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1981

Thursday luncheon session—April 23

ADDRESS BY VICE PRESIDENT BUSH

MR. WINSHIP: Our speaker's path has been an interesting one: from Yale, to successful Texas oil man, to Congressman, to a twice-defeated candidate for Republican National Chairman—I'm going to have to skip a few of his jobs —to CIA Director, head of the U.S. mission in China, defeated presidential candidate and now Vice President.

Johnny Carson talked recently about sacrifices people have made to join the Reagan administration. "Just look at George Bush," he said. "He gave up public life in order to become Vice President."

As most of you know, it was just a year ago that the Vice President was talking—and I'm sure he's going to do it again today—about Ronald Reagan's plans to slash income-tax rates 30 percent, to increase military spending and to balance the budget all at the same time. His term for all of this back then was "voodoo economics." Today he comes before you as one of the witch doctors.

Actually, I've got a little bit of a secret for you. George Bush has been a longtime secret practitioner of voodoo. He learned all about it at a secret group at Yale called "Skull and Bones."

For the last two weeks beginning with the terrible events of March 30, the Vice President has had a very, very tough role to play. He hasn't panicked. Just before lunch I offered him a drink; he wouldn't think of taking it—even a Haig and Haig.

Since March 30 we have had a collective need for reassurance and for leadership that concentrates on promoting calm and fostering unity. As citizens we can all appreciate the enormous importance of the grace the Vice President has displayed under extraordinary pressure, the essence not just of courage but of effective leadership.

As citizens we also appreciate the dignity and the stature he has given his high office, as Fritz Mondale did before him. Thanks to these two men and their Presidents, an institution that was in tatters just eight years ago is vibrantly alive today.

The Vice President is with us today to add his powerful voice to the great debate that has erupted over the administration's far-reaching economic and foreign policy initiatives; they come every day. And as you join this debate today, Mr. Vice President, I would like to remind you of just one thing: Remember, we paid for this microphone.

Ladies and gentlemen, the Vice President of the United States.

Remarks by the Vice President

VICE PRESIDENT BUSH: I should have known better than to acquiesce in having your president introduce me. I didn't flinch when he talked about my elitist background. I didn't get offended when he subtly alluded to me as a "preppie"; in old days I might have reacted differently. I was unabashed at being identified with "Skull and Bones." And even paying for the mike—that kind of thing—I've gotten over Nashua and the debate pretty well.

But when he started referring to "voodoo," I got a little uncomfortable. The only colorful thing I said in two years of running for office was that, and it's haunting me all the time. I have a very able press secretary, Pete Teeley —who's looking for work as of today. He thought it up. I want everybody to know it was not my fault.

Today I want to talk about a subject that has been the theme of our past two presidential elections. It's one that nevertheless seems to need redefining in the light of recent history and indeed recent events. I refer to the quality known as presidential leadership.

There was a time not long ago when the primary concern of American government and society was spelled out in terms of a "crisis in leadership." It was exactly 20 years ago, in fact at an ASNE meeting, that an American President only three months in office addressed his remarks to such a crisis. When President Kennedy appeared before this organization in April 1961, he was a national leader being put to the test for the first time since entering the White House. The tragic events that had taken place at the Bay of Pigs only hours before his speech held profound implications for the future of American power and the future of American prestige around the world.

Now in April 1981 another American President only three months in office is facing a similar test of resolve in, perhaps, a less dramatic way but in no less profound a way. For President Reagan the testing ground is different from what it was for President Kennedy, but the stakes remain the same and involve nothing less than America's role as obviously the most powerful nation in the world and the future of our free society and our economy here at home.

Much has changed in the past two decades regarding the nature of the challenge, both foreign and domestic, that confront our society. Fidel Castro has emerged not simply as a ward and puppet of Soviet imperialism, but as its willing tool in the export of revolution, terror and subversion, not only in this hemisphere but also in Africa and indeed in the Middle East as well.

Domestically, our society has undergone drastic changes that have altered the way in which we regard ourselves and the world in which we live. Among these many changes, indeed the most fundamental in terms of the way we regard our system of government, is our altered perception of presidential leadership.

Specifically, in more recent years the operative phrase in this area hasn't been "crisis in leadership" as much as it's been "failure in leadership." The question is why this should be, and it goes to the very heart of the Chief Executive's role under our constitutional system of government.

Last November, following a long and very arduous campaign—a campaign in which both the candidates and the issues they presented were given the most comprehensive journalistic coverage in history—the American people delivered a mandate for a new beginning in Washington. With the support of Republican and Democratic and independent voters, President Reagan gained not only a popular majority and an overwhelming electoral victory, but contributed to our party's breaking a 26-year Democratic monopoly in the U.S. Senate. Similar gains for the President's party were reported on the state and local level, the majority attributable to his influence and to his popularity.

Apart from the scope of the President's victory at the polls, however, there's another reason the Reagan mandate seemed on November 4—and remains today—clear and unmistakable. Thanks to his own ability to communicate his ideas, and to the media's coverage of his campaign, Ronald Reagan —both the man and the message—were known quantities the length and breadth of the land.

Clearly there has been a new perception of the personal side of Ronald Reagan since he became President. I don't think that's even debatable. But his message was very well known at the time he was elected President of the United States. Indeed, few candidates for the office of President in American history have ever won election with their positions and their programs so plainly defined and so very openly and hotly debated.

From the outset of his campaign to the final appeal made to the American people on November 3, his message was the same: When elected, he pledged to give first priority to curbing skyrocketing inflation and rising interest rates by cutting back on excessive, wasteful federal spending programs. When elected, said candidate Reagan, he would submit a program to Congress to stimulate our stagnant industrial economy, encourage private investment and provide jobs for millions of unemployed Americans through a 10 percent across-the-board tax rate cut every year for the next three years. When elected, he said, he would lift the regulatory burden on the American people and roll back the power of a Washington bureaucracy that makes American business, large and small, spend no fewer than 69 million man-hours a year complying with federal paperwork requirements.

Not that business is the only area burdened by the weight of unneeded and often contradictory rules coming out of these bureaucratic enclaves of the Capitol. As chairman of this interagency cabinet-level task force created by President Reagan right after he came into office to provide regulatory relief for Americans in all areas, I have become increasingly aware of how awesome this regulatory Frankenstein's monster can be when it fixes its sights on communities or institutions.

How many in this audience—regardless of what your editorial position might be on a particular subject or a substantive issue—have found yourselves caught in the kind of federal regulatory dilemma described by the president at Colby College when he plaintively wrote one federal agency as follows: "Dear Sir: Colby is prepared, as we always have been, to comply with the law of the land, but first it would be helpful to know what the law of the land is."

We're running into that over and over and over again as we try to simplify the regulatory morass that has taken over this country. There are tens of thousands of such stories. This is the kind of excess that candidate Reagan pledged to eliminate when elected; and it was a key part of the program that he offered to the American people in the campaign.

In the area of foreign policy candidate Reagan again offered an alternative leadership to that which had gone before. He told the American people that when elected he would pursue a policy of securing peace through strength by restoring our country's strategic, military and diplomatic credibility throughout the world. And following years of steady deterioration of that credibility, as well as a growing feeling among allies that our country could no longer be relied on in its dealings overseas, the people of this country endorsed that proposed policy in overwhelming numbers.

Those were the major proposals, the fundamental principles if you will, that candidate Reagan brought to the American people in last year's campaign. And they are the proposals that President Reagan is now acting on, in keeping with his compact to the American people. For isn't that after all what an election in a free society really is all about—a compact between people and the leaders they choose. To the extent that we've suffered from a failure in leadership in America during recent years, it is precisely because there has been a failure of a man once he goes into office to keep such compacts on the part of those that have elected him, failure to keep one's word in terms of what you're going to try to do for the country.

We realize and we see firsthand that there are complexities to things that we didn't see quite so clearly on the campaign trail. Nobody's arguing that point. But the point I want to make here is this President is determined to keep his commitment on those four fundamentals to the American people. Indeed, the much-noted growth of cynicism and skepticism regarding the ability of our system to meet the needs of a modern society can largely be attributed to the failure of leaders who, once elected, would not, could not deliver on the commitment they made to the American people.

In place of leadership we've had slogans and symbolism. We've measured the success or failure of our elected officials—including those who hold the highest office in the land—not in terms of their accomplishments but in terms of how well they register on public opinion polls at a given moment. But slogans and symbols and momentary popularity cannot substitute for real leadership, particularly when they only serve to put off the day of reckoning for the really difficult decisions needed to solve the country's economic problems.

Nor, for all the experience and wisdom of Capitol Hill, can anyone but the man elected President of the United States provide that leadership at a time when the American people need and are calling for action, not nickel-and-dime legislative haggling, to put this country back on the road to economic health. This isn't to claim that the President has all the answers. But it is to say that one true national leader under our system—the leader that's chosen by all the people of the country, not simply those in one state or in a congressional

district—is entitled to the chance to deliver on the commitments that he's made to the American people. And President Reagan, believe me, is determined to do just that.

I watch him very carefully at these cabinet meetings or at the council meetings of the cabinet, and he has a way of returning the discussion, very free, very open; it is quite different from the meetings I attended under two different Presidents. Each one has his own style; each one has his own belief in how you do things. But you hear the discussion at the cabinet meetings. You have a lively exchange. Nobody feels inhibited from giving his or her opinion. But he has this way of returning to these fundamentals that he's been identified with for a long, long time and that he clearly advocated during the campaign.

Already the impact of the Reagan administration is being felt in the area of regulatory reform where the President has been able to assert his leadership through an executive order. We drew up an executive order as soon as he came into office. He put it into effect. And he gives that task force and the cabinet the leadership that is required if we are going to keep our commitment. We expect to make further progress in this area in the months to come, not simply by eliminating needless regulations, but by bringing consistency and order to the operation of the federal bureaucracy, so that citizens who want to comply with the law will at least know what the law of the land is. I talked to Professor Weidenbaum before coming over here. Fortunately for our task force he is one of the great experts on deregulation. He told me that as of now we have effected relief through 105 separate regulatory relief actions and that we're just beginning.

But only one segment of the Reagan package is regulatory relief. Let there be no doubt that the President is really determined to assert leadership in other areas. Our hope is that we can keep our compact with the American people by working with the Congress in a spirit of mutual respect, cooperation and conciliation.

I think and I fervently hope that our White House is devoid of a sinister mentality. Clearly I believe the President has demonstrated that he is. But he can be strong, and he can be tough in these decisions, and he is determined to get this legislative program enacted.

Leadership, as I've said, calls for difficult decisions, and it isn't always a matter of winning popularity contests. Our best Presidents—our true national leaders—have always kept uppermost in their minds that their compact is with the people. I know that in President Reagan we have this kind of national leader. He's committed, not that he's not going to compromise ever. What he considers the fundamental philosophy, though, he's not going to compromise on. We realize there's going to be give and take. We realize that there might be a minor amendment here, a change there. We've already seen on the House side in the budget resolution a Latta-Graham substitute which was not exactly the kind of package that was sent to the Hill. But those are the details, and on the principles the President is committed to do what he said he'd do and, furthermore, what he was elected to do.

I think I can best sum up the nature of the presidential leadership in this

administration by quoting in a true bipartisan sense, from a prominent Democrat, Ed Costikyan from New York: "The only course in leadership I ever took was at the Infantry School at Fort Benning, Georgia, during World War II, when I was being trained to be a Second Lieutenant of infantry. The motto of the school was the whole course. It consisted of two words: 'Follow me.'

"It's been a long time," Ed goes on, "since I've heard those words from a government official. Instead I've heard 'Love me,' 'Help me,' 'Admire me,' 'Respect me,' 'Support me.'

"The old 'Follow me,' " Ed concludes "would sound pretty good."

I invite him and his fellow Democrats to listen to what President Reagan is saying these days—just as he was saying during last year's election—and to follow the leadership of a man in the Oval Office dedicated to keeping this fundamental compact with the American people, and in the process restoring public confidence in our free society, in our economy and in our system itself.

Questions from the floor

MR. JOSEPH STERNE, Baltimore Sun: As a former director of the Central Intelligence Agency, are you totally convinced that U.S. security will not be compromised by turning over super-secret AWACS planes to a country like Saudi Arabia?

VICE PRESIDENT BUSH: Yes.

MR. STERNE: Could you tell us why, sir?

VICE PRESIDENT BUSH: Because I believe that system cannot be used against our interests and because I believe the United States is secure. I'm totally confident of it. I can't go into great technological details as to why; but I'm convinced the answer to your question is yes. The United States is not threatened by doing what we propose to do with these AWACS aircraft.

Maybe I could enlarge on it by saying that some are arguing about the basing of these planes. There is much to be decided before the delivery. The administration is committed to this—I think very wisely so. But you've got to recognize that if people go into basing modes that are different, that cannot be done without total support of the United States.

MR. STERNE: Will we be turning total control of those planes over to Saudi Arabia?

VICE PRESIDENT BUSH: The details of those things are in the process of being worked out. As you probably know from following it, it will be some time before the deliveries are made, and all those details have not been resolved.

UNIDENTIFIED QUESTIONER: Still in your role as former director of the CIA, would you address yourself to the points made by Admiral Turner in The Washington Post Op-Ed piece today in which he said the sale to Saudi Arabia of these planes is bad for Saudi Arabia, because it will divert needed people and expertise away from their principal threat, which is internal.

VICE PRESIDENT BUSH: I hate to confess this, but I did not read his piece today, so I'm a little bit at a loss. But to suggest, if I got it correctly, that any

arms for Saudi Arabia would keep them from taking care of their internal affairs, I'm sorry, that is not persuasive with me. You see, I think that we have keen strategic interests there, and I think one of the concerns we properly have is the question of Soviet adventure in the Middle East, and it is of enormous concern to this administration. I suppose he was talking about a destabilization of the kingdom, whatever it was—I didn't read it—but that's what the question implied. I think that would be too narrow a bore, because we would like to see them take some responsibility for defense and for intelligence and for whatever else it is in that part of the world.

QUESTION: I assume you were part of the decisionmaking on this, is that correct?

VICE PRESIDENT BUSH: Absolutely. There's only one vote in the National Security Council, and that's proper. But I'm not pulling away from it. I think we made the right decision, and the President is firmly committed to it.

I have never seen a highly technological subject on which there are now so darned many experts. I don't pretend to be one in terms of all the intricacies of the AWACS systems, but I do think we've looked at it carefully enough to think we've made the right move in terms of the best interest of the United States and the best interests of our allies in that part of the world, including the state of Israel.

QUESTION: Was the internal security of Saudi Arabia discussed in the decisionmaking?

VICE PRESIDENT BUSH: Well, I've made a practice of being boring and dull and not being a good source—as many people here know—because I don't discuss what was discussed inside. I know that's not very fashionable these days, but I am going to stick with it. I just can't help you on that. I hope you'll understand.

MR. PAUL JANENSCH, Courier-Journal and Louisville Times: What if George Bush had been nominated and elected President instead of Ronald Reagan? What specifically would you be doing differently right now?

VICE PRESIDENT BUSH: Listen, you don't really expect me to answer that, do you? I've got enough problems just recovering from "voodoo economics" without going into one.

MR. JANENSCH: I thought it was a good question.

VICE PRESIDENT BUSH: It's a good question, but it's an unanswerable one, because I feel very comfortable supporting the Reagan economic program. Incidentally, if people would go back and put that voodoo statement in context, you would note that we were talking about not having constraint of the growth of spending and regulatory relief and all that kind of stuff. I feel very comfortable supporting that. I can't think of something I would do differently. In terms of the foreign affairs question, which is the only one we've gotten so far, and other initiatives we're taking, we're together on that.

One point I'd make in terms of the administration—not that there's a lot of "yes" people and nobody dares speak up at a Cabinet meeting, but I think so far at least we are devoid of the fundamental policy differences that have

plagued some other administrations, both Republican and Democrat. That's a good thing, because if we're going to enhance our relationship with Europe, for example, or we're going to keep some useful role in the Pacific, if we're going to do these things, we need to be speaking with one voice in terms of foreign and domestic policy. So I feel very comfortable with these initiatives the President has taken.

MR. HORACIO AGUIRRE, Diario Las Americas, Miami: At the beginning of your very interesting speech you mentioned the case of Fidel Castro. What do you think about the Communist subversion in Central America through Fidel Castro, and is it under control, in your opinion, by the United States of America?

VICE PRESIDENT BUSH: No, I don't think it's under control. Part of what drives our policy—and it is a very dramatically different policy than the policy of the preceding administration—is our concern about both the support and export of revolution by Castro in this hemisphere. The Chinese make a distinction between the support and the export of revolution. In this case there is no distinction; they're both taking place. And we are unrelaxed about that. The evidence, in our view, is incontrovertible, and we believe that we should shape a policy that will keep Castro, as best we can, from exporting and supporting revolution and going right into a vacuum to try to subvert regimes in this hemisphere.

Some have accused us, therefore, of being less than concerned about human rights. I think we have a deep adherence to human rights. I know the President does. And when you see slayings in Salvador or something of this nature, we're totally unrelaxed about it. On the other hand, we believe that the preceding policy of kind of slapping our friends around and then being silent in the face of a human-rightless regime like Castro and the imposition through leftist forces, terror incidentally, in Latin America—being silent in the face of that—we don't think that's a realistic human-rights policy.

So we are concerned about Castro. We see an economy on its knees in Cuba, and yet we see 20,000-plus Cubans in Angola. We see a total of 46,000 roughly in Africa. And we see fooling around in the Middle East, in Yemen, and we see subversion in this hemisphere. We believe the United States has a role in concert with our allies and in concert with our friends here to see that that does not result in the overthrow of countries that are friendly to us.

MR. AGUIRRE: Mr. Vice President, what would happen if the Castro regime sent troops to Central America?

VICE PRESIDENT BUSH: Well, obviously that would be viewed with great concern by the United States. There are people from Cuba in many countries around Central America. But we would view that very seriously. I've learned not to buy into a lot of hypothetical situations by giving you an exact formula as to what we would do.

MR. GEORGE CHAPLIN, The Honolulu Advertiser: Mr. Vice President, you're a former Asia hand. There is some feeling the new administration is rather slow in enunciating a policy on Asia. Is there a policy regarding, say,

Japan, China, Korea, Taiwan, ASEAN and especially the Philippines? If so, would you please tell us what it is generally and, if time permits, regarding those various countries?

VICE PRESIDENT BUSH: There is a policy. Some of the articulation of it is a little slower because of events in other places that seem to be in the front pages more.

