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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

July 15, 1983

MEMORANDUM FOR RICHARD A. HAUSER

FROM: JOHN G. ROBERTS *JGR*SUBJECT: International Longshoreman's Union

I talked with Cass Weiland, staff director of the Permanent Subcommittee on Investigations of the Senate Governmental Affairs Committee. Weiland advised me that in March of 1981 the Subcommittee conducted hearings into the International Longshoreman's Union (ILU), which had been the subject of an intensive FBI investigation the previous year. Chairman Roth permitted Senator Nunn to chair the hearings.

Weiland advised that the Subcommittee's report on corruption at the ILU has been long delayed, but will probably be issued by late September. The report will confirm the Subcommittee's public description of the ILU as one of the most corrupt unions in the country. For example, from 1977 - 1981 some 34 union officials were convicted, typically of extortion against businessmen and demanding payoffs for labor peace. Teddy Gleason, President of the ILU, testified at the hearings that he would clean up the union.

In connection with the President's upcoming speech, Weiland indicated that he had received inquiries from the Wall Street Journal and UPI concerning the ILU. In particular, reporters asked about the conviction statistics. It is also noteworthy that the key witness against the ILU, who blew open the case for the FBI, was a Miami businessman, Mr. Teitlebaum (phonetic).

In response to any inquiry on corruption within the ILU, the President should indicate that he is aware of the past cases and the Senate inquiry, and he hopes that they have served to root out corruption at the ILU. He can note that the President of the ILU stated during the hearings that he was going to clean up the union and hopefully that has been done.

Q. Why are you appearing before the International Longshoreman's Union, described by the Senate Permanent Subcommittee on Investigations as one of the most corrupt unions in America?

A. I am aware that there have been court cases and Congressional hearings concerning corruption at the ILU, and I only hope that those cases and hearings have served to root out the corrupt practices that plagued this union in the past. Some time ago, during the Congressional hearings, the ILU President vowed to clean up the union. I hope he has done so.

THE WHITE HOUSE

WASHINGTON

July 15, 1983

MEMORANDUM FOR THE PRESIDENT

FROM: FRED F. FIELDING *Orig. signed by FFF*
SUBJECT: International Longshoremen's Association

In connection with your upcoming address to the International Longshoremen's Association (ILA), you should be aware that the ILA was the subject of intensive FBI investigations during the late 1970's, and of hearings before the Permanent Subcommittee on Investigations of the Senate Governmental Affairs Committee in 1981. Court cases arising from the FBI investigations, and testimony before the Subcommittee, confirm the Subcommittee's characterization of the ILA as one of the most corrupt unions in America. For example, between 1977 and 1981 there were some 34 convictions of ILA officials for offenses such as extortion and demanding payoffs for labor peace. During the Subcommittee hearings, Teddy Gleason, President of the ILA, testified that he would take action to clean up the union.

In response to any inquiry concerning corruption in the ILA, it would be best to note that you are aware of the problems that plagued the union in the past, but you hope that the investigations and hearings have served to root out the corrupt practices. You can also note Teddy Gleason's pledge to clean up the union, and express your hope that this has been done. A suggested "Q & A" is attached.

Attachment

Corruption Within the International
Longshoremen's Association

Q. Why are you appearing before the International Longshoremen's Association, described by the Senate Permanent Subcommittee on Investigations as one of the most corrupt unions in America?

A. I am aware that there have been court cases and Congressional hearings concerning corruption at the ILA, and I only hope that those cases and hearings have served to root out the corrupt practices that plagued this union in the past. Some time ago, during the Congressional hearings, ILA President Teddy Gleason vowed to clean up the union. I hope he has done so.

INTERNATIONAL LONG-
SHOREMAN'S UNION
Nat. Longshoreman.

Carroll } 224-3721
Welland }

Sec. Gov't Affairs [PERMANENT SUBCOM
OF INVESTIGATIONS]

Had hearings on
union. - called caught.

