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Collection Name MATLOCK, JACK: FILES

Withdrawer

JET 6/20/2005

File Folder GENEVA MEETING: SHULTZ/GROMYKO JANUARY 7-8,
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FOIA

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
16180	MEMO	STEARMAN TO MCFARLANE RE SOVIET POSITIONS POST GENEVA [13 - 15]	3	1/18/1985	B1
16181	MEMO	SHULTZ RE GROMYKO [42 - 42]	1	ND	B1
16182	MEMCON	SHULTZ MEETING WITH GROMYKO SOVIET MISSION GENEVA JANUARY 8, 1985 [44 - 55]	12	ND	B1

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Matlock

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

January 16, 1985

STATEMENT BY THE PRESIDENT

Today I met with the Vice President, Secretaries Shultz and Weinberger and the members of the U.S. delegation which recently conducted the two days of tough, but successful talks with their Soviet counterparts in Geneva. I invited our team members to the White House so that I could personally express to them my recognitions of their extremely hard work and my gratitude for the successful outcome.

I also expressed my appreciation to our team for the unity and the discipline they demonstrated in Geneva, and in the deliberative process leading up to the talks. As I indicated in my report to the nation at the beginning of last week's press conference, the work performed by the Delegation and its staff members represents an example of American diplomacy at its finest.

I took this occasion to emphasize my satisfaction that we have succeeded in getting the U.S.-Soviet arms control process back on track. I emphasized my determination to reach agreements which bring about deep and verifiable reductions in nuclear forces, and which enhance strategic stability.

I am keenly aware of the hard work and long hours ahead for these dedicated people in carrying out the analyses needed to support American negotiating positions. But I am confident that with the expertise and dedication each member of our team brings to this work, the United States will do its part to make the coming negotiations succeed.

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Speech text for delivery to:
Face to Face Luncheon

Jack 2

FYE,

Steve

Congress,

The

Defense

Budget,

Arms

Control

Talks

by Les Aspin

U.S. House of Representatives
Washington, D.C. 20515
January 16, 1985

Deterrence is rapidly becoming a dirty word in this country.

For decades, our defense policy has been based on the simple construct that the best defense is a good offense. The Soviets have operated in the same way. Both superpowers have enough nuclear weapons to absorb a first strike and still annihilate the other superpower. Beginning a nuclear war would be suicide. Therefore, neither starts a war. As Winston Churchill so starkly put it in 1955, "Safety will be the sturdy child of terror, and survival the twin brother of annihilation."

This implicit policy became explicit in the 1972 treaty on anti-ballistic missiles. In that treaty, the United States and the Soviet Union mutually agreed that we would not try to defend ourselves against a ballistic missile attack, thereby making deterrence--or Mutual Assured Destruction--a joint Soviet-American policy.

The general public may not have understood the implications of the ABM treaty. The public may simply have seen and approved the treaties without perceiving what they meant. But now the implications of deterrence are beginning to sink in. And with that comes grave doubts.

There is a growing fear that even if deterrence has worked so far, it cannot work over the long run. Deterrence policy rests on a foundation of rationality, and people fear that in the long run, it will break down due to some madman, perhaps, or an accidental launch. Deterrence has kept the peace for the last four decades--but what about the next century?

The crisis of deterrence has generated attacks from both the right and the left. From the left--the Roman Catholic bishops, the no-first-use advocates, Jonathan Schell and the freeze campaign--all to one extent or another questioned the policy of deterrence.

The second attack came from the right--from Ronald Reagan himself.

He expressed it this way in March 1983:

"Up until now, we have increasingly based our strategy of deterrence upon the threat of retaliation. But what if free people could live secure in the knowledge that their security did not rest on the threat of instant U.S. retaliation to deter a Soviet attack; that we could intercept and destroy strategic ballistic missiles before they reached our soil or that of our allies. I know that this is a formidable task. . . but is it worth every investment necessary to free the world from the threat of nuclear war?"

