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Defense

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

March 10, 1989

PRESS CONFERENCE BY THE PRESIDENT

The Briefing Room

4:06 P.M. EST

THE PRESIDENT: Well, good afternoon. I am happy to be here this afternoon to present my nominee to be Secretary of Defense, Congressman Dick Cheney of Wyoming.

Dick is a widely-respected man of principle; served his country with distinction for many years. I've known him as a Chief of Staff, government manager -- all under President Ford, '75 and '76. I worked with him closely since he's been a part of the Republican leadership. In both the Executive Branch and in Congress, he's dealt with the problems of national defense, he struggled with the budget -- some things every president has to do -- and he's weighed the difficult national defense priorities that have come before the Congress. He's been a member of the Intelligence Committee for I think five years, and a leader in that area. I've heard his thinking on arms control, Central American policy, strategic defense posture, and on the difficult challenges that he knows he faces of reforming procurement process in the Pentagon. He's a thoughtful man, a quiet man, a strong man; approaches public policy with vigor, determination, and diligence.

And this afternoon, we discussed the defense needs of this nation and the heavy responsibilities that go with being Secretary of Defense. And Dick Cheney is a trusted friend and advisor, and I'm convinced that he's going to be a great leader of our nation's military forces.

And now I'd like to ask him to say a few words, and then he and I will be around to respond to a few questions.

So, Dick, welcome aboard and thank you for undertaking this very complicated and difficult assignment. You'll do great.

CONGRESSMAN CHENEY: Well, thank you very much, Mr. President. Obviously, things have moved rather rapidly in the last 24 hours. I'm honored to be asked by the President to join his administration. I look forward very much to working with him and especially also with Brent Scowcroft, who's an old friend of many years' standing, and Jim Baker, who's an old friend of many years' standing, in the difficult assignment ahead.

And I think the next four years hold significant challenge in terms of U.S. defense policy and foreign policy, and I am glad to be a part of the team and eager to get to work in terms of helping the President address some of those very important issues.

Q Congressman, two questions. First, could you give us an update on your health, and also, what can you tell us about the depth of the expertise you feel you have on defense?

CONGRESSMAN CHENEY: Well, first of all, with respect to my health, I have, in the past, been a heart patient. Many of you know I underwent bypass surgery in August of last year. I was, after that surgery, back at work in about three weeks. I skied at Christmastime at Vail, if anybody's curious. Skiing was very good at Vail at Christmastime. And I talked just this afternoon with my

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cardiologist who has followed my case for several years and -- to make certain he was aware of this, and so that he would be in a position to say, as he has, as he did tell me just today, that there's absolutely no medical reason why I cannot undertake this assignment. I have no restrictions at this point in terms of my own activities.

With respect to my background in the defense area, it's a set of issues that I've been interested in for a long time -- obviously had some exposure to them during the Ford years when I served as White House Chief of Staff and sat in on all the National Security Council meetings.

I've had an active interest in it in the Congress, and currently serve as the Senior Republican on the Budget Subcommittee of the Intelligence Committee, which authorizes all of our intelligence programs and the activities of many defense agencies, such as the National Security Agency, Defense Intelligence Agency, all of the tactical intelligence programs across all the services in the Pentagon. So obviously, there are areas that I need to know and I'll have to work hard on to master, but I feel that I do have a depth of understanding now in very specific areas that come within the general jurisdiction of the Defense Department and the national security in general.

Q You said that Senator Tower was the best qualified for this job. Where does Congressman Cheney stand in this priority --

THE PRESIDENT: I said that on December whatever it was, and now we're in March whatever it is, and as of today, Dick Cheney is the best and the proper choice.

Q Now, do you agree with the Vice President in his harsh indictment of the vote on Tower?

THE PRESIDENT: I haven't read the harsh indictment. I expect he felt as strongly as many of the senators, having served in the Senate. But look, that's history. We're moving forward with a new nominee. I told the Senators yesterday when they called -- both Senator Mitchell and Senator Nunn -- I think Marlin had the release on that -- that I was going to work with the Congress. Dick Cheney and I have discussed that. He's confident he can work with the Congress -- both Senate and House. And so there's no point in my dwelling on what happened yesterday; I've got my own views about it. But we've got a big problem out here, and we need to work cooperatively in defense with the Senate and with the House. And we're going to do just that, as Dick Cheney has confirmed.

Q Mr. President, you said when you originally picked your Cabinet that you didn't want to pick anybody from the House or Senate because you didn't want to deplete the ranks of Republicans in Congress. Now you've picked Mr. Cheney. What happened to that rule?

THE PRESIDENT: This is the exception that proves that rule. (Laughter.)