JFR

THE WHITE HOUSE
WASHINGTON

Date 7.15.83

Suspense Date _____

MEMORANDUM FOR: John

FROM: **DIANNA G. HOLLAND**

ACTION

- _____ **Approved**
- _____ **Please handle/review**
- _____ **For your information**
- _____ **For your recommendation**
- _____ **For the files**
- _____ **Please see me**
- _____ **Please prepare response for**
_____ **signature**
- _____ **As we discussed**
- _____ **Return to me for filing**

COMMENT

David reviewed this P.
address - RAH wanted
you to have a copy of
it.

file: Longshoremen

THE WHITE HOUSE
WASHINGTON

July 15, 1983

MEMORANDUM FOR ARAM BAKSHIAN, JR.
DEPUTY ASSISTANT TO THE PRESIDENT AND
DIRECTOR OF SPEECHWRITING

FROM: FRED F. FIELDING *FFF/RMS*
COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Address: International Long-
shoremen's Association, Hollywood, Florida

As requested by Richard G. Darman in his Staffing Memorandum of July 14, 1983, this office has reviewed the referenced address and has no objection to it from a legal standpoint.

cc: R. Darman

JUL 15 1983

Document No. _____

WHITE HOUSE STAFFING MEMORANDUM

DATE: July 14, 1983 ACTION/CONCURRENCE/COMMENT DUE BY: NOON TOMORROW
July 15, 1983SUBJECT: PRESIDENTIAL ADDRESS: INTERNATIONAL LONGSHOREMEN'S ASSOCIATION
HOLLYWOOD, FLORIDA

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☐	HARPER	☒	☐
MEESE	☐	☒	HERRINGTON	☐	☐
BAKER	☐	☒	JENKINS	☐	☐
DEAVER	☐	☒	McMANUS	☒	☐
STOCKMAN	☒	☐	MURPHY	☐	☐
CLARK	☒	☐	ROGERS	☐	☐
DARMAN ⁰	☐	☒	ROLLINS	☒	☐
DUBERSTEIN	☒	☐	VERSTANDIG	☒	☐
FELDSTEIN	☒	☐	WHITTLESEY	☒	☐
FIELDING	☒	☐	BRADY/SPEAKES	☒	☐
FULLER	☒	☐	FISCHER	☐	☒
GERGEN	☒	☐	HENKEL	☒	☐
			BAKSHIAN	☐	☒

REMARKS: Please Note: This draft speech was forwarded to the President this evening. Please forward minor edits directly to Aram Bakshian, with a copy to my office, by Noon tomorrow, Friday, July 15.

Thank you.

RESPONSE:

Richard G. Darman
Assistant to the President

(Parvin/AB)
July 14, 1983
6:00 p.m.

PRESIDENTIAL ADDRESS: INTERNATIONAL LONGSHOREMEN'S ASSOCIATION
HOLLYWOOD, FLORIDA
MONDAY, JULY 18, 1983

Thank you for that warm welcome. Gee, if I'd gotten this good a reception in the other Hollywood I never would've left.

But it's a pleasure to be here at this gathering of the International Longshoremen's Association, and it's always a pleasure to be with Teddy Gleason. I'll tell you what I've always liked about Teddy. He sticks by his union; he sticks by his friends; and he sticks by his country. That kind of integrity and loyalty is hard to come by today. And one reason I wanted to come here was to thank Teddy and you members of the ILA for your generous support and encouragement. It's meant a great deal to me having the support of union members like yourselves.

I hope I've returned that support. One of the things I'm trying to do for union members, and for all Americans, is to fix things so that you can keep more of your hard-earned money where it belongs -- in your pocket. It wasn't that long ago inflation was public enemy number one. We were told it could be a decade before we could ever hope to conquer it. Well, we've brought inflation down from double digits to 3½ percent for the last year and less than 2 percent for the last 6 months. And that has helped the working men and women of this Nation.

I hear a lot about compassion in Washington from those who want us to return to the policies of the past. But their compassion is not for people; it's for programs. Just consider what would've happened if we'd permitted the inflation caused by

their programs and policies to remain double digit. If inflation had continued as it had before we did something about it, a family of four earning \$20,000 a year would be \$1,700 poorer in purchasing power today. And not only that, they would have been made even poorer by much higher taxes.

High inflation, of course, drove up interest rates and virtually shut down the auto industry and the housing industry. The prime rate was 21.5 percent when we took office. It's less than half that now. Housing starts are up; auto sales are up; consumer spending is up; personal income is up; productivity is up. Our factories are beginning to hum and people are being called back to work. Since last December, 1.1 million more people are working.

The recession we're emerging from has been very difficult for many union members, especially those in auto and steel. But what we're doing is something which Washington has never had the self-discipline to do in the past. We're building a recovery that won't lapse back into inflation as soon as we turn around. We're building a recovery that is based on economic growth, not a recovery based on government merely pumping more money into the economy. The recovery we're experiencing is a honest one -- and we're building it to last.

You know one of the things I'm proudest of from my days in Hollywood is my tenure as head of the Screen Actors Guild. I served six terms as the union's president. Six terms. I'll let you in on something -- I don't think I could stand six terms in Washington. But I'm very proud of my union service.