The President was proposing a probe into the feasibility of a defensive system to protect the United States from ballistic missile attacks. It is a revolutionary change in that it both seeks to alter the foundation of strategic policy as we have known it since the 1950s--namely, protection by deterrence--as well as convince the Soviets that contrary to what we said to them 15 years ago, defensive systems are good for both sides.

In the INF and START talks that broke off in the fall of 1983, strategic defense were not a factor. Those talks began before the Strategic Defense Initiative was proposed.

However, SDI now is a factor. The arms talks are now resuming. The Administration should be congratulated. It has achieved a very impressive beginning at Geneva. But the talks now, rightly I believe, include not only INF and START, but also defensive systems.

The question now is how will these talks play out, and I want to talk to you about one aspect of that question--namely, support in Congress.

At the beginning of any serious negotiations, the question of congressional support arises. Congressional support means two things. First, it means that Congress not interfere too heavily in the negotiating process--that it have patience and not repeatedly lean on the Administration to change its negotiating position. Second, it means that Congress support the negotiations by voting for the money needed to deploy weapons--in other words, not to take away any bargaining leverage.

Republican Administrations always have more trouble with congressional kibitzers than Democratic ones. Everyone knows that Democratic Administrations want arms control. So if Jimmy Carter proposes deep cuts, it is evidence of his deep abhorrence of nuclear war. Everyone knows that conservative Republican Administrations don't want arms control. So, if Ronald Reagan proposes deep cuts, he is obviously trying to put fourth a non-negotiable position.

But if Democrats get less hectoring from Congress during the negotiations, the positions are reversed once an agreement is reached and ratification becomes the issue. Everyone knows that Republican Administrations don't really want arms control. So if a Republican Administration sends a treaty up for ratification, it cannot be harmful. Everyone knows that Democratic Administrations really want arms control. So if a Democratic Administration sends a treaty up for ratification, there is ground for suspecting it gave away the store to get it.

The only way out of this dilemma is to have Democrats negotiate treaties and Republicans get them ratified. But Ronald Reagan didn't follow the script when he failed to send SALT II to the Senate for ratification.

In any case, we now have a Republican Administration apparently about to embark on serious negotiations. What can be done to see that Congress plays a role that is constructive?

Various institutional devices are possible. A number of congressmen and senators are being appointed to an advisory panel. They will receive briefings and be kept informed as to what is going on. The objective is to have in Congress a few knowledgeable and vocal supporters who will defend what is going on when needed.

Other approaches to bring members of Congress into the process in formal and informal ways might also be tried. The various commissions--the Social Security Commission, the Scowcroft Commission, and the Kissinger Commission on Central America--all used members of Congress formally or informally as part of the process. Some of these commissions were more successful than others, of course.

In general, I believe that bringing members of Congress into the process can be helpful--but not decisive. Jimmy Carter must have had half of Congress on his SALT II advisory panel and it didn't help much.

For Congress to support the negotiations, we need a consensus on the substance of the talks.

To say the least, this is very difficult to achieve. As we have seen, it is hard enough to get a consensus in an Administration where everyone theoretically works for the same boss. It is much harder to get a consensus in Congress where every member works for himself or herself.

We do not have a consensus in the country as to what constitutes a good agreement, about what we are trying to achieve, or how to get there. We do not even have a full agreement about whether it is a good thing to have arms talks going on. There are problems with any talks. The SDI components of these talks makes consensus even more difficult because the SDI concept--namely, that defensive systems are good for us--is a 180-degree turn from the policies of the previous four Administrations.

Thus far, we have built consensus on ambiguity. Take SDI, for example. The Administration sometimes says SDI replaces deterrence and other times that it

enhances deterrence. It has told us that Star Wars is absolutely vital to the future of our nation, and that it is just a research program to see what pops up. It has said SDI is not negotiable; and it has said that it is. There is something there for everybody.