As you know, there have been talks with the Japanese. We have had the Japanese leaders here. We have assured them that our relationship with them will be based on consultation; that we will not be giving them the treatment they experienced under previous administrations; that we would like to see, without pressuring them, our common interest explored in keeping a useful role in the Pacific. We are not going to pull out of the Pacific. One of the things inherent in our defense policy is the fact we will continue to have a Pacific presence. We are strong in favor of the ASEAN countries. We believe they need not only our support but also that we need to expand commerce as much as possible.

Our China policy has been clearly articulated. I realize a few months ago there was great misapprehension. But I can tell you that we have had clear and direct signals from China that they understand what it is we're doing. I believe you are going to see a continuation of good relations between this country and the People's Republic of China; and I think the President is determined, at the same time, to see that relations with Taiwan not diminish. And we don't think that's impossible. We think that's very good, sound foreign policy, not just for those countries but for the ASEAN countries as well.

The President is extremely concerned about a very aggressive Vietnam, and we are totally unrelaxed about what's happening in Kampuchea. And we don't have an easy answer for that one, but we see those Soviet ships going into Camrahn Bay; we see an establishment of much more Soviet presence in Vietnam. We will be working with our allies with this in mind, because we don't believe that will result in a pacific Pacific, if you will.

So our policy is going to be to keep some commitments. We are going to, as I've said, improve relations with China. Japan is a keystone to it. I believe you saw that early on in this administration in a very successful visit, which, incidentally, was accompanied by a fine expression of human rights when the president of Korea came to this country.

So there is perhaps some room for criticism that we don't see Asia policy on the front burner, but the thinking is clear. Secretary Haig understands Asia very well, as well as Europe, and I believe that you're going to see a policy evolve along these broad lines.

We will continue to have strong, friendly relations with the Philippines.

MR. JAMES WHELAN, Sacramento Union: American public opinion seems to be running pretty heavily against administration policy in El Salvador, particularly in the matter of military support for that government. Are we likely to see a change in administration policy? And would you care to speculate on why the administration has failed to win public support in an area which seemed to be consistent with the opposition-to-Communism mandate?

VICE PRESIDENT BUSH: Well, in the first place I don't think you can view support for El Salvador from this country alone. We started off with an enormous propaganda disadvantage because of what was the opinion in Europe—not just from the European left but from our closest friends in Europe. They had had the opinion that El Salvador was going through its nice, nonoutside influence to revolutionary change, which isn't what is taking place in El Salvador today.

Secretary Haig sent Mr. [Lawrence] Eagleburger to various countries in Europe. He did a fabulous job. And the center or the less-than-socialist to the right parties began to understand what it was we were trying to do.

In this country you have predictable opposition from elements who will continue to feel we are not being properly concerned about human rights. I believe we are. I believe when we do a better job of getting out what our intention is, we will offset some of this automatic opposition that comes from the same organizers or the same people who were opposed to Vietnam. When you see them on a tour in the White House and throwing blood on it—and they're some of the people identified with the Vietnam cause—we realize we have a job to do in informing not just that element in this country but a broader sector. I will readily concede we have a lot to do in terms of making it more clear.

There was a story we'd be comfortable with a radical right takeover in Salvador. That is not the policy of this regime. We believe Duarte and the junta deserve support, and we are totally opposed to extremist actions out of his government. There are some we don't think he can control, or has properly controlled, and we have made forceful representations to Salvador about that.

But the ingredient that we have to have understood by those who are protesting or those who feel the most deeply is what is so great about an overthrow from the left? What is so great about sending arms in through Nicaragua and other places to overthrow the junta? We don't believe that's proper, and we don't believe that that should be permitted to go on, providing Duarte is inviting support, modest though it is at this point, for his cause. We'd like to see him stay in there. We'd like to see continuation of land reform. We'd like to see democratization of Salvador. And we look at some of its neighbors who are lecturing us on our policy—such as Nicaragua under the Sandinistas, to say nothing of the Fidelistas in Cuba—and we don't think we've got too much to learn from them. But we do know we've got a big job ahead of us in terms of telling our own people what our policy is about.

There are other countries, like Venezuela and others in this hemisphere, who seem to feel we are taking the right move. Fortunately, in the Caribbean you're seeing a move away from the trend that moved toward Fidel before.

There are some interesting developments going on in this hemisphere. There is relief, if you will, that our administration understands the problems of the hemisphere, that we are not relaxed about what Fidel Castro has been attempting to do—with the help of many leftist groups, I admit—in these countries themselves in terms of destabilizing regimes that have been friendly with us.

P.S.: We are not soft on human rights. We care deeply. I had a fascinating visit with the Archbishop of El Salvador the other day. He came to see me at the invitation of Cardinal Cooke. I hope he left with some understanding of what motivates our policy. I think he did; he indicated to me he did. But I found that before we could even start talking about it, I had to lay to rest some shibboleths that I couldn't believe he really believed about our lack of concern on human rights, or what we were intending to do with the far right in El Salvador. So if we did nothing else through that visit, and hopefully others like it, we are going to clarify things. But having said that, I know we've got to do a better job in terms of informing our own people about our policy.

MR. WINSHIP: An admirable performance. Thank you very much, Mr. Vice President.

EXECUTIVE ORDER

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STANDARDS OF ETHICAL CONDUCT
FOR GOVERNMENT OFFICERS AND EMPLOYEES

Draft

By virtue of the authority vested in me as President by the Constitution and laws of the United States of America, and in order to establish fair and exacting standards of ethical conduct for all executive branch employees, it is hereby ordered as follows:

PART I - PRINCIPLES OF ETHICAL CONDUCT

Section 101. Principles of Ethical Conduct. To ensure that every citizen can have complete confidence in the integrity of the Federal Government, each Federal employee shall respect and adhere to fundamental principles of ethical service, including the following:

(a) Public service is a public trust, requiring employees to place loyalty to the Constitution, the laws, and ethical principles above private gain.

(b) Employees shall not hold, directly or indirectly, financial interests that unlawfully or improperly conflict with the conscientious performance of duty.

(c) Employees shall not directly or indirectly engage in financial transactions that involve the use of nonpublic Government information or allow the improper use of such information to further any private interest.

(d) An employee shall not solicit or accept, directly or indirectly, anything of monetary value, including an offer of employment, from any person or entity seeking official action from, doing business with, or conducting activities regulated by the employee's agency, or whose interests may be substantially affected by the performance or nonperformance of the employee's duties, except pursuant to reasonable exceptions specified in regulations promulgated under sections 201 and 301 of this order.

(e) Employees shall put forth honest effort in the performance of their duties.

(f) Employees shall make no unauthorized commitments or promises of any kind purporting to bind the Government.

(g) Employees shall not use public office for private gain.

(h) Employees shall act impartially and not give preferential treatment to any private organization or individual.

(i) Employees shall protect and conserve Federal property and shall not use it for other than authorized activities.

(j) Employees shall not engage in outside employment or activities that conflict with official Government duties and responsibilities.

(k) Employees shall disclose waste, fraud, abuse, and corruption to appropriate authorities.

(l) Employees shall satisfy in good faith their obligations as citizens, including all just financial obligations, especially those -- such as Federal, State, or local taxes -- that are imposed by law.

(m) Employees shall adhere to all laws and regulations that provide equal opportunity for all Americans, regardless of race, color, religion, sex, national origin, age, or handicap.

(n) Employees shall endeavor to avoid any actions creating the appearance of a violation of ethical standards embodied in the law, regulations, and this order.

Sec. 102. Special Government Employees. Special Government employees shall respect and adhere to the principles set forth in section 101, unless otherwise specified in regulations issued pursuant to sections 201 and 301 of this order.

Sec. 103. Limitations on Outside Earned Income. No employee who is appointed by the President to a full-time position in the executive branch (other than a special

Government employee or an employee outside of the Executive Office of the President who is paid at a rate of basic pay fixed below the minimum for GS-16 of the General Schedule) shall receive any earned income for any outside employment or activity performed during that Presidential appointment.

PART II - OFFICE OF GOVERNMENT ETHICS AUTHORITY

Sec. 201. The Office of Government Ethics. The Office of Government Ethics shall be responsible for administering this order by:

(a) Promulgating regulations, in consultation with the Attorney General and the Office of Personnel Management, that establish a single, comprehensive set of executive-branch standards of conduct; such regulations shall set forth enforceable standards, derived from applicable law and Part I of this order.

(b) Developing, disseminating, and periodically updating an ethics reference manual for employees of the executive branch describing the applicable statutes, rules, decisions, and policies.

(c) Promulgating, with the concurrence of the Attorney General, regulations interpreting the provisions of the general conflict-of-interest statute, section 208 of title 18, United States Code, and the statute prohibiting supplementation of salaries, section 209 of title 18, United States Code. Such regulations shall include a definition of negotiations for prospective employment.

(d) Promulgating, in consultation with the Attorney General and the Office of Personnel Management, regulations establishing a system of nonpublic (confidential) financial disclosure by executive branch employees to complement the system of public disclosure under the Ethics in Government Act of 1978. Such regulations shall include criteria to guide agencies in determining which employees shall submit these reports.

(e) Ensuring that any implementing regulations issued by agencies under this order are consistent with and promulgated in accordance with this order.

Sec. 202. Executive Office of the President. In that the agencies within the Executive Office of the President (EOP) currently exercise functions that are not distinct and separate from each other within the meaning of section 207(e) of title 18, United States Code, those agencies shall be treated as one agency for the purposes of section 207(c) of title 18, United States Code.

PART III - AGENCY RESPONSIBILITIES

Sec. 301. Agency Responsibilities. Each agency head is directed to:

(a) Supplement, as necessary and appropriate, the comprehensive executive-branch-wide regulations of the Office of Government Ethics, with regulations of special applicability to the particular functions and activities of that agency. Any supplementary regulations shall be prepared as addenda to the branch-wide regulations and issued with the concurrence of the Office of Government Ethics.

(b) Ensure the review by all employees of this order and regulations issued pursuant to the order.

(c) Coordinate with the Office of Government Ethics in developing annual agency ethics training plans. Such training shall include mandatory annual briefings on ethics and standards of conduct for all employees appointed by the President, all officials required to file public or nonpublic financial disclosure reports, all employees who are contracting officers and procurement officials, and any other employees designated by the agency head.

(d) Where practicable, consult formally or informally with the Office of Government Ethics prior to granting any exemption under section 208 of title 18, United States Code, and provide the Director of the Office of Government Ethics a copy of any exemption granted.

(e) Ensure that the rank, responsibilities, authority, staffing, and resources of the Designated Agency Ethics Official are sufficient to ensure the effectiveness of the agency ethics program. Support should include the provision of a separate budget line item for ethics activities, where practicable.

PART IV - DELEGATIONS OF AUTHORITY

Sec. 401. Delegations to Agency Heads. Except as provided in section 402, the authority of the President under section 208(b) of title 18, United States Code, to grant exemptions to individuals, is delegated to the head of the agency in which an individual requiring an exemption is employed or to which the individual is attached for purposes of administration.

Sec. 402. Delegations to the Counsel to the President. The authority of the President under section 208(b) of title 18, United States Code, to grant exemptions for Presidential appointees to committees, commissions, boards, or similar groups established by the President is delegated to the Counsel to the President.

Sec. 403. Delegation Regarding Civil Service. The Office of Personnel Management and the Office of Government Ethics, as appropriate, are delegated the authority vested in the President by 5 U.S.C. 7301 to establish general regulations for the implementation of this Executive order.

PART V - GENERAL PROVISIONS

Sec. 501. Revocations. The following are hereby revoked:

(a) Executive Order No. 11222 of May 8, 1965.

(b) Executive Order No. 12565 of September 25, 1986.

Sec. 502. Savings Provision.

(a) All actions already taken by the President or by his delegates concerning matters affected by this order and in force when this order is issued, including any regulations

issued under Executive Order 11222, Executive Order 12565 or statutory authority, shall, except as they are irreconcilable with the provisions of this order or terminate by operation of law or by Presidential action, remain in effect until properly amended, modified, or revoked pursuant to the authority conferred by this order or any regulations issued under this order.

(b) Financial reports filed in confidence (pursuant to the authority of Executive Order No. 11222, 5 C.F.R. Part 735, and individual agency regulations) shall continue to be held in confidence.

Sec. 503. Definitions. For purposes of this order, the term:

(a) "Contracting officers and procurement officials" means all such officers and officials as defined in the Office of Federal Procurement Policy Act Amendments of 1988.

(b) "Employee" means any officer or employee of an agency, including a special Government employee.

(c) "Agency" means executive agency as defined in 5 U.S.C. 105, and includes any executive department as defined in 5 U.S.C. 101, Government corporation as defined in 5 U.S.C. 103, or an independent establishment in the executive branch as defined in 5 U.S.C. 104.

(d) "Head of an agency" means, in the case of an agency headed by more than one person, the chair or comparable member of such agency.

(e) "Special Government employee" means a special Government employee as defined in 18 U.S.C. 202(a).

THE WHITE HOUSE,

Memo From the Public Affairs Council

March 27, 1989

To: Clark Ervin

From: Ray Hoewing
President, Public Affairs Council

Notes

The Presidents's speech should:

- Challenge business - make CEO'S uncomfortable (that is, have a hard "edge" -- a not "smoke-and-mirrors" tone).
- Confront the undeniable -- business commitment to its communities has lagged in recent years for understandable, but no longer sufficient, reasons (competitive pressures, etc.).
- Seek business involvement not because it is in the public interest (though that too) but mainly because it is in business' self-interest.
- Make clear the Bush program will go beyond publicity, awards, "P.R.".
- Suggest that the emphasis will not only be to stimulate more business involvement but to provide models/yardsticks/case studies of effective involvement.
- Note that -- despite many instances of laudable business activity -- many business firms have yet to become engaged.

Some other suggestions/pointers/speech lines:

- Short-run profitability cannot be the only criterion for business in a society where cities are rampant with drugs, a public school system often fails to educate and hundreds of thousands are homeless.
- The speech must go beyond exhortation. (For example: "Next month I will be assembling a group of chief executive officers ..." "Because this Administration is giving top priority to winning

the war against drugs and in restoring our public education system to its previous standards of excellence, I have appointed two task forces of business people to spearhead business efforts to address these critical issues").

- Business must apply hard-headed business principles to its social involvement -- for example, researching needs, establishing objectives, measuring results. Mere "activity", no matter how well intentioned, is not sufficient.

- Business must become more actively and intelligently involved, not because we wish it would, but because it will not survive as viable, profitable enterprises over the long haul in a society that is failing.

- We must learn what business is doing that is truly making a difference and then find ways to help replicate widely.

- A few examples of business efforts which have made a difference (and which have been clearly documented) should be considered for mentioning.

Perceptions and realities to keep in mind:

- Remember that most serious and knowledgeable people in business (at both CEO and "program manager" level) view Reagan PSI as essentially a public relations effort doing little harm but also not much good.

- Therefore, the President should convey that the program he is undertaking will be qualitatively and substantively different than Reagan PSI efforts.

- A real risk or danger: leaving the impression that the President views private sector programs as the way to "off load" the responsibilities for social programs (thus replaying the near-fatal impressions created by Reagan's people in 1981-82).

- One key word is "partnership" (but speak to this point: many business people have concluded that government means by partnership, "Business, you put up the money. Government will define and control the agenda and the program.").

- Beware of excessive poor mouthing. While business supports fiscal integrity, it wants to know that the Federal Government is not some pitiable, penniless giant but rather is committed to finding/diverting additional government resources when they are indisputably required.

- CEOs, particularly, will be looking for evidence that the President understands and accepts that in a democracy government is accountable for social progress and business cannot and must not pre-empt decision-making which properly belongs to political leadership.

- Acknowledge in no uncertain terms that under the most optimistic scenario about social problems the public sector is by far and away the "heavy" compared to the private sector (excellent summary statistics and exposition of this point have come recently from Brian O'Connell of Independent Sector).

DRAFT

Regarding the latter, I have already reached one determination. Congress should extend, for all members, the prohibition against the conversion of political contributions for personal or office use. Political donations should not become a sort of Individual Retirement Account for Congressmen. I call on Congress to close this loophole, and to close it this year.

My legislative proposal also strengthens the rules against abusing the revolving door for private gain at the expense of the public trust. These rules must not make government service a bar to productive work in the private sector, but they must prohibit the appearance of profiting from government service -- and this must include the legislative branch.

I am also proposing a 25 percent pay raise for federal judges, while restricting their acceptance of honoraria. I will consult with Congress on the question of a congressional pay raise **((and at that time submit a proposal to bar honoraria for Members of Congress as recommended by my ethics commission. My decision not to include the Commission's recommendation on honoraria is not intended to ignore it, but only to postpone it.))** And I will include in that discussion the question of a pay increase for certain Executive Branch positions, including specialized jobs like those at the National Institutes for Health.

- bill, report
- more depth
- equitable → something's with ethical or it's not
- inspiring more confidence in gov generally

-principle stated simplistically

1989 APR -7 AM 8:

(Smith/Davis)
4/6/89/3 p.m.
Draft Seven
Title: Fri

PRESIDENTIAL REMARKS: AMERICAN SOCIETY OF NEWSPAPER EDITORS
WASHINGTON MARRIOTT GRAND BALLROOM
WED., APRIL 12, 1989/1:20 pm.

- P has actually given some thought to philosophical gps here.
- Any help Mark understand rationale

Your introduction was very kind, but you left out a few items. It may come as a surprise to you, but I consider myself something of a master of media manipulation. In fact, I'm so good, you can't even tell I'm doing it . . .

2

This is really bad — P/s come up w something better — we cannot say this &

Call me the Stealth Communicator . . .

Well, today, let no one miss this message. Let it ring loud and clear. Ethical standards are central to my Administration and our nation, and we will enforce them -- strictly, comprehensively, fairly, and to the letter and spirit of the law.

Ten weeks ago, I issued an Executive Order creating the President's Commission on Federal Ethics Law Reform. And I asked its members to recommend steps to foster full confidence in the integrity of all federal public officials and employees.

On March 9, this Commission filed its report and its recommendations. Today, I am announcing a new Executive Order

and legislation to enforce government ethics in fact, not merely in theory. At this moment, legislation is being sent to the Congress. And this morning, I issued an Executive Order concerning standards of conduct for executive-branch employees.

Both actions seek a common end: To raise ethical standards, to avoid conflicts of interest, and to ensure that the law is respected in fact and appearance.