And let me join your union leaders here today in saying: Be proud of your service and your union. Be proud of what unions symbolize, because free unions represent free people. And someday let us hope the members of a union called Solidarity will be able to assemble like this and enjoy what ILA members enjoy every day -- the freedom to organize.

Our democracy encompasses many freedoms -- of speech, of religion, of assembly, and of so many other liberties we often take for granted. These are rights that should be shared by all mankind. This union has always patriotically stood up for these freedoms. But today, I want to talk to you about freedom not in the United States, but in a part of the world very close and very important to us -- Central America.

Central America suffers from decades of poverty, social neglect and political instability. And because these problems weren't dealt with positively, they are now being exploited by the enemies of freedom. We cannot afford the luxury of turning away from our neighbors' struggles as if they didn't matter. If we do turn away, we will pay a terrible price for our neglect.

In April I reported to the Congress that the problems in Central America have the potential to affect our national security. This is still the case and I want to reinforce it. Many of our citizens don't fully understand the seriousness of the situation, so let me put it bluntly: There is a war in Central America that is being fueled by the Soviets and the Cubans. They are arming, training, supplying and encouraging a war to subjugate another nation to communism -- that nation is El

Salvador. The Soviets and the Cubans are operating from a base called Nicaragua.

This Florida community where we meet today is closer to Nicaragua than it is to Washington, D.C. Two-thirds of our foreign trade and nearly half of our petroleum pass through the Caribbean. It's well to remember that in early 1942, a handful of Hitler's submarines sank more tonnage in that area than in all of the Atlantic. And they did this without a single naval base anywhere nearby. Today, Cuba is home to a Soviet combat brigade, a submarine base capable of servicing Soviet subs, and military air bases visited regularly by Soviet military aircraft. If the Nazis during World War II and the Soviets today have recognized the Caribbean and Central America as vital to our interests, isn't it about time we did, too?

Some people throw up their hands and say there's not much we can do down there. They say poverty and violence and repression in Central America are just the way of life. They say that democracy can't work. I say baloney -- and I think you'd say something stronger down on the docks. Costa Rica is as strong a democracy as you will find anywhere, with a long history of free elections and uninterrupted peace. They don't even have an army. If democracy can work in Costa Rica and Honduras, it can work in El Salvador and Nicaragua and Guatemala and any country in Central America. There is still time for the peoples of Latin America to build a prosperous, peaceful and free future. And we have an obligation to help them -- for our own sake as well as theirs.

People throughout Latin America are waiting to see if Republicans and Democrats in this country can work together to make the United States what it should be: a loyal friend and reliable defender of democracy and human decency. I believe we must exercise that leadership. And the time is now.

Since I spoke to the Congress in April, conditions in Central America and the Caribbean have worsened. More Cuban soldiers and Soviet supplies have arrived in Nicaragua. Even one of Cuba's best-known combat generals is now in Nicaragua.

Tomorrow, July 19th, is the 4th anniversary of the Sandinista Revolution in Nicaragua. This was a revolution that claimed it would bring freedom to the Nicaraguan people -- history will call it a revolution of broken promises. Tomorrow the nine military commanders who rule Nicaragua with Cuban and Soviet power will indulge in boastful revolutionary rhetoric. But there are few left who will believe them. The consensus throughout the hemisphere is that while the Sandinistas promised their people freedom, all they've done is replace the former dictatorship with their own -- a dictatorship of nine men who wear fatigues and drive around in Mercedes sedans and Soviet tanks, and whose current promise is to spread their brand of "revolution" throughout Central America.

What kind of freedom have the Sandinistas established? Just ask 1,300 stevedores of the Nicaraguan port of Corinto. Last month, their union assembly was packed and six of their leaders arrested. Their "crime": trying to develop contacts with trade unions abroad, including the AFL-CIO. I can tell you one thing.

If Teddy Gleason were leading the longshoremen in Corinto, the Sandinistas would have a real fight on their hands.

What kind of democracy is it? Just ask the 300 Nicaraguan refugees who just risked starvation and attack to escape into Honduras. Let me read to you directly from a newspaper article, " . . . one Nicaraguan man -- still filthy, ragged and, above all, hungry after an odyssey that began 5 weeks ago -- breathed a note of thanks: 'God has smiled on us.'" Imagine, with barely clothes on his back and nothing in his stomach, he believed God had smiled on him because he had arrived in free, democratic Honduras.

According to the report, those 300 people were part of a group of 1,500 who fled Nicaragua in May when they learned the Sandinistas planned to relocate their villages. Let me quote again what one of the refugees had to say, "We left everything. We left the pigs, the corn, the animals . . . This year they wouldn't let us plant, because they wanted us to move closer to the military bases, they wanted us to be in the militia, and we did not want to be executioners."

