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THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

September 10, 1979

Eyes Only

MEMORANDUM FOR THE PRESIDENT

From: Charlie L. Schultze ^{CLS}

**Electrostatic Copy Made
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Subject: Retail Sales in August

This afternoon (Monday, September 10) at about 3:00 p.m., the Census Bureau will release a preliminary estimate of retail sales in August, and revised figures for June and July. The data suggest a modest strengthening of consumer buying over the summer.

Total retail sales rose 0.7 percent in August. The revised figures show an increase of 0.5 percent in the months of June and July together, compared with a decrease of 0.2 percent in the estimate released a month ago. A substantial part of the August rise in total retail sales occurred in purchases of gasoline, and mainly reflected higher prices at the pump. Purchases of durable goods excluding autos registered an increase of 1.7 percent, however. The rise in this category of consumer purchases has generally exceeded the rise in prices over the past several months.

While these data do not indicate a strong revival of consumer buying, they do indicate that the steep second-quarter decline of consumer purchases of goods did not continue in the third quarter.

Electrostatic Copy Made THE WHITE HOUSE
for Preservation Purposes WASHINGTON

September 10, 1979

Mr. President:

Attached are the rough drafts of the two memoranda that we discussed. I will be standing by should you want to discuss these.

Hamilton, Hedley and Pat have copies of the draft from Friday to reflect on. Hedley is ready to move ahead and take the intellectual lead with the task forces and with selection of task force members. Arnie is also thinking of names. Hedley, who is now convinced we must move out promptly, has this on his agenda for discussion with you tomorrow.

Legal Counsel is also assessing in which format the task forces can work to avoid conflict-of-interest problems and to have reasonable privacy for their deliberations.

With your approval, we need to bring along the rest of the Senior Staff, complete our organizational planning and be ready for an announcement launch perhaps before the weekend.


Alonzo L. McDonald

a) Must structure so as to fit in Agriculture, Defense, etc - at least as sub-committee efforts

AP - I talked to Nam & Pat - & believe the employment offer is resolved. Arnie must do a good job on goals etc

MEMORANDUM TO THE PRESIDENT

FROM : Alonzo L. McDonald

SUBJECT: Looking Ahead: America's Program for the Eighties

The American people have elected Jimmy Carter to be the President to deliver the State of the Union Message launching the Decade of the Eighties. With the present degree of public unrest and doubt about the future and Society's growing feeling of being overwhelmed with the complexity of the world around and its problems, this podium provides the perfect focal point for initiating America's Program for the Eighties. This could then be supplemented by another major speech about mid-April to complete the agenda and guidelines for the next decade.

If this task can be well done, with quality participation and professional arrangements and direction, it should be a natural stage for a President with your reputation as a man of faith and a person of undisputed integrity and honesty to reaffirm your dedication to do what is best for our society and our country.

PROGRAM DEVELOPMENT AND PUBLIC PARTICIPATION

To be sure that this program accomplished the double objectives of reassuring our society as to its direction and focus and reaffirming its confidence in your leadership, a two-phase program would be developed through a public participative effort carried out between a launch date of about September 15, with an interim contribution to the State of the Union Speech by December 15, and completion and final reports by March 30.

This timetable would allow an initial 90-day work period for reflection and preparation of recommendations by a small group of task forces. The task forces, as described below, would be few in number and focused individually on separate topic areas. To supplement their efforts, other groups who might feel so inclined would be invited to funnel ideas to the Secretariat for these respective task forces, thereby enlarging their perspectives with views from a variety of independent sources.

The near impossibility of education on a mass scale in a short time frame and the logistical risks inherent in organizing a massive participative effort would be avoided. Attention would be concentrated on setting up and managing a small group of task forces, probably no more than seven, involving directly perhaps no more than 100 thought leaders.

In addition, wider participative leverage could be obtained by inviting any of our normal outreach groups (e.g., unions, League of Women Voters, National Conference of Governors, Conference of Mayors, religious organizations, etc.) to submit papers to the task forces if they so desired. This would thus provide at least the opportunity for broad-based participation for those genuinely interested in the project, but the problems of establishing, managing and financing a complex network of participative groups would be avoided.

This task force approach would be similar to the efforts carried out by President Roosevelt in 1935 and President Johnson in 1964. The Johnson Program, which was conducted

only a few months before an upcoming election, would particularly serve as our model since it attracted as participants some of the better minds in our country. Moreover, their subsequent reports served successfully as some of the major orientations for the legislative program of the President to follow after the election.

Key Elements of the Program and Task Forces

Seven task forces would be set up. They would focus on the general themes suggested by the illustrative descriptions. Each group would further define and decide upon their charter as it considered appropriate.

1. Overall Goals of our Society: This one could deal with whatever questions the group considers to be of primary concern. These might include our changing values, disintegration of the family, adaptation to a high proportion of leisure time, work satisfaction or faith in the future. The agenda for this task force would be the most exotic and general of the groups. It would therefore serve as the central unit, providing coherence for the other units whose agendas would approximate the elements described in the President's immediate program.

2. Inflation: The primary preoccupation of this group would be to deal with the complex issue of inflation, aspects of stagflation, and the difficulties of seeking the right balance between economic stimulation and tolerable levels of unemployment while fighting inflation.

3. Energy: Building on the President's current energy program, this task force would be asked to take a longer term view on additional elements we need in the energy program as we move into the 1980s as well as steps to reinforce or strengthen measures already launched. This group would also address the issue of a gradual shift in our society's habit patterns for energy consumption, seeking ways that would consistently reduce our ratio of energy use to GNP. They would also examine how we can spare the public excessive personal sacrifices short-term when there are no prospects for relatively prompt relief.

4. Productivity: Almost all business and union leaders and many others interested in international trade are worried about our relative productivity levels and trends. This task force would be looking at a wide range of issues around this theme, including probable shifts in our relative standard of living, the quality of material life our citizens might expect, role of work, work attitudes and work ethic, characteristics of our meritocracy and its value to our society, and investment patterns and incentives if needed.

5. Education: Turning from the stern material realities of the economy, energy and productivity, this task force would look at one aspect of life enrichment during the next decade through education. They would consider the question: educating our citizens for what? They would evaluate the impact on our educational needs of the trend

toward a service-based economy and more leisure time. They might also examine what is happening to our educational institutions, both private and public.

6. Health: In today's complex society one of mankind's perpetual worries is the state of one's health and the financial capability to look after one's health needs as required. This group would look beyond the present hospital cost containment program into the possibility for a first-phase health system of the kind suggested by the President. They would also make an assessment of the value and importance of private institutions in the total health program, e.g., health and dental insurance plans and employee benefit programs.

7. Role of the Federal Government: Over the last two decades as our problems have become more complex, society has automatically turned to the central government for solutions although there is no real evidence that this particular institution had either the talent or the capacity to deal with these situations. While the Federal government may need to be the stimulating or animating entity in the search for solutions, there may be serious questions about whether the public can simply delegate this responsibility to its elected officers and the normal Federal bureaucracy, thereby absolving themselves of any blame or responsibility for corrective actions. This

group's activity would tie right in with the President's own concerns about over-regulation in the economy, excessive paperwork generated by the government among private firms, and the issue of the appropriate roles of the private sector and the free market mechanism in today's mixed economies.

