

**3/6/79 [1]**

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	<del>From Young to The President (one page) re: Weekly Activities of US Mission to the UN</del> <i>opened per RAC NLC-126-16-27-1-4 8/6/13</i>	3/2/79	A
memo	<del>From Mondale to The President (2 pp.) re: US Delegations to Inaugurations in Venezuela and Brazil</del> <i>opened per RAC NLC-126-16-27-2-3 8/6/13</i>	3/5/79	A

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THE PRESIDENT'S SCHEDULE

Tuesday - March 6, 1979

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7:15 Dr. Zbigniew Brzezinski - The Oval Office.

7:45 Mr. Frank Moore - The Oval Office.

8:00 Breakfast with Congressional Leaders.  
(60 min.) (Mr. Frank Moore) - First Floor Private  
Dining Room.

10:30 Mr. Jody Powell - The Oval Office.

11:00 Announcement on Hospital Cost Containment.  
(Mr. Richard Moe) - The Cabinet Room.

11:50 Dr. Kenneth B. Clark. (Mr. Louis Martin).  
(5 min.) The Oval Office.

1:30 Mr. James McIntyre - The Oval Office.

2:00 Meeting with Group of Mayors/Counter-Cyclical  
Program. (Mr. Stuart Eizenstat) - Cabinet Room.

Mayors, etc 3/6/79

local + 6 1/2%

① Targetted Fiscal Asst

② Standby " "

Austere budget

help → 5/dec

① 1231 #250/79 \$150/80  
vs 26000

② Nat + 6 1/2% Counter  
> 5% 10/51 Cycle  
Uphill battle pattern

THE WHITE HOUSE  
WASHINGTON

Cong breakfast 3-6-79

SALT

PRC out

Oil use cuts

Yemen - 3rd country - combat losses -  
Carrier - 715 - 54 - UN

Pakistan nukes

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Hosp Cost

RWI

Budget

Taiwan

Panama

Reorg

Resissions

D-2

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THE WHITE HOUSE  
WASHINGTON

3/6/79

Attorney General Bell

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
appropriate handling.

Rick Hutcheson

cc: The Vice President  
Jody Powell  
Jerry Rafshoon  
Zbig Brzezinski



Office of the Attorney General  
Washington, D. C. 20530

Good move -  
proceed  
J

March 2, 1979

MEMORANDUM TO THE PRESIDENT

Re: Possible Litigation To Enjoin The Publication Of An Article Containing Previously Undisclosed Details Of The Construction Of A Thermonuclear Bomb

Secretary Schlesinger has requested that I seek to enjoin publication in The Progressive Magazine of an article written by Howard Moreland entitled "How A Hydrogen Bomb Works." I have been informed by the Secretary that a review of the article reveals that it contains a useful and informative presentation of at least two of the basic concepts of thermonuclear weapon design that remain classified as "Restricted Data" under the Atomic Energy Act of 1954.

Several of my attorneys, along with employees of Secretary Schlesinger, have gone to Madison, Wisconsin to negotiate with Mr. Samuel H. Day, Jr., Managing Editor of The Progressive in an effort to convince him not to publish the article. Should these efforts be unsuccessful, we intend immediately to seek an injunction to prevent the imminent transmittal of the article to the printer. ) Good

Mr. Day has already been advised that this article contains "Restricted Data" and of the extreme sensitivity of the information. Mr. Day has also been advised that in Secretary Schlesinger's judgment publication of the article would secure an advantage to other nations' efforts to develop thermonuclear weapons and would be injurious to the United States.

If negotiations are unproductive, it will probably be necessary to institute suit very quickly. Therefore, I have instructed my attorneys handling the matter that if negotiations do break down, they are authorized to file the lawsuit immediately.

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The litigation will present difficult constitutional and statutory issues. In the unsuccessful case against the New York Times to enjoin publication of classified material, the Supreme Court pointed out that there the Executive Branch was seeking a prior restraint on the press without any authorizing legislation. Here, we do have a statute, part of the Atomic Energy Act, specifically authorizing injunctive actions to prevent disclosure of such information. In addition, the nature of the material at issue here is not merely of historical significance but is of current military significance to any nation trying to develop a hydrogen bomb capability. Therefore, while we cannot assure you that we will prevail in this suit, the potentially grave consequences to the security of the U.S. and the world itself resulting from disclosure of the data are obvious and frightening.



---

Griffin B. Bell  
Attorney General

Date: March 4, 1979

MEMORANDUM

FOR ACTION:

FOR INFORMATION:

THE VICE PRESIDENT  
STU EIZENSTAT - *concur*  
JODY POWELL  
JERRY RAFSHOON - *mid of if they comment*  
BOB LIPSHUTZ *nc*

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: GRIFFIN BELL MEMO, "POSSIBLE LITIGATION TO ENJOIN THE PUBLICATION OF AN ARTICLE RE CONSTRUCTION OF A THERMONUCLEAR BOMB"

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME:

DAY:

DATE:

ACTION REQUESTED:

Your comments

Other:

CALL BY MONDAY AM IF YOU WISH TO COMMENT.

STAFF RESPONSE:

I concur.

No comment.

*Please note other comments below:*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone 7052)

8:00 AM

THE WHITE HOUSE

WASHINGTON

March 5, 1979

C  
1

ADMINISTRATIVELY CONFIDENTIAL

CONGRESSIONAL LEADERSHIP BREAKFAST

Tuesday, March 6, 1979

8:00 a.m.

Family Dining Room

From: Frank Moore

I. INTRODUCTION

The Speaker is likely to come back to the reasons why Congress cannot meet the budget goals, e.g., higher inflation rate than previously projected and other economic assumptions not known at the time of the budget submission. I suggest that you use your trip to shift the burden to the Democratic Leadership.

You should try to balance the meeting approximately 20% foreign affairs and 80% domestic matters. Begin with a brief overview of the good news: China may be pulling out of Vietnam; whatever you can tell them on SALT; and the prospects of a Middle East peace settlement.

You should stress to the Members that you are doing everything in your power to help negotiate a treaty and while you are away the Members are virtually in charge of the fate of the domestic program. You should emphasize that we could lose as much in the inflation fight as we could gain from a peace treaty. You should stress that the American people are looking for a sign that the Congress is as serious as they are about getting inflation under control. If the Members do not go along with the rescissions today, if the Ways and Means Committee kills Real Wage Insurance forcing the Teamsters to seek a big settlement, or if Hospital Cost Containment is hit with a serious blow, it could be devastating to what is admittedly a very difficult fight on inflation. You should also mention that while you are away the Vice President will be in charge and will be available to help in any way.

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ADMINISTRATIVELY CONFIDENTIAL

II. PRESS PLAN

White House photo.

III. PARTICIPANTS

See attached list.

IV. AGENDA

1. Taiwan Omnibus Bill

The Taiwan legislation is scheduled to come to the floor today. You should emphasize that the security language which we have negotiated with the Foreign Relations Committee is acceptable, but only barely so; you should seek the Senate Leadership's assistance in defeating efforts to "strengthen" the language. You should mention that our embassy in Taipei closed its doors as of February 28 and there is presently no means of conducting either official or international business with the people on Taiwan. Therefore, each day that passes harms cultural, educational and trade relations with the people of Taiwan. The American Institute cannot function until the Taiwan legislation is passed and funds are reprogrammed. (Senator Hollings has disapproved the reprogramming until the authorizing legislation becomes law).

2. Hospital Cost Containment

Announcement by the White House of the Administration's hospital cost containment proposal was scheduled for yesterday, but was postponed until today at 11:00 a.m. You should emphasize to both House and Senate Leaders that Hospital Cost Containment is vital to our anti-inflation effort.

3. Reorganization

The announcement of your reorganization initiatives last Thursday was relatively well-received on the Hill. Members of the Public Works Committee, including Majority Leader Wright, were particularly pleased not only by the decision to build on EDA, but also by the deletion of the water transfers from DNR.

ADMINISTRATIVELY CONFIDENTIAL

ADMINISTRATIVELY CONFIDENTIAL

In addition to Wright, Speaker O'Neill and Senators Byrd, Cranston and Magnuson were advised in advance of the decision. Their reaction was generally favorable; Senator Cranston is concerned about the Forest Service transfer and the fight it will provoke on the Senate floor.

The following are points you might wish to raise:

- o The reorganization decisions were generally well-received. Most Members appreciated the extent of our prior consultation and the degree to which we attempted to accommodate Congressional sentiment.
- o We are continuing to work with Senator Ribicoff and his staff to resolve the plan vs. legislation issue. This is not an issue in the House.
- o While we know that there will be a major battle over the transfer of the Forest Service, we believe that we can win -- particularly because of the budget and personnel savings that will result.

4. Rescissions

The House is voting today on your proposed 1979 rescissions. You recommended rescission of \$915 million, and the full Appropriations Committee accepted \$703 million, including \$74 million for HEW rescissions. The nurses are actively lobbying to strike out up to \$62 million of health manpower rescissions on the floor. Congressman Waxman may sponsor the nurses' amendment. The proponents of the amendment to reduce the rescissions have billed this as the first battle of the 1980 budget. You should urge the Leadership to:

- o Support the Appropriations Committee's recommendations on the floor both to save the money and as a symbolic note for forthcoming budget issues.

5. Alaska D-2 Lands

The Huckaby bill is weaker than we wanted and falls short of an adequate Alaska Lands bill.