When the Sandinistas first took power, we hoped they would embrace democracy as they promised. In the first year and a half after the revolution, the United States -- as good-hearted as always -- sent \$118 million worth of emergency relief and recovery aid to Nicaragua, more than provided by any other country in the world. But the Sandinistas had lied. They rejected their pledges to their own people, to the Organization of American States, and to the world. Nicaragua is today a

nation abusing its own people and its neighbors. Isn't it time that we in the Americas through the Organization of American States worked together to hold Nicaragua accountable for the promises made and broken 4 years ago?

There is a vital link between what's happening in Nicaragua and what's happening in El Salvador. And the link is very simple: The dictators of Nicaragua are actively trying to destroy the budding democracy in neighboring El Salvador.

While Nicaragua is moving toward a closed society dominated by repression and militarism, El Salvador is moving toward a more open society and government in the midst of a foreign-supported guerrilla war. National presidential elections are planned. Through their Peace Commission, they have offered to talk even to the violent opposition about participation in the forthcoming elections. They have implemented an effective land reform program which has provided land for over half a million Salvadorans, and given amnesty to former guerrillas.

This is El Salvador's revolution -- it is one that is building democracy. Contrast this with the so-called revolution in Nicaragua -- one which has repressed human liberties, prevented free unions and free elections, censored the press, threatened its neighbors, and violated public pledges.

It's true, El Salvador's path has been a hard one. Peaceful change has never been as easy or as quick as violence. While the human rights progress in El Salvador is not all we would like it to be, you have to realize much of the violence there -- whether from the extreme right or left -- is beyond the control of the

government. But El Salvador is moving in the right direction and is committed to further improvement.

Just remember that scene last year when after months of campaigning by a variety of candidates, the people of El Salvador were offered a chance to vote, to choose the kind of government they wanted. The guerrillas threatened death to anyone who voted. They destroyed hundreds of buses and trucks to keep the people from getting to the polling places. Their slogan was brutal: "Vote today, die tonight." But on election day, an unprecedented 80 percent of the electorate braved ambush and gunfire and many of them trudged for miles to vote for freedom.

Members of our Congress who went there as observers told me of a woman who was wounded by rifle fire on the way to the polls, who refused to leave the line to have her wound treated until after she had voted. Another woman had been told by the guerrillas that she would be killed when she returned from the polls, and she told the guerrillas, "You can kill me, you can kill my family, you can kill my neighbors. You can't kill us all." The real freedom fighters of El Salvador turned out to be the people of that country. The world should respect this courage and not allow it to be belittled or forgotten. And I say we can never turn our backs on that.

For 3 years, under two administrations, the United States has attempted to correct past neglect so that we could help Central America's struggle for freedom. We have worked for political and economic development. Most of our aid is not military at all. Seventy-seven cents out of every dollar we will

spend there this year will go for economic assistance -- food, fertilizers, and other essentials to help break the vicious cycle of poverty. And make no mistake about this -- of all the words I've spoken today, let me underline these especially -- America's emphasis in Central America must be on economic and social progress, not on a military solution.

But to give democracy and development a chance to work in the face of increasing attacks, we are providing a shield of military training and assistance to help our neighbors protect themselves. Meanwhile, the trade provisions of the Caribbean Basin Initiative will stimulate production and employment. CBI means work for their longshoremen and ours.

Nor is that all. We are actively supporting a political solution and dialogue among and within these nations. We know that ultimately peace can come only if people talk to each other and learn to accommodate in an atmosphere of freedom. To this end I have dispatched my special emissary, Ambassador Richard Stone, to the region. Despite the fact that the guerrillas rejected our offer, we remain ready to facilitate the process of free and open elections. We also support the process started at Contadora for a multilateral approach to peace.

In the meantime, we must continue to move ahead. I ask again that the Congress approve the resources we've already requested. All that our neighbors ask is for the tools to do the job themselves. And I ask you and every American regardless of party to join in a common effort to promote freedom for all the people of this hemisphere. Just as you work so your children

will have a better future, the United States must work so that the fledgling democracies of this hemisphere will have a better future -- and so that our own future can be more secure. The legislative branch must bear its share of responsibility for ensuring this promise. Without the funds I've requested, there's no way for us to prevent the light of freedom from being extinguished in Central America. A truly bipartisan approach to these problems can produce the kind of progress that will help the people of the region help themselves.