Q For Mr. Cheney. You've said many times that you've enjoyed your work in Congress. Why would you give up a post on the leadership ladder in the House? Are you frustrated because you think that the Republicans are going to be in a minority position ad infinitum, or why have you suddenly decided now to go into the Executive Branch?

CONGRESSMAN CHENEY: Well, first of all, John, I'm optimistic about the future of the Republican Party in Congress. I think we will become a majority within the next few years. Obviously, I've loved the House of Representatives. I've enjoyed it immensely. I thought that that's where I would spend the bulk of my political career. But when the President asks you to consider a proposition such as this one, you have to take it seriously. And when you look at the challenge that's involved, the importance that

he assigns to the problems that have to be addressed in this area, and the basic attraction of taking on a difficult task after I agonized over it -- and I did agonize; it was not an easy decision -- I decided that I would, in fact, accept the post as Secretary of Defense.

Q Mr. President, can you give us the timetable of how you reached the decision? When did you first start assembling a short list? How long was the short list? And you've taken so many people from the Ford administration, do you have any role for former President Ford? (Laughter.)

THE PRESIDENT: In inverse order, no. I talk to President Ford, get good advice from him. In terms of how long, I moved fast on this one. I was telling you the truth when I said I have not considered anybody else during the last days of the Senate debate. I wasn't about to shift gears or send a signal that wasn't true, that I was interested in anything other than the confirmation of John Tower. That's history; that's done. So when it became clear yesterday that the votes weren't there yesterday, I began to think and talk to my top advisors here, get opinions from them -- they reached out a little bit, and then I called Dick today and he came over and visited with me about 1:00 p.m., I think it was. And I said I want to make a decision fast on this, because I know him well and have known him over the years well. And so it -- that's about the way it evolved.

He wants a follow-up. (Laughter.)

CONGRESSMAN CHENEY: If I may, John, I was first contacted late yesterday afternoon by General Scowcroft and Governor Sununu. We had a discussion at that point that initiated my consideration of it, and I just discussed it with the President today.

Q Mr. President, have you talked about this selection yet with Senator Nunn and Senator Mitchell? If so, can you describe their reaction a little bit? Did you get into kind of a commitment about the timing of confirmation hearings?

THE PRESIDENT: Jerry, what we did on that was divide up here just recently the names to talk to, and I believe General Scowcroft talked to Senator Mitchell and to Senator Nunn, and I would let them characterize their reaction to it. But -- and I've talked to the Speaker. The only one of the kind of hierarchy that we haven't reached is Bob Michel. And it's very important that he be notified, but I expect he will be by all of this. (Laughter.) But nevertheless, we divided it up, and the reaction from the people that we've contacted -- the understandable ones -- has been very, very positive.

Q Mr. President, about the hearing schedule --

THE PRESIDENT: Oh. I don't know. John, did you talk about timing?

GOVERNOR SUNUNU: I asked Senator Mitchell to evaluate how quickly it could be done, and we will talk again in the next day or two about what kind of schedule they can produce.

THE PRESIDENT: Yes, and we've started the clearances. The name check has been completed -- rapid-fire time -- and Dick has undergone two thorough, full field checks, and he's had -- has there been another one since those?

CONGRESSMAN CHENEY: In '69 and '74.

GOVERNOR SUNUNU: Preliminary check today.

THE PRESIDENT: Yes, and the preliminary check today. So I think that will go very well.

Q Mr. President, can I ask more about the Quayle speech? He is out in Indianapolis this afternoon accusing Senate Democrats of using McCarthy-like tactics in the defeat of John Tower. With respect to your comments about putting the Tower nomination behind you, would you tell us if Mr. Quayle speaks for you?

THE PRESIDENT: I haven't seen what he said, so I can't tell you whether he speaks for me. I speak for myself; he speaks for himself. But I explained why -- that he feels strongly about it. I feel strongly about it and I'm determined to move forward. And I think that this nomination will set that tone, and we'll see how we go from here.

Q Mr. President, one of the things that Senator Tower did in this period was work up a strategy which, apparently, you approved of, which was you would squeeze the defense budget down into the limits set by the Congress if the Congress would let you make some of the -- or all of the choices. Is this strategy going to be passed along to Dick Cheney, and do you plan to pursue a similar strategy?

THE PRESIDENT: I'm going to have to defer answering that because, though we talked about budget generally and making tough choices generally, we didn't go into that much detail yet. And I think he's entitled to giving me his views on it before we do.

Q Mr. President, have you asked the Congressman the obvious questions -- is there anything in his background that would be prohibitive or embarrassing or anything like that? How much detail have you gone into?