There are those, of course, who ~~rightly~~ say that public ethics and values cannot be legislated. But they <u>can</u> be encouraged, respected, and adhered to in government . . . Public servants must reflect the best values of America. And let me add that most public servants <u>do</u>.

Jefferson said, "The whole art of government consists in being honest." Yet, too often, simple honesty is not enough. Government rules have worked at cross-purposes. Our regulations have been ~~unfair and~~ complicated. Our laws have been contradictory and unclear. We've spent more time trying to <u>understand</u> Federal ethics laws than we have trying to live <u>by</u> them.

My ethics program seeks to remedy these defects. ~~How?~~ By setting ~~achieving~~ four objectives: First, to ~~set high~~ establish clear ethical ~~standards;~~ principles; second, to ensure uniform standards among all three branches of

government; third, to insist that these standards ~~are~~ be fair and reasonable; and, fourth, to ensure that clear standards attract, ~~bring in~~, not drive out, talented men and women to government. ~~by raising public confidence in the integrity of government;~~

First, my ethics program insists that ethical standards must be exacting enough to ensure that officials act with utmost integrity, for the public's confidence is not ours to inherit. We must earn that confidence. It must be constantly renewed. With this in mind, I have placed a ban on outside income for certain ~~Executive Branch employees~~ Presidential appointees including all employees in the White House Office, I am proposing expanded financial disclosure for all three branches of government. And I have instructed my staff to perform a comprehensive review of federal campaign finance laws.

Regarding the latter, I have already reached one determination. Congress should extend, for all members, the prohibition against the conversion of political contributions for personal or office use. Political donations should not become a sort of Individual Retirement Account for Congressmen. I call on Congress to close this loophole, and close it this year.

I am also proposing a 25 percent pay raise for federal judges, while restricting their acceptance of honoraria. ~~In addition, I hope to work with Congress to award long-overdue raises for senior federal executives, especially those in specialized positions -- like the National Institutes of Health.~~ researchers at

~~That would be the most basic, & will realize all much of the good we're doing.~~

I will ~~also~~ consult with Congress on ~~a possible~~ the question of a congressional pay raise, and the ~~question~~ related issue of honoraria; and will include in that discussion the question of a pay increase for certain ~~Executive Branch~~ positions, including specialized jobs like those at the Nat. Institutes for Health.

Should state issue like this? My understanding of what Pres told Summers

My ethics program's second goal ~~insists~~ recognizes that standards ~~be equitably~~ across all three branches of government. ~~Remember: If~~ Under our Constitution, every branch of government is equal, and none warrants preferential treatment. ~~If Washington is a level playing field, then every player should be treated the same.~~ The same standards that apply to a staff person at HUD should also apply to housing subcommittee staffs on the Hill. A practice is either ethical consistency demands equal ~~treatment~~ or it is not -- there cannot be different standards for federal employees in the different branch of govt.

Why is this here? As a qualifier necessary?

Therefore, ~~assuming the continued existence of the Independent Counsel statute~~, I request that we extend that statute to also the Independent counsel cover the Congress. There should also be ~~I want to create~~ an independent ethics office for the Congress, to be headed by an ~~independent~~ clearly nonpartisan official, confirmed by both houses. I ask that the existing one-year post-employment "cooling-off" period for senior executive-branch employees also apply to the ~~two other~~ legislative and judicial branches.

~~And I want~~

~~And I want to extend to legislative and judicial branch employees and judges~~ the Federal statute that prohibits employees from taking actions which enhance their own financial interests should also be extended to cover legislative and judicial branch employees.

Aren't judges Judic. Branch employees?

Then, there's the third objective of my ethics program. It insists that standards be reasonable and reflect good old-fashioned common sense.

Some financial interests, for example, are too minor to create any meaningful conflict-of-interest. So, I want the Office of Government Ethics to have the authority to issue regulations authorizing waivers from the conflict-of-interest statute. But at the same time, we're urging tougher penalties when intentional violations of criminal conflict-of-interest laws occur.

We're asking officials from all three branches to simplify the forms that must be completed by prospective appointees. And my Executive Order sets forth tighter ethical standards for executive-branch employees. To make this clear, I'm requiring mandatory annual briefings on ethics for Presidential appointees.

My program's fourth objective is to attract and keep the best people in government, by keeping federal ethics laws fair and balanced.

An ethics law is not a weapon, a blunt instrument with which to pound a public servant. It is not a gag with which to silence the outspoken. ~~It is not an instrument of torture with which to torment the unpopular.~~ It is a tool ~~for~~ to ensure a government as honest as the American people.

a bit much.

America must not allow overly restrictive requirements to be abused, or to keep talented people from entering public service.

That is why we have carefully crafted new post-employment restrictions. And that is why we want to allow persons who are required to divest assets to defer their tax liability.

My ethics program shows exactly where we are going, and why. We seek to attract, and keep, the best and brightest in government. And by helping others -- honorably, ethically -- we seek to show how public service is not the sum of our perks or possessions, but a measure of how we conduct ourselves and what we achieve.

Standards of trust and honesty ~~do not emanate from~~ cannot be dictated in Washington. They are to be found in the everyday conduct of working men and women; in the postman who checks on the elderly resident at home; in the cashier who runs after the customer she overcharged.

Ethics in public service derives from the natural integrity of the American people. And the ethos of public service itself derives from a broader spirit of volunteerism. That is why I have declared this to be National Volunteer Week. This is more than another honorific for the calendar. ~~I am using the office of the Presidency~~ This Administration will work actively to promote and to inspire a national outpouring of community service.

We will challenge employers to establish literacy programs and day-care centers. We will challenge local civic groups to "adopt" a local school, hospital or nursing home. We will challenge more churches and synagogues to organize food drives for the homeless. To every American, We will ask for more than a donation of dollars. We will ask for the precious donation of time and effort, for a giving of the heart.

And to young Americans, I will deliver a special message: Don't just measure success by the acronyms of material wealth -- V.C.R.s, ~~C.D.~~s and BMWs. From now on, the good life in America must include service to others . . .

Come to think of it, this is a code for all to live by, from high school to the highest calling in journalism and government. As a society fragmented into sectors, and ~~atomized~~ into individuals, we can do little. As a national community aware of a common fate, bound by a collective purpose, we can achieve anything.

Thank you, God bless you, and God bless America.

# # #

Nice point, but:

1. concentration on yuppies, though ~~oppo~~ true enough in many cases, may be too narrow
2. it's interesting that all these items are made abroad

— not just yuppies . . . inner-city blacks

Mark Smith

(Smith/Davis)
4/6/89/3 p.m.
Draft Eight
Title: Fri

PRESIDENTIAL REMARKS: AMERICAN SOCIETY OF NEWSPAPER EDITORS
WASHINGTON MARRIOTT GRAND BALLROOM
WED., APRIL 12, 1989/1:20 pm.

Opening seems abrupt.

I want to communicate a message on ethics in government service. Let it ring loud and clear. Ethical standards are central to my Administration and our nation, and we will enforce them -- strictly, comprehensively, fairly, and to the letter and spirit of the law.

We must work together to reform a public code of conduct that is in disarray. It is not logical or fair. It is both too harsh and too lenient. It elevates detail over substance; precept over principle. It aspires to God-like omniscience, and results in only a narrow code of straightjacket rectitude.

What does this mean? Ouch

Such a system ultimately breeds cynicism and contempt for the law. To truly reform it, we must remember that standards of trust and honesty are not dictated from regulations written in Washington. They are to be found in the everyday conduct of working men and women; in the postman who checks on the elderly resident at home; in the cashier who runs after the customer she overcharged. The millions of Americans who meet their

obligations honestly, and teach their children to do the same, see nothing extraordinary about asking for the same in government.

This was my approach in Congress, believing that our code of conduct in the House should be as straightforward and as open as possible. That is why I sponsored a measure for full financial disclosure that (John S).

Yet more than twenty years later, it is increasingly obvious that our system today is still not working as it should. It is not fair. And it is not always respected. The American people are troubled when a few prominent officials, in all three branches of government, show a brazen contempt for the letter or spirit of the law. And the American people do not understand why certain behavior is considered criminal when committed by an executive branch official; and perfectly legal when committed by a Member of Congress. Is not a crime a crime? Should there not be an underlying standard of integrity for all?

As President-Elect, I was also hearing from talented men and women who, though perfectly honest, declined government service out of fear. Fear of the sheer complexity of federal ethics laws. Fear that a simple, honest mistake could lead to a public nightmare.

These concerns led me to issued an Executive Order creating the President's Commission on Federal Ethics Law Reform. I asked its members to recommend steps to foster full confidence in the integrity of all federal public officials and employees.

On March 9, this Commission filed its report and its recommendations. Today, I am announcing a new Executive Order and legislation to restore our confidence in honest government. At this moment, legislation is being sent to the Congress. And this morning, I issued an Executive Order ~~concerning standards of~~ announcing the principles for the conduct ~~for~~ of executive-branch employees.

Both actions seek a common end: To raise ethical standards, to avoid conflicts of interest, and to ensure that the law is respected in fact and appearance.

There are those, of course, who say that public ethics and values cannot be legislated. But they <u>can</u> be encouraged, respected, and adhered to in government . . . Public servants must reflect the best values of America. And let me add that most public servants <u>do</u>.

Jefferson said, "The whole art of government consists in being honest." Yet, too often, simple honesty is not enough. Government rules have worked at cross-purposes. Our regulations have been complicated and unequally applied. Our laws have been

contradictory and unclear. We've spent more time trying to understand Federal ethics laws than we have trying to live by them.

My ethics program seeks to remedy these defects. How? By setting four objectives: First, to establish clear principles; second, to ensure uniform standards among all three branches of government; third, to insist that these standards be fair and reasonable; and, fourth, to ensure that ~~clear~~ this standards attract, not drive out, talented men and women to government.

First, my ethics program insists that ethical standards must be exacting enough to ensure that officials act with utmost integrity, for the public's confidence is not ours to inherit. We must earn that confidence. It must be constantly renewed. With this in mind, I have placed a ban on outside income for ~~certain~~ non-career Presidential appointees in the Executive Branch, including all employees in the immediate White House. I am proposing expanded financial disclosure for all three branches of government. And I have instructed my staff to perform a comprehensive review of federal campaign finance laws.

Note: not all E.O.P.

Regarding the latter, I have already reached one determination. Congress should extend, for all members, the prohibition against the conversion of political contributions for personal or office use. Political donations should not become a

sort of Individual Retirement Account for Congressmen. I call on Congress to close this loophole, and close it this year.

I am also proposing a 25 percent pay raise for federal judges, while restricting their acceptance of honoraria. I will consult with Congress on the question of a congressional pay raise and ~~the related issue of~~ honoraria. And I will include in that discussion the question of a pay increase for certain Executive Branch positions, including specialized jobs like those at the National Institues for Health.

My ethics program's second goal recognizes that ethical consistency demands equitable standards across all three branches of government. Under our Constitution, every branch of government is equal, and none warrants preferential treatment. The same standard that applies to a staff person at HUD should also apply to housing subcommittee staff on the Hill. A practice is either ethical or it is not. There cannot be different standards for federal employees in the different branches of government.

Therefore, I request that we extend the Independent Counsel statute to cover the Congress. There should also be an independent ethics office for the Congress, to be headed by a clearly nonpartisan official, confirmed by both houses. I ask that the existing one-year post-employment "cooling-off" period

for senior executive-branch employees also apply to the legislative and judicial branches.

The Federal statute that prohibits employees from taking actions which enhance their own financial interests ~~should also~~ be extended to cover legislative and judicial branch employees.

Then, there's the third objective of my ethics program. It insists that standards be reasonable and reflect good old-fashioned common sense.

Some financial interests, for example, are too minor to create any meaningful conflict-of-interest. So, I want the Office of Government Ethics to have the authority to issue regulations authorizing waivers from the conflict-of-interest statute. But at the same time, we're urging tougher penalties when intentional violations of criminal conflict-of-interest laws occur.

We're asking officials from all three branches to simplify the forms that must be completed by prospective appointees. ~~And my Executive Order sets forth tighter ethical standards for executive branch employees. To make this clear,~~ I'm also requiring mandatory annual briefings on ethics for Presidential appointees.

My program's fourth objective is to attract and keep the best people in government, by keeping federal ethics laws fair and balanced.

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Thank you, God bless you, and God bless America.

(Smith/Davis)
4/10/89/6 p.m.
Draft: Ten
Title: asne3

PRESIDENTIAL REMARKS: AMERICAN SOCIETY OF NEWSPAPER EDITORS
WASHINGTON MARRIOTT GRAND BALLROOM
WED., APRIL 12, 1989/1:20 pm.

Thank you.

I ought to give you fair warning. I have devised a certain method for dealing with the press . . . When I want to change a story, I go to the reporter . . . When I want to correct a story, I come to you, the editor . . . But when I really want to spike a story, then I go straight to the publisher . . . and the story will still run, but at least I can find someone who will play horseshoes with me all afternoon . . .

In all seriousness, I want to discuss a topic that I know is of critical importance to you. As editors, you uphold a certain ethical standard in your newsrooms. You must do so, because a newspaper is only as good as its word. This is no less true of government. High ethical standards are central to this Administration, and we will enforce them -- strictly, comprehensively, fairly, and to the letter and spirit of the law.

We must work together to reform a public code of conduct that is in disarray. It is not logical or fair. It is both too harsh and too lenient. It elevates detail over substance; precept over principle.

Such a system ultimately breeds cynicism and contempt for the law. To truly reform it, we must remember that standards of trust and honesty are not dictated from regulations written in Washington. Ethics in public service derive from the natural integrity of the American people. They are to be found in the everyday conduct of working men and women; in the postman who checks on the elderly resident at home; in the cashier who runs after the customer she overcharged. The millions of Americans who meet their obligations honestly, and teach their children to do the same, see nothing extraordinary about asking the same of their government.

The American people are troubled when they hear of officials in every branch of government who show a brazen contempt for the letter or spirit of the law. And the American people do not understand why certain behavior is considered criminal when committed by an executive branch official; and perfectly legal when committed by a Member of Congress. Is not a crime a crime? Should there not be an underlying standard of integrity for all?

As President-Elect, I was also hearing from talented men and women who, though perfectly honest, declined government service out of fear. Fear of the sheer complexity of federal ethics laws. Fear that a simple, honest mistake could lead to a public nightmare.

These concerns led me to issue an Executive Order creating the President's Commission on Federal Ethics Law Reform. I asked its members to recommend steps to foster full confidence in the integrity of all federal public officials and employees.

On March 9, this Commission filed its report and its recommendations. In fact, legislation is being sent today to the Congress. And just this morning, I issued an Executive Order announcing ethical principles for the conduct of executive-branch employees.

Both actions seek a common end: To raise ethical standards, to avoid conflicts of interest, and to ensure that the law is respected in fact and appearance.

There are those, of course, who say that public ethics and values cannot be legislated. But they <u>can</u> be encouraged, respected, and adhered to in government . . . Public servants must reflect the best values of America. And let me add that most public servants <u>do</u>.

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My ethics program seeks to remedy these defects. How? By setting four objectives: First, to establish clear ethical principles; second, to ensure uniform standards among all three branches of government; third, to insist that these standards be fair and reasonable; and, fourth, to ensure that these standards attract, not drive out, talented men and women to government.

My ethics program first insists that ethical standards must be exacting enough to ensure that officials act with utmost integrity, for the public's confidence is not ours to inherit. We must earn that confidence. It must be constantly renewed. With this in mind, I have placed a ban on outside income for non-career Presidential appointees in the executive branch, including all employees in the immediate White House office. I am proposing expanded financial disclosure for all three branches of government. And I have instructed my staff to perform a comprehensive review of federal campaign finance laws.

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government is equal, and none warrants preferential treatment. The same standard that applies to a staff person at HUD should also apply to housing subcommittee staff on the Hill. A practice is either ethical or it is not. If Washington is to be a level playing field, then every player should be treated the same.

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when intentional violations of criminal conflict-of-interest laws occur.

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My program's fourth objective is to attract and keep the best people in government, by keeping federal ethics laws fair and balanced.

An ethics law is not a weapon, a blunt instrument with which to pound a public servant. It is not a gag with which to silence the outspoken. It is not an instrument of torture with which to torment the unpopular. It is a tool to ensure a government as honest as the American people.

We must not allow overly restrictive requirements to be abused, or to keep talented people from entering public service. That is why we have carefully crafted new post-employment restrictions. And that is why we want to allow persons who are required to divest assets to defer their tax liability.

My ethics program shows exactly where we are going, and why. We seek to attract, and keep, the best and brightest in

government. And by helping others, by building a better America, -- honorably, ethically -- we seek to show how public service is not the sum of our perks or possessions, but a measure of how we conduct ourselves and what we achieve.

Come to think of it, this is a code for all occupations, from high school to the highest callings in journalism and government. Perhaps the greatest reward of all is the chance to contribute to America's greatness.

Thank you, and now I would be delighted to take your questions.

# # #

after honoria.

I also believe that honoria for members of Congress should be banned. However, I will not make that formal proposal until after consulting with the congress on the issue of Congressional pay.

[MUBARAK - Departure statement
April 3 / Monday]

American Society Newspaper Editors

TPOL Don Iloff

Theme: [redacted] Volunteerism / NATIONAL SERVICE

Priv. Sec. can solve TODAY's problems

(MARK note: $5 TRILLION vs. $1.2 TRILLION)

TOTAL # OF volunteer HOURS (United Way, White House - average salary - $ Figure, then compare that to gov. services. Private sector spends 60 - 70% of Government.)

~~[redacted]~~

G.B. "From now on, in America, any definition (of the good life) must include servicing others." "Prosperity w/out purpose means nothing." "One thousand points of light."

*** REWEAVING OF SOCIETY - NOT A SEGMENTED SOC. - TAPESTRY

(GET HANDICAPPED INVOLVED - w'king FACK QUOTE "The less I work, the less I like it." WORK is a need.

CORPORATIONS LABOR UNIONS MEALS ON WHEELS

New engagement - rebirth of love of country, family. "America is one great family, and family takes care of its own."

As of now, no Executive Order - Sign "Yes Initiative" - Outline steps

Rose Garden Ceremony - 125 "Lights"

"Blind man?" / [redacted] J.C.?

Iranian n' nails

Am. Soc. Newspaper Broad Agenda w/ Volunteerism

15 m. / Q+A

WIND UP PLAYING GOLF ALL AFT.