You know I've heard that ILA also stands for I Love America. And that's true. I don't think America has a more patriotic union than this one. This union is great for the same reason America is great -- because so many different groups are working together, pulling together towards a common goal. The cultural diversity of this union and this country make them both strong and free.

President Harrison once said, "In America, a glorious fire has been lighted upon the altar of liberty. Keep it burning; and let the sparks that continually go up from it fall on other altars, and light up in distant lands the fire of freedom."

Today I ask you to join me in an effort to keep the light of liberty alive in Central America. We must never let freedom fade where there is a chance to save it. We must never let the embers of human dignity die out simply because it's easier to turn the other way. With a timely investment now, we can save freedom in Central America. I believe we must make that investment. I believe we have a moral responsibility to do so. And I believe

with the help of organizations like the ILA we will succeed in expanding freedom for the people of Central America.

Thank you and God bless you.

2 yrs. ago March '81 hearings on ILU,
subject of long FBI investigation
Most corrupt in U.S.

Numer chaired hearings
conviction statistics

77-81

34 conviction

Telly bloom, Pres. : said would clean up union.
in process of issuing report. - late September
will exonerate union

extortion + suggests for labor peace

Teitelbaum key witness against union.

Unknown. Special protection Miami

WSJ, UPI called

✓
Lopes + threats
for some so

THE WHITE HOUSE

Office of the Press Secretary
(Hollywood, Florida)

For Immediate Release

July 18, 1983

REMARKS OF THE PRESIDENT
TO THE
INTERNATIONAL LONGSHOREMEN'S ASSOCIATION

July 18, 1983

The Diplomat Convention Hall
Hollywood, Florida

12:52 P.M. EDT

THE PRESIDENT: Thank you all very much. Thank you. Thank you. You did that. Thank you. Members of the Cabinet, Senator Hawkins, members of the House of Representatives who are here, the distinguished people here on the podium and you, ladies and gentlemen, I want you to know that I thank you for that very warm welcome. If I'd gotten this good a reception in that other Hollywood, I wouldn't have left. (Laughter.)

But it's a pleasure to be here at this gathering of the International Longshoremen's Association. And it's always a pleasure to be with Teddy Gleason. I'll tell you what I've always liked about Teddy, he sticks by his union. He sticks by his friends. And he sticks by his country, the kind of integrity and loyalty that is hard to come by today. And one reason that I wanted to come here was to thank Teddy and you members of the IIA for your generous support and encouragement. Having the support of union members like yourselves has meant a great deal to me.

I hope I've returned that support. One of the things that I'm trying to do for union members and for all Americans is to fix things so that you can keep more of your hard-earned money in your pocket where it belongs. Not long ago, inflation was public enemy number one. We were told it could be a decade or more before we could ever hope to conquer it. Well, we've brought inflation down from double digit to 3½ percent for the last year and less than 2 percent for the last 6 months. And that has helped the working men and women of this nation.

You hear a lot about compassion in Washington from those who want us to return to the policies of the past. But their compassion is not for people. It's for programs. Now, maybe there's a little compassion for people, for the people who make careers out of running those programs. What would have happened if we had permitted inflation caused by some of those programs to remain double digit? A family of four on a fixed income of \$20,000 a year would be \$1,700 poorer in purchasing power today. Or top of that, they would have been made even poorer by much higher taxes.

High inflation, of course, drove up interest rates and virtually shut down the automobile

MORE

industry and the housing industry. The prime rate was 21.5 percent when we took office. It is less than half that now. Housing starts are up; auto sales are up; consumer spending is up; personal income is up; productivity is up. Our factories are beginning to hum and people are being called back to work. Since last December, 1.1 million more people are working.

Let me just pause, if I could, for a second and interject something else about the unemployment picture. There's no question that in every recession unemployment is the last of the economic indicators to improve. And that's tragic. I wish it could be otherwise. I know a little about that subject. I was job hunting for my first job in the job market in 1932 in the depths of the Great Depression. But we have to understand that there's more than just people who have lost jobs, who are out of work. Thirty percent of today's unemployed are new entrants into the job market. It is not a static pool of people who, throughout the entire recession have been there unemployed. Seventy percent of the unemployed today have been unemployed for seven weeks or less. And of all the weeks of unemployment, fifty percent of them are accounted for by three and a half percent of the total unemployed. But that doesn't mean that we don't think there are things that can be done about it and that's why we advanced spending for the next several years in public projects -- to advance it to the present so that we could stimulate more jobs in that way. And that's why we are dwelling on job training for the changes that have occurred in the job market.