THE PRESIDENT: Yes, and I'm satisfied on that.

Q Mr. President --

Q Mr. President, can you --

THE PRESIDENT: Can't hear you, Sarah. Go ahead, please.

Q Sorry. You've got me so flustered I forgot my question. (Laughter.)

THE PRESIDENT: I'll come back. That's not fair.

Q Mr. President, if we could go back to Mr. Quayle just for a second, I'm not sure that the American public really understands the difference between speaking for himself and speaking for you, since he is your Vice President. And he is out in Indianapolis, has used the words, "McCarthy-type tactics," and yet you're here wanting to have things go smoothly for the Congressman. I'm just wondering how you can square your desire to have peace with Congress and what your Vice President is saying in Indianapolis.

THE PRESIDENT: Please don't ask me to comment on something I haven't read -- that's what I'd say to that one.

Q A question for Congressman Cheney about defense policy. Does he have a view on the Strategic Defense Initiative? Does he believe it's a -- America can erect a perfect defense or something more modest?

CONGRESSMAN CHENEY: I have extensive views on defense policy, but I don't believe I'll share those today. It seems to me it's appropriate for me to discuss those matters before the Senate Committee during the confirmation process and not in this forum.

Q Star Wars? You support Star Wars? You always have, haven't you?

Q Sir, there's been an incredible amount of analysis about what happened in the Tower nomination, as you're aware, and I think we've all heard your views about the Senate. But what I'm

particularly interested in is whether you feel that your administration bears any responsibility whatsoever in the fact that Tower did not get confirmed?

THE PRESIDENT: I have read that we made mistakes. I don't -- I think -- and if so, I would be glad to say so, but I don't know exactly -- I can't think of a specific that we might have done differently in this circumstance. You have to remember -- one of the allegations was I took too long to send it up. But what we were trying to do was the same thing that overtook events once it got to the Hill -- gunning down groundless rumors. So I -- you know, that's what took the time to begin with. Every time we'd get ready to go up with a nomination, which I felt was a good one, there'd be some other allegation printed out there -- not by the Senate, but just floating out there. And we'd have to say what is this -- please send the investigators to Geneva to see if, indeed, the East Texas -- not East Texas -- (laughter) -- the East German spy was true, you know, and then we'd find it wasn't true. And we'd be ready and there'd be some other allegation.

And that's the way -- so maybe I made a mistake in not just going ahead. But what I wanted to do, and told our general counsel is, look, I think we have an obligation to have the FBI look at these.

I think that may -- and I would have to bear full responsibility for that -- maybe set a tone up there that then encouraged leaks, counterleaks, and investigation of rumor and innuendo. So I'd have to accept some responsibility for that, I think. And there may have been some other tactical things that went wrong. But please remember that when that nomination went up there, it was very well received generally and, indeed, Senator Nunn, I think, said on the floor that he was -- you know, had been fully prepared to vote for it.

So I don't know. But that -- in that area I think there might -- I may have made a mistake.

Q Mr. President --

THE PRESIDENT: She has a follow-up.

Q Some of the things that have been analyzed have centered on the fact that it takes any new White House staff some time to get his act together and that this crisis came at one of the worst times it could have come for you in terms of having the same kind of weak and inexperienced staff that any president would have at this stage of the game. And we've all read things about some of the senators weren't contacted and that you did not really go all out in terms of twisting arms and sort of appealed to fairness. Is there anything along this line that you think might have worked differently?

THE PRESIDENT: I don't think I would do it differently to do over again and I don't -- I certainly am not going to fault my staff. I think this was historic in the -- and I'm not -- I don't think the time is appropriate to start trying to assess blame. I mean, I think there will be a lot of aftermaths in what happened.

But we're going to go forward, and I, frankly, feel that I've given you a long list of things that make me feel the administration is moving forward appropriately. We're moving swiftly on this nomination, and I'm one who has a rather broad perspective of how things are in Washington and tomorrow it'll be some other problem, and we will -- I will work with the Congress. And I think I will continue to keep this feeling that I can work with the Congress. And I'll keep fighting. And if we lose one, we'll be back and fight again. And I fought hard for John Tower because I believed in him. And I told you I didn't think a lot of it was fair, but that's over, that's history. And now we are going to go forward. And I take Senator Mitchell and Senator Nunn at their word. They have given me their word and that means a lot with me, and they want to move

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forward together, too.

We've got time for just a couple of more and then I've got to go.

Q Mr. President, please back here.

Q Mr. President, to follow up on the strategic defense question, are you and Congressman Cheney of one mind on the matter of strategic defense, particularly deployment, or is there some distance between the two of you?