ADMINISTRATIVELY CONFIDENTIAL

Congressman Udall will be offering a stronger amendment on the House floor and we would appreciate the Leadership's support on that amendment.

6. Bermuda II Agreements

It has come to our attention that the Speaker is concerned about the Bermuda II negotiations with the British involving U.S. carrier service between Boston and London. If he mentions this you should indicate to him that you will have Stu or Brock follow-up with the Speaker on this issue.

SUMMARY

The Democratic Leadership should leave the meeting with a sense of even greater obligation to carry on the President's program in your absence.

CONGRESSIONAL LEADERSHIP BREAKFAST

Tuesday, March 6, 1979

PARTICIPANTS

The President  
The Vice President

Senator Robert C. Byrd  
Senator Alan Cranston  
Senator Warren Magnuson  
Senator Daniel K. Inouye

Speaker Thomas P. O'Neill, Jr.  
Congressman James Wright  
Congressman John Brademas  
Congressman Dan Rostenkowski  
Congresswoman Shirley Chisholm

Stu Eizenstat  
Jim McIntyre  
Jody Powell  
Frank Moore  
Dan Tate  
Bob Thomson  
Bob Beckel  
Bill Cable  
Valerie Pinson  
Bill Smith

2:30 PM  
Wed

THE WHITE HOUSE  
WASHINGTON

3/6/79

Mr. President:

Judge Bell would like  
to get your approval on  
10 new judges before you  
leave wed. evening. May  
I set up?

yes       no



PHil

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THE WHITE HOUSE  
WASHINGTON

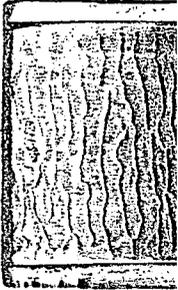
06 Mar 79

The Vice President

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
appropriate handling.

Rick Hutcheson

Zbig Brzezinski





THE VICE PRESIDENT  
WASHINGTON

March 6, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: THE VICE PRESIDENT *WJ*

SUBJECT: Venezuelan and Brazilian Inaugurations

I spoke to Bob Strauss about accompanying Joan to the March 12 and 15 inaugurations in Caracas and Brazilia. Bob feels he is at an important moment in the MTN negotiations and that this should take priority over the inaugurations. I agree with him.

I have also checked with Secretary of Labor Ray Marshall. Ray is available, and he would be delighted to represent you at the inaugurations. Joan would be pleased to have Ray Marshall with her on the delegation. Further, of particular note, Ray as Secretary of Labor, will strike a very good note with the incoming Herrera Administration in Venezuela.

With your concurrence we will confirm Secretary Marshall's participation in the inaugurations and proceed with the revised arrangements.

APPROVE RAY MARSHALL

OTHER

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11:50 AM

THE WHITE HOUSE

WASHINGTON

March 2, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: LOUIS MARTIN

SUBJECT: Meeting with Dr. Kenneth B. Clark,  
educator and author of New York City,  
Oval Office, Tuesday, March 6, 1979,  
11:50 a.m.

I. PURPOSE

To congratulate Kenneth B. Clark, Ph.D., author, and educator of New York City, who is being honored on March 6 at the Second Annual Dinner of the Joint Center for Political Studies.

II. BACKGROUND, PARTICIPANTS AND PRESS

A. Background: Dr. Clark, born in Panama Canal Zone, is the former president of the Metropolitan Applied Research Center in New York and is a member of the Board of Regents of the state. He is also professor of Psychology at City College. He is a former president of the American Psychological Association 1970-71. He won the NAACP's Spingarn Award in 1961 and the Sidney Hillman Prize Book Award in 1965. His wife is a distinguished professional in the health field and is the executive director of the Northside Center for Child Development in New York.

Dr. Clark helped to established the Joint Center for Political Studies in 1970.

- B. PARTICIPANTS: Dr. Kenneth Clark  
White House Staff: Louis Martin
- C. Press: White House Photographer

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*DKsenberg*

THE WHITE HOUSE  
WASHINGTON

3/5/79 2:50 p.m.

Mr. President --

Daddy King called and said you had told him at lunch the other day you would call him the next day.

I explained that you had been in the midst of meetings with Prime Minister Begin, etc., and were still working almost solely on the Middle East peace issue.

He said he wanted to talk with you before you left for Egypt/Israel. He also asked me to have Jack Watson call him in addition to your phone call, which message I have conveyed.

--SSC

*M.S.I. Sullivan of Marquette Sch  
of Medicine  
Dr. Mays  
Watson Grand S in L - Pay & out*

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C  
/

TO: President Carter  
THROUGH: Rick Hutcheson  
FROM: Ambassador Young  
SUBJECT: US Mission to the UN Weekly Activities  
February 23 - March 2

March 2, 1979

DECLASSIFIED

Per, Rac Project

ESDN: NLC-126-16-27-1-4

BY KS NARA DATE 7/24/13

SOUTHEAST ASIA CONFLICT AT THE UN

After several meetings were held throughout the week, negotiations in the Security Council momentarily have come to a standstill. Efforts by certain non-aligned states, the ASEANs and the US to call for a ceasefire and withdrawal of forces met with stout Soviet opposition. In conversations with us, Ambassador Troyanovsky has reiterated the Soviet position that Moscow cannot support any resolution that appears to link China's withdrawal from Vietnam with Vietnam's withdrawal from Kampuchea. He said they would veto any Security Council resolution that deals in any way with more than the Chinese-Vietnamese dispute. He showed no flexibility or willingness to seek a mutually acceptable way out of the existing impasse. I suggested to Troyanovsky that we meet again in two weeks.

SECURITY COUNCIL WILL MEET ON RHODESIA

The Rhodesian raids on Zambia, Mozambique and Angola and the possibility of the US and UK sending observers to the April 20 "elections" have prompted the African Group to ask for a Security Council meeting today March 2. UK Ambassador Ivor Richard and I met with Nigerian Ambassador Harriman, who is Council President for March, to discuss possible Council action. I told Harriman that while there could be discussion of election observer question, any resolution on this subject would cause us great difficulties. I said the Administration would be explaining its position to the Congress in connection with the McGovern-Hayakawa resolution. It would be very difficult if the UN tried to tell the Senate what it should do. Ivor Richard and I suggested that it would be better to adopt a resolution dealing only with the Rhodesian raids and leave the election issue aside for the time being. Harriman said he would talk again to the African Group.

ANTI-DEFAMATION LEAGUE LUNCHEON

I addressed the Jewish Anti-Defamation League Awards Luncheon in New York on February 28. I gave a general overview of foreign and domestic policy goals to the audience of 700 leaders in music, art and communications. I made no references to specific problems. The talk was very well received. I also met with pickets during the lunch.

OTHER MEETINGS AND APPEARANCES

2/23 Count Lambsdorff, FRG Finance Minister; Dr. Landrum Bolling, Chairman, Council on Foundations; 2/24 Luncheon Address to the Council on Foreign Relations Conference on the US and Africa; 2/27 Appearance on CBS Morning News to discuss Southeast Asia and Namibia,

THE WHITE HOUSE  
WASHINGTON

06 Mar 79

The Vice President

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
appropriate handling.

Rick Hutcheson

Zbig Brzezinski  
Phil Wise

~~CONFIDENTIAL~~

DECLASSIFIED  
Per; Rac Project  
ESDN; NLC-126-16-27-2-3  
BY KS NARA DATE 7/24/13





New Head of US Delegation

I have also consulted with Cy on the question of a new head of the US delegation, with my recommendation that Joan might head the delegation. Cy concurs in the choice of Joan provided that she is accompanied by a member of the Cabinet, and I concur in his judgment.

Cy will, of course, be with you, Mike Blumenthal will have just returned from his lengthy trip to Asia and I believe Harold Brown should be in Washington at this critical time in our Persian Gulf policy. The Cabinet officers who most logically come to mind are Secretary Califano, Secretary Marshall, Secretary Kreps and Secretary Bergland. May I please have your guidance on the new head of the US delegation?

-- Joan Mondale

APPROVE

DISAPPROVE

-- Member of Cabinet to accompany Mrs. Mondale  
\_\_\_\_\_

*Prefer  
Schlesinger*

Call to Herrera and Figueiredo

If you approve the above recommendations, I believe a telephone call from you to President-elect Herrera of Venezuela and President-elect Figueiredo of Brazil advising them that I must stay in Washington during your travel overseas, that I would like to pay an official visit to Venezuela and Brazil as soon as a mutually agreeable schedule can be arranged and informing them of the new US delegation to their inaugurations would be warmly received by both leaders.

APPROVE

DISAPPROVE

*J*

We would follow such a telephone call with an immediate telegram to our Embassies.

THE WHITE HOUSE  
WASHINGTON

2/6/79

Landon Butler

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
your information.

Rick Hutcheson

FOR ACTION  
FYI

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION

VICE PRESIDENT

JORDAN

EIZENSTAT

KRAFT

LIPSHUTZ

MOORE

POWELL

RAFSHOON

WATSON

WEXLER

BRZEZINSKI

MCINTYRE

SCHULTZE

ADAMS

ANDRUS

BELL

BERGLAND

BLUMENTHAL

BROWN

CALIFANO

HARRIS

KREPS

MARSHALL

SCHLESINGER

STRAUSS

VANCE

ARONSON

✓ BUTLER

H. CARTER

CLOUGH

CRUIKSHANK

FIRST LADY

HARDEN

HERNANDEZ

HUTCHESON

KAHN

LINDER

MARTIN

MILLER

MOE

PETERSON

PETTIGREW

PRESS

SANDERS

WARREN

WEDDINGTON

WISE

VOORDE

ADMIN. CONFIDEN.

