged by unemployment is a problem which many of us on the Senate Finance Committee have been attempting to resolve. Two weeks ago, Senators Dole, Durenberger, Specter and myself introduced S. 951, which establishes a modest supplemental health insurance program for the unemployed, at the option of the states. Federal assistance is targeted to those states experiencing the highest rates of unemployment.

I recognize the Administration had some reservations about certain aspects of earlier versions of this emergency relief measure. I am pleased to inform you that many, if not all, of the Administration's concerns have been resolved in S. 951. Specifically, this legislation does not create a new entitlement but rather appropriates \$1.8 billion over the next two years as a grant-in-aid program to the eligible states.



My colleagues and I are committed to moving this legislation. We recognize that it is an important first step toward resolving a long-term problem. While we continue our deliberations over proposed long-term solutions, we urge you to review this legislation and endorse it as a constructive solution to an immediate problem.

Sincerely, /

  
John Heinz  
United States Senate

JH/ml

cc Jim Baker  
Ken Duberstein

## TALKING POINTS

### Health Benefits for the Unemployed

- o There has been discussion recently about starting a new Federal program to aid the jobless by assisting them with their health needs.
- o While a desire to help the unemployed is certainly understandable, there are real problems involved in launching such a new entitlement program.
- o There is the fundamental issue of whether the Federal government properly has a role in providing health care benefits to the unemployed. Not everything that is a good idea ought to be a Federal program.
- o Several of the States have taken the lead to design programs for their unemployed citizens to receive health care, and a single Federal program would certainly lessen the States' incentive to act on their own.
- o The basic designs for such a plan that have been mentioned are either the use of Federal funds, or some mechanism to put the cost of the program on employers in the states, or some combination of these.
- o Any enlargement of Federal spending only makes the deficit larger, and anything that increases the cost to employers, whether through a payroll tax or through higher health insurance costs, will harm the recovery, by making it harder to put people back to work.
- o Beginning such a new program on a limited basis will be quite difficult. There are other groups which have little or no health insurance protection. The pressures to enlarge the program to include others beyond the recently unemployed will be very strong.
- o We now have Federal programs for health care for the poor (Medicaid) and the elderly and disabled (Medicare). With the addition of an entitlement for the unemployed, it will be only a short move to add the other groups, and we would have a single Federal program for all health care in the nation.
- o A final point is worthy of consideration. The recovery has begun. If we are not careful, we will enact a new Federal program, that will take months to start up, just as the problem is receding.
- o A better response for us to make is to encourage the efforts already well underway in the private sector, by physicians, hospitals, and others, to provide care to the unemployed and their families at no cost.
- o Surely in the long run we will have done more to improve the health of Americans this way, than if we just launch another Federal program.

SENATOR ARLEN SPECTER (R-PENNSYLVANIA)

Senator Specter was born in Wichita, Kansas in 1930. He graduated from the University of Pennsylvania and the Yale School of Law. He served in the United States Air Force at the rank of First Lieutenant. Senator Specter is married to the former Joan Levy, who was elected to the Philadelphia City Council in 1979. They have two sons: Shanin and Stephen.

He served two terms as district attorney of Philadelphia, 1966 to 1974. He was elected to the United States Senate in 1980. Senator Specter serves on the Appropriations and Judiciary Committees. He serves as chairman of the Subcommittee on Juvenile Justice of the Judiciary Committee. He also serves on the Appropriations Subcommittee on Foreign Operations which recently acted on the Administration's request to reprogram funds to El Salvador.

Senator Specter has expressed a particular interest in criminal justice issues during his first two years and is expected to participate actively in any crime legislation developed during this Congress.

REPRESENTATIVE WILLIAM CLINGER

(Republican - Pennsylvania)

Bill Clinger is a third term Republican from Pennsylvania's Twenty-third District (northwestern and central part of state, including Warren and Youngville). He is a member of the House Government Operations Committee and the House Public Works and Transportation Committee.

Bill has been generally supportive of Administration legislative proposals in the past. Thus far in the 98th Congress, Bill has supported the Administration position on all of the key budget and social security votes. He has met with the President and attended White House events on numerous occasions.