THE PRESIDENT: Well, we're in general agreement. And I think as Dick gets over there and gets into the details, he's going to have to make up his -- after he's confirmed -- make up his mind on the -- after the budget review is complete -- as to exactly what can be done and how fast it can be done. There's no question of his support for SDI, nor mine. But in -- we aren't there yet, Tom, because we have to wait until the reviews that we talked about are finished before we, either of us, can definitively address levels of funding or where we might go on those things.

Q Mr. President, do you assume that this nomination will receive clear sailing in the Senate?

THE PRESIDENT: Yes, I do.

Q Mr. President --

THE PRESIDENT: I believe it will go very fast and I believe that it will have smooth sailing. Why? Because of Dick Cheney. Because of the merits. Not because of anything that happened in the past -- the merits. And we are going to try, incidentally -- getting back to Mr. Duffy's question -- I think it was or Jerry's -- to accelerate the clearance process and get that moving. We've got to do that. It is very important. Too much time has been wasted here. And I believe we can do it. We may have to take FBI resources off of a series of other investigations for other appointments, but it's this important to the country, and so we'll move very, very fast.

Q Mr. President --

Now, Marlin tells me that that was the last question, but out of respect for Sarah McClendon, who is persistent, but who -- I will make a new announcement of press policy, Sarah. The squeaking wheel will not always get the grease in life, and the loudest voice won't always get recognized, because it isn't fair to the others. And you all have been very cooperative with me on the policy on shouting over helicopter blades and I hope it's been good for you. And I will continue to try. But I cannot identify people -- I don't think it's fair to the others -- who stand up and yell while others sit and raise their hands. But I don't mean to be pedantic about this, or in some lecturing mode, but you and I have known each other a long time and so this is the last time that I can succumb to the tendency to go to the loudest or most frantic wave. I can't do it and it's not fair to calmer souls. But, Sarah, have you got a question. (Laughter.)

Q I want to know if --

THE PRESIDENT: We've known each other so long I can address her in this forthright manner. Yes?

Q And thank you very much. And I wanted to ask your new man what he feels --

THE PRESIDENT: Go ahead. (Laughter.)

CONGRESSMAN CHENEY: Never have I seen the press so well behaved as they are now. The President's got them --

Q Give us some of your thinking about the troops out there that you'll have to command now. Do you think you're going to have a problem with recruiting and pay and benefits to keep these people going, or do you think that you'll have to cut back on the forces?

CONGRESSMAN CHENEY: Sarah, those are very important questions, but they really are the kinds of things that I should not discuss until I have the opportunity to appear before the Committee and until I have the opportunity in many cases to discuss them at length with the President.

Thank you all very much.

END

4:28 P.M. EST

VETS

Office of the Press Secretary

For Immediate Release

March 15, 1989

REMARKS BY THE PRESIDENT
AT SWEARING-IN CEREMONY OF
SECRETARY OF VETERAN AFFAIRS EDWARD DERWINSKI

The South Lawn

1:00 P.M. EST

THE PRESIDENT: Thank you all. Mr. Vice President and members of the President's Cabinet that are here, distinguished members of the Senate and the House, and service secretaries and I see at least one member of the Joint Chiefs, General Vuono there, and distinguished guests over here, including Bill Mauldin. I'm just delighted to be here to salute Ed Derwinski, be with his family, Bonnie, Maureen, and Michael. I heard Maureen and Michael -- I thought maybe President Reagan was back. (Laughter.) But, no, this is the Derwinski clan.

And, Ed, I want to thank you for not wearing that gold and black-checked jacket with that tomato-red beret. (Laughter.) I'm reliably informed that the White House camera crew would have gone on instant strike. We don't need another strike. (Laughter.)

From where we're standing, most of the landmarks of this town are almost a stone's throw away. That's one of the beautiful things that Barbara and I have rediscovered, but discovered principally from living in the quarters above here. Just to the west of us, Abraham Lincoln reposes majestically in his chair of stone. Straight ahead, Thomas Jefferson commands our respect -- a bronze giant underneath a dome of marble. And the Washington Monument rises above the level of the surface of the Mall, much as our first President dominated his time.

We glorify our greatest leaders. But we do not build these ivory temples to honor them alone. We honor the enduring principles for which they stood. And we honor the millions of men and women who have been ready throughout the history of our nation to defend those principles.

There have been four calls to arms in the living memory of most Americans or their parents. From the South Lawn of the White House, one can see a flaming sword, a tribute to the courage of the soldiers of the Army's 2nd Division who fought so bravely in World War I. At the Iwo Jima Memorial just across the river, a fleeting moment of victory, first captured in an Associated Press photograph, is now cast for the ages in bronze. No one who lived through that war will ever forget that picture or what it meant to us.