Of course, additional task forces could be set up, but within these seven arenas most of the issues of primary concern currently could be addressed and some thoughtful responses developed.

Calendar and Organization

The task forces should be established outside of the government, with only an animating, logistical and coordinating umbilical tying them to our Federal apparatus. They could then take on a bipartisan, open-minded image that would add enormously to the value and credibility of their recommendations.

By following this approach, some 100 key thought leaders of our society could be enlisted on a part-time basis to participate in this project, assuming task forces of 10 to 15 members each.

They would plan weekly meetings normally unless they felt some other frequency would serve them better. In selecting the task force members, we would be in position to identify with the President and his leadership a large number of heads of influence centers whose participation and enthusiasm for

the project could well contribute to the public acceptance of the effort. We should emphasize its nonpolitical character and elevate the overall program to the level of "a society in search of its soul and its well being."

The calendar for organizing these task forces should be established for prompt launching. As soon as the project could be reviewed by the key officials concerned and approved by the President, immediate recruiting lists would be compiled and the task forces established within a period of a week to ten days thereafter.* First meetings could be scheduled before the end of September with subsequent schedules to be determined by the respective task force chairpersons.

Interim consultations or reports would be scheduled on a monthly basis at a minimum between White House personnel and the task force chairpersons to keep them on target. Because of the absolute deadline required for preparation of the President's State of the Union Message, initial ideas must be available by December 15, with final elaboration and report preparation concluded by March 30.

The organization from the White House could be relatively small, probably consisting of no more than a dozen individuals. The ideal candidate to serve as the key liaison point with the President with these task forces is Hedley Donovan. He would be backed up by a Secretariat to handle arrangements, logistics and other operational questions, probably led by

*Donovan and McDonald have already begun compiling a list of names with John Gardner as the likely chairman of the overall "Goals" group.

Wayne Granquist of OMB.

Pat Caddell might be retained as a consultant either to the Secretariat or to the central task force on overall goals. This could be arranged on either a full-time or part-time basis as mutually worked out. In this way his previous thinking, imagination and personal drive could be productively channeled into the program. 7

In addition to the major task force units, other participatory entities could well be enlisted under the auspices of the normal outside contact programs headed by Watson, Weddington and Wexler from the White House.

Risks

This program could be organized and managed with a low-risk profile, aiming for maximum payoff. Although it would not likely have the "big bang" or instantaneous breakthrough recommended by Caddell, it would be and would be perceived to be a pragmatic, reasoned involvement of thought leaders in our society in a conscientious search by our President for advice and counsel as he lays down our country's path for the next decade.

If handled well both in the selection of participants and in handling the program results, this effort could prove to be a major confidence building exercise for our society and a rewarding one for the President in reaffirming his clear leadership role.

At the same time, its reduced scale of direct government involvement would be sufficiently modest to avoid high logistical risks and the media appeals of normal and frequent foul-ups. Importantly, because of the quality of the participants and the clear importance of the subject matter, the likelihood for political jobs and ridicule would be reduced since it would be staged and managed as a very serious exercise.

Finally, the complete program could be presented as a normal and natural aftermath to the Camp David discussions. While they were informal and did involve some 134 different persons whose opinions the President respected, this intensive effort would permit an enlargement of that consultative process to his and the country's benefit. It would clearly be in the same spirit of openness and a conscientious quest for solutions to our society's problems as enunciated in his very successful speech on Sunday evening, July 15.

MEMORANDUM FOR THE PRESIDENT

FROM : Alonzo L. McDonald

SUBJECT: An Immediate Plan

This memorandum sketches out a framework for Presidential action for the remainder of this year. It builds directly on the basic ideas advocated by Patrick Caddell, supplemented by a second memorandum incorporating views for orienting and organizing the task force program drawn from discussions with Hedley Donovan and Hamilton Jordan.

OBJECTIVES

The objectives of this program are:

1. To reassure the American public that the President is sensitive to and actively working on their fundamental concerns as the Leader of this Society;
2. To dispel the question of "what does Jimmy Carter stand for?"
3. To integrate closely the activities of the President and those key cabinet officers primarily responsible for his priority programs;
4. To develop America's Program for the Eighties that will serve as a reference base for decision-making and action on the President's priorities for the White House staff and the Administration at large;
5. To involve a representative group of the recognized thought leaders of our country in the development of the 1980 program elements;

more appealing and realistic. Then each transforming action would be distinctly dramatic since it could not be readily dismissed as an idealistic or irrelevant intonation. To the contrary, the President would be seen as the first world leader to face squarely and seriously what some consider to be a steady decline of the Western culture and to begin redirecting our society's attention toward some of mankind's nobler qualities and aspirations.

THE PRESIDENT'S PROGRAM -- A REFERENCE BASE
FOR DECISION-MAKING AND ACTION

The President's program can be visualized as a cohesive whole resembling a classical Corinthian structure. It is crowned by an elegant dome (his transforming role) that provides the bridging unity covering four giant pillars (his transactional priorities), each of great strength and well anchored in bed-rock.

The dome's beauty can be continually enhanced by depicting an expanding series of transcending concerns that the President has for our society (e.g., its general sense of uncertainty and fading confidence in the future, its growing disillusionment with the high emphasis on material aspects of life, its self-centered hedonistic focus, and its growing doubts about the ability of our society, and particularly our government, to deal effectively with the extraordinarily complex problems that now explode in an unending stream of

crises in our modern society).

In Presidential statements and actions, these themes would not be treated in the abstract. Instead, they would expand upon the transforming, nobler consequences and implications rising from programmatic priorities represented by the four columns.

The four columns would stand for the President's declared priorities as follows:

1. Approach and program for dealing with the energy crisis;
2. Approach and program for dealing with our economic problems, focusing heavily on inflation but building in a high sensitivity to the balance essential to maintain high employment levels;
3. Programs and actions to deal with modern mankind's concerns over health (e.g., both the containment of costs for health care and the provision of at least emergency health care for the less fortunate);
4. Programs and actions clearly aimed toward maintaining and strengthening peace in the world. This element would encompass the initiatives to reduce tensions in areas where world wars might be kindled (e.g., the Middle East, Africa), the development of better relationships with the other major powers, including the reduction and control of arms

(e.g., SALT with the Russians, and normal relationships with the Chinese), and advocacy of basic human rights for all mankind. The latter extends directly the President's transforming role into one of meaningful worldwide influence.

Naturally other pillars could be added to this edifice if desired, as frequently done with such noble structures. At least for the next four months, however, these four form the programmatic priorities that when united by the Society leadership dome preoccupy the vast majority of Presidential time and that of his principal colleagues.

INTEGRATED ACTION ON PRIORITIES WITH CABINET OFFICERS

The programs fit cohesively into four programmatic areas, three of which fall within the responsibilities of new Cabinet officers. These recent Cabinet changes permit the immediate development of new, interlinked relationships between the President and the actions of these Cabinet officers in Treasury, Energy and HEW.