The recession that we're emerging from has been very difficult for many union members, especially those in auto and steel, as I mentioned before. But what we're doing is something that Washington has never had the self-discipline to do in the past. We're building a recovery that won't lapse back into inflation as soon as we turn around. We're building a recovery that is based on economic growth, that is based on government -- not based on government temporarily pumping more money into the economy. The recovery that we're experiencing is an honest one. And we're building it to last. Just look back at the recession since World War II. I've heard a figure seven before this present one -- maybe give or take one or two, that's about right. Again and again the quick fix was applied and inflation rose higher than it had been, and they laid a foundation for the next recession which usually followed in just two or three years.

One of the things that I'm proudest of from my days in Hollywood is that I served six terms as my union's president. Now, six terms -- I'll let you in on something. I don't think I could take six terms in Washington. (Laughter.) But I'm very proud of my union service. And let me join your union leaders here today in saying be proud of your service and of your union.

Be proud of what unions symbolize, Free unions represent free people. And someday let us hope that the members of a union called Solidarity will be able to assemble like this and enjoy what ILA members enjoy every day -- the freedom to organize. (Applause.)

Our democracy encompasses many freedoms -- freedom of speech, of religion, of assembly, and so many other liberties that we often take for granted. These are rights that should be shared by all mankind. This union has always patriotically stood up for those freedoms. And that's why I want to talk to you today about freedom not in the United States, but in a part of the world that's very close and very important to us -- Central America.

We all know that Central America suffers from decades of poverty, social deprivation and political instability. And because these problems weren't dealt with positively, they're now being exploited by the enemies of freedom. We cannot afford the luxury of turning away from our neighbors' struggle as if they didn't matter. If we do turn away, we'll pay a terrible price for our neglect.

In April I reported to the Congress that the problems in Central America have the potential to affect our national security. This is still the case, and I want to reinforce it. Many of our citizens don't fully understand the seriousness of the situation, so let me put it bluntly: There is a war in Central America that is being fueled by the Soviets and the Cubans. They are arming, training, supplying and encouraging a war to subjugate another nation to communism and that nation is El Salvador. The Soviets and the Cubans are operating from a base called Nicaragua. And this is the first real communist aggression on the American mainland. And we must never forget that here in the Western Hemisphere we are Americans in every country from pole to pole.

This Florida community where we meet today is closer to Nicaragua than it is to Washington, D.C. Two-thirds of our foreign trade and nearly half of our petroleum pass through the Caribbean. It's well to remember that in early 1942, a handful of Hitler's submarines sank more tonnage in that area than in all of the Atlantic Ocean. And they did this without a single naval base anywhere nearby. Today, Cuba is home to a Soviet combat brigade, a submarine base capable of servicing Soviet subs, and military air bases visited regularly by Soviet military aircraft that control our shores. If the Nazis during World War II and the Soviets today have recognized that the Caribbean and Central America is vital to our interests, don't you think it's about time that we recognize that, too?

Some people throw up their hands and say there's not much we can do down there.

They say poverty and violence, repression in Central America are just the way of life, that democracy can't work. Well, I say "baloney." And I think we'd all say something stronger if we were down on the docks. (Laughter.) Costa Rica is as strong a democracy as you will find anywhere with a long history of peace, free elections and stability. They don't even have an army. If democracy can work in Costa Rica and Honduras, if it can work in El Salvador and Nicaragua and Guatamala, there is still time for the people of Latin America to build a prosperous, peaceful and free future. And we have an obligation to help them for our own sake as well as theirs.

People throughout Latin America are waiting to see if Republicans and Democrats in this country can work together to make the United States what it should be: A loyal friend and reliable defender of democracy and human decency. I believe that we must exercise that leadership and the time is now.

Since I spoke to the Congress in April, Cuba has sent one of its best-known combat generals to Nicaragua. More Cuban soldiers and Soviet supplies have arrived in Nicaragua. This cannot be allowed to continue.

Tomorrow, July 19th, is the fourth anniversary of the Sandinista Revolution. This was a revolution that promised to bring freedom to the Nicaraguan people. History will call it the revolution of broken promises. Tomorrow, the nine military commanders who rule Nicaragua with Cuban and Soviet power will indulge in boastful revolutionary rhetoric. But there are few left who will believe them. This consensus throughout the hemisphere is that while the Sandinistas promise their people freedom, all they've done is replace the former dictatorship with their own, a dictatorship of counterfeit revolutionaries who wear fatigues and drive around in Mercedes sedans and Soviet tanks and whose current promise is to spread their brand of revolution throughout Central America.