CONFIDENTIAL

SECRET

EYES ONLY

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

*done  
J*

MEMORANDUM TO THE PRESIDENT

FROM: HAMILTON JORDAN *H.J.*  
RE: MRS. MEANY'S DEATH  
DATE: MARCH 6, 1979

Mrs. George Meany passed away yesterday morning. She was in her 80's and had been ill for some time, so her death was not unexpected. A small family funeral is planned for Wednesday morning. The Vice President will attend.

Tom Donahue yesterday indicated to Landon that it would be best for you to call Mr. Meany this morning to express your condolences.

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THE WHITE HOUSE  
WASHINGTON  
2/6/79

Chairman Campbell

The attached was returned  
in the President's outbox  
today and is forwarded to  
you for your information.

The signed original has  
been given to Bob Linder  
for distribution.

Rick Hutcheson

cc: Attorney General Bell  
Jim McIntyre  
Stu Eizenstat  
Arnie Miller  
Bob Linder

790516

United States of America  
**Office of  
Personnel Management**

Washington, D.C. 20415

1 MAR 1979

In Reply Refer To:

Your Reference:

MEMORANDUM FOR THE PRESIDENT

FROM: Alan K. Campbell  
Director

SUBJECT: Presidential Message to Agencies on Senior Executive Service  
Conversion of Career Nominees for Presidential Appointments

White House staff associated with the process of nominating candidates for Inspector General appointments called the attention of the Office of Personnel Management to a problem encountered in recruiting present career employees for these and similar Presidential appointments. The problem was that if these individuals did not accept nomination to Presidential appointments, they would on July 13, 1979 be eligible to join the new Senior Executive Service, retaining career status as well as compensation and other benefits. If they accepted the nomination, they would have to do so at considerable sacrifice. The SES legislation provides for a solution to the problem, but does not go into effect until July.

We have explored possible solutions with our General Counsel and with the staff of the Senate committee responsible for the Inspector General statute. Based on their views, we are suggesting that you send the attached Memorandum to the Heads of Executive Departments and Agencies. The Memorandum, which has the force of an Executive Order, would direct that a procedure be followed which would permit the immediate conversion to the Senior Executive Service of career executives nominated for Presidential appointments, and would, thus, permit their retention of SES benefits.

Attachment

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF

EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Senior Executive Service Conversion Rights of  
Career Appointees to Presidential Appointments

In my memorandum to you of November 8, 1978, I requested that you forward to me names of candidates for Inspector General positions who possess exceptional integrity and ability. This request reflected my desire to fill these Presidential appointments strictly on the basis of merit.

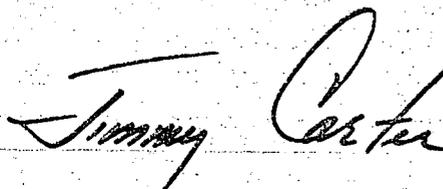
Some candidates for these positions, and for other Presidential appointments, come from the career service and are now occupying positions which will be placed in the Senior Executive Service. If they were to remain in their present assignment, they would be entitled to convert to the Senior Executive Service, but if they should accept Presidential appointment prior to the effective date of the SES, their entitlement to conversion is less clear.

It is unmistakably the intent of Congress that Inspector General positions will be filled on a merit basis. It is equally clear that the Congress intended to permit career members of the Senior Executive Service to accept Presidential appointments while retaining full SES career status and SES benefits (PL 95-454 § 3392(c) and 3393(b)).

To carry out the intent of Congress and to facilitate the merit appointment of able career executives to Presidential appointments during the few months before the Senior Executive Service goes into effect, I am hereby directing the heads of Departments and Agencies to take the following actions:

1. If a career executive in your agency has been nominated by me for a Presidential appointment and that executive is serving in a position which will be in the SES, the executive's present position should be officially designated SES immediately. (Such designation is authorized by Section 413 of PL 95-454, which became effective on October 13, 1978.)
2. The agency designation should be forwarded to the Office of Personnel Management for review and publication in the Federal Register.
3. On official designation by the agency, the career incumbent of this SES position should be given the option to convert to SES or to decline such conversion (PL 95-454 permits the incumbent up to 90 days to make a conversion decision, but the decision may be made at any time during that period. In this instance, the incumbent would need to make the decision before his/her Presidential appointment is confirmed by the Senate.)
4. If the career incumbent chooses to convert to SES, he/she may then elect to retain SES compensation and benefits as provided under PL 95-454 3393(c). Since SES compensation and benefits do not become effective before July 13, 1979, until that date the incumbent will serve under the Executive Level pay and benefit provisions.

If you need further guidance in carrying out this directive, the Office of Personnel Management will assist you.

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned in the lower right quadrant of the page.

Kraft received copy - ad. comt.

THE WHITE HOUSE  
WASHINGTON

2/6/79

To Jim Schlesinger

I consider it imperative that you have two top assistants of the highest stature and ability, hopefully equivalent to Charles Duncan, Warren Christopher, Hal Champion, Tom Williams and Luther Hodges, Jr.

My staff will work with you using our same screening and recruitment process as was used for those named above and for the members of my Cabinet. The final decision will be yours and mine.

Jimmy

cc: Horn

2:00 PM

THE WHITE HOUSE

WASHINGTON

MEETING WITH STATE AND LOCAL OFFICIALS ON  
ADMINISTRATION'S FISCAL ASSISTANCE PROGRAM

Tuesday, March 6, 1979

2:00 p.m. (20 minutes)

The Cabinet Room

From: Stu Eizenstat *Stu*  
Ralph Schlosstein

I. PURPOSE

The meeting is to unveil to the State and local officials your targetted fiscal assistance and anti-recession fiscal assistance programs. These programs are being submitted to Congress on Tuesday by Presidential Message. The meeting is designed to emphasize your commitment to Congressional enactment of this legislation.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background: This legislation was included in your budget at the specific request of State and local officials, particularly the Mayors with whom you met during your budget deliberations. To a large extent, their criticism of your budget was muted because this program and additional CETA funds were restored. Attached is a brief description of the fiscal assistance legislation.

B. Participants: Governor Brendan Byrne, New Jersey  
Mayor Henry Maier, Milwaukee  
Mayor Charles Royer, Seattle  
Mayor Kenneth Gibson, Newark  
Mayor Richard Hatcher, Gary  
Mayor John Rousakis, Savannah  
Mayor Tom Bradley, Los Angeles  
Mayor James Conway, St. Louis  
Mayor Lee Alexander, Syracuse  
Mayor Arthur Clark, Waltham\*  
(\*friend of Speaker O'Neill)  
City Councilwoman Jessie Rattley,  
Newport News)  
County Councilman Joseph Toner,  
New Castle County, Delaware  
County Councilman Charles Worthington,  
Atlantic County, New Jersey  
State Senator Harry Mishel, Ohio  
The Vice President  
Stu Eizenstat  
Jack Watson  
Anne Wexler  
Ralph Schlosstein

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- C. Press Plan: Pool coverage for first five minutes of meeting. Stu, Treasury officials, and selected State and local officials will brief White House press corps in the press room after the formal meeting.

III. AGENDA

- 1) 2:00 - 2:10 President's remarks
- 2) 2:10 - 2:15 Vice President's remarks
- 3) 2:15 - 2:30 Stu briefly describes legislation, State and local officials comment and Stu answers questions
- 4) 2:30 - 3:00 Stu and selected State and local officials brief White House Press Corps in press room

IV. TALKING POINTS

(Attached)

## TALKING POINTS

- 1) Today I will transmit a Presidential Message to Congress asking that they enact my proposals for a targetted fiscal assistance and a standby fiscal assistance program. This is the second Presidential Message that I will submit to Congress this year on a high priority legislative initiative. (The first was on the Department of Education.)
- 2) This legislation demonstrates that, even in an austere budget, we can provide assistance to the cities and counties in greatest need and that we can afford to help State and local governments plan sensibly for the future.
- 3) There are two key parts to this legislation. The first provides highly targetted fiscal aid to the nation's most distressed cities and counties. It provides aid only to cities and counties with unemployment rates above 6.5 percent. Only 1,231 local governments are eligible for this program, making it the most targetted fiscal assistance program ever submitted to Congress. I will ask Congress to provide \$250 million in Fiscal Year 1979 and \$150 million in Fiscal Year 1980 for this program.
- 4) The need for this legislation in many of your cities and counties is critical. It will help to prevent layoffs of policemen and firemen in many of your communities. It also will help you maintain essential services and hold the line on new property tax increases.
- 5) Since it is so targetted, this program responds to the real needs of the truly distressed cities and counties. Newark, for example, would receive \$2.7 million in Fiscal Year 1979 under my proposal. That is almost 30 percent of what Newark receives annually from the entire General Revenue Sharing program, a program that is twenty times larger than this proposal.
- 6) The second part of this legislation provides a standby program of anti-recession fiscal aid. This program would provide emergency aid to both State and local governments whenever the national unemployment rate rises above 6.5 percent. It is patterned after the countercyclical program that Congress passed in 1976, and that I enlarged in my economic stimulus package.