This coordinated approach would be self-reinforcing with the President developing the higher themes showing the necessity for action to deal with our fundamental concerns, supported by the Cabinet officers recognizing these concerns (to the extent of perhaps 15 to 20 percent of their public statements and views), but concentrating predominantly on the programmatic aspects of the actions underway. This

close coordination would reassure the public that a consistent and integrated approach that is both pragmatic and visionary is being applied to perplexing, long-term problems of high complexity.

As a by-product, this approach would re-emphasize the timeliness of the President's actions in changing his Cabinet members and the quality of his new choices. By extending this integrated effort across the Administration, the lead Secretaries could be reinforced as the primary coordination links within the Administration for their respective program areas (e.g., Miller through the active development and operation of the EPG, and Duncan in a similar view with the Energy Coordinating Committee and its executive group).

This approach requires a higher level of combined planning than previously used, but that too would be reassuring to the public. Inconsistencies and contradictions would be reduced within the Government's priority areas as a result of coordinated, complimentary statements, public appearances, actions with Congress, etc. (During individual discussions this week with Secretaries Miller and Duncan, they are receptive to this approach and the active use of their coordinating groups, and both are now preparing draft plans indicating key actions, events and needed decisions through December.)

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THE WHITE HOUSE
WASHINGTON

Mr. President,

Rapshorn says there is no question in his mind that Pat cannot:

- 1) Become a joint employer
- 2) Assume a high profile role in de facto control of a white House or other governmental operation.

THE WHITE HOUSE
WASHINGTON

Jerry said he may
stick his head in to
talk to you before
you see Pat. He
says in addition to the
public relations problems
Pat and his company would
have to sever all ties
with the campaign if he
came in to government.
Jody

THE WHITE HOUSE
WASHINGTON

10 Sep 79

Dr. Lukash

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

Rick Hutcheson

3738



NAVAL REGIONAL MEDICAL CENTER
LONG BEACH, CALIFORNIA 90822

IN REPLY REFER TO:

7 Sep 1979

*To Dr Lukash -
I'm glad Joe is doing
This
J*

The President
The White House
Washington, D. C. 20501

Dear Mr. President:

Enclosed are the remarks I will make Monday morning to Senator Kennedy's subcommittee. I will be in Washington through Wednesday, 12 September. I will be staying at the Pentagon City Quality Inn in Arlington - telephone 703/892-4100.

Very respectfully yours,


J. A. PURSCH
CAPT, MC, USN

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SUBCOMMITTEE ON HEALTH AND SCIENTIFIC RESEARCH
PREPARED STATEMENT FOR PUBLIC HEARING 10 SEPTEMBER 1979
JOSEPH A. PURSCH, CAPTAIN, MEDICAL CORPS
CHIEF OF ALCOHOL REHABILITATION SERVICE
AT NAVAL REGIONAL MEDICAL CENTER
LONG BEACH, CALIFORNIA

EXPERIENCES IN THE MANAGEMENT OF PATIENTS
WITH BENZODIAZEPINE ADDICTION

THE PROBLEM IS EXTENSIVE. THE LONGER WE LOOK, THE MORE CASES WE FIND. INITIALLY, WE THOUGHT IT OCCURRED ONLY IN ALCOHOLICS, AND ONLY AFTER LARGE DOSE/LONG-TERM USE. NOW WE KNOW THAT IT ALSO OCCURS IN PATIENTS WHO HAVE BEEN TAKING THERAPEUTIC DOSES FOR AS LITTLE AS SEVERAL WEEKS.

THE FOLLOWING INFORMATION WE LEARNED FROM PATIENTS, THEIR FAMILIES, AND DOCTORS WHOM WE TRAIN IN OUR TWO-WEEK TRAINING COURSE.

OUR PATIENTS WERE STARTED ON BENZODIAZEPINES IN AN ACUTE ONSET SITUATION INVOLVING PHYSICAL INJURY, POSTOPERATIVE PAIN, OR EMOTIONAL TRAUMA SUCH AS DIVORCE, RAPE, MOURNING OR MOVING TO A NEW LOCATION. OTHERS WERE STARTED BECAUSE OF A CHRONIC DISORDER MANIFESTED BY ANXIETY, DEPRESSION, INSOMNIA, PSYCHOSOMATIC SYMPTOMS OR AS AN AIDE TO COPE WITH A DRINKING FAMILY MEMBER, OR TO AMELIORATE SOME OTHER DRUG ADDICTION, INCLUDING ALCOHOLISM.

WHEN THE DRUG IS FIRST STARTED THE PHYSICIAN ALMOST NEVER EXPLORES ALTERNATIVE SOLUTIONS TO THE PRESENTING PROBLEM BECAUSE THE PHYSICIAN FEELS THAT THE DRUGS ARE NOT ADDICTING, OR HE DOES NOT SEE ANY OF HIS PATIENTS LONG ENOUGH, OR HE IS NOT AWARE OF OTHER KINDS OF SOLUTIONS FOR THE PRESENTING PROBLEM.

AS THE ADDICTION EVOLVES THE DRUG IS CONTINUED BECAUSE THE PHYSICIAN STILL FEELS IT IS NOT ADDICTING; BECAUSE HE IS UNABLE TO SAY "NO;" OR BECAUSE HE FEARS ALIENATING OR LOSING THE PATIENT. (THE PATIENT NOW INSISTS ON CONTINUING THE DRUG OR THREATENS SEEING ANOTHER DOCTOR.)

WHEN THE ADDICTION BECOMES EVIDENT, THE DRUG IS STILL PRESCRIBED. THE PHYSICIAN IGNORES ALL EVIDENCE OF ADDICTION BECAUSE HE FEELS HELPLESS, VERY CONCERNED, AND DOESN'T KNOW "WHAT ELSE TO DO." WHEN HE IS CHALLENGED BY THE PATIENT HIMSELF, OR BY A MEMBER OF THE PATIENT'S FAMILY, THE PHYSICIAN TENDS TO PRESCRIBE A SIMILAR DRUG IN SUBSTITUTION. FINALLY, IF THE PHYSICIAN'S HAND IS FORCED, HE MAY ABRUPTLY DISCONTINUE PRESCRIBING, STILL INSISTING THAT "THESE DRUGS ARE NOT ADDICTING," AND THAT HE THEREFORE DID NO WRONG.

I BECAME AWARE OF THESE PROBLEMS IN THE LATE 1960'S. IN 1974, WE TOOK AN OFFICIAL LOOK THROUGH A SURVEY OF VALIUM AND LIBRIUM UTILIZATION AT THE NAVAL REGIONAL MEDICAL CENTER AT LONG BEACH. WE FOUND THAT ALMOST NO LIBRIUM OR VALIUM WAS PRESCRIBED BY THE ALCOHOL REHABILITATION SERVICE. NEXT, VERY

FEW OF THESE DRUGS WERE PRESCRIBED BY THE NEUROPSYCHIATRIC SERVICE, AND HARDLY ANY MORE BY THE ORTHOPEDIC SERVICE. THE BULK WERE DISPENSED BY THE EMERGENCY ROOM AND THE WALK-IN, SCREENING AND OTHER CLINICS IN WHICH PATIENT CONTACT WAS FLEETING. IT APPEARED THAT THE PATIENTS WHO WERE GIVEN THESE DRUGS DID NOT HAVE SPECIFIC ILLNESSES BUT WERE USUALLY TREATED FOR SITUATIONAL OR CHRONIC, UNCHANGING PROBLEMS. WHEN ASKED SPECIFICALLY, THE PRESCRIBING DOCTORS ADMITTED THAT THEY WERE GIVING THE MEDICATION IN A SPIRIT OF "WHAT ELSE CAN YOU DO - YOU HAVE TO GIVE THEM SOMETHING."