~~if yourself want to go~~

If you want to ~~challenge~~ challenge a story, call the reporter. If you want to correct a story, call the editor. But if you really get mad, call the publisher and you'll wind up playing golf all aft. ~~GET PUT ON HOLD~~ ~~GET A free ticket to a golf~~ ~~ASKED TO BE INVITED TO A~~ ~~golf~~

I'm a master manipulator of the media. In fact, I'm so slick you can't even tell I'm doing it. Call me the stealth communicator.

CLOSE

My puns remind me of Maine lobsters - there's some put a like, some that are hard to swallow, but you're great.

IDEAS - 1) Rushdie / memo (NSC?)

~~2) The media~~

~~BFI~~ Broad Agenda Volunteerism

(1) Joke about newspapermen/politicians?

(2) ~~Seriously~~ Seriously folks, we're both called to a higher duty. Not just glamour.

(3) Gov. is a noble calling. Didn't campaign to win an election. Campaigned to B.B.A.

(Over)

(4) 1980 - met the challenge; new challenges today AGENDA: LATIN (THINGS TO BE DONE)

(5) BRIEF RECITATIONS

(6) My only task is to communicate my agenda. ~~The only way~~ (JOKE) The only way I can do it is through you.

(7) Maine Lobster - you're great!

ALEX. Custom

133 Remarks Upon Presenting a Presidential Citation of Merit to Mrs. Florence Harriman. *April 18, 1963*

I WANT to welcome all of you here to the White House to this occasion, all the friends of Mrs. Harriman, members of her family, the Ambassador of Norway, General Gruenther, all those who have been associated with the same activities as Mrs. Harriman has been associated with in her very long and useful public life.

This certificate which is being given to Mrs. Harriman has no precedent and represents a bit of executive initiative which I hope will be duly noted. I think it is very safe in this case because the recipient is so distinguished and so generally honored. So, I take great pleasure in presenting this certificate, this Citation of Merit, to Mrs. Harriman. This is designed by Mrs. Kennedy, who drew it up and was interested in it and I know she is sorry she is not here today, but perhaps if I read it, it explains the high standard set for any future recipient.

"The President of the United States of America, awards this Citation of Merit to Florence Jaffray Hurst Harriman for distinguished service to the Nation. In her illustrious career in public service, Mrs. Harriman has made singular and lasting contributions to the cause of peace and freedom. She has served with distinction on the Federal Industrial Relations Commission, the Council of National Defense, and as Officer in Charge of the Red Cross Women's Motor Corps in France. As the American Minister to Norway during a most trying time, she served with great energy, skill, and dedication to the cause. In all of her endeavors, Mrs. Harriman has exemplified the spirit of selflessness, courage and service to the Nation, reflecting the highest credit on herself and on this country. She has, indeed, earned the esteem and admiration of her countrymen and the enduring gratitude of this Republic.

"Given under my Hand and the Seal of the United States of America at the City of Washington this eighteenth day of April in the year of our Lord one thousand nine hundred and sixty-three and the Independence of the United States of America the one hundred and eighty-seventh."

So we take great pleasure in presenting this to Mrs. Harriman with the affectionate regard of all of us and all of her countrymen.

NOTE: The President made the presentation at 6:30 p.m. in the Blue Room at the White House. Among those attending the ceremony were Paul Koht, the Norwegian Ambassador, and Gen. Alfred M. Gruenther, President of the American National Red Cross.

Mrs. Harriman was the first person to receive from the President his newly created Citation of Merit for Distinguished Service.

134 Remarks and Question and Answer Period Before the American Society of Newspaper Editors. *April 19, 1963*

Mr. President, directors, editors:

Two years ago tomorrow we met in this city at a painful moment in the history of this country and in the history of this administration. I told you then that we intended to profit from this lesson, and I think we have. I told you that we intended to intensify our efforts in behalf of freedom, and I think we have. And I told you then that this Government would not hesitate to take the initiative in this hemisphere in meeting its primary obligations to our security whenever that should prove necessary, and last October we acted to meet those obligations and are prepared to do so again when necessary.

In part, as the result of last October's events, there is today more widespread assurance that both peace and freedom can prevail in the world. And while our vigi-

lance cannot be relaxed, there is a tendency among many of your readers, as well as your writers, to devote more attention to our domestic scene and to the quality of life on these shores, and I think it is very appropriate that we should do so. Mr. Khrushchev has said that the hinge of history would move when the Soviet Union was able to outproduce the United States. Quite obviously, as the leader of the free world, as the keystone in the arch of freedom, as the country—and I am convinced of this more and more—as the country upon which the cause of freedom and its survival in the world and its ultimate success finally depends, I think it most important that we develop for our own people not only a more fruitful and productive life, but that we also demonstrate to the world that a system of freedom offers an example which they can hopefully follow. Therefore, we must concern ourselves as part of the worldwide struggle as well as, because of its own sake, with the efforts to build a strong economy here, to concern ourselves with the fight against unemployment, to concern ourselves with the fight against periodic recessions, ever-increasing, and to concern ourselves, as I have said, with the quality of life here in this country.

Unfortunately, too many of your readers find domestic affairs as baffling as foreign. Government seems too remote, too big, too complex. A tax cut they can understand—but the rest of this year's legislative program seems only a distant blur. They think it is for someone else, not for them; that it is an expense, not an investment; that it could all be cut out, without harm to the economy or the Nation, and it could be done in the interest of helping a tax cut.

It would not be appropriate for me to review at this time the full scope of this year's legislative agenda. It is short, consisting of less than 30 top priority measures. And it is not expensive—inasmuch as their total elimination would reduce next year's $12 billion deficit by less than $2 billion. Instead, I would like to try to bring home the meaning of a few of these programs and to explain why I advocate them so strongly by translating them into the needs of that familiar mythical creation—the average family. I will go even further and place that family in the typical neighborhood in a normal American city.

With the help of the Census Bureau and others, I want to describe to you a precise cross-section of America—a hypothetical subdivision we shall call "Random Village," where the population abides by all the laws, including the laws of probability.

Of its 100 citizens, 6 live alone and the rest with their families. Ten percent of the households are members of a racial minority. The typical family income is $5,700 a year. Nearly half of the families have two wage earners at work.

Most of the families in Random Village are home-owners. They spend their incomes somewhat differently than formerly—partly because their incomes are higher and partly because the prices of the things they buy have changed, some up and some down. Today, for instance, they are spending more on housing, automobiles, insurance, medical care, and the local newspaper. Since the village is governed by the law of averages, this must be a Republican paper. And, according to the Census Bureau, the majority of the reporters are Democrats!

The average family man in Random Village is most aware of the Federal Government around tax time. The proposed tax cut would reduce his Federal taxes by about 20 percent, and the whole community would benefit from this stimulation. If his son wants to look for a job after graduation from school, he finds that his chances are increasingly slim—that unemployment in his age group is twice as high as unemployment among adults. And yet there is, at this time, no Youth Employment Corps to help some of these young men start their lives fruitfully.

If his wife wants to take their vacation by visiting a national park, she knows it will be nearly six times as crowded as it was when she was young. Nearly half the people in

Random Village will go swimming this summer—but every year they find more and more of their favorite seashore areas reserved for commercial use only. Only 6 percent of the Atlantic Coast and the Gulf Coast are now publicly owned. They want to hike in the wilderness, but the wilderness is fast disappearing.

Twenty-four of the 100 residents in Random Village are school-age children. A majority of the adults did not finish high school, but they all want their children to finish. In fact, most of them hope their children will go for a college degree, for today only the well educated man or woman is equipped to work in an age of technology or to be a good citizen in an age of complexity. Among the adults in Random Village those with higher educational achievements have a higher average salary as well as a lower rate of unemployment.

Yet of these 24 children, only 16 will graduate from high school, and only 9 will enter college. The other 7, most of whom are college material, will either find college too expensive—$1,500 a year in the local State university, or $2,200 a year in a private institution—or they will find that the college of their choice simply cannot take them. For our institutions of higher learning are caught in a financial squeeze. The postwar crop of babies is approaching college age. There will be twice as many college students in 1970 as there were in 1960. Without outside financial help, our colleges must either raise their rate of tuition or turn new students away.

The people in Random Village may be mythical—but they are also mortal. Only one resident of the 100 will die during this year. Two new babies will be welcomed this year. As a result, the average Random Village resident will call on a doctor five times this year, and on the dentist once or twice. Eleven out of the 100 will have to go to the hospital. And many will wonder once again why we do not have enough physicians, or enough dentists, or enough hospitals. There are no physicians and dentists in Random Village. In the metropolitan area of which it is a part, there are only 9 physicians to serve 10,000 people—15 years ago there were 10 physicians to serve the 10,000 people in that community. In another 10 years, assuming the present trend continues, there will be only 8 physicians to serve that 10,000 people.

This administration has proposed an expansion of our hospital and nursing home facilities, and an expansion of our medical and dental schools which will merely make possible the graduation of enough doctors and dentists and nurses to keep the present shortage from growing worse.

It is an unfortunate fact that, of the 100 people in Random Village, 10 will at some time need treatment for mental illness or behavior disorders. Three can be classed as mentally retarded. That kind of tragic affliction can strike any home in the village, rich or poor, black or white. But much of it could be prevented. In a Random Village in Sweden only one would be mentally retarded.

Much could be cured that will not be cured. At least 1 of these 10 patients may be locked up with hundreds, sometimes thousands, in huge, State custodial institutions in some other city, an unhealthy, unhelpful distance away from their own home and their own friends and their own doctor. This administration's proposals for mental health and mental retardation stress rehabilitation instead of isolation, prevention instead of detention, and comprehensive community centers instead of old-fashioned State asylums. The States and localities cannot afford to do this job without Federal financial assistance.

Nine of the 100 residents of Random Village are 65 years of age or older. In fact, one is over 80. Ninety percent of them will be hospitalized at least once after the age of 65. Compared to the other residents of the Village, they are much more likely to go to the hospital this year and they will need to stay there twice as long. Yet their income is only half as great; and only 5 out of the 9

have been able to buy private health insurance of any kind. And, therefore, we proposed it under Social Security.

Adoption of these new Federal programs would not affect the independence or the vitality of the people of Random Village, any more than the other Federal programs their representatives in Congress helped enact—the programs which are also part of the domestic budget, programs which must be continued.

We must continue our housing and urban renewal programs, for example—because one-fifth of the houses in Random Village are classed as "deteriorated" or "dilapidated."

We must continue our welfare programs—because 1 out of every 8 families in the Village has an income of less than $35 a week.

We must continue our job retraining programs—because roughly one-third of the unemployed in Random Village will be out of work for 15 weeks or more and simply cannot find openings for which they are suitable.

We must continue our efforts against racial discrimination—because the Negro families in Random Village are more than twice as likely to have poor housing; they are likely to earn half as much money; they have only two-thirds as much chance of finishing high school; and they are twice as likely to be unemployed—and neither injustice nor crime nor disease nor slums can be confined to one group in the Village.

We must also continue our fight against water pollution—because 31 million Americans, including very possibly the people of Random Village, live in communities where untreated or inadequately treated sewage is being discharged into their rivers and streams.

In short, the Federal Government is not a remote bureaucracy. It must seek to meet those needs of the individual, the family, and the community which can best be met by the nationwide cooperation of all, and which cannot be met by State and local governments.

These needs must be met—and to take them out of the Federal budget will only cast them on State and local governments, whose expenditures, debt, and payrolls have all increased many times faster than those of the Federal Government. This figure here on this chart which shows a comparison, the orange line being State and local employment, compared to the Federal executive branch, indicates the tremendous rise in local and State employment rolls compared to the Federal Government. The fact of the matter is that it is many times as much and it should be borne in mind, particularly this figure which indicates that Federal employment since 1952 has varied very little while we have had an extraordinary rise in State employment.

The fact of the matter is, if it were not for Federal aid to hard-pressed State and local governments, the Federal cash budget today would be in balance. The Federal Government is the people, and the budget is a reflection of their needs. As the Nation grows larger, so does the budget, but nondefense budget expenditures are lower now in relation to our gross national product, roughly 7 percent, than they were 25 years ago.

This chart indicates the sharp drop after the end of the Second War. These are Federal payments as a percentage of our gross national product. This indicates that since 1953 the percentage of the Federal expenditures, the Federal payments, as a percentage of our budget, has been almost unchanged in a period of 10 years. In other words, while the Federal budget has gone up, the gross national product has risen in the same proportion and therefore we have had a level line for almost a decade.

There is another aspect to cutting the budget which goes beyond the merits of each individual item, and that is the way in which Federal expenditures, in much the same way as Federal taxes, help determine the level of activity in the entire American economy. This is not some theoretical abstraction but a hard historical fact. We all praise tax reduction because it "releases" money into the private sector—but so do

Federal expenditures, through contracts, salaries, purchases, pensions, grants-in-aid, loans, and all the rest. To cut a dollar of expenditures for every dollar of taxes cut would be to remove with one hand the stimulus we give with the other.

Last year, for example, the rate of private inventory accumulation suddenly dropped from nearly $7 billion in the first quarter—a high level due partly to anticipation of a steel strike—to $1 billion in the third quarter. The American economy wavered under this shock, but it did not fall, and the important source of steady strength in the economy at that time was the increasing rate of public expenditures—Federal, State, and local. Had Federal purchases last year been kept on a plateau—as some have suggested for this year, and as was true in 1958—a recession would not, in my opinion, have been avoided, just as it was not avoided in 1958.

In 1958, due to an arbitrarily low debt ceiling limit, there was a stretch-out in governmental expenditures, particularly in the field of defense purchases. We therefore saw defense orders dropping from an annual rate of $23.6 billion down to $16.8 billion, and finally in the end of 1957 to $8.8 billion, which was of course a tremendous shock to the economy and had a marked deflationary impact. Federal purchases, which should have been rising during that period, also dropped—from $51.7 billion to $49.7 billion—and during that period unemployment rose from 4 percent to 7.3. I am not suggesting there were not also drops in the private economy, but if anyone will chart the economy from the summer of 1957 and the fall of 1957 into the winter of 1958 and the recession of 1958, it seems to me there is a very clear evidence that the tremendous drop in Federal purchases in the defense area particularly had a great effect upon the recession of 1958, which had such unfortunate results.

In that year a stretch-out of defense and other contracts, required in part, as I have said, by an unrealistic debt ceiling, caused the lay-off of many workers. Those who lost their jobs and those who were fearful of losing their jobs cut back on their personal spending; retailers trimmed their orders; their suppliers reduced their own payrolls; and so the downturn continued, affecting in the end the incomes which are the basis of most Federal taxes. Therefore, in 1958, as a result of this recession, instead of having a $500 million surplus which President Eisenhower estimated, because of the recession we had a $12.5 billion deficit, the highest in history.

Now what is it we should learn from this experience and also from the experience of 1960? Let us understand, then, that every dollar cut in Federal expenditures cuts even more from our gross national product. A cut of $5 billion now from the proposed Federal budget, as many have suggested, would cause one million fewer jobs by the end of the fiscal year. It would offset all the benefits which the tax cut could have brought by then. And if that lower level of expenditures were maintained thereafter, it would eventually cause not only a recession but an even greater budgetary loss which comes from a recession. I am not saying—let me make it clear to Mr. Royster and others—that Federal spending for the sake of spending is desirable in itself or that our efforts at economy should cease. On the contrary, the budget I submitted to the Congress already reflected cuts of $20 billion from the amounts first proposed.

Expenditures in this new budget, outside of defense, space, and interest, are actually reduced; Federal employment under this budget will not rise in the same proportion as the number of citizens to be served; and every agency in the Government is going to be required to live within its ceiling. Federal spending is not an end in itself. It must be held to reasonable limits that are consistent with the needs of the economy as well as our country, and the risks of inflation as well as recession.

But I am saying that carefully screened and selected Federal expenditure programs

can play a useful role, both singly and in combination; that to cut $5 billion to $10 billion, unless the private economy is booming, unless there is a good deal more bounce in the economy that we now have, or unless we are able, by other means, to fill the gap, a cut of $5 billion to $10 billion from the proposed budget would harm both the Nation and the typical neighborhood in it; and that the right way to a balanced budget is to seek first a balanced economy. The tax cuts I have proposed, and the level of expenditures I have proposed, have been carefully fitted together with this objective in mind. And we cannot look at the history of the last 5 years without realizing, regardless of our political views, how important it is that the United States avoid periodic recessions.

So to move from a recession in '58 to a recession in '60 brings not only a sharp increase in unemployment, brings not only massive budget deficits, brings not only an increase in the outflow of gold and dollars. The fall of 1960 saw the greatest outflow of dollars and gold in our history, which was tied directly to the coming recession in the fall and winter of 1961.

With all that experience behind us, it seems to me that we should study with the greatest possible care the role of private taxes in our economy, the role of local, State, and national expenditures, in order to make sure that we take no action out of prejudice or out of ancient views which can tip this economy from its present chances of rising into a downturn. There will be debate as to detail. There will be differences of dimensions and degree, but I think we should get on with the main task of strengthening the American Nation, of opening a road on which all of us can travel to serve in the future as we have in the past, not only as an inspiration to the world but also as an example.

Thank you.

[A question and answer period followed.]

[1.] Lee Hills, President, American Society of Newspaper Editors: The largest number of questions today are on the subject of Cuba. There are a dozen or so asking, sir, if you would give us your views or whatever you have to say about Miró Cardona and his charges that you backed down on a promise for a second invasion, and the other things in his statement.

THE PRESIDENT. Why, I think the Department of State has already made a comment which represents the views of the Government. Dr. Cardona lives in Miami, which is the center, of course, of the exiles, the center of their hopes. I think that a good many Cubans feel that the only way that they can return to Cuba is by military action of the United States.

We, conscious of our obligations to our own people, our own security, our alliances, our responsibilities, as I said, as the chief defender of freedom all over the world, we have not determined that it is in our national interest or in the general interest of the hemisphere for us to launch an invasion. Naturally, that disappoints the exiles, but as the State Department statement said, the foreign policy of the United States, when so much depends upon us, must be made by the United States, and however much we may symapthize with their desire to be free, the United States cannot launch itself into a massive invasion of Cuba without considering the worldwide implications to other free countries and also its effect upon our own position.

Now, as to his charges, I don't think it is necessary to go through them. Quite obviously, nobody in the United States Government ever informed anyone in the Government or outside the Government, Dr. Cardona or anyone else, that we were going to launch, committed ourselves to launch, a military invasion with six divisions. We appreciate very much the fact that a good many Cubans have volunteered for the American Armed Forces. I think that they can be very valuable there. No one knows what the future is going to bring.