- 7) This program will allow State and local governments to plan prudently for the future. It would put in place a standby program - an insurance policy - that will aid States and localities whenever our national economy deteriorates significantly.
- 8) While I do not expect a significant increase in unemployment in the near future, I strongly believe that Congress should act on this program if an economic downturn beyond what we forecast occurs. We should have this program permanently in place, so that we can respond quickly to your needs in times of economic hardship.
- 9) This legislation is a key part of my urban policy and is a high priority of my Administration. It will be lobbied aggressively by both the White House and the Treasury Department. In fact, White House and Treasury officials already have met with many Senators and Congressmen on this legislation, and I have discussed it personally with both Speaker O'Neill and Chairman Jack Brooks.
- 10) Despite these efforts, we face the same uphill battle this year that we faced on this legislation last year. Given the current mood in the country and the Congress, we all must redouble our efforts to convince the Congress and the American people of the critical need for this legislation.
- 11) I stand ready to lead this effort and trust that all of you will be standing with me as we work on this important legislation.

## BRIEF DESCRIPTION OF LEGISLATION

The legislation that we will submit to Congress is titled "The Intergovernmental Fiscal Assistance Amendments of 1979." Title I of the bill is the targetted fiscal assistance program. This program is the most significant to the mayors of distressed cities, because it provides very targetted aid to their communities. It has the following features:

- \$250 million budget supplemental for Fiscal Year 1979 and \$150 million budget request for Fiscal Year 1980;
- Only local governments are eligible;
- A local government must have an unemployment rate of 6.5 percent or higher to be eligible;
- No community is eligible unless they receive at least \$20,000 annually;
- Funds are distributed on the basis of a formula that takes into account the local unemployment rate and the community's General Revenue Sharing payment;
- No government is eligible if its per capita income exceeds 150 percent of the national average. This provision eliminates most wealthy resort communities that coincidentally have high unemployment;
- A total of 1,231 local governments will be eligible, making this an extremely targetted bill. The bill that we submitted last year had more than 26,000 eligible local governments.

Title II of the bill is the anti-recession fiscal assistance program. This program provides an "insurance policy" for State and local governments in the event that we experience an unexpectedly steep downturn in the economy. It has the following features:

- The program triggers in when over the national unemployment rises above 6.5 percent for one quarter. No funds are expended unless unemployment rises above this level.
- As soon as the unemployment rate rises above 6.5 percent, \$125 million is released quarterly, plus \$25 million for each one-tenth of a percentage point that the national unemployment rate exceeds 6.5 percent. (At 6.8 percent unemployment, for example, \$200 million would be available quarterly).

- Both State and local governments are eligible, with one-third of the funds provided to States and two-thirds to local governments.
- States and localities must have an unemployment rate of at least 5 percent to be eligible.
- This program has the same formula as Title I.
- No community is eligible if its per capita income exceeds 150 percent of the national average.
- Minimum payment of \$20,000 annually, as in Title I.
- We expect no budget impact in FY 1979 or FY 1980 for this program, because our budget projects a national unemployment rate of 6.2 percent.
- The program provides a "safety net" in the event of an unexpected economic downturn.

Together, these programs constitute the most targetted fiscal assistance program ever presented to Congress. Only 1,200 jurisdictions are eligible compared to 26,000 in last year's proposal and 39,000 in General Revenue Sharing. These proposals also are consistent with our tight budget, because the budget amounts (\$250 million in FY 1979 and \$150 million in FY 1980) are reduced considerably from last year's proposal (\$1 billion in each of FY 1979 and FY 1980).

Despite this reduction in total funding, the increased targetting allows us to provide considerable aid to the distressed cities such as Newark and St. Louis.

THE WHITE HOUSE  
WASHINGTON

06 Mar 79

Stu Eizenstat  
Jim McIntyre

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
appropriate handling.

Rick Hutcheson

Frank Moore

(This will go into the President  
first thing in the morninig  
as soon as comments from  
Congressional Liaison come  
in tonight.)

10 78900

FOR ACTION  
FYI

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<input type="checkbox"/>	EYES ONLY

THE WHITE HOUSE  
WASHINGTON

3-6-79

To Jim  
Stu

Expedite Railroad  
deregulation proposals  
to me

J.C.

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for Preservation Purposes

THE WHITE HOUSE  
WASHINGTON

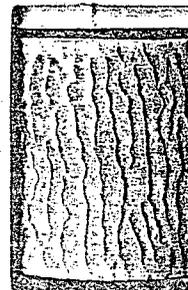
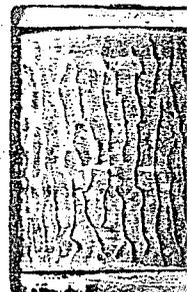
06 Mar 79

Tim Kraft  
Arnie Miller

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
appropriate handling.

Rick Hutcheson

899



FOR ACTION  
FYI

	FOR STAFFING
	FOR INFORMATION
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	ANDRUS
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	WISE
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	CONFIDENTIAL
	SECRET
	EYES ONLY

THE WHITE HOUSE  
WASHINGTON

March 2, 1979

*ok, (but  
don't like two  
from Calif.)  
J*

MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT *TK*  
ARNIE MILLER *AM*

SUBJECT: Select Commission on Immigration and  
Refugee Policy

The Select Commission on Immigration and Refugee Policy was established by Congress under Public Law 95-412 to study and evaluate existing laws, policies and procedures governing the admission of immigrants and refugees to the United States. The Commission report is due on September 30, 1980.

The Commission is composed of sixteen members. The Secretary of State, the Attorney General, the Secretary of Health, Education and Welfare, and the Secretary of Labor are statutory members. The Speaker of the House will appoint four members of the House Judiciary Committee and the President Pro Tempore of the Senate will appoint four members of the Senate Judiciary Committee.

There are four Presidential appointments, of which one is to be designated by you as Chair.

On January 17, 1979, you approved the appointment of Governor Reubin Askew as Chairman of the Commission.

In selecting the remaining three members, we looked for people who were familiar with the concerns of groups interested in this issue, but at the same time objective enough to develop politically viable recommendations. These special interest groups are Hispanics, Asians and Labor.

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R E S U M E

CRUZ REYNOSO

ADDRESS: Third District Court of Appeal  
119 Library and Courts Building  
Sacramento, California 95814  
Telephone: (916) 322-2906

PERSONAL: Born-May 2, 1931, Brea, California  
Married, four children

EDUCATION: Fullerton Union High School, 1949  
Senior year: Class Vice President; Adviser  
to Mexican-American Junior High Y Group

Fullerton Junior College, Fullerton, California  
A.A., 1951  
Student Body President; Life member of  
Alpha Gamma Sigma Honor Society; Freshman  
Class President; Debate Team

Pomona College, Claremont, California  
A.B., 1953-History and Spanish major  
Scholarship student

George Washington University, Washington, D.C.  
1954-55, courses in Economics and U.S.  
History

University of California School of Law  
(Boalt Hall), Berkeley; LL.B, 1958

National University of Mexico, Mexico City,  
1958-59, Six months of special study in  
Constitutional Law on a Ford Foundation  
Fellowship

MILITARY SERVICE: U.S. Army, 1953-1955  
Graduated from Counter Intelligence School,  
Ft. Holabird, Maryland, Special Agent,  
Counter Intelligence Corps, Washington,  
D.C.

PROFESSIONAL: Associate Justice, Third Appellate District,  
Sacramento, California, August 1976 to present

Professor of Law, University of New Mexico,  
School of Law, Albuquerque, N.M., 1972-1976

PROFESSIONAL  
(continued):

Director, California Rural Legal Assistance,  
San Francisco, April 1959-July 1972  
Deputy Director, CRLA, 1968-69

Consultant, Special Committee on Aging,  
U.S. Senate, 1971-72

Teaching: 1970-72

- a) The Law and La Raza, Chicano Studies,  
University of California at Berkeley  
(undergraduate) (1970-71)
- b) Legal Assistance and the Mexican-American,  
University of California, School of Law,  
Berkeley (1970-72)
- c) Legal Problems in the Mexican-American  
Community, University of California,  
School of Law, Los Angeles (1970-71)

Consultant, National Committee Against  
Discrimination in Housing, 1969-72

Consultant, U.S. Commission on Civil Rights,  
in preparation for San Antonio hearings  
on Mexican-Americans in the Southwest, 1968

Associate General Counsel, Equal Employment  
Opportunities Commission, Washington, D.C.,  
1967-68

Staff Secretary to Governor Edmund G. Brown,  
Sacramento, October-December, 1966

Assistant Chief, Division of Fair Employment  
Practices, Department of Industrial Relations,  
San Francisco, 1965-66

Private law practice, El Centro, California,  
1959-68

Last association: Reynoso & Duddy

Instructor (Business Law), Imperial Valley  
College, El Centro, 1960-61

Legislative Assistant to J. William Beard,  
State Senator from Imperial County, 1959-60

Legal Consultant, Family Care Demonstration  
Project, Imperial County (California)  
Health Department, 1959-60

PROFESSIONAL  
AFFILIATIONS:

California Judges' Association  
American Bar Association, Council Member,  
Section on Individual Rights and  
Responsibilities  
National Legal Aid and Defenders Association  
Board of Directors  
La Raza National Lawyers Association  
National Street Law Institute, National  
Advisory Committee Member  
Center for Land Grant Studies, Board of  
Directors  
Law, Education and Participation (Constitutional  
Rights Foundation), National Committee  
Member  
Center for National Policy Review,  
Advisory Council Member

PUBLICATIONS:

"The Government's Role in Ending  
Discrimination, Title VII of the Civil  
Rights Act of 1964," a chapter in Machinery  
and Allied Products Institute and Council  
for Technological Advancement, Equal  
Employment Opportunity (1969).