And we have yet to honor the veterans of the Korean War in such a way, although I'm glad to see that planning for a memorial is moving forward. But three weeks ago I saw a living monument to these brave Americans -- the Republic of Korea itself, a newborn democracy aided by American sacrifice, protected by American strength. Just below the horizon, to our right, are the simple lines and chiseled names of the Vietnam Veterans Memorial; a somber salute to those who fell and to all who answered the call to duty. May we never cease to honor them, in name and deed.

And let us never forget those men and women in the Armed Forces who, even in peacetime, risk their lives in a hardship post or a dangerous assignment, whether it's standing on the deck of a

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carrier off the Persian Gulf, or an antiterrorist unit, waiting for a call that we hope never comes.

The meaning of a monument, as Lincoln said of the Battlefield at Gettysburg, is "far above our poor power to add or detract." These words are carved in stone in the Lincoln Memorial. But Lincoln himself acknowledged that speeches and statuary are inadequate -- they're inadequate repayment for those who made the ultimate sacrifice. And our obligation is also for the living.

If you go to the front entrance of the Veterans Affairs Department, you'll see another quote from Abraham Lincoln, cast in a plate of steel, calling on us -- here's the quote -- "to care for him who shall have borne the battle and for his widow and his orphan."

This is the mission of the new Department of Veterans Affairs, which today officially assumes the duties of the Veterans Administration. I consider the new Department to have a vital mission. In fact, it is so vital that there's only one place for the veterans of America -- in the Cabinet Room, at the table with the President of the United States of America. (Applause.)

And as the first Secretary of this new Department, Ed Derwinski will set a precedent. He is uniquely suited for this role, having served with distinction in both the Legislative and the Executive Branches of government.

My friendship with Ed goes back to my days as a freshman Congressman from Houston, Texas. Ed, a Congressman from Illinois then, was already a veteran of some tough congressional battles. And I know that for Ed, the House of Representatives is still a second home with many, many friends. No former colleagues of Ed can ever forget his unfailing good humor and his concern for people. Nor will veterans forget his good work -- Ed's handling of a heavy burden of casework, cutting red tape so that thousands of veterans could receive their pensions, medical benefits, deserved military honors.

At the State Department, Ed packed the achievements of a whole career into a few years. He worked with Congress; conducted special international negotiations with Canada, Iceland, the Pacific nations; acted as a senior official for refugee policy and programs; and prevented the diversion of the sensitive technology that belongs to the United States to unfriendly nations.

In short, Ed Derwinski has the skill of a seasoned legislator, the patience of a practiced administrator, the finesse of a diplomat -- and the heart of a man who knows what it means to start his government career as a private in the United States Army. This is a unique combination of experience and skills. And make no mistake, the job, this new job requires someone with Ed Derwinski's backgrounds and talents.

This new Department must manage its vast resources to meet vast needs. Almost one out of every three U.S. citizens is a potential VA beneficiary. Count among them 27 million veterans and 53 million dependents and survivors. Ed will oversee a Department with almost a quarter of a million employees -- the second largest civilian task force in the government -- administering a budget of more than \$29 billion.

And the Department of VA provides compensation to service-disabled veterans, pensions for low-income, disabled veterans and survivors, educational assistance and vocational rehab. It guarantees the home loans for 12 million families, and operates the fifth largest life insurance program in America. It also runs the nation's largest medical system, with 172 hospitals and hundreds of outpatient clinics and nursing homes.

But the best resource of the new Department is its people -- men and women who live up to the highest ideal of public service every day. And they have my sincerest gratitude for a job well-done.

It is only appropriate to note one other task assigned to the Veterans Affairs Department -- to tend and care for 112 national cemeteries across America. There's no power, no glamour in such a job. But there is caring and respect -- for those who are gone and for those who grieve. In those "gardens of stone" sleep the heroes -- men and women of every service, Marine, soldier, sailor, airman -- lost youth that can only be measured in centuries. A president could have no more poignant a reminder that he is charged with a great trust.

It is my duty, as the Commander-In-Chief, to see to it that our Armed Forces are so strong and our diplomacy so wise that we will never again need to erect another monument to the casualties of war. (Applause.)

A free America in a world at peace. Together we have achieved that goal. Together we can preserve it. And if we do, then surely that peace will be the truest monument to our veterans.

Ed, congratulations. Thanks for all that you have already done. And we've got a big job ahead. And I look forward to working closely with you in the years to come.