But I hope that Dr. Cardona and others will realize that this is not a struggle between the United States and the exiles. It is really

a struggle against the Communist infiltration in this hemisphere, and while we may disagree as to what actions we should take to remove it, and while my obligations are somewhat different from Dr. Cardona's, I would hope that it would be possible for us to work together in the general interest. That is the object of this Government. We want to work with Dr. Cardona and all the other Cubans, but we must maintain the control of our policy here in the United States and here in Washington and will continue to do so.

Mr. Hills: I would like to read two others here, also on the question of Cuba.

If Castro remains in power for another 5 years, will the United States continue in its refusal to deal with his government?

The second one is: Two years ago tomorrow, Mr. President, you stood here and told us Fidel Castro's days were numbered. You said, "Our restraint is not inexhaustible." You said we must not let "the inter-American doctrine of noninterference conceal or excuse a policy of nonaction."

Now, sir, Communist domination of Cuba is, if anything, more complete than 2 years ago and is stiffened by Russia. Many Americans believe our policy towards Cuba is indeed one of nonaction. What can you say to persuade them that this is not so? When, if ever, is our restraint going to come to an end?

THE PRESIDENT. Well, I hope our restraint or sense of responsibility will not ever come to an end.

Now, on the general question, since the last 2 years, the United States has taken a good many actions to contain the spread of communism in the hemisphere. A good many nations in the Alliance for Progress, through the Punta del Este Declaration, through the San Jose Declaration, a number of nations have broken off diplomatic relations. Only five continue them with Cuba.

The free world trade has dropped from $800 million to $80 million. The—efforts are being made since the San Jose conference to work with other countries to control the movement of personnel in and out of Cuba.

It is quite obvious now to the hemisphere and, in fact, to the world that Castro is only a Soviet satellite. Every survey, every study, every meeting shows a sharp deterioration in the image that he once had as a great nationalist leader. And now he's generally regarded in the hemisphere as having sold out to the Communist movement and having now become a spearhead for the Soviet advance.

In addition, the United States maintains a constant surveillance. We have indicated that we would not permit any troops from Cuba to move off the island of Cuba in any offensive action against any neighboring country. We have indicated also that we would not accept a Hungary in Cuba, the use of Soviet troops against Cubans if there was any internal reaction against Castro. In many ways we have attempted to isolate Cuba and to indicate our determination to continue that policy until Cuba is free.

Now, after we have done all those steps, there are two additional policies which could be carried out. I think that when those talk about Cuba, we ought to say what we want to do. We shouldn't say, "Well, let's do something," or "How long is our restraint going to last?" I would think the two remaining policies are, one, a blockade which of course brings us once again to a confrontation with the Soviet Union, and the other is invasion of Cuba. In my judgment, it would be a mistake to carry out either one of those policies today.

I don't know what conditions are going to bring in the future. No one predicted with certainty what was going to happen last fall. I don't know what is going to happen anyplace in the world. Therefore, I think that we should maintain our strength and our determination, but I don't think that it would serve the interests of the United States or of our allies to carry out either an invasion or blockade under these present conditions.

The United States is responsible for the independence of dozens of countries stretching from South Korea to Berlin. It is re-

sponsible for the defense, really, of Western Europe. It is responsible for the major struggle against the Communists in our own hemisphere. For 6 percent of the world's population we carry tremendous burdens. I do not think we can indulge ourselves at this point, if that is the proper word, in concentrating all of our material strength in one section of the world, and be indifferent to its consequences elsewhere.

Now I don't know—I don't accept the view that Mr. Castro is going to be in power in 5 years. I can't indicate the roads by which there will be a change, but I've seen enough—as we all have—enough change in the last 15 years to make me feel that time will see Cuba free again. And I think when that happens the record will show that the United States has played a significant role. But for the present, and for a great power which carries worldwide responsibilities, I think our present policy is the right one.

If the American people decide differently, then, of course, they have an obvious remedy. But for now we intend to follow this policy.

[2.] Mr. Hills: Mr. President, we have several questions here on another very sensitive area, maybe one more sensitive than Cuba. This is Laos. I will read just one of these: Does the deteriorating situation in Laos raise the possibility of U.S. intervention? Others touch on possible breach of the Geneva accord. What is the administration's view of this problem?

THE PRESIDENT. I would say the situation in Laos is most serious. Souvanna Phouma who, after all, was the neutralist candidate for Prime Minister, who had the support of the Communist bloc, has now called upon the Pathet Lao to cease their offensive actions in the Plaine des Jarres area and their attack on Kong Le, who is the neutralist commander.

The fact that these attacks continue raises the question of whether the Geneva accords are about to be destroyed, the accords which guaranteed an independent and neutral Laos. We will, I think, have a chance to see in the next few days whether we are going to have a destruction of that accord, whether the Soviet Union and the other signatories to the Geneva accord are going to meet their obligations.

I will say that I think it is a matter of the greatest concern to us now.

[3.] Mr. Hills: The second largest number of questions deal with things on economics, especially on steel, tax cuts, and so on. I would like to read three or four of these. One says: In view of your approval of selected price increases for steel, will you also endorse selected wage increases for the steel workers?

THE PRESIDENT. Well, I said that while I was against an across-the-board increase, that selected price increases up or down seem to me to be responsive to market situations. We have had selected price increases up; now it may be that we will have them down in the not too distant future.

As to the general effect, of course, it represents, really, about a 1 percent price increase for steel products which restores, really, the 1 percent that has been lost since 1959 in the price of steel. It is certainly our hope that this can be absorbed, particularly by the automobile companies, who are making very high profits. The amount in increase in cost to them, we hope, will not be substantial enough to affect their price.

What I am concerned about is not the the actual effect, although that is important, but the psychological effect may cause a more general rise in prices which may, therefore, be reflected in additional wage demands. I believe that price stability, as I said in the statement, is the best thing for the steel industry, and wage stability is the best thing for the unions.

Now, I know that there are important editorial interests in this country who really don't feel that this is the President's business. They have never really defined what his business is, but it is not this. I take a somewhat different view of the business of the President in that if there is a wage de-

mand, it has a number of effects upon the public interest. Quite obviously, if there is a steel strike he will be requested to invoke the Taft-Hartley, so the President of the United States must take that action and therefore the President of the United States is in it just to begin with. Then after there has been a cooling off period in the Taft-Hartley, and if a settlement has not been reached, the Taft-Hartley bill provides that the President shall then make a report to the Congress for future action. If we assume that it has been settled, it has an effect upon our competitive position.

The balance of payments in the world is of tremendous concern to the people of the United States. Our trade has to carry, and it has done this notably in every year except one, has to carry at least $1,700 million or $1,800 million expenditure or dollar loss for defense. This is even with the offsets of the Germans and Italians. It has to carry a $700 million foreign aid loss. It has to carry $1 billion of tourist expenditures. So that if we find our competitive position less satisfactory, if we find that our hopes that Europe's costs are going up faster than ours, which has been true in the last 2 years, and that therefore we would find ourselves in reasonable equilibrium in the not too distant future, then I would think that this would affect the public interest. And this would affect our ability to maintain troops overseas and all the rest.

So it does come down to being the business of the President of the United States.

The other point is that I find that when things go badly, it becomes our business. When the stock market goes down, letters are addressed to the White House. When it goes up, we get comparatively few letters of appreciation. But when you have high unemployment, it is because the President hasn't gotten the country moving again.

Now, we have a program, of the kind I described in my speech today, of a tax cut plus a level of expenditures which we believe can offer this country substantial assurance against a recession, and can meet, to a degree, but not completely, some of our problems of unemployment. We find that program heavily contested. We may not be successful. If we are unsuccessful and unemployment goes up and we have another recession, the President of the United States is to blame. So I think it is our business.

I know the steel industry, it seems to me, has acted with some restraint in this case, which I think is very useful. I am hopeful that other companies, particularly in the auto industry, will act with similar restraint, and that the union itself will guide its conduct in accordance with its long-range interest, which is the national interest.

Mr. Hills: There were several other related questions on this dealing with inflation, but here is one that might be rather interesting: Is what we are experiencing now, in view of these selected price increases, what you would call inflation? If not, what and how would you describe what we are experiencing?

THE PRESIDENT. I think that there has been general price stability since '58–'59. As I said in answer to the previous question, there has been a drop in the price of steel of about 1 percent, so while there is an upward movement in prices, nevertheless, looking at it historically, looking at it really from the point of our competition, it has been relatively mild in the last 5 years. This is not altogether good because a lot of it has come from excess plant capacity and a lot of it has come from the automation, which has helped produce unemployment, but in any case, there has been general price stability over the last 5 years.

We would hope that that would continue, and I think the prospects—as long as we have as high a rate of unemployment, as long as we have as high a rate of unused plant capacity, it is our judgment that there should not be a strong inflationary pressure. But if there was a raised price it would be artificial, and I doubt if it could survive the market competition. So that our feeling has

been that inflation perhaps is not our primary problem; that the primary problem, perhaps, of the West is deflation, and therefore the combination of expenditures and tax cuts are devoted to that situation.

Now if we get again in this country, strong inflationary pressures, there are obvious monetary restraints that can be placed upon the economy as well as fiscal restraints, which in some ways might help our balance of payments and which in any case, I think, would prevent us from going into an abnormal period.

[4.] Mr. Hills: Here is a quick triple-header on tax cut: In view of the marked and welcome improvement in our economy's performance recently, do you still regard a substantial tax reduction in calendar 1963 as essential? Will you accept a modified tax reduction bill with minor tax reforms to take effect January 1964? Will you accept a ceiling on expenditures at the '63–'64 budget level in order to obtain a substantial tax reduction bill?

THE PRESIDENT. Well, in answer to the question, I would think that—I don't see anything in the economy that would make the tax bill unnecessary. We have provided for a gradual tax cut stretching over 3 fiscal years, and 18 months calendar years, and I still think that that is desirable. It really wasn't very long ago when everyone was predicting a recession in the fall of '62 or the winter of '63. Now we have gone a longer period, we had a recession in '58 and '60, and we have been able to move ahead in 1963. Part of that has been due to some of the reasons which I discussed today. Therefore, I think it would be a mistake not to have the tax cut and I think it would be a mistake to the economy to have the kind of wholesale cuts which would affect very vital programs and which would, also, I believe, have a deflationary effect on the economy. So I am strongly for the tax cut. And I think that the condition of the economy, as the tax cut will not be enacted, if we are successful, until late this summer or this fall, I think that we are fortunate not to have had a turndown this winter or spring, which would have meant that the program we recommended was inadequate.

Now we have a chance of having what I think is an adequate and responsible program tied in with an economy which is in reasonably good health at this time. Now, secondly, as to the kind of tax bill I would accept, the Ways and Means Committee is now working on the matter and I think it would be much better to see what they bring forth. The program that we sent up in our judgment was the best one. We have to see what the Ways and Means Committee brings out.

The last question is a ceiling on expenditures at the 1963–64 budget level. That is two budgets. If we are talking about the budget of this year, we have a $4.5 billion increase in the budget of this year over the budget of last year. A good percentage of that is due, as I have said, to two main items. One was an increase in the interest payments because we refinanced some old debt which, during World War II, was at a much lower rate of interest. That provided a $300 million increase. The second item, and the more important one, was the pay increase for the military, which added to about $1,500,000,000. They had not received a pay increase since possibly '58. Federal employees had received two pay increases, and I don't think we can depend upon them as we do—and we are fortunate to have the kind we do have—and not pay them decently.

And the third item is the space program, which is now under some attack. It seems to me that this indicates a certain restlessness. This program passed unanimously last year. Now suddenly we shouldn't carry out the space program, and then maybe 6 months from now, when there is some extraordinary action in space which threatens our position, everybody will say, "Why didn't we do more?" The fact is that I think while I would expect that this budget would be

cut some, I am strongly against the wholesale budget cuts of the kind that have been talked about, $5, $10, and $15 billion. I can think of nothing more ruinous to the security of this country and our economy. And I think that those who advocate it were in many cases the architects of the fiscal and monetary policies which brought us into a recession in '58, a $12.5 billion deficit in '58, the largest outflow in the period of 3 years of gold and dollars amounting to nearly $12 billion, and a recession in 1960. We hope to do better.

[5.] Mr. Hills: Mr. President, will you attempt to cut off Federal aid to the State of Mississippi as proposed by your Civil Rights Commission?

THE PRESIDENT. I don't have the power to cut off the aid in a general way as was proposed by the Civil Rights Commission, and I think it would probably be unwise to give the President of the United States that kind of power because it could start in one State and for one reason or another it might be moved to another State which was not measuring up as the President would like to see it measure up in one way or another. I don't think that we should extend Federal programs in a way which encourages or really permits discrimination. That's very clear. But what was suggested was something else and that was a general wholesale cutoff of Federal expenditures, regardless of the purpose for which they were being spent, as a disciplinary action on the State of Mississippi. I think that that's another question, and I couldn't accept that view.

Now, on the other hand, I think it is important that the people of Mississippi, who are strongly in favor of States' rights, should realize that the Federal Government is putting twice as much money into Mississippi as it is taking out in taxes. Mississippi benefits probably more from the Federal Union, though the people of Mississippi may not agree with this, with the possible exception of New Mexico and Nevada which have large defense expenditures. But Mississippi has, for one reason or another—there is a good deal of money that has been spent there, and there has been a good deal of benefit. I hope that the people of Mississippi would recognize the assets that come with the Union as well as what they may feel would be the disadvantages of living up to the Constitution.

[6.] Mr. Hills: Mr. President, you have been very generous with your time and there will be the final question, although I have only started through the stack: Sometime ago you said you were reading more now but enjoying it less. Do you have any more current observation on American journalism or on your personal reading habits?

THE PRESIDENT. No. I do want to say that I am looking forward to all of you coming to the White House this afternoon between 6 and 7. Mr. Arthur Krock has warned of the temptations there and the seductions which take place in the press in the White House, but I want you to know that we expect that you will all emerge with your journalistic integrity and virtue unmarred!

You will naturally be courteous to the host on all occasions, but it is not necessary that your views be changed. [*Laughter*]

Thank you very much.

NOTE: The President spoke at 1:45 p.m. at the Statler Hilton Hotel in Washington. His opening words "Mr. President" referred to Lee Hills, President of the American Society of Newspaper Editors. He later referred to Vermont C. Royster, Secretary of the Society.

In his response to Mr. Hills' first question the President referred to a statement dated April 15, 1963 (Department of State Bulletin, vol. 48, p. 709).

1986

ADDRESS BY PRESIDENT RONALD REAGAN

Wednesday morning, April 9 — Pre-luncheon general session

Robert P. Clark, Harte-Hanks Newspapers and ASNE president, *presiding:* Mr. President, we are very pleased indeed to have you with us here today. When this organization was new in 1923, another president addressed us. Before he went into politics — everyone has to have some occupation before he goes into politics — this president was a newspaper publisher. His name was Warren G. Harding, and he spoke at the New Willard Hotel, which is right across the street from this one. Harding dwelled on deceit in handling the news, and on the need for a code of ethics. This Society already had a code of ethics, but some members of the Harding administration apparently did not.

Speaking of ethics codes, we editors have always been very critical of ourselves and of our profession. So it did not surprise us very much when Mrs. Reagan, at the Gridiron dinner the other night, found it so difficult to come up with something nice to say about the press. We know that was a staged event — or at least we assume that — and that neither you, Mr. President, nor she really feels that way about the media. We figured that Mrs. Reagan had simply been reading the latest Gallup/Times Mirror poll about credibility. It showed that Dan Rather's believability rating is higher than Ronald Reagan's. I thought that was grossly unfair — after all, Dan Rather gets paid more than the president. And he is not followed by a truth squad giving the other side when he gets on the air.

Presidents have always criticized the press to some degree. Franklin Roosevelt did it; Jack Kennedy did it. Richard Nixon, on the other hand, told this group two years ago that he respected media critics even if they were not his friends. He said, "When they give it to me, I just give it right back in kind." And he also said: "As far as I am concerned now, though, speaking for this audience, I have no enemies in the press whatsoever."

Mr. President, we want you to know that we are really delighted that you have come today. Every modern president has spoken to this group, except, until today, President Reagan. You addressed us in 1980 as a presidential candidate, which may — who knows — may have been the reason you won that election! There are congressional elections this year, so perhaps your appearance will influence the outcome of those elections. We do really appreciate your coming and your willingness not only to address us, but to respond to questions. Many thanks to you, sir. Mr. President.



Robert P. Clark (r.) welcomes President Ronald Reagan: "Every modern president has spoken to this group, except, until today, President Reagan."

Remarks by President Ronald Reagan

Well, thank you very much. I am delighted to have this opportunity to be with all of you today. I know the purpose of this get-together is some back-and-forth between us, so I will try to keep my remarks short. But this is a very influential group, and what politician worth his salt would give up the chance to make a few points to you this morning?

It reminds me of a story that my friend Punch Sulzberger tells about the time he had lunch at the White House. That evening he went home and called his mother, who as you know is the most remarkable woman, and he said to her, "Mother, today I had lunch at the White House with the president of the United States, the vice president of the United States and the secretary of state."

"Yes, dear," his mother said dryly, "and what did they want?"

I did not want this opportunity to go by without pointing to some of the enormous changes that we have seen in American politics during this decade. I do not have to remind those of you who report and edit the news of the scope of this change. But I do think it is a good idea now and then to take a moment and reflect on the meaning of that change and gain some perspective on a decade that is now more than half over.

I am sure you all remember that when we took office in 1981, we faced appalling economic conditions, and that is not to mention the crisis of confi-

dence in America's military strength and her international prestige. Our program for economic recovery was much criticized, and getting it through the Congress was the first of many tough struggles to come. We also faced opposition to our efforts to restore America's military strength and carry out a foreign policy that pursued peace while it also sought to halt Soviet expansionism and expand the borders of freedom.

Much of this opposition was understandable. A number of people in policy- and opinion-making circles had trouble dealing with the new ideas that we brought to Washington. As Bill Buckley once put it, "Though liberals do a great deal of talking about hearing other points of view, it sometimes shocks them to learn that there are other points of view."

But despite the parochialism of some of our critics, our programs, with the support of the American people, gained passage. I think the results achieved thus far with the revitalization of the economy, our military strength and the restoration of our international prestige bear out the merit of our conservative ideas.

A few years back, our simple efforts to get some aid to El Salvador — so a democratic government could be firmly established there — met with fierce opposition. Thanks in no small part to the Salvadoran people, who braved guerrilla threats and gunfire to march to the polls, we prevailed — and so did the dream of democracy.