"Change Through the Law: CRLA," 5 Brief/Case  
2 (1969).

"La Raza, the Law, and the Law Schools,"  
2 & 3 Toledo L. Rev. 809 (1970).

"California Rural Legal Assistance (CRLA):  
Survival of a Poverty Law Practice,"  
1 Chicano L. Rev. 1 (1972).

"The Legal Education of Chicano Students:  
A Study in Mutual Accommodation and  
Cultural Conflict," 5 N.M. L. Rev. 177 (1975).

Community affiliations, as well as honors and other forms of  
recognition, will be provided upon request.

December 1976



# BROTHERHOOD OF RAILWAY, AIRLINE AND STEAMSHIP CLERKS, FREIGHT HANDLERS, EXPRESS AND STATION EMPLOYEES

AFL-CIO - CLC

September 1, 1977

## BIOGRAPHY

J. F. OTERO

INTERNATIONAL VICE PRESIDENT

BROTHERHOOD OF RAILWAY AND AIRLINE CLERKS

Born in Havana, Cuba, on April 3, 1934, Mr. Otero emigrated to the United States in 1954.

In April, 1954, Mr. Otero went to work for the Illinois Terminal Railroad Company in St. Louis, Missouri, as an Elevator Operator-Mail Clerk. Subsequently, he worked as a Yard Clerk, Accounting Clerk, IBM Machine Operator and Programmer. In 1960, Mr. Otero and his Cuban-born wife, Zoraida, became United States citizens through naturalization.

While in the employ of the Railroad, Mr. Otero attended night school, pursuing the subjects of Business Administration, Labor-Management Relations, Computer Data Operations and Public Speaking. Through his membership in the Brotherhood of Railway and Airline Clerks (BRAC) -- Blue Eagle Lodge #283, St. Louis, Missouri -- he promptly became involved in trade union activities. In late 1958, he was elected General Chairman of BRAC's Illinois Terminal System Board of Adjustment at the age of 23 -- one of the youngest System Board officers ever elected by his union.

Three years later, due to his Hispanic background and knowledge of Spanish and Portuguese, Mr. Otero was selected by the President of BRAC to perform trade union services abroad for the International Transport Workers' Federation (ITF). From 1961 through 1964, Mr. Otero worked in Brazil as the ITF's representative in that country. In June, 1964, the ITF Executive Board elected Mr. Otero as Director for Latin America and the Caribbean with headquarters in Lima, Peru.

In 1966, Mr. Otero returned to the service of his own union (BRAC) in Washington, D.C. In January, 1969, Mr. Otero was promoted to the post of Director, International Affairs Department, the position he occupied at the time of his election as an International Vice President and member of the BRAC Executive Council in May of 1971. He was re-elected to a four-year term in 1975.

During his tenure with the ITF and BRAC, Mr. Otero has traveled to some 80 countries in Europe, Asia, Africa and Latin America and the Caribbean.

In addition to international work, Mr. Otero has been involved in political action, collective bargaining, grievance handling, national legislation, educational programs and administrative duties. He is also actively engaged in labor activities aimed at improving the political and social participation of American citizens of Hispanic descent. His work with the AFL-CIO/COPE in the creation of a Labor Council for Latin American Advancement is testimony to his dedication to that cause.

At present, Mr. Otero holds the following posts:

International Vice President, BRAC  
Member, BRAC Executive Council  
Member, BRAC National Negotiating Committee  
Member, BRAC Committee on Headquarters Re-location  
Secretary-Treasurer, BRAC International Brotherhood  
Fund  
Vice Chairman, Railway Clerks' Political League/PEP  
Member, AFL-CIO/COPE National Operating Committee  
First Vice-Chairman, Labor Council for Latin  
American Advancement  
At-large Member, Democratic National Committee  
Vice-Chairman, United Nations' Day Committee  
Member, ITF World Railwaymen's Section  
Member, ITF Travel Bureau Section  
Member, ITF World Executive Board

Mr. Otero is actively involved in community affairs. As a resident of Springfield, Virginia, he has served as a member of the Board of Directors of the Springfield Boys' Club and as an Assistant Manager of Little League baseball teams. He has also participated as a coach in boys' football, basketball and girls softball team. He is a member of the Springfield Golf and Country Club and a former area Governor of the Toastmasters International.

Mr. and Mrs. Otero have been married since 1956 and are the proud parents of four children: Gizelle (20), Jack (19), Laura (16) and Natalie (9).

Home Address: 7807 Carrleigh Parkway  
Springfield, Virginia 22152  
(703) 451-4209

Office Address: 815 - 16th Street, N.W., Room 511  
Washington, D.C. 20006  
(202) 783-3660

R E S U M E

ROSE MATSUI OCHI

730 South Lincoln Avenue  
Monterey Park, California 91754  
Home (213) 573-0324 - Work (213) 485-4425 -

PERSONAL DATA

Occupation:	Attorney at Law	Nationality:	Japanese
Date of Birth:	December 15, 1938	Marital Status:	Married
Citizenship:	United States	Spouse:	Thomas H. Ochi

EDUCATION AND CREDENTIALS

Member of California Bar, December, 1972

University of Loyola, School of Law, Los Angeles, California

Degree: Juris Doctor, June, 1972, Top 25%  
Academic Honors: Deans' Honor List; Qualified for Moot Court  
Semifinals;  
Awarded Reginald Heber Smith Fellowship;  
Selected for United States Attorney Clinical  
Program, and Criminal Trial Advocacy Program.

Student Activities: Legal Aid; Community Legal Assistance Center,  
Phi Delta Delta; Phi Alpha Delta, Asian-American  
Law Students; Consumer Complaint Center;  
International Law Society; and C.R.L.A.

California State University, Los Angeles, California

Degree: Masters of Arts, August, 1967  
Credential: General Secondary, June, 1961 (life)

University of California, Los Angeles, California

Degree: Bachelor of Science, June, 1959  
Credential: Special Secondary, February, 1960

EMPLOYMENT EXPERIENCES

Office of the Mayor, City of Los Angeles, Executive Assistant to the Mayor  
August 1975 to present

Responsibilities includes advising the Mayor on criminal justice issues, affirmative action, privacy and security standards and, etc. Represents the Mayor in personal interaction with all components of the criminal and juvenile justice system at all levels of government and within the community. Represents the City of Los Angeles on the Los Angeles Regional Criminal Justice Planning Board, and League of California Cities Public Safety Committee.

Criminal Justice Planning, City of Los Angeles, Director  
August 1975 to present

Program Coordinator	June 1974 - September 1974
Legislative and Research Coordinator	September 1974 - February 1975
Deputy Director	February 1975 - August 1975

Supervises the Criminal Justice Planning Office in drafting a criminal justice plan and developing programs and policies involving the administration of the juvenile and criminal justice system. Responsible for coordination of criminal justice activities within the City. Responsible for drafting proposed legislation, and analyzing existing and pending criminal justice legislation. Serves as City liaison with County, Regional, State and Federal officials involving the LEAA Program.

Western Center on Law and Poverty, Staff Attorney, Reginald Heber Smith Fellow  
June 1972 to June 1974

Conducted law reform litigation and legislative advocacy. Provided technical assistance to neighborhood legal services programs in research issues, drafting pleadings, and representing clients. Directed the Affirmative Action Program, which included recruitment and placement. Developed particular expertise in constitutional, education, urban, and employment law.

Significant cases: served as co-counsel of record in Serrano v. Priest, a suit challenging the state system of school finance. Legal Consultant to the Ad-Hoc Committee to Incorporate East Los Angeles. Drafted, the secured passage of a bill, which enabled registered voters to initiate the incorporation proceedings. Directed the legal strategy, and represented the Committee before IAPCO and the Board of Supervisors.

United States Attorney, Central District of California  
Law Clerk, Summer 1971

Los Angeles Unified School District  
Secondary Teacher, September, 1966 to June, 1968

Montebello Unified School District  
Secondary Teacher, September, 1961 to June, 1965

## PROFESSIONAL EXPERIENCES

University of California, Los Angeles, California

Urban Law Seminar, "The Unconstitutionality of Incorporation Laws."

State Advisory Committee on Moral and Civil Education

Task Force Member, assisted drafting of a position paper.

Community Relations Conference of Southern California

Multicultural Education Conference, Speaker.

Amerasian Journal, Symposium on "Law as a Tool for Social Change in the Asian-American Community" submitted an article.

California Education Finance Reform Project

Advisory Committee on Quality Education - Legal Consultant.

United States Senate Judiciary Committee

Subcommittee on Representation of Citizen Interest. Submitted testimony.

Assembly Local Government Committee

At their request, submitted recommendation for revisions in the Government Codes, and testified at the Senate Local Government Committee's Hearing.