SEVERAL DIDACTIC LECTURES GIVEN TO THE HOUSE STAFF ON THE SUBJECT OF REALISTIC PRESCRIBING RESULTED IN NO CHANGE. FINALLY, IN MARCH OF 1976, THE COMMANDING OFFICER OF THE NAVAL REGIONAL MEDICAL CENTER DIRECTED THAT VALIUM AND LIBRIUM BE DELETED FROM THE OUTPATIENT FORMULARY. IT WOULD ONLY BE AVAILABLE TO INPATIENTS. THE DOCTORS WOULD LEARN MORE ABOUT THESE DRUGS IN OUR TWO-WEEK COURSE. THE DOCTORS WERE APPREHENSIVE, FEARING LOSS OF PATIENTS AND LOSS OF FACE, AND THE ADMINISTRATORS FEARED CONGRESSIONAL LETTERS.

IN THE ENSUING WEEKS MANY DOCTORS FELT RELIEVED BECAUSE THEY COULD "USE" THE DIRECTIVE TO IMPROVE THE QUALITY OF PATIENT CARE, WHILE A FEW DOCTORS KEPT PREDICTING THAT "IT COULD NOT WORK." THERE WAS ONE CONGRESSIONAL LETTER. ONE OBVIOUS INTERPRETATION, DEDUCED BY MOST STAFF MEMBERS WAS THAT SOME DOCTORS PRESCRIBE PILLS TO AVOID DEALING WITH PATIENTS' PROBLEMS, AND SOME PATIENTS DEMAND PILLS TO AVOID DEALING WITH LIVING PROBLEMS.

WHY DO WE SAY THAT THIS IS ADDICTION? BECAUSE PATIENTS BECOME INDIGNANT WHEN THEIR DOCTOR SUGGESTS DECREASING OR STOPPING THE MEDICATION. FAMILY MEMBERS OF PATIENTS CAN USUALLY TELL THAT THEY HAVE BECOME ADDICTED. DOCTORS FREQUENTLY BECOME ADDICTED TO THESE "NONADDICTING" DRUGS. THEY FORGE PRESCRIPTIONS, LIE TO DOCTORS, USE SEVERAL DOCTORS SIMULTANEOUSLY TO GET LARGE NUMBERS OF PILLS, SEND FAMILY MEMBERS TO GET MORE PILLS FOR THEM AND ARE WILLING TO BUY PILLS ON THE STREET MARKET. FINALLY, THEY TREAT THEIR OWN WITHDRAWAL SYMPTOMS BY USE OF OTHER MEDICATIONS OR ALCOHOL. IN OTHER WORDS, THEY DO ALMOST ALL OF THE THINGS WHICH OTHER ADDICTS DO.

WITHDRAWAL SYMPTOMS ARE PRECIPITATED BY STOPPING THE DRUG. IN LONG BEACH IT USUALLY HAPPENS WHEN A PROMINENT PERSON IS ADMITTED TO A LOCAL REHAB FACILITY AND THE NEWS MEDIA TALKS ABOUT IT. IT ALSO HAPPENS WHEN AN OCCASIONAL PATIENT GOES "COLD TURKEY;" WHEN A PATIENT IS ADMITTED TO A HOSPITAL FOR SOME OTHER ILLNESS; OR WHEN A PATIENT IS ADMITTED AS A CO-PATIENT AND IS GOING THROUGH THE FAMILY TREATMENT PROGRAM WITH AN ALCOHOLIC SPOUSE. IN THE COURSE OF THAT TREATMENT THE CO-PATIENT FREQUENTLY IS FOUND TO BE ADDICTED TO BENZODIAZEPINES AND GOES INTO WITHDRAWAL WHEN WE ASK HIM TO STOP USING THE MEDICATION. FREQUENTLY, AN ALCOHOLIC IN REHAB WILL DISCOVER THAT HE IS ALSO ADDICTED TO BENZODIAZEPINES.

THE FOLLOWING ARE WITHDRAWAL SYMPTOMS: ANXIETY, DEPRESSION, TREMORS, SWEATING, CRAMPS, DIZZINESS, NAUSEA, VOMITING, WEAKNESS, CRAWLING SENSATIONS IN THE SKIN, PINS AND NEEDLES IN THE

SKIN, DEPERSONALIZATIONS, SEIZURES, PARANOIA, PANIC AND PSYCHOSIS.

THE TREATMENT IS TO SLOWLY DETOXYFY THE PATIENT IN AN INPATIENT REHAB FACILITY THAT SPECIALIZES IN ALCOHOLISM AND OTHER DRUG DEPENDENCIES. THE REASONS FOR USING A SPECIALIZED FACILITY ARE THAT THESE PATIENTS MANIFEST SYMPTOMS RATHER THAN SIGNS, WHICH PUZZLES AND ANGERS THE CONVENTIONALLY-TRAINED MEDICAL OR ALCOHOL DETOX STAFF WHO LOOK FOR SIGNS SUCH AS PIPILLARY DILATATION, CONVULSIONS, ETC. ALSO, BENZODIAZAPINE WITHDRAWAL SYMPTOMS OFTEN LAST FROM FOUR TO SIX WEEKS AND MAY NOT BEGIN UNTIL TEN TO FOURTEEN DAYS AFTER INITIAL HOSPITALIZATION. THE WITHDRAWING PATIENT IS MORE CONVINCINGLY REASSURED OF THE NATURE OF HIS SYMTOMATOLOGY BY OTHER PATIENTS WHO HAVE BEEN IN THE SAME REHAB SERVICE FOR SOMETIME RATHER THAN BY STAFF WHO ARE OFTEN UN-TRAINED OR DOWNRIGHT REJECTING AND NOT EMPATHIC.

ALSO, ALL OF THESE PATIENTS HAVE A NEED TO VENTILATE AND RELEASE ANGER WHICH THEY HAVE AT THEMSELVES, AT THEIR FAMILIES, AT THEIR DOCTORS AND AT THE DRUG COMPANIES BECAUSE "THIS WAS ALLOWED TO HAPPEN TO ME." THIS RELEASING OF ANGER IS BEST DONE IN GROUP THERAPY WITH OTHER PATIENTS WHO ARE UNDERGOING SIMILAR WITHDRAWAL. FINALLY, THE INPATIENT FACILITY IS BEST SUITED FOR THE EDUCATION AND TREATMENT OF FAMILY MEMBERS OF THE PATIENT WHICH TREATMENT IS CRUCIAL IN THIS ADDICTION.