My favorite story is of an elderly woman, standing in line waiting hours to vote in the hot sunshine in that first El Salvador election. She had been hurt by the guerrillas because of her determination to vote, and they had told her that they would kill her and her friends if she went on and voted. And she said, "You may kill me, you may kill my family, my friends. You cannot kill us all." And so she went in defiance of them and stood and voted.

I cannot help but mention the Grenada operation also in connection with these things. It was hardly under way when some of our critics took to the airwaves to denounce our efforts there as "rampant militarism." But just as the people of El Salvador spoke out in their own way, so, too, our medical students and the people of Grenada provided all of the eloquent rebuttals that were needed.

In a curious way, though, being wrong about the issues — whether it is the economy or Central America — does not seem to discourage our critics. I had hardly gotten through my televised address asking support for the freedom fighters in Nicaragua when some voices were questioning some of the charges I made against the Sandinista regime. For example, that the Sandinistas engaged in vicious acts of anti-Semitism and that they had been deeply involved in the illicit drug trade.

Again, fortunately, some of the doubters were quickly rebutted. The Anti-Defamation League of B'nai B'rith quickly issued a strong statement confirming the truth of what we said about the persecution of Jews in Nicaragua.

And on the illicit drug trafficking charge, I was grateful to a number of publications for editorially outlining the depth and extent of the evidence against the Sandinistas. A massive report by the President's Commission on Organized Crime on the international drug trade, for example, discussed the



President Reagan: "I think the results achieved thus far with the revitalization of the economy, our military strength and the restoration of our international prestige bear out the merit of our conservative ideas."

Sandinistas' participation in the drug trade. Extremely persuasive testimony has also come from Alvaro Baldizan, the former chief investigator of the Special Investigations Commission of the Ministry of Interior in Nicaragua.

And by the way, besides his descriptions of what he learned about the Sandinistas' involvement in the drug trade, Senor Baldizan's testimony, called "Inside the Sandinista Regime: A Special Investigator's Perspective," is a richly detailed, harrowing look at the Sandinista regime. It has been published by the State Department, and I recommend it to you. I think your readers would be intrigued by his revelations, especially his portrait of Sandinista leaders like Interior Minister Tomas Borge and that gentleman's often successful attempts to mislead visiting dignitaries.

I hope you will permit me one other recommendation. Jaime Chamorro, the editor of La Prensa, the heavily censored but last remaining non-government newspaper in Managua, recently wrote an article for the Washington Post. He put it quite plainly. He said the Sandinistas are transforming the Nicaraguan revolution, fought for by all Nicaraguans, into a revolution that serves the purposes of Marxism and Leninism. And he went on to say the Sandinistas want to use his country as, and I am quoting, "a beachhead for Communist expansion." He said they were filling Nicaragua with "internationalists whose aims are the expansion of Communist influence and Soviet domination in the region." And he adds: "When Latin America, or

much of Latin America, is under the influence of the eastern bloc, NATO will no longer be in Europe, it will be in San Antonio, Texas."

You know now, he said that. I am just quoting!

A number of people here in Washington have said that we can win the support for the freedom fighters only on the strength of the national security issue. Well, I agree with Senor Chamorro that the national security issue is very important. But you know, sometimes I think Washington people forget that self-interest does not really count as much with the American people as it does in this town. I think you know that over the long run, the American people are a little more enlightened than that, that they respond readily to what is right and wrong, good and bad, and not just "What is in it for me?" I think that is why support for the freedom fighters is growing in this country.

The American people are just now getting the facts about the Sandinista regime, its atrocities against groups like the Miskito Indians, its persecution of Jews and Christians, the verbal attacks on Cardinal Obando, who we intend to prevent from becoming the Cardinal Mindszenty of this hemisphere. And the list goes on.

The savageness and inhumanity of this regime is a story that is waiting to be told. We know now that the Cubans knew and approved of Sandinista plans for their recent incursion into Honduras, and that each day's delay in assisting the freedom fighters increases the chances of a permanent Soviet beachhead of aggression on the North American mainland. The Sandinistas, the Cubans and the Soviets want a military, not a political, solution to the problem of Central America. And that is why it is imperative for the House of Representatives to approve the legislation recently passed by the Senate — legislation that provides the freedom fighters with our full aid package, especially the defensive weapons they need to protect themselves.

Now that has been enough of a monologue, and I understand that there is a dialogue in the offing, so, Mr. Chairman?

Questions from the floor

Clark: Thank you very much, Mr. President. We will have questions from the floor. Let me remind you that members only will ask questions, and please state clearly your name and your newspaper affiliation so that not only the others in the hall, but the president can understand who you are.

I will recognize the questioners, and I recognize Dick Smyser. Dick?

Richard D. Smyser, Oak Ridge (Tenn.) Oak Ridger: Mr. President, President Marcos said during his interview with Ted Koppel last Thursday night that, in effect, he was double-crossed. He said that all of a sudden the administration would not answer his telephone calls. He said that when he went to Clark Air Force Base, he thought he was going elsewhere in the Philippines and it was only after he was on the plane that he learned that he was going to Guam. Would you comment on his accusations?

President Reagan: I think that my friend Mr. Marcos has been misinformed by some. As a matter of fact, I had a personal representative that was meeting with him and quite consistently.



Clark recognizes questioners from the floor for President Reagan.

Our only practice — or what we did during that entire time — was to try and see that the Philippines, where historically the Filipino people have been our close friends, did not degenerate into civil war. And when he himself publicly announced his refusal to order the army to fight, we were very pleased with that, and I thought it was very worthy of him that he did that. And this was all. We just wanted to see that there would be no civil war, and we respect him for his willingness to leave the island. But as far as we knew, he was aware that his destination when he left the palace was Clark Field.

Smyser: Then you are in effect saying that President Marcos misspoke himself, or stated a falsehood when he said he thought he was going somewhere else in the Philippines?

President Reagan: I think maybe he was misinformed.

Smyser: Thank you.

President Reagan: Happens to every president!

Heath Meriwether, Miami Herald: Mr. President, diplomatically you have said you supported the Contadora peace initiative in Central America. Yet those nations of the Contadora Pact have said that they do not think that aid to the contras will help their efforts. How do you resolve the contradiction between support of the Contadora initiative and your own push for aid to the contras?

President Reagan: Well, we may disagree on whether it is necessary now to give this, and of course we do believe it is necessary. I am wondering if their view would not be the same about help to the contras in view of what just happened at the last meeting. We have subscribed to their goals that they have put down as to what it is they are trying to achieve, and they know that we fully subscribe to them. But in this last meeting, it was Nicaragua once again — the Sandinista government — that refused the proposals of Contadora, and walked out. So maybe now they will join us in believing that there is

going to have to be some pressure put on the Sandinista government to make it return to the goals of the revolution against the Somoza regime. They announced publicly goals, and informed the Organization of American States what their revolutionary goals were. And they were democracy, a pluralistic society, freedom of press and religion, freedom of speech, observance of human rights and the right of the people to choose their own government. And that is what is at issue.

The Sandinistas were only part of that revolution, and they ousted their revolutionary companions, who are mainly now the contras. Once the revolution succeeded, they took over and have established a totalitarian Communist state. And we think they are not going to — when have we ever seen a Communist government that has achieved that totalitarian statehood? When have we ever seen them voluntarily and without some pressure or force give up their power? So we believe that arming the contras is necessary, and I hope maybe now the Contadora will agree with us.

Don James, Witchita Falls (Texas) Times and Record News: Mr. President, the free fall in oil prices is concerning a lot of people, particularly with respect to what it will do for exploration. Do you have any concerns about the long-term effect of a virtual halt in exploration for oil on national security?

President Reagan: Yes, and we hope that this whole thing will stabilize very quickly. We are concerned lest some major producers in other parts of the world might start playing games with this, as if in an effort to eliminate competition. If they have such ideas — and I do not know that they do — but if anyone does and has such an idea, of course, they would be looking forward to a time when they could then skyrocket the prices on a kind of monopoly basis.

But we still believe in the free market. We know that it now is a hardship for the oil-producing regions and industry here in America. At the same time, we cannot deny that it has been a great benefit to the rest of industry in America, to our productivity, because of the importance of energy as a part of production, and of benefit to our citizens with the lower prices. But I hope that the free marketplace can adjust. I am resistant to the idea of government trying to inject itself through regulation and so forth to bring about a change, because that never has worked. I have always stated that the nearest thing to eternal life we will ever see on this earth is a government program!

William B. Ketter, Quincy (Mass.) Patriot Ledger: Mr. President, as you know, the members of ASNE and the press in general were concerned when the press was excluded from the Grenada invasion some time ago. After that, we worked out this situation with the Defense Department when we had these practice pools where reporters would be able to go with the military in these exercises. And recently, in the Libyan encounter in the Gulf of Sidra, there were six journalists that were on the U.S.S. Saratoga as part of a press pool. But when the military encounter began, they were removed from the ship and flown back to Rome and were not even made aware of the fact that there was a military encounter going on in the Gulf of Sidra.

I would like to know if you can give us an explanation as to why the reporters were removed from the ship, and if you could restate your attitude

on reporters covering military encounters involving the United States.

President Reagan: Well, with the Grenada situation, we had found out how leaky Washington is in a number of things. We realized that for the safety of our men, that operation had to be top secret. It came about with a direct request to us from the other Caribbean island nations that they did not have the power, and asked us. As a matter of fact at about three o'clock in the morning it was relayed to me — and if George Shultz ever asks you for a quiet weekend of golf in Augusta, do not take him up on it. That is where I was awakened. And I knew that we had to accede to their request.

We only had 48 hours to put this operation together, and we feared very definitely that any leak would result in higher casualties for our forces. We immediately that we had landed, as you know, then, did provide the transportation and make possible the bringing in of the press.

On this latest one that you are asking about, I was not aware of those six being taken off. It seemed to me that we started, once there were hostilities, trying to round up the press in Italy. In response to the reports that we deliberately went in there as a provocation, that was the seventh such maneuver — war games, you may want to call them — that we have conducted in that same area. And, we knew that we were risking, knowing the nature of Gadhafi, that there might possibly be something.

I have always had one order: Any place we ever sent our personnel, I declared to the Navy that it was my policy that if hostilities were launched against them, we will never send American military personnel without the right to fight back and fire back if they are fired upon. So, that was the only rule that was in there. But we went in on what had been planned for months and months, and there will probably be another such maneuver next year.

And then when the hostilities — when they did launch the attack against us, why, it was my understanding that then — following that — when it did become an operation, that we tried to round up the press and so inform them and make available to them the news.

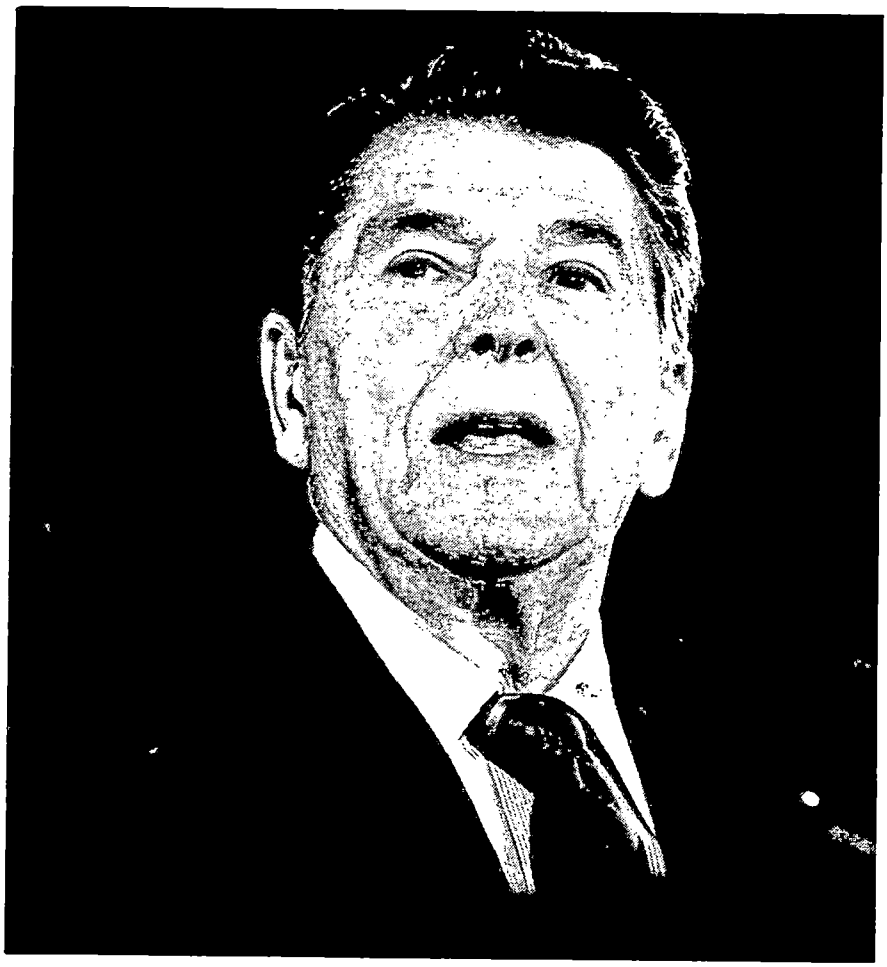
Ketter: Well, it is our information that the six reporters or six journalists were removed from the ship, and were not told about the military encounter that was going to occur once the ship went across the "line of death." But are you saying that you think the press should accompany the military on all of its encounters?

President Reagan: Yes, but I think that — and we have had such a policy — but I think also that you must understand we believe that where there is an operation where secrecy is so all important, that you give us the right to protect ourselves against a leak of information. And that leak does not necessarily come from you. We have found that the White House is the leakiest place I have ever been in. So you would be surprised how few people knew that we were planning that operation. Not even our press secretary knew — not that he is the leaker; we just kept it under wraps.

Ketter: We would like to be there for the leaks.

President Reagan: But I am going to look into what you said about the six.

Randall C. Hatch, Ogden (Utah) Standard-Examiner: After increasing



President Reagan: "I will protect and believe in a free press."

terrorism and incidents of terrorism and reviewing all of the options available, do you have a specific plan of dealing with terrorism in the future now?

President Reagan: Well, we have taken very seriously things — as I have said, we are not going to just sit here and hold still. We are trying to work with our allies, and we have been successful in part with regard to cooperation in intelligence matters. Last year, thanks to that cooperation among our countries, we were able to abort 126 planned terrorist attacks throughout the world. And we are continuing to try and get more support now for action that would be appropriate in view of the greater threats that are being uttered of terrorist activities.

Right now, with the most recent activities, I cannot get specific with you. I can only tell you that we are investigating and trying to gather all the information we can so that we can actually, with solid evidence, point a finger at who is responsible.

Hatch: Can you indicate if it might be Mr. Gadhafi?

President Reagan: Well, let us say he is definitely a suspect.

Hatch: Thank you.

David Corcoran, Hackensack (N.J.) Record: A personal question, if I may. I think Americans overwhelmingly regard you as a nice guy, and yet in your talk today and in talks around the country, you have denounced your critics

and liberals and the previous administration in language that I think is unusually harsh for a president in the sixth year of what is overwhelmingly considered to be a very successful administration. Can you tell us, sir, why at this stage of your presidency you find it necessary to engage in such attacks?

President Reagan: Well, now, my quoting of Bill Buckley and his line — is that what you are referring to as being harsh? I do not often quote him because he uses too big words, but I did not think that was harsh. There is no question but that I am tagged throughout the world as being an archconservative, and I have always thought that I was kind of defending myself when I answered back.

Back in the beginning of our economic program that started this recovery, I was aware that my critics had named the plan "Reaganomics" and I knew that it was a success when they stopped calling it that. Where have I been so — I do not think I have been all that harsh.

Corcoran: Well, sir, would you say then that your remarks about liberals and your critics in the media are just a normal part of the ongoing dialogue and exchange in the marketplace of ideas?

President Reagan: Well, I am sorry you took that to yourself; I was very careful to say "critics" and stop there. There is a good share of the 535 on Capitol Hill, and they are not connected with the press, that are critics. So I was not — in front of this audience, I was not going to actually tag my critics as being with the press.

No. I recognize the right and I go along with Thomas Jefferson. I will protect and believe in a free press. I could say there is a section of the press that takes me on regularly, but it is a controlled press — Pravda and Tass. And I do not defend them at all.

Clark: One more question over here. Mike?

Michael J. Davies, Hartford (Conn.) Courant: It has been said that publicity, in a sense, is the lifeblood of terrorism. Perhaps without so much publicity, terrorist acts might diminish in scope and in number. Would you care to comment, please, on how well or how poorly you think the American media have covered terrorist acts up to this point?

President Reagan: I know there is talk about publicity and so forth, and I know that they strive for it. On the other hand, just trying to pretend that it does not happen, keeping quiet about it, is not going to end it. I think we all — and by all I mean that we in our country plus our friends and allies throughout the free world — have got to set down standards and make it plain that there will be retaliation and that terrorism cannot succeed. And thus, part of our policy is that we will never pay off terrorists because that only encourages more of it.

I think the only time that I ever wondered about the media was in the terrorist kidnapping of a plane in Beirut, when Nabih Berri took away from the original hijackers our people and held them and then started negotiating for their release.

I did wonder why some one of the press that was present, when they could come in and out and go back to their hotels at night and then meet with Nabih Berri the next day, and there he sat, flanked by their fellow Americans who



President Reagan: "There is no question but that I am tagged throughout the world as being an archconservative. . . ."

were prisoners, kidnap victims. Even though Nabih had not been the man who hijacked the plane — he hijacked it from the hijackers — I wondered why someone did not say, "Why, we are Americans, we committed no crime or anything; we are going, when this press conference is over, to be able to walk out of here and to go where we want to go. Why cannot those other Americans who have committed no crime against anyone, why cannot they walk out of here with us?"

And I would like to have seen the look on his face on the TV news program if someone had asked him that question at the time. So if it ever happens again, maybe someone will think of it and ask that question.

Clark: We thank you very much, Mr. President, and we appreciate your being here.

President Reagan: Thank you, and have a good lunch.

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DETROIT FREE PRESS
Treasurer

March 14, 1989

Mr. Tony Benedi
Presidential Scheduling Office
The White House
Washington, DC 20500

Dear Tony:

What a delight to learn that President Bush will address the ASNE convention at lunch on April 12! That will be the first day of the convention proceedings, and he'll be speaking at the prime spot in the program.