Los Angeles County, Affirmative Action Advisory Committee, reviewed County Plan

## PROFESSIONAL ORGANIZATION AND AFFILIATIONS

Los Angeles Regional Criminal Justice Planning Board, Member, represents City of Los Angeles, Officer/Vice Chairman

Ad-Hoc Junior Justice Committee, Member, represents Mayor's Office

California League of Cities, Los Angeles County Division, Public Safety Committee

National League of Cities, Criminal Justice Project, LEAA Committee

National Minority Advisory Council, Department of Justice, LEAA, Vice-Chairperson

Los Angeles County Bar Association, Human Rights Committee-Detoxification Subcommittee, Member, Juvenile Justice Committee

Japanese American Lawyer's Association, Member, Board of Governors

Women's Lawyer's Association, Los Angeles, Member

## COMMUNITY AND POLITICAL ORGANIZATIONS

California Elected Women's Association; Salute to Women Leaders' National Women's Political Caucus; Ad-Hoc Committee on Women's Issues; Women's Coalition; Los Angeles City Asian-American Employees' Asian-Pacific Voter's League; Asian Coalition; UCLA Alumni Association; Loyola Law School Alumni Association; Ethnic Concerns of the Japanese American Citizen's League; Asian-Pacific American Caucus; Monterey Park Democratic Club, Democratic State Central Committee, Delegate Credentials Committee.

Rose Matsui Ochi

Social Security #566-46-9163

References:

Judge Robert M. Takasugi, Federal District Court  
Estaban Torres, Director of International Affairs UAW, Washington, D.C.  
Councilman Dave Cunningham, Councilman, Tenth District

Voted in Congressional District 29 (Democratic)

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SELECT COMMISSION ON IMMIGRATION AND REFUGEE POLICYIndependentAUTHORITY: P. L. 95-412, October 5, 1978.METHOD: Appointed by the President, and as followsMEMBERS: SIXTEEN

Secretary of State  
 The Attorney General  
 Secretary of Labor  
 Secretary of Health, Education, and Welfare;

FOUR members appointed by the President;FOUR members appointed by the Speaker of the House of Representatives from the membership of the House Committee on the Judiciary; andFOUR members appointed by the President pro tempore of the Senate from the membership of the Senate Committee on the Judiciary.CHAIRMAN: Designated by the President from among the four members appointed by the President.TERM: Pleasure of the President.SALARY: Each member of the Commission who is not otherwise in the service of the Government of the United States shall receive the sum of \$100 for each day spent in the work of the Commission, shall be paid actual travel expenses, and per diem in lieu of subsistence expenses, when away from his usual place of residence, in accordance with chapter 57 of title 5, U.S.C. Each member of the Commission who is otherwise in the service of the Government of the United States shall serve without compensation in addition to that received for such other service, but while engaged in the work of the Commission shall be paid actual travel expenses, when away from his usual place of residence, in accordance with chapter 57 of title 5, U.S.C.

(CONTINUED - PAGE TWO)

SELECT COMMISSION ON IMMIGRATION AND REFUGEE POLICY (Cont'd)IndependentPURPOSE:

To study and evaluate existing laws, policies, and procedures governing the admission of immigrants and refugees to the United States and to make such administrative and legislative recommendations to the President and to the Congress as are appropriate.

REPORTING:

Make semiannual reports to each House of Congress during the period before publication of its final report.

FINAL REPORT:

A final report of the Commission's findings and recommendations will be made to the President and each House of Congress, which report shall be published not later than September 30, 1930.

TERMINATION:

The Commission shall cease to exist upon the filing of its final report, except that the Commission may continue to function for up to sixty days thereafter for the purpose of winding up its affairs.



THE WHITE HOUSE  
WASHINGTON

06 Mar 79

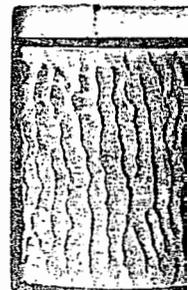
The Vice President  
Hamilton Jordan  
Zbig Brzezinski

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
your information.

Rick Hutcheson

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THE SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

March 2, 1979

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Significant Actions, Secretary and Deputy Secretary  
of Defense (February 24 - March 2, 1979)

Situation in Yemen: We are airlifting 7000 light anti-tank weapons to Sana, and are assembling a VULCAN air defense system Mobile Training Team for dispatch to Sana as soon as possible. In support of a possible decision to do so, we are preparing to provide military advice to both the Saudis and the Yemenis in their operations, and are gearing up to provide adequate supplies, ammunition, and replacement equipment for the Saudis should they enter the hostilities.

Panama Canal Implementing Legislation: I understand the Panamanians told Jack Murphy and Members of his Committee during their recent visit to Panama that they fully expected the \$10 million contingency payment in the treaty to be included in the new toll base; that facilities we turn over to Panama would be updated to mint condition even though they have been vacant a considerable time; and that Panama would collect 10 years back taxes from private corporations which have been operating in the Canal Zone. These attitudes will have an adverse impact on prospects for the enabling legislation.

Businessmen's Dinner: Wednesday evening I hosted this year's first dinner for business and professional leaders and academic figures; the tenth such gathering I have held. Four or five publishers and media presidents were included. More than any previous group, they expressed great concern about what some of them claimed to be an apparent absence of direction and cohesiveness in American foreign policy, and an evident lack of national will. One senior executive, who just completed a trip to many of the same Middle East countries I visited, spoke in terms of an overnight 300 point drop in the stock market if any further sources of oil were denied to our economy. Though we have, and I think I made, a good case for our policies, the feelings described were strong and real.

General Haig Testimony: On Tuesday Al Haig appeared before the House Armed Services Committee on NATO posture and readiness. He gave a candid assessment of the capabilities of U.S. and Soviet forces that left the Committee with the definite impression that we do not have military superiority and the trends are

extremely dangerous. He also stated his opinion that there is an urgent need to provide legislation to move promptly toward registration and classification for a draft.

Vieques, Puerto Rico: You will recall that Governor Romero brought suit against this Department to enjoin the Navy's use of the Vieques range. The trial of that litigation has been completed and we expect a decision within the next several months. The Vieques question is a matter in which this Department has primary interest; I urge that it be addressed within the government as a national defense issue.

Revised FY 1979 Supplemental Budget Request: It now appears that the House Armed Services Committee will hold subcommittee hearings on the revised request next week with full Committee markup scheduled for Tuesday, March 13. The Senate Armed Services Committee will hold a hearing on March 7, but probably will not mark up until after the House Armed Services Committee has reported their Bill out. Our own readings coincide with Jim McIntyre's that the four Defense oversight committees have indicated support of the revised proposal; translating that into timely action may be difficult, especially with Joe Addabbo's House Defense Appropriations Subcommittee.

House Budget Hearings: I appeared on Tuesday before the House Budget Committee to testify in support of the FY 79 Supplemental and FY 80 Budget. The hearing went reasonably well, with a less hostile treatment than I had expected. This was the last of six appearances (eight, counting Foreign Relations/Affairs) before the major Congressional committees on these subjects.

Canadian Minister of National Defense: On Monday Charles Duncan met with Canadian Ambassador Towe who delivered a letter from the Minister of Defense asking for a waiver of research and development charges for the two U.S. manufactured aircraft (F-16 and F-18) in contention to replace the present Canadian fighter aircraft inventory. Subsequent to the meeting Charles informed Thomas Enders, our Ambassador to Canada, that we could reach a decision by March 15. Enders offered to let us know what the critical timing for Canada would be. I am inclined to waive at least some--and perhaps all--of the charges allowing Canada to purchase more aircraft for the same total outlay (C\$2.34 billion). The political consequences of any waiver beyond 25% need to be weighed carefully since the NATO countries participating in F-16 coproduction have a 25% waiver. Nevertheless, there are definite advantages to us in Canada's having the maximum number of aircraft.

~~SECRET~~

3

U.K.'s White Paper on Defense: The U.K.'s White Paper on defense (Statement on Defense Estimates 1979) confirms a real increase of 3% in their defense budget for the coming fiscal year and a further 3% increase the following year. Your firm commitment to a similar increase in our own defense budget was essential to this helpful British decision.

*Harold Brown*

~~SECRET~~

11:00 AM  
3/6/79

THE WHITE HOUSE  
WASHINGTON

ANNOUNCEMENT OF COST CONTAINMENT LEGISLATION

C

Monday, March 5, 1979  
1:30 p.m.  
Cabinet Room

From: Stu Eizenstat *Stu*  
Joe Onek

I. PURPOSE

To announce the Administration's hospital cost containment legislation (a summary of the legislation is attached).

II. PARTICIPANTS

Fred Kahn and Joe Califano will join you in the Cabinet Room and later brief the press in the Press Room. The following Senators and Representatives are scheduled to attend: Senators Long, Talmadge, Ribicoff, Kennedy, Williams and Nelson; Representatives Waxman, Rangel, Staggers and Giaimo.

III. FORMAT

Your statement, which has been cleared with Jerry Rafshoon's office, is attached. We recommend that, after delivering the statement, you recognize each of the four sub-committee chairmen -- Waxman, Rangel, Kennedy and Talmadge -- and give them an opportunity to say a few words. We also recommend that you give Senator Nelson, a key sponsor in the Senate, an opportunity to speak. There is no need to recognize Califano or Kahn, for they will be speaking at the press briefing.

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## THE HOSPITAL COST CONTAINMENT ACT OF 1979

The Hospital Cost Containment Act incorporates the major provisions of the Nelson Amendment, which passed the Senate last year. It is also consistent with your voluntary guideline for hospital costs, which was announced by Secretary Califano on December 28. The major features of this legislation are as follows:

### The Voluntary Limit

The Secretary would announce a national voluntary limit for hospital cost inflation in January of each year. This limit would be based on three factors:

- Inflation in the "market basket" of goods and services purchased by hospitals -- now anticipated to be 7.9 percent in 1979.
- Increased utilization as a result of population growth -- now estimated to be 0.8 percent in 1979.
- An allowance of 1.0 percent for additional services (e.g., new technology).