Thank you all. And God bless the United States of America. (Applause.)

END

1:36 P.M. EST

THE WHITE HOUSE
Office of the Press Secretary

DEFENSE

For Immediate Release

March 6, 1989

REMARKS BY THE PRESIDENT
TO THE WASHINGTON CONFERENCE OF
VETERANS OF FOREIGN WARS

Sheraton-Washington Hotel
Washington, D.C.

11:08 A.M. EST

THE PRESIDENT: Well, thank you very much, Larry. I remember when Larry Rivers first took over, I was Vice President -- came into greet me. I wasn't sure he knew what he was getting into. But he's holding up real well -- (laughter) -- and doing a first-class job, and you're lucky to have this dynamic young man as your leader.

You know, it's a pleasure to be here. I also want to express my best wishes to a real institution of the VFW -- you know what I'm talking about -- who I'm talking about -- Cooper Holt. (Applause.) I can't believe it -- I can't believe that he's stepping down this year, after more than a quarter of a century of distinguished service as Executive Director. But let me tell you something. Members of the VFW, others who stand for a strong defense whoever they may be, Cooper has earned the gratitude of veterans everywhere for making the VFW his life-long cause, but also the way he has conducted himself in Washington and elsewhere in this high office. He has my respect and my friendship, and I don't know what it's going to be like without him around here, I'll tell you. (Applause.)

I want to pay my respects to General Al Gray, member of the Joint Chiefs of Staff, a commandant of the Marine Corp, outstanding soldier -- outstanding Marine, I should say. Sorry, Al. (Laughter.) Really know how to hurt a guy, but -- (laughter.) But an outstanding leader. And also, to my former colleague and dear friend, the veteran's friend, Congressman Sonny Montgomery, over here. (Applause.)

Before I begin -- and I want to talk to you about two or three major issues -- but before I begin, let me just say a word about an issue that is of particular importance, I'd say, to the people in this room. You know John Tower as a fellow veteran, and you know him as a life-long public servant, and you also know him as a fighter. And he's fought for his country as a seventeen-year-old enlisted man in the United States Navy, and now he and I are fighting for what I think are some very important principles -- principles that the American people understand, like fairness and truth; and principles like the prerogative of a President of the United States to assemble the most talented and qualified team to guide this nation forward. (Applause.)

And I have asked the Senate to vote on this nomination with those principles in mind; asked the Senate to put aside partisanship; I've asked them to use their own experience with John Tower as an expert on defense issues, as a former colleague, and as a tough, hardnosed negotiator to guide them as they move towards a vote on this nomination. It is very interesting that not one single United States Senator has challenged John Tower's knowledge on defense matters or his experience to do this job. Not one single senator. (Applause.) And I stand by this man. I stand by him because he is uniquely qualified as the right man to take charge of

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the Pentagon.

Enough of that now. (Laughter.) I wanted to get it off my chest. I'm getting sick and tired of some of the rumors and the innuendos -- (applause) -- that are used against this decent man. (Applause.)

Back to the gentler and kinder message. (Laughter.)

Look it's always an honor to meet with fellow members of the VFW. The love of liberty is the birthright of all men -- certainly all Americans -- and that's why our nation owes a special debt of gratitude to its veterans who freely and courageously took up the defense of freedom. I am especially pleased to welcome the Department of Veterans Affairs to a place in the Cabinet, and it's a sign of -- (applause) -- a cause, I might add, that you were in the lead on, and it's a sign of America's commitment to her veterans, of the importance we place in repaying in some way the sacrifice that veterans have made in answering their country's call. And in my view it is important that the first Secretary is someone who is close to the President, who has the President's full confidence on a personal basis, and Ed Derwinski, my former colleague in Congress and my friend of long-standing fits that description to a tee. He will be an outstanding Secretary. (Applause.)

Some facts. Today there are six times as many veterans alive as there were when the VA was created in 1930. Ed already has come to see me to discuss some of the challenges facing us in these programs. With the pressure the country is under -- and let's make no mistake about it, the pressures are great -- to solve our massive federal deficit, we may not be able to do everything we'd like to do in the way of adding resources, but I can tell you that Ed is your strong advocate. And, like me, he understands the needs, including the crying need for strong health care for the veterans. He already is an advocate for that. (Applause.)

I want to speak this morning about a matter of the utmost importance to the VFW -- keeping America strong -- today and then just 11 years from now, into the 21st century.

Opinion is nearly unanimous that today is a time of transition in world affairs. That means our powers of observation and analysis -- our ability to sort out change and continuity -- will be put to the test.