But as the Administration refines its positions in preparation for the talks and during the talks, it will not be able to preserve the ambiguity. The one piece of advice I have for the Administration is to keep in mind the need for consensus as it refines and revises its position.

Consensus, of course, does not mean unanimity. What it means is at least a majority. Consensus does not mean taking the middle ground on every issue. It means a package that makes sense to the common sense middle. None of this is easy in arms control where it seems the most vocal and most active people are on the fringes.

Last week after his meeting with Gromyko, Secretary of State George Shultz journeyed to the Hill to brief members of Congress and to ask them to approve President Reagan's SDI and MX programs intact. He argued that with the talks resuming, we should not cut these programs. He said, "If the Soviets can get what they want out of us without giving anything in return, they would love it." The Secretary of Defense has also said that with talks going on, this is a bad time to cut the defense budget.

That's standard speech material for Secretaries of State and Defense. But there is undoubted truth in what they say. Obviously, if Congress unilaterally eliminates those weapons that the Soviets want eliminated, there is no reason for the Soviets to bargain away any of their weapons that we want to see eliminated. We don't want to send our negotiators to Geneva with a weak negotiating hand.

On the other hand, implicit in Mr. Shultz's comment is the suggestion that Congress should just rubber-stamp the Administration's arms requests because there are arms talks going on. That won't fly either.

Congress has some key votes coming up this year. First, there are the votes on releasing the money for MX scheduled for some time after March 1. Then there will be requests in the Authorization and Appropriation bills for SDI and the rest of the strategic modernization programs. There will also be votes in the budget process to put a ceiling on defense spending.

The point is this: Congress is not likely to vote the Administration's way on all these issues just because arms talks going on. There is an enormous deficit going on, too. It is not enough to say that defending the country against ballistic missile attack is good and therefore we ought to fund it all, or to say some of these weapons are needed for bargaining leverage and therefore we ought approve them automatically.

Before it votes, Congress needs to know where the defense program is going and where the negotiations are headed. In short, Congress is going to need some answers to some questions.

Here are some of the questions I hear from my colleagues as well as some of my own.

One question is: Where are we going with SDI? The Administration says at various times that it is an R&D program, that it is a population defense system to replace deterrence, and that it is a Ballistic Missile Defense (BMD) system that will enhance deterrence. Which is it? And, if we don't know now, how will we determine the answer and when will we get it?

Much testimony that Congress has received on SDI suggests that population defense is not feasible now or in the foreseeable future. BMD, on the other

hand, seems more feasible. But here, too, there are problems. The Administration seems much more bullish on population defense. Why? What evidence does it have?

Answering some of these questions is going to require technical information about offensive counter-measures, cost-ratios between offense and defense, etc. All this is going to take time and money. But some of the questions are conceptual ones concerning stability, affects on our allies, and the like.

The important point is not that we have the answers to those questions today, but that we have some idea about how and when they will be answered.

A second question is: Since we won't get the answers to these SDI questions for some time, how will the Administration deal with the arms control issues that are staring us right in the face?

The expiration date of the unratified SALT II treaty is approaching. Will the Administration declare it to be dead? Will it propose an extension? Will it offer an interim agreement? Will it just muddle through? In very specific terms, what will the Administration do when the USS Alaska, the newest Trident missile submarine, enters sea trials. Will it demobilize sufficient numbers of old Poseidon missiles to stick within SALT numerical limits? The President said in his recent press conference that the Administration would demobilize the old missiles, but, as I understand it, the question is not yet settled.

If we don't get this issue settled satisfactorily, how can we expect the Geneva talks to get very far.

A third question is: What are our START and INF positions? What are our going-in positions in these negotiations? How do they compare with what was left on the table when the talks were terminated. Do the recent hints about a willingness to consider asymmetries in the two forces indicate some changes?

The fourth question is: Why isn't a defense-offense exchange with the Soviets a good deal?