Should the market basket inflation rate be greater than anticipated, the national voluntary limit would be adjusted upward. The voluntary limit for each state would be adjusted to reflect population changes in the state. The voluntary limit for individual hospitals would reflect the wage rate actually paid to non-supervisory workers in each institution, rather than the prevailing wage rate in that community. This "wage pass through" is felt to be crucial to obtain the support of organized labor for this legislation.

The voluntary limit contained in this legislation would be calculated in precisely the same manner as the voluntary guideline for hospital costs previously announced by Secretary Califano. It differs from the approach taken in the Nelson Amendment (and by the hospital industry's so-called Voluntary Effort) -- namely, a two percent reduction per year over two years. Our approach to a voluntary limit is felt to be more logical and more responsive to changes in market basket inflation. Our approach also eliminates debate over the appropriate base year inflation figures (which range from 14.2 to 15.6 percent).

### The Mandatory Program

In the event that hospitals fail to meet the voluntary limit in 1979, a mandatory program would go into effect in 1980. Under the mandatory program all affected hospitals would be required to adhere to a mandatory inflation limit on average charges per admission. This limit would reflect three factors:

- Inflation in the market basket of goods and services purchased (with provision for a wage pass through for non-supervisory personnel).
- An adjustment for noncompliance in 1979.
- A bonus or penalty for efficiency or inefficiency, as compared to other hospitals of similar size and geographic location.

This provision reflects a concern of the Senate Finance Committee (in particular, Senator Talmadge) that hospitals be rewarded for their relative efficiency.

### Exemptions From The Mandatory Program

There are multiple exemptions in the current legislation. These include all of the exemptions which were contained in the Nelson Amendment. Specifically:

- All hospitals in a State would be exempted if total hospital cost inflation in that State during the prior year was within the voluntary limit.
- All hospitals in a State would be exempted if that State had a mandatory cost containment program that complied with regulations to be established by the Secretary. (The legislation would authorize \$10 million for support of such programs.)
- Even if a State were not exempted from the mandatory program, individual hospitals within that State would be exempted:
  - If they had complied on an individual basis with the voluntary limit. (One-third of all hospitals in this country had an inflation rate in 1978 of less than 9.7 percent.)

- Too many exemptions*
- If they were less than three years old.
  - If they had less than 4,000 admissions per year.
  - If greater than 75 percent of patients were enrolled in a qualified HMO.

In addition to the above exemptions, any hospital facing unusual but justifiable cost increases could apply to the Secretary for an increase in its allowable inflation limit. The Secretary would be required to act on all such appeals within 60 days.

HEW now estimates that less than half of the nation's 6,000 community hospitals would be covered by a mandatory program with the above exemptions.

#### Commission

The legislation would establish a National Commission on Hospital Cost Containment. This Commission would include representatives of hospitals, third party payors, and the general public. The Commission would advise the Secretary regarding implementation and/or revision of the Act, as well as other matters affecting hospital costs.

#### Savings

The Federal savings from the hospital cost containment legislation are estimated at \$1.4 billion in FY 1980 compared to savings estimates in the Administration's Budget of \$1.7 billion in FY 1980. National savings are estimated at \$3.7 billion in FY 1980 compared to the budget estimates of \$4.3 billion for FY 1980.

The savings from the legislation are less than the budget savings because (a) the budget savings were premised on compliance with the anti-inflation guideline and there will be some non-compliance and (b) the mandatory program contains several exemptions, which are essential for Congressional support.



11:00 AM

THE WHITE HOUSE

WASHINGTON

ANNOUNCEMENT OF COST CONTAINMENT LEGISLATION

Tuesday, March 6, 1979  
11:00 am  
Cabinet Room

From: Richard Moe *RM*

I. PURPOSE

To announce the Administration's hospital cost containment legislation (a summary of the legislation is attached).

II. PARTICIPANTS

Fred Kahn and Joe Califano will join you in the Cabinet Room and later brief the press in the Press Room. The following Senators and Representatives are scheduled to attend: Senators Talmadge, Kennedy, Williams and Nelson; Representatives Waxman, Rangel and Staggers. Senator Long may attend.

III. FORMAT

Your statement, which has been cleared with Jerry and Stu, is attached. We recommend that, after delivering the statement, you recognize each of the four subcommittee chairmen -- Waxman, Rangel, Kennedy and Talmadge -- and give them an opportunity to say a few words. We also recommend that you give Senator Nelson, a key sponsor in the Senate, an opportunity to speak. There is no need to recognize Califano or Kahn, for they will be speaking at the press briefing.

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DRAFT STATEMENT - HOSPITAL COST CONTAINMENT

I am today submitting one of the most critical pieces of anti-inflation legislation the Congress will consider this or any other year -- the Hospital Cost Containment Act of 1979.

Inflation remains our most serious domestic problem. It affects every person and every institution in the country. It damages the health not only of our economy but of our society. The American people want their elected representatives to take action -- action that is strong, prompt, and effective.

A decade ago, the average cost of a hospital stay was \$533. In just the past two years, that cost has increased by \$317 -- to a total of \$1634 a stay.

When hospital costs go up, so do health insurance premiums. That pushes up consumer prices. It pushes up the budgets -- and the taxes -- of governments at all levels.

The only thing that goes down is the take-home pay and purchasing power of the American worker.

Hospital cost inflation is uniquely severe. It is also uniquely controllable. We can eliminate thousands of unfilled hospital beds. We can stop subjecting people to unneeded surgery and useless x-ray tests. We can cut out pointless duplication of expensive facilities.

Over the next five years, if this bill is passed, the American people will save some \$53 billion -- including \$22 billion in reduced federal spending.

Hospital cost containment will not be achieved without a fight. Together with the Senators and Congressmen with me today, I will lead the fight on behalf of the American people.

The hospital lobby defeated cost containment in the last Congress, although the Senate did pass an Administration-supported cost containment bill. That lobby is just as determined and just as well financed as it was then.

But this year we have a new Congress -- and a new opportunity to bring the outrageous increases in hospital costs under control. The patience of the American people is wearing thin -- and rightly so.

It is time for the public interest to prevail. It is time for the Congress to demonstrate its commitment to the battle against inflation by promptly enacting the Hospital Cost Containment Act of 1979.

TO THE CONGRESS OF THE UNITED STATES:

Inflation is America's most serious domestic problem. It affects every individual and every institution in the country, and it damages the health not only of our economy but of our society. The American people are demanding prompt action against inflation from their elected representatives -- action that is strong, prompt, and effective.

One of the most important components of inflation is the soaring cost of hospital care, which continues to outpace inflation in the rest of the economy. A decade ago, the average cost of a hospital stay was \$533. In just the past two years, the average cost of a hospital stay has increased by \$317 to \$1634 a day -- an increase of almost 24 percent.

Hospital cost inflation is uniquely severe. It is also uniquely controllable. It offers us one of our best opportunities to bring down the rate of overall inflation. This year, once again, I ask the Congress to join me in grasping that opportunity by enacting a tough program of hospital cost containment.

The Senate passed a Hospital Cost Containment bill last year, but the House did not complete action on it. The legislation I am transmitting to the Congress today is similar to the bill that passed the Senate last year. It responds to Congressional concerns that were raised during consideration of last year's bill, and it is strong enough to do the job.

The Hospital Cost Containment Act of 1979 will be one of the clearest tests of Congress' seriousness in dealing with the problem of inflation. Through this one piece of legislation, we can, at a stroke, reduce inflation, cut the Federal budget, and save billions of dollars of unnecessary public and private spending.

The legislation I am transmitting today will save \$3.7 billion in fiscal year 1980. It will save \$1.4 billion in the

Federal budget, over \$420 million in state and local budgets, and almost \$1.9 billion in private health insurance and payments by individuals. Altogether, the potential savings that could result from this measure amount to some \$53 billion over the next five years.

Because most hospital bills are paid by public or private insurance programs, the impact of hospital inflation is sometimes disguised. But that impact is painfully real for every American.

When hospital costs rise, so do health insurance premiums. This means that workers take home smaller paychecks. It means that businesses are forced to charge higher prices. For example, over \$140 of the cost of every automobile manufactured in this country goes to pay for health insurance premiums.

When hospital costs rise, so do health budgets of Federal, state and local governments. From 1969 to 1979, Federal government expenditures for hospital care rose by 330 percent. State and local government expenditures for hospital care rose by 140 percent. Sooner or later every taxpayer pays more to finance these increases.

When hospital costs rise, the elderly -- who need more hospital services -- are particularly hard hit. The Medicare hospital deductible paid by the elderly has almost quadrupled -- from \$44 in 1969 to \$160 in 1979. If hospital cost inflation is not restrained, the deductible will reach \$260 in 1984.

The inflationary rise in hospital costs is not inevitable. While there have been dramatic and desirable improvements in the quality of hospital services, much of the increase in hospital expenses has been unnecessary. No one's health is improved by the existence of thousands of unfilled hospital beds, by hospital stays that are unnecessarily long, by surgery and x-ray tests that are unneeded and sometimes harmful, by wasteful supply purchasing practices, by inefficient energy use, or by pointless duplication of expensive facilities and equipment. But these wasteful practices cost billions.