IN THE NAVY, THE LONG HAUL TREATMENT AND REHABILITATION FOR THIS ADDICTION IS THAT THE PATIENT WILL HAVE TO UNDERGO A CHANGE

IN LIFESTYLE AND ADOPT A NEW LIFE PHILOSOPHY, HE HAS TO ACCEPT A LIFE DEVOID OF SEDATIVE HYPNOTIC MEDICATIONS FROM NOW ON - TO SWITCH FROM PILLS TO PEOPLE. HE CAN BEST DO THAT UNDER THE CARE OF PHYSICIANS AND OTHER THERAPISTS WHO ARE WILLING TO GIVE UP SOME OF THEIR OWN POWER BY ASSIGNING TO THE PATIENT THE PRIMARY RESPONSIBILITY FOR MAINTAINING HIS HEALTH. THIS INVOLVES REINTRODUCING THE PATIENT TO HIS FAMILY AND FRIENDS FOR EMOTIONAL AND OTHER SUPPORT, AND ALSO TO PEER SELF-HELP GROUPS (E.G., ALCOHOLICS ANONYMOUS) FOR SUPPORT AND RECOVERY. THE PATIENT HAS TO BE HELPED TO ACCEPT LOWER EXPECTATIONS OR PERHAPS CHANGE HIS OCCUPATION, AND HE HAS TO BE STUDIED AND REASSURED CONVINCINGLY THAT HE IS NOT PSYCHOTIC OR OTHERWISE UNTREATABLE. HE ALSO HAS TO LEARN ABOUT DIET, EXERCISE, SLEEP REQUIREMENTS - TO FINALLY TAKE CHARGE OF HIS OWN HEALTH.

THE DOCTORS HAVE TO LEARN TO SAY "NO." THIS DOES NOT MEAN BEING HARSH OR UNKIND BUT IT DOES MEAN KNOWING THE DIFFERENCE BETWEEN BEING GOOD TO A PATIENT VERSUS DOING A PATIENT SOME GOOD. THEY SHOULD PRESCRIBE BENZODIAZEPINES FOR ONLY A TWO-WEEK PERIOD DURING WHICH TIME THE PATIENT'S PRESENTING COMPLAINT IS STUDIED, CLARIFIED AND TREATED. IN OUR EXPERIENCE TOO MANY DOCTORS ASSUME THAT IF A PATIENT IS GIVEN AN ANXIETY MODIFYING MEDICATION "SOMEHOW" HIS PROBLEM WILL TAKE CARE OF ITSELF.

FINALLY, PHYSICIANS HAVE TO LEARN TO WITHDRAW PATIENTS SAFELY FROM THIS MEDICATION, TO REFER THEM INTO TREATMENT AND TO HELP THEM STAY IN TREATMENT BECAUSE OF THE HIGH RATE OF PATIENTS LEAVING EARLY AGAINST MEDICAL ADVICE.

THE BASIC SHORTCOMINGS THEN, AS WE SEE THEM, ARE THAT ALL OF US (PHYSICIANS, PATIENTS, DRUG MANUFACTURERS ALIKE) MUST ACCEPT THE FACT THAT THESE DRUGS ARE ADDICTING; THAT THEY DO NOT SOLVE PROBLEMS OF ANY KIND; THAT PATIENTS WITH A DISEASE OF LIFESTYLE OFTEN DO A BETTER JOB WITH ONE ANOTHER THAN WITH PROFESSIONAL HELP; AND THAT THE PHYSICIAN MUST LEARN TO BE COMFORTABLE ADMITTING WHEN HE IS HELPLESS; WHEN PRESCRIBING A DRUG WOULD BE WORSE THAN NOT PRESCRIBING A DRUG.

IN OUR DOCTOR TRAINING COURSE WE FIND THAT MOST DOCTORS ARE EMOTIONALLY HEALTHY ENOUGH TO LEARN. THEY EAGERLY ACCEPT THIS NEW KNOWLEDGE AND START PUTTING IT TO USE.

THE PATIENTS FEEL RELIEVED AND SAY THAT THEY HAVE FOR SOME TIME SUSPECTED THAT "THESE DRUGS AREN'T DOING ANYTHING." WITH THE HELP OF KNOWLEDGEABLE THERAPISTS THEY SET OUT ON THE DIFFICULT BUT EXCITING ROAD TO RECOVERY, DELIGHTED BY THE DAWNING DISCOVERY THAT THEY CAN LEARN TO MANAGE THEIR OWN LIVES, AND THAT LIFE IS NOT A VALIUM DEFICIENCY.

215
THE WHITE HOUSE
WASHINGTON

9/10/79

Mr. President:

Hamilton asked that
I set up time for Pat
Caddell with you today.
Shall I do this?

yes no

*Have Ham see
me first*
J

Phil

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THE WHITE HOUSE
WASHINGTON

9/10/79

The First Lady

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

Rick Hutcheson

HARVARD UNIVERSITY

DEPARTMENT OF SOCIOLOGY

Ros
J

NIEL BELL

William James Hall 370
Cambridge, Massachusetts 02138
617-495-3843

August 28, 1979

Dear Mr. Caddell:

I am prompted to write by the report of Elizabeth Drew in the current New Yorker of the debates that have taken place within the Carter administration in the past several months. Since some of my views are cited as playing a role in these discussions, Miss Drew's account allows me to clarify a few issues.

I am, of course, aware of your emphases on the social-cultural factors that underlie the disorientations that individuals feel about the society. Mr. Mondale is cited as "rejecting the diagnosis," and arguing that "the anxiety which he found real and understandable, was based on inflation and the energy problem; people were finding that their savings were turning to water...."

It is regrettable that your views and those of Mr. Mondale were counterposed in this fashion because both of you are right. There is no contradiction between these assessments; the relevant questions are one of time-frame and focus.

I don't think any one can seriously question the "real anxieties" people feel. They arise especially after a period when people felt that they had gained a plateau of stability, or of a rising standard of living, and are finding these being eroded. And the erosion is real. So, in any immediate sense, the economic questions understandably are in the forefront of peoples' ~~EXPERIENCES~~ consciousness. And an effort to deny that reality, or to say that something else is "more" important, is bound to be self-defeating because people do think that what is on their minds is "real." To the extent that Mr. Carter is perceived as denying those ~~immediacies~~ immediacies, or that you are perceived as insisting that these are side issues, you are bound to be faulted.

At the same time, there are deeper-running currents of a social and cultural form which affect motivations, which reinforce a self-centeredness, and these historically-based changes are reinforced by the demographic fact that a huge cohort is entering onto that stage in the life-cycle where the "natural" urge towards a self-centeredness (~~fixity~~ i.e. establishing the household). So the present time is a coincidence of both cultural and demographic convergences suddenly crossed by an economic riptide.

is the most immediate reality

BELL

William James Hall 370
 Cambridge, Massachusetts 02138
 617-495-3843

-2-

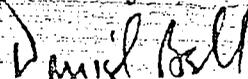
While I would agree with your reading of these social and cultural changes, I would differ on a central premise, namely that it is possible to deal with these questions in political terms frontally, and in programmatic terms directly. Changes in a society and culture go hand-in-hand with building of new institutions, and these cannot be done so easily in political terms alone. And it is even more difficult to assume that programmatic approaches can turn the tide. (Look at all the difficulties with welfare and welfare reform alone in the last 15 years.)