Soviet Foreign Minister Andrei Gromyko made clear last weekend that Moscow considers the three subsets of the Geneva talks to be all of one cloth. The Administration has generally acted as though there are three separate talks going on. It has tried to keep discussion of SDI at arms length from discussion of Soviet land-based missiles.

Why should we do that? We are starting to move into the world of Midgetman. One concern is that the Soviet land-based missile force is of sufficient size and numbers that it could threaten to wipe out Midgetman in a barrage attack. If by reaffirming our adherence to the 1972 ABM treaty, we could get the Soviets to reduce offensive forces sufficiently to ensure the survivability of Midgetman, why isn't that a good deal?

A fifth question is: What should we do with the MX now that it is no longer central to the negotiations?

When the negotiations involved offensive forces only, the Scowcroft approach argued that the MX was needed as a bargaining chip to induce the Soviets to reduce their offensive forces. Now defensive systems offer a better bargaining chip? Isn't the threat to build defensive systems around our missiles if the Soviets don't reduce this offensive threat to our land-based force a more rational threat (and, therefore, a better bargaining chip) than the threat to build MX and thereby put at risk their missiles? At least in the former case, the punishment fits the crime. The response would be to defend against the threat whereas with MX the response is to replicate it.

The sixth question is: Has this administration really thought through what it is doing to the concept of deterrence?

In trying to sell SDI, the Administration has been calling into question the whole concept of deterrence. But before we discard deterrence--which has after all helped preserve peace for 40 years--hadn't we better be sure that we have something with which to replace it? It is easy to be articulate about the dangers of a reliance on deterrence. What is hard to come up with is an alternative for deterrence that doesn't really weaken our national security even if it does salve our consciences.

There is a further danger stemming from the administration's rhetoric on deterrence. The Administration's alternative for deterrance--SDI--is a very, very costly one. But are not the people who are most worried about deterrence the very people who want to spend less on defense? Having stirred up an anti-deterrence constituency, might not the Administration find itself outflanked by a "solution" to the problem coming from the left which doesn't cost any money?

All of these questions come to mind as Congress approaches another budget cycle with the new arms control talks just beginning. There are no doubt other questions one could pose.

These questions are real concerns that members of Congress are expressing. They are not meant to hector the administration but to get it to think through and spell out its positions. Implicit in the questions is a genuine doubt that the Administration has yet thought through them.

Up to now, the Administration has been able to have it both ways on a number of these issues--defense systems are to replace deterrence and enhance deterrence. SDI and MX are bargaining chips, but we are not going to give them up. SALT II is fatally flawed but we are going to stick to it.

If the Administration wants Congress to fund its requests, it is going to have to spell out its position with considerably more clarity. With huge deficits looming, it is not enough for the Administration to say that arms control negotiations are going on.

The Administration has scored an impressive victory in getting these talks off to such a good start. Certainly, as Secretary Shultz requested, we need Congress to support this effort. Certainly, up to now not all of these issues have been addressed. But the time to do it is now. If the Administration wants Congress on board for the flight, it needs to let Congress in on the take-off.

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THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

January 21, 1985

INAUGURAL ADDRESS BY THE PRESIDENT

The Rotunda
United States Capitol
Washington, D.C.

11:49 A.M. EST

THE PRESIDENT: Senator Mathias, Chief Justice Burger, Vice President Bush, Speaker O'Neill, Senator Dole, Reverend Clergy, and members of my family and friends, and my fellow citizens.

This day has been made brighter with the presence here of one who, for a time, has been absent. Senator John Stennis, God bless you and welcome back. (Applause.)

There is, however, one who is not with us today. Representative Gillis Long of Louisiana left us last night. And I wonder if we could all join in a moment of silent prayer.

Amen.

There are no words to -- adequate to express my thanks for the great honor that you've bestowed on me. I'll do my utmost to be deserving of your trust.

This is, as Senator Mathias told us, the 50th time we the people have celebrated this historic occasion. When the first President, George Washington, placed his hand upon the Bible, he stood less than a single day's journey by horseback from raw, untamed wilderness.