As I indicated, we will welcome the President at any time that fits his schedule. Our druthers are that he speak beginning at about 1:20 p.m. The preceding session will conclude at noon, with a half hour allowed for the convention attendees to make their way to the Grand Ballroom for lunch. We expect the food service to get under way at 12:30 p.m. The Marriott can finish service by about 1:15-1:20.

We expect that the luncheon will attract a capacity crowd of about 1100. Primarily, the audience will consist of editors of daily newspapers and their spouses. In addition, we expect full media (electronic and print) coverage of the event. C-Span will cover the speech as well.

Usually, the luncheon speaker makes remarks lasting about 20 minutes, and that is followed by a 20-minute question-and-answer period. ASNE convention rules specify that only members of the Society can ask questions.

In the past, the President has been greeted by the ASNE officers and the convention program chairman in the Marriott's VIP Holding Room. Those present on April 12 (should the President want to follow this tradition) would be John Lawrence Seigenthaler DOB [redacted] Loren Frank Ghiglione DOB [redacted]; Burl Osborne (no middle name) DOB [redacted]; David Lawrence Jr. (no middle name) DOB [redacted]; and James David Squires DOB [redacted], and myself (Lee Houston Stinnett DOB [redacted].

In summary, here is the ideal scenario for April 12:

Noon-12:30 -- Attendees will enter the ballroom through a security check.

12:30 -- Luncheon service begins.

1:15 -- Luncheon service ends.

1:15 -- President Bush arrives in the VIP Holding Room and is greeted by ASNE officers.

THE BOARD OF DIRECTORS CONSISTS OF THE OFFICERS AND THE FOLLOWING

LARRY ALLISON Long Beach Press-Telegram
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1:20 -- President Bush enters the Grand Ballroom and is introduced to approximately 1100 newspaper editors, their spouses and guests.

1:40 -1:50 -- President Bush concludes his remarks.

1:50 - 2:15 -- Questions from ASNE members in the audience.

2:15 -- President Bush departs and luncheon ends.

If the President could arrive earlier, or stay longer, we would, of course, be delighted.

ASNE President John Seigenthaler will preside and introduce the President. The introduction will be very brief and cordial. Mr. Seigenthaler is editor and publisher of the Nashville Tennessean and editorial director of USA Today. Head table dignitaries on April 12 will be the ASNE Board of Directors. I shall be happy to provide a list to you a little later on.

We will cooperate fully, of course, with the Secret Service and do whatever is required. It would be helpful to know as soon as possible what will be required, including whether or not we will need Society Security numbers and dates of birth for the headtable guests.

I thought it might be of interest to you to have the remarks delivered by President Reagan at the 1986 and 1988 conventions, and I enclose copies. (He did not speak in 1987 when the ASNE convention was in San Francisco.) When the full convention schedule is more or less firm, I shall send that along to you also.

President Bush appeared also in 1988 as a candidate and in 1981. I enclose copies of his remarks on those occasions. For your information, every President has addressed the Society since it was founded in 1924. In fact, President Warren Harding, a former newspaper editor, was a member of the Society.

We await further details from you, particularly regarding the President's timetable on April 12. Let me know if you have questions.

With best regards,

Lee Stinnett
Executive Director
Direct Phone: (703) 648-1145

cc: John Seigenthaler, Jim Squires

→ quote Warren G. / H.L. Mencken

1988

LUNCHEON ADDRESS BY PRESIDENT RONALD REAGAN

Wednesday, April 13

Katherine Fanning, editor of the Christian Science Monitor and president of the American Society of Newspaper Editors, *presiding:* Mr. President, it is a great honor to welcome you to the ASNE annual convention during this, your final year in office. It took until 1986 to entice you to speak before our convention as president, and now you have come before us twice in three years. We are grateful.

It is certainly no surprise to you, Mr. President, that gathered in this room are many of your toughest critics. But even your critics would acknowledge that in the past eight years you have demonstrated a special brand of leadership: an uncommon talent for making Americans feel good about themselves, an incredible resilience in the face of adversity, and an unfailing sense of humor and grace, especially the marvelous ability to laugh at yourself. Americans, even editors, admire that kind of man.

Of course, I could mention the down side: budget deficits, Iran-contra, the problems of Ed Meese and Michael Deaver, even Larry Speakes; but I will not.

The fact that your job approval rating in the polls remains so high in spite of those unmentionables bears witness to the affection that Americans have for you. On the domestic front, you have lifted the nation's spirit and helped bring about a change in Americans' thinking about government. Even Democrats today are wary of proposing new federal spending programs to solve our problems.

Abroad you have often demonstrated flexibility and moderation, despite your strong ideological views and the agonized cries of the far right. Soon you will be traveling to Moscow for your fourth summit meeting with Soviet leader Mikhail Gorbachev, an eloquent testimony to your willingness to strive for accommodation with the Soviet Union and reduce the threat of nuclear war. Would you have guessed eight years ago, or even four, that you would have developed such a rapport with the proprietor of the "evil empire?"

So, Mr. President, we welcome you to ASNE. We know how much you love press conferences. We even thought of bringing in a helicopter to provide the proper background. So we are especially pleased that after your opening remarks, you have agreed to take questions.

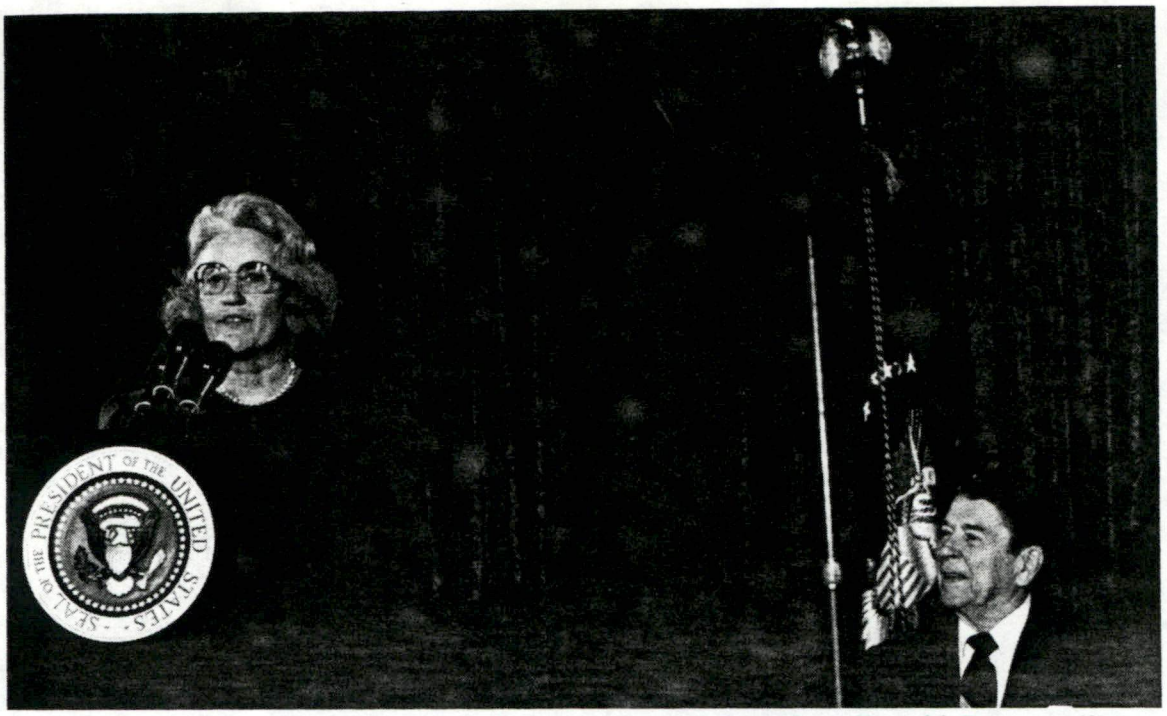
Ladies and gentlemen, the president of the United States.

Remarks by Ronald Reagan

Thank you, all, and let me say a special thank-you to your chairman, David Lawrence, and your president, the distinguished editor of one of America's great newspapers, Katherine Fanning.

For just a minute there I thought I was still at the Gridiron.

When he stood before this group almost 27 years ago, President Kennedy said, "The president of a great democracy such as ours and the editors



ASNE President Katherine Fanning introducing President Ronald Reagan: "We know how much you love press conferences."

of great newspapers such as yours owe a common obligation to the people: to present the facts with candor and in perspective." I certainly agree. Whether one is working in the Oval Office or in the newsrooms of America, whether one is putting together the nation's policies or the next day's edition, the purpose is the same: the continuing purpose of defending America's liberties and passing them on to the next generation.

And truth be told, in the greater scheme of things, you are, though I hesitate to say this, more essential to that common pursuit than I am. That is why freedom of the press is and must always be above politics, something all jurists, legislators and all presidents agree on. As Jefferson said, "When the press is free and every man able to read, all is safe." He was right.

Now, not all presidents have been that generous. I have told this story before, and if you have heard it, I hope you will just bear with me. That is the nice thing about this job, you get to quote yourself shamelessly. And if you do not, Larry Speakes will.

As you may know, historians trace the presidential press conference back to a chief executive who was quite reticent with the press, John Quincy Adams. He did not hold press conferences. But it seems that every morning before dawn, Adams would hike down to the Potomac, strip off his clothes and swim. And one summer day a woman of the press, under orders from her editor, followed him. After he plunged into the water, she popped from the bushes, sat on his clothes, and demanded an interview. And she told him that if he tried to wade ashore, she would scream. So Adams held the first press conference up to his neck in water. I know how he felt.

But I have always believed that the key to good press relations is tact, candor and seeing most things from the point of view of editors and reporters. Sort of like Lyndon Johnson. There is a story about Johnson when he was vice president. He was coming off the Senate floor when he ran into a reporter for the New York Times. Johnson grabbed him and shouted, "You, I have been looking for you." He pulled him into his office and began a long harangue about something or other. About halfway through he

scribbled a note on a scrap of paper, buzzed his secretary, and gave it to her. She was back in a minute with another note. He glanced at it while he talked and then threw it away. Eventually, the reporter got out, but as he left the outer office, he saw the note that Johnson had written lying on the secretary's desk. It said, "Who is this guy I am talking to, anyway?"

I know who you are, and I am not here to harangue. I am going to keep my copy crisp and clean; who, what, where, when, why, and how; with no extra words. And for my lead, here is something that is at the top of the page in any election year, and certainly this one: the economy.

It is time to take a blue pencil to the nonsense that some who are applying for my job are circulating about our economy. We have heard about hundreds of thousands of lost jobs, the decline of the middle class, the deindustrialization of America; this at a time when our nation is in the longest peacetime expansion on record. This expansion is creating hundreds of thousands of jobs each month, has a larger proportion of the work force employed than ever before, has been seeing real personal and family income climb ever since it began, and is exporting more than ever before in our history.

So it is time to cross out the false charges and put in a little perspective. Yes, there is something happening in America's economy. It is new, it is powerful, and, on the whole, it is good, creating more and better jobs for our nation and making us vastly more productive and more competitive around the world. There is no better place to see just what it is than in the newsrooms and pressrooms of your papers.

When I got out of the movie business and first tried for public office, most of the newspapers that covered my race for governor ran on technology just one generation removed from Gutenberg, the technology of the first industrial revolution, linotypes and the rest. Today, less than a quarter century later, you are reporting, editing, and publishing the news about the current presidential campaign with a technology that is light-years removed from anything that preceded it; computer stations to write, light pencils to edit, laptop word processors that let reporters file finished copy in seconds over the phone and satellite hookups to shoot entire issues to remote printing plants.

These incredible transformations have opened vast new horizons to you and your staffs. The result is that in what might be called the manufacturing end of newspapers, for example, printing and running presses, employment is about the same today as in 1960. But in the service end, among reporters and editors, in particular, employment has boomed. Newspapers now have almost half again as many people on the job as 27 years ago; and pay is better. Yes, here is the real story about what is happening to our economy.

Newspapers were the first on the street with the speed-of-light technology of the computer age. What you did in the 1960s and 1970s, the rest of American industry has been doing in the 1970s and 1980s. That does not mean that we are deindustrializing or becoming a hollow service economy, or that our paychecks are shrinking. It means that we are becoming much more productive, and we are spending more time, energy, and manpower on the thought that goes into our products. The story behind the story is, that is just what we must do to grow, prosper and stay the world's leader.

All those fellows who talk about us becoming a nation that flips each other's hamburgers and takes in each other's laundry, owe you, who represent what we are really becoming, a retraction. If the retraction ever comes — and I am not holding my breath — it will rank right up there with what must be history's greatest retraction. I am told it appeared years



President Ronald Reagan: "It is time to take a blue pencil to the nonsense that some who are applying for my job are circulating about our economy."

ago in one of our newspapers. I will not say which one. Talk about getting a story wrong, it read, "Instead of being arrested, as we stated yesterday, for kicking his wife down a flight of stairs and hurling a lighted kerosene lamp after her, the Rev. James P. Wellman died unmarried four years ago."

Now, I have talked a lot about technology in the economy, but there is a greater truth that gives life and strength to technology in your industry and throughout our economy. That is freedom. Here in Washington, about a half mile from the White House, stands a monument to one of the early fathers of modern medical technology, an 18th-century physician. It is a gray stone statue of the man sitting in his chair in a pose of contemplation. Behind his head is a mosaic of brilliant colors, as if these colors depicted the quality of his thought.

Technology, like literature, like journalism, flourishes in our land because we have the freedom to bring the brilliant mosaics in our minds to life. I am talking here about the First Amendment, although technology is not, strictly speaking, a First Amendment issue. But our freedom of expression, of debate, of the unfettered airing of ideas, is the great plain on which our technology or technological harvest grows.

There is a titanic struggle in the world today. I have often characterized it as the struggle between freedom and totalitarianism, but you could as easily call it the struggle between the pen and the sword; between the First Amendment of our Constitution and Article 6 of the Soviet Constitution. That is the one that places the party over the country. More and more, the tide of battle seems clear, at least on one front. As America and the free industrial nations leap ahead through technological time, the Soviet Union and its clients are falling farther and farther behind.

How can a blindfolded society keep its balance on the earth's ever shifting industrial base when the only way is to take the blindfold off and

allow the people to see the world and its kaleidoscopic wonders? Soviet leaders talk about "glasnost." We in the West have taken this to mean a new freedom of expression, a new flow of information and ideas, a response to the pressures of a changing world.

And yet, though some sharp criticism appears in the Soviet press, we know other criticism is stifled. Some publicized prisoners of conscience are released, but others remain in camps and wards. Some people are allowed to demonstrate, but peaceful protest by Jewish women in Moscow and Leningrad, by Latvians in Riga, by Estonians in Tallinn, and by the Armenians are suppressed or forcibly put down. The Ukrainian Catholic Church remains underground. Teaching Hebrew to Jewish children remains a crime. This is why Nathan Sharamsky, among others, warns that, in his words, "Glasnost is not a form of freedom; it is just a new set of instructions on what is and is not permitted."

We do not minimize the importance of what is happening in the USSR, and we hope that the Soviet Union will, indeed, become a freer society. And this is why, as a matter of conscience, we must press the Soviets to do better, and not allow them to beguile themselves, and us, with half measures. And no one is more important in keeping the truth, favorable and unfavorable, before our nation, the world, and the Soviets themselves, than you. Millions in the Soviet bloc look to you to tell their stories. They know that if you do, their lives will become better, for the Soviet leaders have always had an acute ear for Western media. That is true of Mr. Gorbachev as well.

I guess what I am saying is not all that different from what the founding editor of the Chicago Times, Wilbur Story, said more than a century ago, "It is a newspaper's duty to print the news and raise hell." Now, do that half as well with the Soviet leaders as you do with me, and you can make "glasnost" mean something.

Let me suggest some first steps you might join me in encouraging the Soviet leaders to take. Mr. Gorbachev and I addressed each other's people on television. This was helpful. But now we should move even further and see the Soviet Union open more fully to Western media. Western newspapers and journals, for example, should be freely available to Soviet citizens; books, too. And here let me repeat a challenge I made recently: Mr. Gorbachev, open the Soviet Union to the works of a great man and historic author; open the Soviet Union to the works of Solzhenitsyn.

The struggle between the pen and the sword is worldwide, and despite the moral force of freedom and the disadvantages of totalitarianism, the final outcome is by no means certain. Wherever the battle is joined, you, willingly or unwillingly, are in the field. During the period leading up to the ceasefire negotiations in Nicaragua, the Sandinistas acknowledged that they were going forward with internal reforms because they wanted the aid vote in Congress to go their way. They were playing to you in the press, and through you, to the country and Congress.

I do not often quote from Washington Post editorials. I will not say the Post is aggressive, but the first thing I hear each morning is the paper hitting the front door of the White House. Ben Bradlee has it delivered by cruise missile. Yet after the Nicaraguan cease-fire agreement, the Post observed: "The cease-fire accord has the superficial appearance of an agreement between equals, but with the war, the Sandinistas were hurting badly; while with the aid cutoff, the contras were collapsing." And the Post continued: "It has been argued by the anti-contra left that the Sandinistas could not reasonably be expected to democratize while facing a mortal

threat. It follows that being no longer under the gun, they can reasonably be expected to honor their pledges to democratize." And the editors concluded, "Those Americans who have repeatedly urged others to give peace a chance now have an obligation to turn their attention and their passion to ensuring democracy a chance."

Well, the Post is not alone in this view. Costa Rican President Arias has said that there can be no peace without democracy in Central America. Now, the question is, are we taking steps toward democracy in Nicaragua, or are the Sandinistas biding their time waiting for the attention to wander, whereupon they will crush the disarmed opposition? I support democracy in Nicaragua. If the cease-fire brings democracy, I am for it. If it does not, we will ask what will.

To advance democracy has been my policy for seven years. It has not changed. Last week the opposition newspaper, La Prensa, had to stop publishing for several days because it was denied newsprint, in direct violation of the Central American peace agreement. La Prensa is no friend of the Sandinistas. This January, its editor and publisher said that in eight years, "We have gone from Somoza to a dictatorship that is even worse, with a Marxist-Leninist ideology." Perhaps this denial of newsprint was a one-time thing; perhaps it will not happen again. We hope it is not a sign that the Sandinistas are starting, as we warned they might, to revert to oppression now that pressure from the democratic resistance is off.