It is for this general reason that I thought Mr. Carter's main speech after Camp David a mistake. I do not think one can yoke a theme that is primarily moral and cultural to a "cause" or "crusade" that is so complex as energy. And for that reason, I think that many persons, while appreciating the seriousness of the President's effort, in the end found themselves confused as to what was being asked.

If one thinks of the great speeches "of the spirit" in recent American politics--Roosevelt's "you have nothing to fear" speech, or Kennedy inaugural address (which, because of its too pat rhetoric became shopworn very quickly), or better ~~Kenn~~ Kennedy's May 1962 White House Economic Conference speech, they had a clarity because of a thematic singularity.

I wish there were some way in which the emphasis that Mondale has made, and the larger picture that you have drawn, could be brought into a coherence which would allow the Administration to show that it understands both of these themes. I have no conviction that this is a magical key in any way, or that this is the most politically effective way of coming forth to the people. But given my rationalist bias, I do believe that some intellectual ~~explanatory~~ coherence is necessary before one seeks to determine what follows. And what Miss Drew's essay has done is to emphasize a picture of incoherence.

sincerely



Daniel Bell

HARVARD UNIVERSITY

DEPARTMENT OF SOCIOLOGY

William James Hall

Cambridge, Massachusetts 02138

-3-

P.S. I would add a point that is somewhat outside this context: namely, I ~~may~~ would not underestimate Jerry Brown and Tom Hayden. The American people are conservative, by and large. But there has always been a deep streak, derived from its populism, which ~~is~~ looks on the world in conspiratorial terms: Wall Street, Madison Ave, the C.I.A., etc. One has today the ingredients--in the nuclear power issue, and in the image of the Corporate web--an explosive mixture. The nuclear power issue feeds apocalyptic fantasies; the corporations are the villains. Proposition 13, at bottom, was not only conservative, but populist. Big government and ~~exp~~ spending is tied to the other issues, and any one who can link these has ~~an expressive~~ a powerful imagery going for him.

Mr. Carter's belated populism will not help because it can only be perceived as rhetoric when contrasted with ~~the~~ the appoints of Volcker, Miller, Lloyd Cutler and other business and establishment figures to the central policy posts in the Administration.

Since I do prefer Mr. Carter either to Jerry Brown, or to Edward Kennedy, I am sorry ~~that~~ to see this new tack.

I think the wiser course would be to seek to pre-empt the Center, rather than try to play both ends at the same time.

-Daniel Bell

Don - Lloyd - Headley - MP

cabinet meeting 9/10/79

THE WHITE HOUSE
WASHINGTON

Cabinet

9-10-79

- Dem/Rep WPT - ^{Gen} ^{Amend} ^{Henry} ^{Sec Corp} - Rat → Sen.
- > SALT - Budget
- > Civ Court reform/Bumpers
- > Nav Do Ed = welfare
- > HOC / Health Plan
- > Gold Western RR / Detroit Strike ^{Expt} ^{100/140 mt} ^{15 by mt}
- > Alaska lands - 9/30 - 10/15 of do & by
- > Din Home heat oil subsidy (DOE)
- > MX
- > Mil Chrysler
- Frequent press interviews
- Iran
- > SU troops - Mid E - Rhod/Com
- > Panama implement
- AI Sequence of events; achievements / ^{1/18} / ^{1/18} Tom
- Ray - call Mr. Cunningham

THE WHITE HOUSE
WASHINGTON

> Econ = growth & consumer recession

THE WHITE HOUSE
WASHINGTON
10 Sep 79

Bob Lipshutz

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

Rick Hutcheson

The original has been given
to Bob Linder for handling.

3711



ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE
WASHINGTON
9/10/79

Frank Moore

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

Rick Hutcheson

cc: The Vice President
Hamilton Jordan
Stu Eizenstat
Jack Watson

3716

THE WHITE HOUSE
WASHINGTON
September 8, 1979

Frank J

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE
SUBJECT: Weekly Legislative Report

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I. DOMESTIC POLICY ISSUES

1. Energy

Windfall Profits Tax Update

The Senate Finance Committee began marking up the WPT this week. The only substantive decision made to date was the exemption of heavy crude oil from the tax - a measure we support. The Committee will resume mark-up Monday, but no major decisions are expected until later in the week. WHCL and others will continue to dispatch briefing teams to meet with appropriate Senators. On Friday an East Room briefing was held for all energy legislative assistants to non-Finance Committee members. The briefing was well received.

Energy Mobilization Board

You received a full status report on the Energy Mobilization Board Thursday night. There have been no additional mark-up sessions on the EMB since that time. We have had further contacts with Senators on the Energy Committee since then, and appear to have made some progress with Bumpers. He was the original sponsor of the amendment requiring 2-house affirmative approval of any EMB override decision.

Energy Security Corporation

The Senate Committee staff is completing a Committee print that will be a vehicle for mark-up. Unlike its unfavorable position on the EMB, the staff is including most of what we want in the print.

John Deutsch has met with key Committee staffers to outline our objections. The differences are not significant, although it is now apparent we will have to accept a phased approach to synfuels spending and call it victory. The Committee print would authorize sizeable synfuels spending similar to our figures, spread out over a slightly longer time. A \$22 billion segment would be appropriated first, and additional phases would be authorized for appropriation in the out years.

The Banking Committee, which also has jurisdiction over the Moorhead synfuels bill, will report out a measure with substantially smaller expenditures than we propose and with no corporate entity. This heightens the need for a strong Energy Committee bill.

Your three briefings with the Energy Committee and two other groups of Senators next week will make or break the synfuels program in the Senate. The tide is running slightly against us at this time, but opinions have not crystallized.

Gas Rationing

The conference committee met Friday with few results. The Republicans' partisan attitude is slowing the earlier progress made by committee staff. Senator Domenici is advocating positions that are unacceptable. (e.g. - Congressional approval prior to implementation). The conferees removed the set-aside portion of the bill which we opposed.

Chairman Dingell remains confident that the conference will report a bill you can sign. The conference committee will meet again Tuesday.

2. Appropriations

Schedule

- Tuesday - Conference on District of Columbia appropriations bill.
- Wednesday - Subcommittee on Interior, Senate Appropriations, synfuels hearing (mark-up could follow later in the week)
- Thursday - Conference on Agriculture appropriations bill.
- Friday - Subcommittee on State/Justice, Senate Appropriations, EDA budget amendment.

The Transportation appropriations bill is likely to go to the House floor sometime this week.

Agriculture

All during this session, Chairman Perkins has refused to permit the Administration's legislative savings proposals for child nutrition and feeding to be considered on the House floor. Several of our savings, including those for summer feeding and WIC, were passed in the Senate authorization and appropriations bills. One of our main objectives in the conference this week will be to keep these savings in the final version of the bill.

We intend to work with Chairman Whitten and the other House conferees to convince them that the Administration, Chairman Giaimo and the Budget Committee will support them against Carl Perkins, if there is a floor fight on the conference report.