What kind of freedom have the Sandinistas established? Just ask the 1,300 stevedores at the Nicaraguan port of Corinto. Last month, their union assembly was packed with Sandinistas and six union leaders were arrested. Their presumed crime was trying to develop ties with independent trade unions, including some here affiliated with the AFL-CIO. I can tell you one thing, if all the longshoremen in Corinto are like Teddy Gleason, the Sandinistas have got a real fight on their hands. (Applause.) Matter of fact, if they've got one like you, Teddy, they may be like those two fellows that were up sawing on a limb and one of them fell off. And there was a wildcat down below and there were sounds of struggle coming up. And the one still up on the limb called down and said, "Hold on." And he said, "Hold on?" He said, "Come down and tell me how to let him go." (Laughter.)

What kind of democracy is it?

Ask the Nicaraguan refugees who have risked starvation and attack to escape to Honduras. Let me read to you directly from a newspaper article. "One Nicaraguan man -- still filthy, ragged and, above all, hungry after an odyssey that began five weeks ago -- breathed a note of thanks: 'God has smiled on us.'" Imagine, with barely clothes on his back and nothing in his stomach, he believed that God had smiled on him because he'd arrived in free, democratic Honduras.

This man fled Nicaragua in May with many others when they learned the Sandinistas planned to relocate their villages. Let me quote again what one of the many others -- what they had learned and what they had to say. They said, "We left everything. We left the pigs, the corn, the animals. This year they wouldn't let us plant, because they wanted us to move closer to the military bases. They wanted us to be in the militia, and we did not want to be executioners."

When the Sandinistas first took power, all their neighbors hoped that they would embrace democracy as they promised. In the first year and a half after the revolution, the United States sent \$118 million worth of emergency relief and recovery aid to Nicaragua, more than provided by any other country in the world. But the Sandinistas had lied. They rejected their pledges to their own people, to the Organization of American States, and to the world.

Let me say a few more words about those specific promises. The Sandinistas had promised the Organization of American States that they would hold elections and grant all human rights that go with a democracy. In short, they literally made a contract to establish a true democracy. The dictator Somoza was then persuaded by the O.A.S. to resign and the government was turned over to the revolutionaries and recognized officially by the Organization of American States.

So far so good. But then, one faction of the revolutionaries, backed by Cuba and the Soviet Union, seized total power and ousted their revolutionary comrades who had been fighting to establish a real democracy. Nicaragua today is a nation abusing its own people and its neighbors. The guerrilla bands fighting in Nicaragua are trying to restore the true revolution and keep the promises made to the O.A.S. Isn't it time that all of us in the Americas worked together to hold Nicaragua accountable for the promises made and broken four years ago?

There's a vital link between what's happening in Nicaragua and what's happening in El Salvador. And the link is very simple: The dictators of Nicaragua are actively trying to destroy the budding democracy in neighboring El Salvador.

El Salvador is moving toward a more open society and government in the midst of a foreign-supported guerrilla war. National presidential elections are planned. Through their Peace Commission, they've offered to talk even to the violent

opposition about participating in these forthcoming elections. They've implemented an effective land-reform program which has provided land for over half a million Salvadorans, and they've given amnesty to former guerrillas.

This is El Salvador's revolution -- it is one that is building democracy. Contrast this with the corrupted revolution in Nicaragua, one which has repressed human liberties, denied free unions and free elections, censored the press, and threatened its neighbors and violated a public pledge.

It's time El Salvador's recognized for what they're trying to do. And it's true that their path has been a hard one. Peaceful change has not always been easy or quick. We realize the human rights are not all in El Salvador that we would like them to be. The killing must stop. But you have to realize much of the violence there -- whether from the extreme right or left -- is beyond the control of the government. El Salvador is moving in the right direction. Its elected government is committed to further improvement. They need and they deserve our help.

Just remember that scene last year after months of campaigning by a variety of candidates, the people of El Salvador were offered a chance to vote, to choose the kind of government they wanted. The guerrillas threatened death to anyone who voted. They destroyed hundreds of buses and trucks to keep the people from getting to the polling places. Their slogan was brutal: "Vote today and die tonight." But on election day, an unprecedented 80 percent of the electorate braved ambush and gunfire and many of them trudged for miles to vote for freedom.

Members of our Congress who went there as observers told me of a woman who was wounded by rifle fire on the way to the polls. She refused to leave the line to have her wound treated until after she voted. Another woman had been told by the guerrillas that she would be killed when she returned from the polls. She was a grandmother. And she told the guerrillas, "You can kill me. You can kill my family. You can kill my neighbors. You can't kill us all." The real freedom fighters of El Salvador turned out to be the people of that country. The world should respect this courage and not allow it to be belittled or forgotten. And I say that we can never turn our backs on that.