And when it comes to predicting the future, Winston Churchill's rule is the best. It is, "I always avoid prophesying beforehand because it's much better policy to prophesy after the event has already taken place." You've got to think about that one for a while, but -- and maybe I'm the guy to do that. Last year I told the American Legion about Pearl Harbor being on September 7th. (Laughter.) Just think if Franklin Roosevelt had listened to me, think what we could have spared the nation. (Laughter.)

You know, maybe you've read and maybe you haven't that we are in the midst of a series of systematic strategic reviews, and I've asked the members of my national security team to look hard at the international landscape and to look forward to assess the combination of security threats, technological change and political and economic developments that will shape our security horizon well into the next century.

And I am convinced that this important review -- this important exercise -- will have lasting benefits to our national security. In my address to Congress last month, I set a ninety-day deadline for this important work. And I won't rush the final results. The insights we will gain into the problems we will face in the decades ahead are worth waiting for. And the other day I went over to the Pentagon and met with certain members of the Joint Chiefs and those running that building, and I must tell you, I'm very pleased at these strategic -- these reviews are going forward.

But today I want to speak about the foundations of an adequate national defense program, about the world we live in, and the challenges and opportunities we'll encounter -- and about the approach I'll take on issues integral to our own national security.

First, the foundations. A month ago, I presented to the Congress a sound defense spending plan that makes sense -- strategically and fiscally. As a sign that my administration is serious about the deficit, I called for a freeze in defense spending in 1990, adjusted only for inflation. And I'm well aware that our national strength rests ultimately on the health and vigor of the American economy. And we need a strong defense and we need a strong economy, and I mean to preserve both.

But our crucial military modernization plans -- and the diverse defense commitments that we must keep -- cannot be achieved without additional defense funding. And that's why the budget plan follows the freeze for 1990 with real increases, albeit they small, with real increases -- one percent in 1991 and 1992, and a two percent increase for 1993.

And my aim is to put defense spending on a modest, manageable growth path -- one that we can afford and one that will allow us to modernize and maintain forces that are formidable, flexible, and ready.

But in the defense debate, what we can and can't afford isn't just a matter of economics. It's a matter of vital national security, I say we can't afford to continue the downward trend in defense spending -- 1989 -- now listen carefully to this -- 1989 will be the fourth straight year that budget authority for defense has declined in real terms. And we've worked hard to rebuild America's strength -- and it's paid off. Today, America is strong, its voice is heard, its forces are ready and the values we stand for are more secure.

Secondly, we can't afford to mistake a more stable international environment as proof that we can spend less on national defense. The secret to our success can be summed up in a single word -- strength. And let's sustain the military strength that helped turn the world situation around.

And finally, we can afford adequate defenses. The defense budget that I'm calling for in 1990 represents 5.5 percent of our annual Gross National Product. And that's a far smaller share of our national wealth than the United States spent on defense at any point throughout the 1950s or the 1960s -- periods of rapid and sustained economic growth though they were.

The bottom line is not a question of cost, or a question of resources. It's simply a question of will.

And you have my word -- as long as I am President, America will stand fast on the front line in defense of freedom. (Applause.)

Today, around the world, a number of long-standing regional conflicts are closer now to resolution than ever before. The stirrings of freedom, and the advance of democratic rule are evident and undeniable. In the economic sphere, the free market is increasingly seen as an engine of growth and development unmatched by any other system.

And freedom is on the march. But there are still forces arrayed against it -- regimes whose interests and systems are at odds with our own and with those of our allies. And then there's the of spread chemical and biological weapons -- along with the means to deliver them -- it's likely to make the flashpoints that always exist more dangerous than ever before.

And the key issue of change within the Soviet Union, there are still far more questions than answers. There is no doubt

that the changes taking place are significant and far-reaching, but it is equally true that the ultimate outcome of the events unfolding in the USSR remains certain.*

My view is this -- we should press for progress that contributes to a more stable relationship between the United States and the Soviet Union, but we must combine our readiness to build better relations with a resolve to maintain defenses adequate to secure our interests. America and her allies must recognize that even in light of the military cuts proposed by President Gorbachev, the Soviet Union remains the most formidable military power facing the free world.

We must be ready to cope with change and favorable opportunities -- and ready in any event to defend our interests and ideals.

And what this means in terms of our national security should be clear: We need to maintain and modernize our forces -- nuclear and conventional. For America and its allies, a survivable nuclear force will remain the ultimate deterrent of aggression.

We need to make a concerted effort to turn our technological strengths into a source of advantage to our national security. And that includes, in my view, vigorous pursuit of the Strategic Defense Initiative.