Interior

As stated above, Senate committee mark-up on this bill could occur late this week. We have already informed you about the budgetary problems with the House version, which increases our BA request of \$8.4 billion by \$325 million in policy terms. A new wrinkle is developing in the Senate where Senator Stevens, at Senator Gravel's urging, may offer an amendment to delete all funding for the Alaska monuments designated by the President.

Treasury-Postal Service

This bill passed the Senate Thursday. There were no amendments with major budgetary impact, nor any affecting EOP accounts. A number of legislative language amendments were adopted. The Senate did not adopt objectionable House language constraining your expense allowance. We have talked to Chairman Steed who intends to resolve this by going back to status quo.

Energy and Water Development

The Senate may take up the Energy and Water Development Appropriations Conference Report this week. The House insisted on language mandating construction of Tellico Dam, and the Conference reported the matter in technical disagreement. Senator Culver will again lead the Senate fight to reject the House provision. Senator Baker and Senator Johnston are leading the fight in favor of the dam.

The Senate only narrowly rejected the House Tellico provision last time (53-45), and Senator Baker may have eroded our votes somewhat.

Even if the Senate again successfully rejects the House provision and the issue goes back to Conference, it is unlikely that the Conference will reject the provision. It is likely, therefore, that the bill will come to your desk with the Tellico language included.

3. Second Budget Resolution

Senate

At a Senate Budget Committee meeting on Friday, Senator Muskie related part of his discussion with you. He expressed concern about a likely Administration proposal to increase Defense spending. If the increase is large, Senator Muskie said he fears it will torpedo the reconciliation, putting Defense spending out of balance with domestic programs now in the resolution. He said he supports in principle modernizing our strategic forces, but believes that this can be done in future budgets. He also said he feels increases to 1980 budget authority will not raise DOD obligations before 1981. He indicated his personal view is that the Senate probably should not add any money for Defense at this juncture.

The Committee staff expects Hollings to propose a Defense amendment, but the size and composition of it is uncertain. Other amendments to change functional priorities have not yet surfaced as viable vehicles.

J
Factor
at least
25%

On the recent Federal pay increase, Senator Muskie announced that the Committee had previously assumed that the departments could absorb 25 percent of the 5.5-percent pay increase; he expects to hear from the Administration in January about how much of the total 7-percent increase should be absorbed. Floor action is scheduled to begin on Tuesday.

House

In a meeting with his staff Thursday, Chairman Giaimo said he would support the Administration's energy program en bloc. In so doing he avoided endorsing specifically some portions of the program with which he disagrees, such as parts of the low-income assistance initiative.

Giaimo also decided to accommodate Congressman Solarz, the spokesman for a number of the Committee's liberals, by agreeing to include funding for the entire countercyclical initiative and an increase of \$200 to \$300 million above the Labor-HEW conference level for CETA. Chairman Giaimo also opted to increase Defense \$2 billion over the First Budget Resolution in anticipation of a decision from you early next week.

There was a Democratic caucus meeting Friday to discuss the Chairman's recommendations. As a result of the meeting, he may decide to refer many of the energy decisions to Lud Ashley's energy task force, which may not fully fund our energy package. Because the House deficit now exceeds \$33 billion, some talk of reconciliation surfaced at the caucus meeting. The Chairman does not support a reconciliation directive at this time.

Committee mark-up begins at 1:00 on Monday. It is expected to be a difficult mark-up, extending several days.

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4. Court Reform/Bumpers Amendment

An unacceptable amendment was added by Senator Bumpers to the Court Reform Bill on Thursday. It would remove the presumption that agency regulations are valid when they are challenged in the courts.

*May have
to veto*

Kennedy accepted the amendment only hours before the floor vote, rather than postponing the reform bill vote until next week (which we urged him to do). A motion to table failed 51-27. It is widely believed that despite last minute efforts by our agency CL staffs, most Senators were uneducated and unaware of the effects of the Bumpers amendment. The House has a history of being supportive of this type of provision (e.g. Levitas).

5. Department of Education

The conference committee will meet Wednesday and Thursday to resolve House and Senate differences. Our preliminary vote counts indicate that we could be successful in removing all offensive amendments.

While we stand to gain only a few votes by removing the anti-civil rights amendments, our failure to do so will result in the loss of at least 28 or more Members who voted for the bill on final passage.

The civil rights interest groups are not willing to accept compromise language or any watered down versions of other amendments.

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6. Hospital Cost Containment

The House Commerce Subcommittee on Health voted 8-4 to table HCC. The full committee is scheduled to take it up next week following the passage of the energy legislation.

At this point we are three votes short of the necessary 22. The three which we are working are Dingell, Sharp, Russo. A call from you might get us Marks.

If we do not have the votes in hand prior to the passage of the energy legislation, it might be prudent to have the Speaker discharge the Committee from further consideration under the deadline he has imposed, so as not to sustain a defeat. The Speaker's office has assured us of a favorable rule.

If we are to succeed in passing this bill in Committee, it will require direct involvement by the Senior Staff and by you. We will attempt to educate Members while conducting a head count for the floor fight. We should have a fairly accurate head count for the Senate side by mid-week.

9/11 help when you ask me -

7. Urban Policy

Targeted Fiscal Assistance

The staff of the Fountain Subcommittee is considering an alternative anti-recession fiscal assistance bill in lieu of accepting either the Senate-passed targeted fiscal assistance legislation or the Administration's bill. We are working closely with the subcommittee staff and our supporters to keep the House product as close to our recommendations as possible.

Since the chairmen of both the full committee and subcommittee sense that we don't have majority in subcommittee, they may, go forward with the alternative if they choose to go forward at all. We may have to attempt to override in the full committee or on the floor.

We are working with many community leaders and interest groups throughout the country to inform them of the effect of the Senate bill and to encourage their support for efforts to obtain House approval of this legislation.

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?

Economic Development/NPWEDA

Moorhead and Roe reached agreement on most issues this past week, thus assuring us a bill this year rather than a continuing resolution. Hopefully this will allow us to have the expanded program and money in the field by 1980. The Administration will be 95% represented in the final version, the only major exception being the lack of "targeted" eligibility. Targeting will have to be done administratively rather than statutorily.

Moorhead intends to reconvene his Banking Subcommittee on Tuesday, to present a series of 13 amendments to the Public Works Committee bill which will be offered in block as a floor amendment. Moorhead anticipates that the full Banking Committee will be able to report out these amendments by the end of the week in order to reach Rules Committee by September 17 or 18. In addition to the above issues, Congressman Roe will fight for the \$2 billion standby Local Public Works (LPW) authorized his bill. Both Jim Wright and the Speaker are strongly supporting this proposal -- it is not contained in the Senate passed EDA bill.

8. Alaska Lands

Secretary Andrus reports that Senators Jackson and Stevens believe the Energy Committee will report a bill by the end of September.

9. Reclamation Reform

Legislation to amend the Federal reclamation laws is currently scheduled for Senate Floor action on Monday or Tuesday. The bill, which is expected to be heavily debated and amended, could consume as much as two days of Floor time. Interior has been working with Senate staff in an attempt to have all 19 Administration amendments introduced.