In the past, hospitals have had little incentive to be efficient. The hospital sector is fundamentally different from any other sector in our economy. Normal buyer-seller relationships and normal market forces do not exist. The consumer of services -- the patient -- rarely pays the bill directly. Nor does the patient decide what services he or she will receive in the hospital. The person who makes those decisions -- the physician -- does not pay the bill either, and therefore has little or no incentive to see that services are provided in an efficient manner. Often, doctors do not even know the costs of the tests and x-rays they order.

There is a growing determination throughout the country to make hospitals efficient. Nine states -- Colorado, Connecticut, Maryland, Massachusetts, New Jersey, New York, Rhode Island, Washington, and Wisconsin -- have enacted mandatory cost containment programs. Hospitals in these states, which include many of the most renowned medical institutions in the world, have reduced cost increases substantially while continuing to provide care of high quality.

The legislation I am transmitting today would ensure that every hospital in this country has the incentive to be efficient. It establishes a reasonable goal for hospital cost inflation. It sets mandatory limits only for those hospitals which have been unable to meet this goal. Specifically, the Hospital Cost Containment Act of 1979 will:

- Establish an annual goal for the rate of hospital cost increases. This goal would reflect actual increases in the price of goods and services hospitals use, changes in population, and improvements in hospital services. In the event that the hospital industry does not, as a whole, meet the national goal, mandatory reimbursement limits on individual hospitals, also based in part upon the actual costs of goods and services, would go into effect on January 1, 1980.

- Exempt hospitals which individually meet the voluntary goal, have fewer than 4,000 admissions annually, are less than 3 years old, or have 75 percent of their patients enrolled in federally qualified health maintenance organizations.
- Exempt all hospitals in a state if the state on average met the voluntary goal or had an approved mandatory cost containment program.
- Provide for a system of bonuses and penalties to hospitals, depending on their efficiency relative to other hospitals of similar type and location.
- Include an adjustment for wage increases provided to nonsupervisory personnel in hospitals.

The Hospital Cost Containment Act of 1979 is reasonable and realistic. It permits a period of time for voluntary action, with mandatory limits only if voluntary action fails to meet the reasonable goals established in the bill. Under current assumptions the national goal will be 9.7 percent in 1979; it will be adjusted to reflect the actual increases in the price of goods and services hospitals use. In 1977, one-third of the nation's hospitals -- from all regions and of all types -- had cost increases of 9.7 percent or less.

Even if triggered, the stand-by mandatory program holds regulation to a minimum. It does not interfere with the day-to-day management decisions of hospital administrators and physicians. Rather, the program establishes an overall limit on the rate of increase in reimbursements, permitting doctors and hospital administrators to allocate their own resources efficiently, responding to local needs and patient care concerns. The program changes the incentives under which hospitals have functioned, from a system in which hospitals receive guaranteed reimbursement for their services, whether efficiently provided or not, to one in which hospitals are rewarded or penalized for their actual efficiency and productivity.

Congress has debated hospital cost containment for almost two years. There is now no reason for delay. I call upon the Congress to demonstrate its commitment to the fight against inflation by promptly enacting the Hospital Cost Containment Act of 1979.

THE WHITE HOUSE,

I AM TODAY SUBMITTING ONE OF THE MOST CRITICAL PIECES OF  
ANTI-INFLATION LEGISLATION THE CONGRESS WILL EVER CONSIDER -- THE  
HOSPITAL COST CONTAINMENT ACT OF 1979.

INFLATION REMAINS OUR MOST SERIOUS DOMESTIC PROBLEM.  
IT AFFECTS EVERY PERSON AND EVERY INSTITUTION IN THE COUNTRY.

INFLATION THREATENS THE HEALTH NOT ONLY OF OUR ECONOMY,  
BUT ALSO THE BASIC STRUCTURE OF OUR SOCIETY.

THE AMERICAN PEOPLE WANT ME AND OTHER ELECTED REPRESENTATIVES  
TO TAKE ACTION -- ACTION THAT IS STRONG, PROMPT, AND EFFECTIVE.

TEN YEARS AGO, THE AVERAGE COST OF A HOSPITAL STAY WAS \$533.  
IN JUST THE PAST TWO YEARS, THAT COST HAS INCREASED BY \$317 --  
TO A TOTAL OF \$1,634 A STAY. THESE UNCONTROLLED HOSPITAL COSTS  
ARE NOW DOUBLING EVERY FIVE YEARS!

WHEN HOSPITAL COSTS GO UP, SO DO HEALTH INSURANCE PREMIUMS.  
THAT PUSHES UP CONSUMER PRICES. IT PUSHES UP THE BUDGETS --  
AND THE TAXES -- OF GOVERNMENTS AT ALL LEVELS.

THE ONLY THING THAT GOES DOWN IS THE REAL INCOME AND  
PURCHASING POWER OF THE AMERICAN WORKER.

HOSPITAL COST INFLATION IS UNIQUELY SEVERE. IT IS ALSO  
UNIQUELY CONTROLLABLE.

WE CAN ELIMINATE THOUSANDS OF UNFILLED HOSPITAL BEDS.  
WE CAN STOP SUBJECTING PEOPLE TO UNNEEDED SURGERY AND USELESS  
AND EXPENSIVE MEDICAL TESTS. WE CAN CUT OUT POINTLESS  
DUPLICATION OF EXPENSIVE FACILITIES.

OVER THE NEXT FIVE YEARS, IF THIS BILL IS PASSED, THE AMERICAN PEOPLE WILL SAVE SOME \$53 BILLION -- INCLUDING \$22 BILLION IN REDUCED FEDERAL TAXES AND SPENDING.

HOSPITAL COST CONTAINMENT WILL NOT BE ACHIEVED WITHOUT A FIGHT. TOGETHER WITH THE SENATORS AND CONGRESSMEN WITH ME TODAY, I WILL LEAD THE FIGHT ON BEHALF OF THE AMERICAN PEOPLE.

THE HOSPITAL LOBBY DEFEATED COST CONTAINMENT IN THE LAST CONGRESS, ALTHOUGH THE SENATE DID PASS AN ADMINISTRATION-SUPPORTED COST CONTAINMENT BILL.

THAT LOBBY IS EVEN MORE DETERMINED AND JUST AS WELL FINANCED AS IT WAS THEN.

BUT THIS YEAR WE HAVE A NEW CONGRESS -- AND A NEW OPPORTUNITY TO BRING THE OUTRAGEOUS INCREASES IN HOSPITAL COSTS UNDER CONTROL.

THE PATIENCE OF THE AMERICAN PEOPLE IS WEARING THIN -- AND RIGHTLY SO.

IT IS TIME FOR THE PUBLIC INTEREST TO PREVAIL.

IT IS TIME FOR THE CONGRESS TO DEMONSTRATE ITS COMMITMENT TO THE BATTLE AGAINST INFLATION BY PROMPTLY ENACTING THE HOSPITAL COST CONTAINMENT ACT OF 1979.

# # #

*Talmadge - Kennedy - Waxman - Rangel  
Nelson*

DRAFT STATEMENT - HOSPITAL COST CONTAINMENT

Speech  
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8 x 11  
sheets  
J

I am today submitting one of the most critical pieces of anti-inflation legislation the Congress will ever consider ~~this or any other year~~ -- the Hospital Cost Containment Act of 1979.

Inflation remains our most serious domestic problem.

It affects every person and every institution in the country.

*Inflation Threatens*  
It ~~damages~~ the health not only of our economy but <sup>also the basic</sup> ~~of our~~ structure of our society. The American people want <sup>me and other</sup> ~~their~~ elected representatives

to take action -- action that is strong, prompt, and effective.

*Ten years*

~~A decade~~ ago, the average cost of a hospital stay was \$533. In just the past two <sup>e</sup> years, that cost has increased

by \$317 -- to a total of \$1634 a stay. *These uncontrolled hospital costs are now doubling every five years!*

When hospital costs go up, so do health insurance premiums. That pushes up consumer prices. It pushes up the budgets -- and the taxes -- of governments at all levels.

The only thing that goes down is the <sup>real income</sup> ~~take-home pay~~ and purchasing power of the American worker.

Hospital cost inflation is uniquely severe. It is also uniquely controllable. We can eliminate thousands of unfilled hospital beds. We can stop subjecting people to unneeded surgery and useless, <sup>and expensive medical</sup> ~~x-ray~~ tests. We can cut out pointless duplication of expensive facilities.

Over the next five years, if this bill is passed, the American people will save some \$53 billion -- including \$22 billion in reduced federal <sup>taxes and</sup> ~~spending~~.

Hospital cost containment will not be achieved without a fight. Together with the Senators and Congressmen with me today, I will lead the fight on behalf of the American people.

The hospital lobby defeated cost containment in the last Congress, although the Senate did pass an Administration-supported cost containment bill. That lobby is <sup>even more</sup> ~~just as~~ determined and just as well financed as it was then.

But this year we have a new Congress -- and a new opportunity to bring the outrageous increases in hospital costs under control. The patience of the American people is wearing thin -- and rightly so.

It is time for the public interest to prevail. It is time for the Congress to demonstrate its commitment to the battle against inflation by promptly enacting the Hospital Cost Containment Act of 1979.

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A decade ago, the average cost of a day in the hospital was \$50. In just the past two years, that cost has increased by \$50 -- to a total of \$220 a day. And the cost of hospital care is doubling every five years.

When hospital costs go up, so do health insurance premiums. That pushes up consumer prices. It pushes up the budgets -- and the taxes -- of governments at all levels.

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