What a contrast between what is happening in Nicaragua and the course of events in American policy in Afghanistan. The freedom fighters are on the verge of a great victory over tyranny and aggression. The United States will continue, unchanged, its support for the freedom fighters and their fierce struggle for what is rightfully theirs: the right to determine their own country's future. If success comes in Afghanistan — and I am confident it will — it will remind us of an enduring truth: peace and justice in these kinds of conflicts do not come just by wishing for them, but by helping those willing to fight for them. The brave people of Afghanistan will have succeeded because of their own heroism, and also because they had substantial and consistent international support; not the here today, gone tomorrow backing Congress has given the contras.

No one has insisted that we strangle the Afghan freedom fighters in order to give peace a chance. Ask yourself where the negotiations over Afghanistan would be today if we had taken that line. On the contrary, the Senate, in a unanimous vote, urged the opposite: that we maintain our support for the opposition fighters. They were right. The question of democracy in Central America will not die, and will not fade away. We will be judged on how we address it, not merely by voters and readers, but by our grandchildren and great-grandchildren.

Yes, we are engaged in a great struggle to determine if this hemisphere will be free; whether millions will be ruled by the sword or will rule themselves with the pen. And more than in the halls of Congress, more than in the Oval Office, more than in the jungles or at the bargaining tables of Latin America, this struggle will be won or lost in your newsrooms and editorial offices. If you do not forget the cause of democracy, neither will the American people.

So this is my message and appeal to you today. Remember that not only are you the guardians of the American people's right to know, you are, in a larger sense, guardians of the hopes of people all over the world. They look to you to tell their story.



President Reagan: "I support democracy in Nicaragua. If the cease-fire brings it, I am for it. If it does not, we will ask what will."

Before I finish, let me turn to another matter of great concern. In the last few weeks we have seen cover stories, television specials, and front page articles on the war against drugs. One frequent refrain has been, as the New York Times wrote this Sunday, "No administration has assigned or spent more money to stem the flow of drugs into this country, but we are losing ground."

Let me offer a slightly different view: Yes, we have done more than ever before, and right now we are holding our own. We have stopped America's free fall into the drug pit. We are getting our footing to climb out. We are paying now for the indifference of the 1970s. But to take just two of many signs of progress, the number of drug users has leveled off, and may be dropping. And almost all high school seniors now say it is wrong even to try cocaine. These are big changes from just a few years ago.

We have gone after smugglers and dealers as never before. The big international arrests of the last few weeks are just one result of this. We have enlisted the military. Let me say, if you want to see effective leadership, take a look at Vice President Bush's role in this. While others talked about leading the military into the fray against drugs, the vice president has led. The result: Last year, the Navy steamed some 2,600 days, while military planes flew more than 16,000 hours in the fight against illicit drugs. But in the end, this effort will be won not on foreign battlefields but on the home front. When all of us insist that drug abuse is not only not for us, but intolerable in family, friends, neighbors, acquaintances, anywhere by anybody, then we will win. We are not there yet, but we are on our way.

Thank you. God bless you.

Questions from the floor

Fanning: President Reagan has agreed to take questions. I want to remind you that questions should be asked only by ASNE members. Would you please come to a microphone, state your name and the name of your paper, and I will recognize you from here. I think I will take the prerogative of asking the first question, if I may.

Mr. President, you spoke eloquently of the free flow of information. And yet, as you referred just in jest, your former press spokesman, Larry Speakes, has confessed that he manufactured quotes for you. Would you tell us, please, did you approve of that process, and would you continue to allow that to happen in your White House?

Reagan: I was not aware of that, and just learned it recently, as all the rest of you did, in the words in his book. I can tell you right now that I have no affection for these kiss-and-tell books that are being written, and I find it entirely fiction.

James Denley, Birmingham (Ala.) Post Herald: Mr. President, as you near the end of two terms in the White House, what is the one thing you want the public to remember you most for as president? And do you expect to take any specific action in the next few months to enhance that image?

Reagan: Oh, my goodness. I never know how to answer that question because, frankly, I am just going through the day-to-day battle here, and I have not thought about how I am going to be remembered. I will be pleased if they remember me at all. And I am going to continue pushing as hard as I can for some of the things, in these last months, that are part of the economic reform that we brought about, to see if they cannot be planted permanently, and not as something that will just go away when someone else comes in.

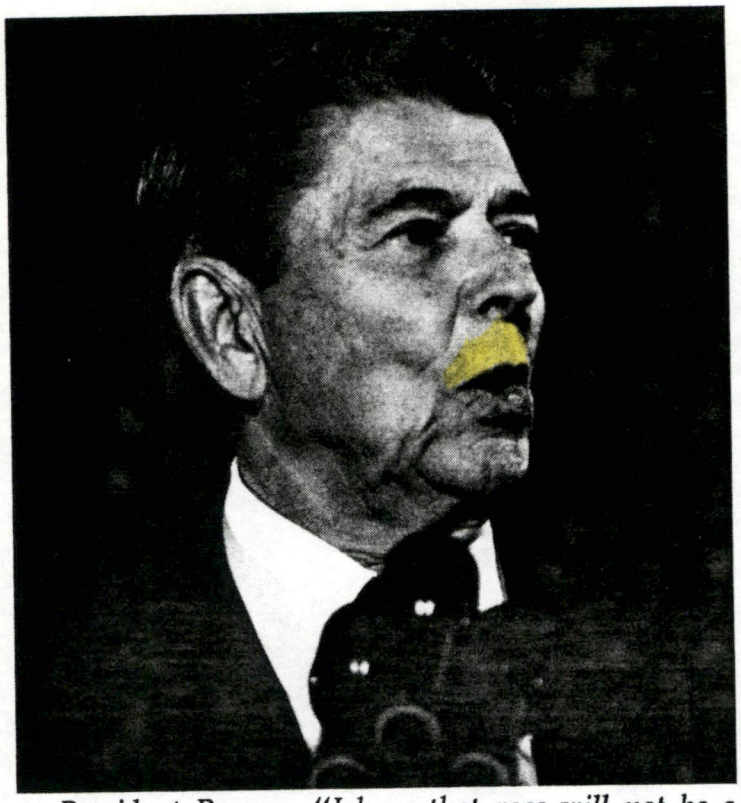
Among those are things such as this, for example. Pretty soon, the Congress is sending me the first budget I have had since I have been here. The law tells me I have to submit a budget, and it has always turned into a continuing resolution. We need a constitutional change. We need an amendment, as Jefferson once asked right after the acceptance of the Constitution, that will ban federal borrowing.

The second thing, to bring about an end to the deficits when I am out of here, is that I am going to campaign as hard as I can while I am here for the line item veto. I used it 943 times as a governor of California with a hostile other party controlling the legislature, and was never once overridden. And in California, two-thirds of the legislature have to vote to pass the budget, and only two-thirds to overturn a veto. The same two-thirds that would vote to send those pork items up buried in the whole budget would not vote to overturn my veto when they had to appear and stand up for them singly, where the people could see them.

So I am just going to continue the battle until the last day, and then head for the ranch.

Robert Morton, New York City Tribune: During the summit, you gave an interview to some columnists in which you said that you no longer believed the Soviet Union was intent upon world domination. If you had heard yourself say that eight years ago, what would you have thought, and what led you to change your mind?

Reagan: I did not exactly say what I have been quoted as saying there. In discussing this new leader — and you know, I was here several years before one of them lived long enough for me to meet with him — I called attention to the fact that maybe there were some differences with some of the things he was proposing, in that he was the first and only Russian



President Reagan: "I hope that race will not be a part of this campaign in any way."

leader, to this day, who had never, in appearing before the Communist Congress, pledged himself to carry on the Marxist idea of a one-world communist state. I just called attention to that. Whether it was an oversight or he did not think it was necessary, I do not know. But I thought it was some-thing that we should keep in the back of our minds when we were negotiating, instead of what we have faced over the years in previous Russian leaders.

But I do not ask America to accept that. As a matter of fact, I only know one little phrase in Russian, and I have used it to where he is sick of it, and I love it. That is, "dovei no provei"; trust, but verify.

Tim Gallagher, Albuquerque (N.M.) Tribune: If I can go back to the kiss-and-tell book by Mr. Speakes for just a moment, he said in that book that you rarely read daily newspapers; that you read news summaries that are prepared for you. I wonder if you can tell this very interested audience how much time you spend reading daily newspapers each day.

Reagan: I begin with the comics; lifetime habit. My next turn is to the editorial pages. I say that in the numbers because more than one paper comes to breakfast with me. I do as much as I can then before I have to run for the office. Then, it is true, I riffle through the clippings they get. They bring those in from papers that I do not get, from out of Washington or beyond the Beltway, papers from across the country. I do look at that. But he is wrong when he implies that I do not read the papers. Yes, I do. So you are not getting away with anything.

Lou Ureneck, Portland (Maine) Press Herald: Mr. President, what is your assessment of the opposition of Afghan rebels to the peace plan that is shaping up in that region? Many of them say they will continue to fight on.

Reagan: We expect them to. I am just sorry about the fact that, evidently, they misunderstand the situation, as many other people, and our own citizens, have misunderstood it. We have been negotiating over the Geneva accords and picking back and forth at each other for a long time. We have



ASNE President Fanning to President Reagan: "We really appreciate your coming and spending time with us today."

to cry uncle instead?

Reagan: No, and if I find that unnamed official, he may not be official any longer. No, I do not believe it is over. I believe, with all my heart and soul, that the pressure is being imposed by Nicaraguan citizens called contras, who have taken up arms to try to bring about the continuation of the revolution that had them in conflict with Somoza, a dictator who was denying democratic rights. They were succeeded by the Sandinistas, who not only seized the government and took it over for themselves after the armed revolution, but violated the agreement between the revolutionaries and the Organization of American States that they would install democracy as we know it; a pluralistic democracy.

We forget there were other revolutionaries who fought beside the Sandinistas, but who were not part of a longtime organization. They were ousted, some exiled and some imprisoned. Many of them are now in what we call the contras. We have an obligation to support those people. By saying until they cry uncle, I meant until the Sandinistas would permit the people of Nicaragua to make their decision on the kind of government they want.

Shiner: What action are you willing to take if they do not follow through with democratic reforms?

Reagan: It would be unwise of me to talk about any further things that we might do. Let them go to sleep every night wondering.

Tom Vail, Cleveland Plain Dealer: Sir, do you feel that the banking system of the United States is in trouble?

Reagan: It has some troubles, yes. They have grown out of the problems that were left with us by double-digit inflation, concerning loans, and so forth. We know that. Through the government and the institutions that we have in government to help, we are giving as much help as we can there. It is not a problem that could suddenly bring disaster down upon us and end this expansion and this economic growth that we are having. But we are going to continue to try to help.

When you think back to the almost sudden change from inflation to what we have now, that meant that there were a lot of loans that were based on collateral that no longer has the value that it did back in the inflationary era. Problems of that kind are bothering us.

Fanning: Thank you, Mr. President. We really appreciate your coming and spending time with us today.

137 Memorandum on Racial or Other Discrimination in Federal Employee Recreational Associations. *April* 20, 1961

[Released April 20, 1961. Dated April 18, 1961]

Memorandum for the Heads of all Executive Departments and Agencies:

Executive Order Number 10925, promulgated March 6, 1961, reaffirms that "discrimination because of race, creed, color or national origin is contrary to the Constitutional principles and policies of the United States" and that "it is the policy of the Executive Branch of the Government to encourage by positive measures equal opportunity for all qualified persons within the Government."

I want immediate and specific action taken to assure that no use is made of the name, sponsorship, facilities, or activity of any Executive Department or Agency by or for any employee recreational organization practicing discrimination based on race, creed, color, or national origin. Current practices in each Department are to be brought into immediate compliance with this policy, and a report by the head of each Executive Agency filed to that effect before May 1, 1961.

JOHN F. KENNEDY

138 Address Before the American Society of Newspaper Editors. *April* 20, 1961

Mr. Catledge, members of the American Society of Newspaper Editors, ladies and gentlemen:

The President of a great democracy such as ours, and the editors of great newspapers such as yours, owe a common obligation to the people: an obligation to present the facts, to present them with candor, and to present them in perspective. It is with that obligation in mind that I have decided in the last 24 hours to discuss briefly at this time the recent events in Cuba.

On that unhappy island, as in so many other arenas of the contest for freedom, the news has grown worse instead of better. I have emphasized before that this was a struggle of Cuban patriots against a Cuban dictator. While we could not be expected to hide our sympathies, we made it repeatedly clear that the armed forces of this country would not intervene in any way.

Any unilateral American intervention, in the absence of an external attack upon ourselves or an ally, would have been contrary to our traditions and to our international obligations. But let the record show that our restraint is not inexhaustible. Should it ever appear that the inter-American doctrine of non-interference merely conceals or excuses a policy of nonaction—if the nations of this Hemisphere should fail to meet their commitments against outside Communist penetration—then I want it clearly understood that this Government will not hesitate in meeting its primary obligations which are to the security of our Nation!

Should that time ever come, we do not intend to be lectured on "intervention" by those whose character was stamped for all time on the bloody streets of Budapest! Nor would we expect or accept the same outcome which this small band of gallant Cuban refugees must have known that they were chancing, determined as they were

against heavy odds to pursue their courageous attempts to regain their Island's freedom.

But Cuba is not an island unto itself; and our concern is not ended by mere expressions of nonintervention or regret. This is not the first time in either ancient or recent history that a small band of freedom fighters has engaged the armor of totalitarianism.

It is not the first time that Communist tanks have rolled over gallant men and women fighting to redeem the independence of their homeland. Nor is it by any means the final episode in the eternal struggle of liberty against tyranny, anywhere on the face of the globe, including Cuba itself.

Mr. Castro has said that these were mercenaries. According to press reports, the final message to be relayed from the refugee forces on the beach came from the rebel commander when asked if he wished to be evacuated. His answer was: "I will never leave this country." That is not the reply of a mercenary. He has gone now to join in the mountains countless other guerrilla fighters, who are equally determined that the dedication of those who gave their lives shall not be forgotten, and that Cuba must not be abandoned to the Communists. And we do not intend to abandon it either!

The Cuban people have not yet spoken their final piece. And I have no doubt that they and their Revolutionary Council, led by Dr. Cardona—and members of the families of the Revolutionary Council, I am informed by the Doctor yesterday, are involved themselves in the Islands—will continue to speak up for a free and independent Cuba.

Meanwhile we will not accept Mr. Castro's attempts to blame this nation for the hatred which his onetime supporters now regard his repression. But there are from this sobering episode useful lessons for us all to learn. Some may be still obscure, and await further information. Some are clear today.

First, it is clear that the forces of communism are not to be underestimated, in Cuba or anywhere else in the world. The advantages of a police state—its use of mass terror and arrests to prevent the spread of free dissent—cannot be overlooked by those who expect the fall of every fanatic tyrant. If the self-discipline of the free cannot match the iron discipline of the mailed fist—in economic, political, scientific and all the other kinds of struggles as well as the military—then the peril to freedom will continue to rise.

Secondly, it is clear that this Nation, in concert with all the free nations of this hemisphere, must take an ever closer and more realistic look at the menace of external Communist intervention and domination in Cuba. The American people are not complacent about Iron Curtain tanks and planes less than 90 miles from their shore. But a nation of Cuba's size is less a threat to our survival than it is a base for subverting the survival of other free nations throughout the hemisphere. It is not primarily our interest or our security but theirs which is now, today, in the greater peril. It is for their sake as well as our own that we must show our will.

The evidence is clear—and the hour is late. We and our Latin friends will have to face the fact that we cannot postpone any longer the real issue of survival of freedom in this hemisphere itself. On that issue, unlike perhaps some others, there can be no middle ground. Together we must build a hemisphere where freedom can flourish; and where any free nation under outside attack of any kind can be assured that all of our resources stand ready to respond to any request for assistance.

Third, and finally, it is clearer than ever

that we face a relentless struggle in every corner of the globe that goes far beyond the clash of armies or even nuclear armaments. The armies are there, and in large number. The nuclear armaments are there. But they serve primarily as the shield behind which subversion, infiltration, and a host of other tactics steadily advance, picking off vulnerable areas one by one in situations which do not permit our own armed intervention.

Power is the hallmark of this offensive—power and discipline and deceit. The legitimate discontent of yearning people is exploited. The legitimate trappings of self-determination are employed. But once in power, all talk of discontent is repressed, all self-determination disappears, and the promise of a revolution of hope is betrayed, as in Cuba, into a reign of terror. Those who on instruction staged automatic "riots" in the streets of free nations over the efforts of a small group of young Cubans to regain their freedom should recall the long roll call of refugees who cannot now go back—to Hungary, to North Korea, to North Viet-Nam, to East Germany, or to Poland, or to any of the other lands from which a steady stream of refugees pours forth, in eloquent testimony to the cruel oppression now holding sway in their homeland.

We dare not fail to see the insidious nature of this new and deeper struggle. We dare not fail to grasp the new concepts, the new tools, the new sense of urgency we will need to combat it—whether in Cuba or South Viet-Nam. And we dare not fail to realize that this struggle is taking place every day, without fanfare, in thousands of villages and markets—day and night—and in classrooms all over the globe.

The message of Cuba, of Laos, of the rising din of Communist voices in Asia and Latin America—these messages are all the same. The complacent, the self-indulgent, the soft societies are about to be swept away with the debris of history. Only the strong, only the industrious, only the determined, only the courageous, only the visionary who determine the real nature of our struggle can possibly survive.

No greater task faces this country or this administration. No other challenge is more deserving of our every effort and energy. Too long we have fixed our eyes on traditional military needs, on armies prepared to cross borders, on missiles poised for flight. Now it should be clear that this is no longer enough—that our security may be lost piece by piece, country by country, without the firing of a single missile or the crossing of a single border.

We intend to profit from this lesson. We intend to reexamine and reorient our forces of all kinds—our tactics and our institutions here in this community. We intend to intensify our efforts for a struggle in many ways more difficult than war, where disappointment will often accompany us.

For I am convinced that we in this country and in the free world possess the necessary resource, and the skill, and the added strength that comes from a belief in the freedom of man. And I am equally convinced that history will record the fact that this bitter struggle reached its climax in the late 1950's and the early 1960's. Let me then make clear as the President of the United States that I am determined upon our system's survival and success, regardless of the cost and regardless of the peril!

NOTE: The President spoke at the Statler Hilton Hotel in Washington. His opening words "Mr. Catledge" referred to Turner Catledge, President of the American Society of Newspaper Editors, and Managing Editor of the New York Times. Later in his remarks the President referred to Dr. José Miró Cardona, President of the Cuban Revolutionary Council.