And we need to make an active effort in arms control -- to strive for increased stability at lower levels, lower levels of armaments. But I will strongly oppose legislative attempts to withdraw U.S. troops from Europe unilaterally. Imprudent unilateral reductions are not the path to peace and security and freedom. (Applause.)

And I've been listening to General Gray. We need to keep our forces ready and well-trained. The dedicated men and women who serve our country deserve no less.

We need to reform our procurement process to deliver a dollar's worth of defense for every dollar we spend. (Applause.) And the way to do that is to begin to follow through on the sensible reforms suggested in the Packard Commission report and the findings of the defense management review now underway. I'll look carefully at those management review findings and then move to implement them.

And we need to maintain the alliance of like-minded nations in Europe and Asia that have helped us keep peace in the post-war era. As strong as we are -- and we are strong -- as strong as we are, the United States of America in this complex world cannot go it alone. Keep our alliances strong.

Before I close, I want to focus for a moment on a threat no less real than the adversaries you have battled. And I'm speaking about not a military threat; I'm speaking about the insidious threat to our society and our values -- drug abuse. The notion that America is a nation at peace is only partly true, as long as the violence and destructive power of drugs assault our communities.

As I talk, our Attorney General is holding a series of talks with three South American presidents and their attorney generals or their ministers, seeking their full participation in this war and offering our full cooperation. My able drug czar, Bill Bennett -- some of you know him -- able man -- he will be confirmed as my hard-hitting point man to be at my side in the White House to keep the focus on winning this unconditional war.

And I mean to mobilize all our resources, wage this war on all fronts. We're going to combat drug abuse with education, treatment, enforcement and, yes, interdiction -- and, yes, with our nation's Armed Services. When that prudently can be done and when

* uncertain

that's what it takes, we are going to have to go all out. We need to break the deadly grip of drugs and prevent the drug scourge from taking hold.

And the VFW can help. Many of you have already started. Many of your posts are actively involved. You've got 2.3 million members, 750,000 auxiliary members, 10,000 chapters nationwide -- the VFW is and always will be a respected member of communities across our country. (Applause.) And today, I call on you to form a community of action. "For America, whatever it takes" -- that's the motto of the VFW.

And you've fought for your nation once and your nation needs you again. And today, I want to enlist you in the antidrug campaign. Meet with other leaders in your community -- church, clergy, law enforcement officers. Tell them the VFW volunteers are ready to help.

And go to the schools and put the full weight of this magnificent organization behind the antidrug education effort that provides our kids with the reasons and willpower that they need to resist drugs.

Speak to your state and local elected officials. Urge them to make the passage of strong antidrug legislation a priority.

I am reaching out to you, so I want to extend my help, as well. Bill Bennett stands ready to meet with the VFW leadership to share ideas that can help you map a strategy.

VFW has proven many times over its dedication to the health and well-being of our nation -- proven it over and over and over again. And the fifty young people that you've honored here today, with whom I had a chance to meet very briefly a minute ago, underscore the VFW's interest in our nation's youth and in our future.

I know that we can count on the veterans of America all across this country to help us wage and win the war on drugs. Your country needs you once again. (Applause.)

Veterans share a special bond. We've seen the face of war. We know its terrible costs. Americans never willingly choose conflict. But we know as well that we must be ready and willing to respond when our interests and our ideals come under threat.

Let me be very clear. I prefer the diplomatic approach. Nations can and should explore every avenue toward working out their differences without resorting to force or military intimidation.

But I'm also a realist. I know that there is no substitute for a nation's ability to defend its ideals and interests.

And too often, we hear that we face a stark choice in coping with conflict. We can pursue a diplomatic situation or we can seek a resolution through military means. One, we're told, is incompatible with the other.

Well, this doesn't square with real-world experience. Diplomacy and military capability are complementary -- they're not contradictory. Creative diplomacy can help us avert conflict. Negotiations stand the greatest chance of success when they proceed from a position of strength.

The fundamental lesson, fundamental lesson of this decade, is simply this -- strength secures the peace. (Applause.)

America will continue to be a force for peace and stability in the world -- provided we stay strong.

Let me close with a word to these young people who you appropriately are honoring here today. If I were in your shoes, I'd

be an optimist. I'd be an optimist about world peace, changes in the Soviet Union. As I said earlier in this talk, nobody is talking about the socialist model or the communist model as to a way to solve their problems. But never forget -- never forget that when a President of the United States goes to the negotiating table, the way to enhance our values -- the way to enhance the principles that everybody in this room holds dear is to be dealing from a position of a strong America. We have the ideals. Keep America strong. (Applause.)

Thank you all and God bless you. And good luck to you guys.

END

11:32 A.M. EST