10. Selective Service Registration

The DOD Authorization bill will be considered on Wednesday in the House. An amendment will be offered to strike the registration provisions in the bill. While our vote count prior to the recess showed us to be in good shape, we are concerned that there may have been erosion of support for the Administration's position during the past month. We are in the process of rechecking the headcount.

II. FOREIGN POLICY ISSUES

1. SALT and Soviet Troops in Cuba

The revelation of Soviet combat troops in Cuba has caused an uproar in the Senate. All week the rhetoric has been building, beginning with Frank Church's statement in Idaho that SALT could not pass while the troops remain in Cuba and culminating in attempts by Dole and DeConcini to pass resolutions calling on the SFRC to cease hearings and markup on SALT until the troops are removed. Your statement Friday went a long way towards calming the rhetoric. At the very least we now have a little time to let diplomacy work.

Nevertheless this has been a serious setback after an excellent start. It is clear that something (and no one in the Senate has a suggestion for what that something might be) must be done to change the status quo, although we should keep in mind that anything short of complete withdrawal will be criticized by opponents as well as some potential supporters such as Senator Stone.

It is uncertain at this point how this issue will affect the schedule. Frank Church again said on Thursday that he did not see how the Senate could consider ratification until Soviet troops are removed from Cuba. To date Majority Leader Byrd has been the only influential voice against such linkage.

Where is Kennedy?

The "brigade" issue has also focused attention on alleged intelligence shortcomings. SALT critics have portrayed our inability to monitor activities in Cuba as an indication of our likely inability to monitor compliance with SALT. In a television interview, Senator Goldwater, ranking minority member of the Senate Intelligence Committee, was helpful in pointing out the distinction between the two monitoring functions and again expressing confidence in SALT verification.

We will now concentrate on calming the rhetoric and discouraging Senators from making statements that render it impossible for them to support SALT.

If we can keep the lid on; continue the hearings; focus attention on 3% real growth in the defense budget; and get some movement on the Cuban front then SALT will survive. In fact, this may prove to be helpful to SALT by giving Senators a chance to be tough on the Russians and sensible on SALT.

2. Security Assistance Conference -- MAP for Turkey

We are continuing conversations with the key Senate and House leadership in an effort to reach a solution to the impasse on MAP for Turkey. We believe Senate Foreign Relations and, probably, Majority Leader Byrd will go along with any solution we can work out with the House. Congressman Solarz will seek to develop a compromise formula and we are asking Lee Hamilton to speak to Brademas about permitting the Turks access to excess defense articles. If Brademas is negative, we may have to consider acceding to the House version of the bill on Turkish assistance, or accepting a continuing resolution. The Security Assistance Conference is scheduled to reconvene on September 13.

3. Foreign Aid Appropriations Bill

The House passed the FY-1980 foreign aid appropriations bill 224-183 on Thursday. (On balance the Bill emerged better than we expected, i.e., fewer cuts than anticipated, but still with serious problems). Amendments prohibiting direct assistance to Panama and indirect assistance to Vietnam, Cuba, Angola, Laos, Cambodia and the Central African Empire were passed by large margins. An amendment to bar aid to Nicaragua without prior approval of Congress was defeated 189-221, as was a move to ban aid to OPEC countries. In addition to a \$180 million cut (4% across-the-board -- including Israel, Egypt, refugee programs, disaster assistance, and the health and agriculture development accounts), the UNDP was cut by about \$4 million, back to last year's level.

Money was added for refugees (\$207.3 million), narcotics (\$10 million for Colombia) and the Economic Support Fund (\$10 million for Sudan). An effort to add \$25 million to the disaster account for recent hurricane damage in the Caribbean was objected to on a point of order. The attempt to strike funds for ISTC was rejected (234-166).

Before the House recessed in August, the House cut the overall MDB request by 30% -- from \$3,625 million to \$2,549 million. While we will seek restoration of as much as possible of the bank funds cut by the House and will make every effort to remove restrictive amendments from the Senate version of the bill, it is quite possible that the Senate will refuse to eliminate the restrictive language, thus forcing a confrontation with the Banks which have argued that they must refuse to accept our contributions if restrictions are included.

4. Middle East Arms Sales

A proposed sale of three hundred M60 A3 tanks for Jordan has the potential for creating a major battle on the Hill. Senators Church, Javits and Stone understand the foreign policy importance of our willingness to sell to Jordan, but have warned us of the possibility of serious political difficulties. Stone and Javits asked for a further delay of two weeks to try to find a resolution of the problem. We have agreed to hold the formal notification through next week. Opposition in the House is expected but is still unfocused.

Consultations continue on proposed munitions sales to Saudi Arabia. In a breakthrough Senator Stone told State and DOD Tuesday that he will be helpful.

5. Panama Implementing Legislation

The Senate side remains aloof on the convening of the Conference Committee while the House conferees and Chairman Murphy become increasingly anxious. Through his staff, Murphy has asked that the Administration "pressure" Stennis to get the conference underway. Staff compromises have been reached on treaty-violation issues, but the conference is at an impasse over the nature of the agency which will run the Canal. The House is adamant for the appropriated funds version. The Defense Department is weighing in heavily with Stennis in behalf of the corporate form. The House is not likely to give in on both this and the violation issues.

Meanwhile, Members are under intense pressure from right-wing groups who are engaged in an all-out effort to defeat the conference report in the House, whatever form it takes. David Bowen, who performed the most significant leadership role for the Administration in the House, is under intense pressure in his district and is asking that we help him out by issuing a statement pointing out that the United States will lose all rights to the Canal if legislation is not adopted by October 1. This suggestion must be studied carefully since it may foreclose some executive-order options that we would have to pursue if legislation were not adopted.

6. Export Administration Act

The bill is scheduled to be considered on the House floor Tuesday afternoon, September 11. Congressman Moakley has decided against offering an amendment to restrict the export of petroleum products. Instead, he will offer an amendment requiring Congressional notification prior to the export of petroleum or petroleum products.

III. MISCELLANEOUS

o Congressmen Corman and Rangel have indicated they will introduce and co-sponsor our welfare reform bill.

o Bob Giaimo hopes to accompany you on your trip to Connecticut and Ohio. However, if Giaimo disagrees with the final decision on home heating oil subsidies he may not go at all. Giaimo has worked very hard for us on the Budget Committee. If the decision is contrary to Giaimo's position you should call him personally and ask him to accompany you.

Senate Schedule for Week of September 10

The Senate convenes at noon. After brief morning activities, the Senate will consider

S1125 - Federal Coop. Insurance Improvement Bill.

Possibly will take up Conference Reports on Energy-Water Appropriation Bill and State, Justice, Commerce Appropriation.

On Tuesday, September 11 will begin consideration of the Concurrent Budget Resolution.

House Schedule for Week of September 10

House convenes at noon on Monday.

Monday

Suspensions

Tuesday

HR 4034 Export Administration Act
HR 51 Fuels Transportation Safety Amendments

Wednesday

HR 4040 DOD FY 80 Authorization

Thursday-Friday

S.544 Conference Report - Public Health Service Planning Amendments

S230 Conference Report - Nurse Training Act Amendments

HR3000 DOE Authorization FY80
HR4440 DOT Appropriations FY80
HR3180 DOE Authorization FY79
HR3303 DOJ Authorization FY80