The United States -- (applause) -- the United States has only recently attempted to correct past neglect so that we could help Central America's struggle for freedom. We're working for political and economic development. Most of our aid is not military at all. Seventy-seven cents out of every dollar that we will spend this year will go for economic assistance -- food, fertilizers and other essentials to help break the vicious cycle of poverty. And make no mistake about this -- of all the words that I've spoken today, let me underline these especially: America's emphasis in Central America is on economic and social progress, not on a purely

military solution.

But to give democracy and development a chance to work in the face of increasing attacks, we're providing a shield of military training and assistance to help our neighbors protect themselves. Meanwhile, the trade provisions of the Caribbean Basin Initiative will stimulate production and employment. Last week's congressional vote on the CBI is a step toward more work for their longshoremen and ours.

Nor is that all. We are actively supporting the search for political solution and dialogue among and within these nations. We know that peace ultimately can come only if people talk to each other and learn to accommodate in an atmosphere of freedom. To this end, I dispatched my special emissary to the region. Despite the fact that the guerrillas rejected our offer, we remain ready to facilitate free and open elections. We also support the process started at Contadora for a multilateral approach to peace.

In my speech to the Joint Session, I asked the Congress to join me in a bold, generous, bipartisan approach to the problems of peace and poverty, democracy and dictatorship in this region. Many members of the Congress have responded in a genuine spirit of cooperation, despite divergent views on specific strategy. Senators Jackson and Mathias, Congressmen Barnes and Kemp have suggested the formation of a national commission to build on our bipartisan concern for these key issues.

I agree with them that this is a good idea. So, today, I am announcing a bipartisan national commission on Central America. The commission will lay the foundation for a long-term unified national approach to the freedom and independence of the countries of Central America. The commission will be honored by a very distinguished American, outstanding in the field of diplomacy, virtually a legend in that field. It will be headed by Dr. Henry Kissinger, who will present recommendations to me later this year. Their focus will be on long-term looking to what it is that we want and what we must do in the years ahead to meet the underlying problems of the region.

In the meantime, we must not allow totalitarian communism to win by default. But we cannot succeed unless the Congress approves the necessary resources. All that our neighbors ask is for the tools to do the job themselves. And I ask you and every American, regardless of political party, to join in a common effort to promote freedom for all the people of this hemisphere. Just as you work so your children will have a better future, the United States must work so that the fledgling democracies of this hemisphere will have a better future and so that our own future can be more secure. The legislative branch must bear its share of responsibility for ensuring this promise.

You know, I was down in that area
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on a trip, I met with the heads of several of the states of Central and South America. And I pointed something out to them that very often we tend to forget. This Western Hemisphere is unique. We are, as I said before, 30 countries down there, the three here in the northern continent. But we are all Americans. We cross a line into another country. It is still North and South and Central America. And we haven't gotten together the way we should. We don't know enough about that area and we need to do more. Can you imagine what a power for good in the world these two continents, linked by the isthmus of Central America -- We worship from South Pole to North Pole the same God. We have the same heritage of coming here as pioneers to these virtually undiscovered continents. And what a power for good we could be with all the resources available in these continents if we help them in achieving what we have achieved here in this land. -- in freedom, in economic progress, in standard of living.

Human rights means working at problems, not walking away from them. Without the necessary funds, there's no way for us to prevent the light of freedom from being extinguished in Central America, and then it will move on from there. A truly bipartisan approach to these problems can produce the kind of progress that will help the people of the region help themselves.

You know I've heard, already and before, knowing Teddy Gleason you know I've heard that ILA stands for I Love America. And that's true. I don't think America has a more patriotic union than this one. (Applause.) This union is great for the same reason America is great -- because so many different groups are working together, pulling together toward a common goal. The cultural diversity of this union and this country make us both strong and free.

President Harrison once said, "In America, a glorious fire has been lighted upon the altar of liberty. Keep it burning; and let the sparks that continually go up from it fall on other altars, and light up in distant lands the fire of freedom."

Today I ask you to join me in an effort to keep the light of liberty alive in Central America. We must never let freedom fade where there's a chance to save it. We must never let the enemies of human dignity die out simply because it's -- the embers, I should say, not the enemies, the embers of human dignity die out because it's easier to turn the other way. With a timely investment now, we can save freedom in Central America. And I believe we must make that investment. I believe we have a moral responsibility to do so. And I believe with the help of organizations like the ILA we will succeed in expanding freedom for the people of Central America.

Thank you and God bless you. (Applause.)