There were 4 million Americans in a Union of 13 States. Today, we are 60 times as many in a Union of 50 States. We've lighted the world with our inventions, gone to the aid of mankind, wherever in the world there was a cry for help, journeyed to the moon and safely returned.

So much has changed. And yet, we stand together as we did two centuries ago. When I took this oath 4 years ago, I did so in a time of economic stress. Voices were raised saying that we had to look to our past for the greatness and glory. But we, the present-day Americans, are not given to looking backward. In this blessed land, there is always a better tomorrow.

Four years ago, I spoke to you of a new beginning and we have accomplished that. But in another sense, our new beginning is a continuation of that beginning created two centuries ago, when, for the first time in history, government, the people said, was not our master, it is our servant; its only power that which we the people allow it to have.

That system has never failed us. But, for a time, we failed the system. We asked things of government that government was not equipped to give. We yielded authority to the national government that properly belonged to states or to local governments, or to the people themselves.

MORE

We allowed taxes and inflation to rob us of our earnings and savings, and watched the great industrial machine that had made us the most productive people on Earth slow down, and the number of unemployed increase.

By 1980, we knew it was time to renew our faith; to strive with all our strength toward the ultimate in individual freedom, consistent with an orderly society.

We believed then and now: There are no limits to growth and human progress, when men and women are free to follow their dreams. And we were right -- (applause) -- And we were right to believe that. Tax rates have been reduced, inflation cut dramatically, and more people are employed than ever before in our history.

We are creating a nation once again vibrant, robust, and alive. But there are many mountains yet to climb. We will not rest until every American enjoys the fullness of freedom, dignity, and opportunity as our birthright. It is our birthright as citizens of this great Republic.

And, if we meet this challenge, these will be years when Americans have restored their confidence and tradition of progress;

When our values of faith, family, work and neighborhood were restated for a modern age;

When our economy was finally freed from government's grip;

When we made sincere efforts at meaningful arms reductions and by rebuilding our defenses, our economy, and developing new technologies, helped preserve peace in a troubled world;

When America courageously supported the struggle for individual liberty, self-government, and free enterprise throughout the world, and turned the tide of history away from totalitarian darkness and into the warm sunlight of human freedom. (Applause.)

My fellow citizens, our Nation is poised for greatness. We must do what we know is right, and do it with all our might. Let history say of us, these were golden years -- when the American Revolution was reborn, when freedom gained new life, and America reached for her best.

Our two-party system has served us -- served us, I should say, well over the years, but never better than in those times of great challenge, when we came together not as Democrats or Republicans, but as Americans united in a common cause. (Applause.)

Two of our Founding Fathers, a Boston lawyer named Adams and a Virginia planter named Jefferson, members of that remarkable group who met in Independence Hall and dared to think they could start the world over again, left us an important lesson. They had become, in the years then in government, bitter political rivals in the presidential election of 1800.

And then, years later when both were retired, and age had softened their anger, they begin to speak to each other again through letters. A bond was reestablished between those two who had helped create this government of ours.

In 1826, the 50th anniversary of the Declaration of Independence they both died. They died on the same day, within a few hours of each other. And that day was the Fourth of July.

In one of those letters exchanged in the sunset of their lives, Jefferson wrote, "It carries me back to the times when, beset with difficulties and dangers, we were fellow laborers in the same cause, struggling for what is most valuable to man, his right of self-government. Laboring always at the same oar, with some wave ever ahead threatening to overwhelm us, and yet passing harmless -- we rode through the storm with heart and hand."

With heart and hand, let us stand as one today: One people under God determined that our future shall be worthy of our past. As we do, we must not repeat the well-intentioned errors of our past. We must never again abuse the trust of working men and women, by sending their earnings on a futile chase after the spiraling demands of a bloated federal establishment. You elected us in 1980 to end this prescription for disaster, and I don't believe you re-elected us in 1984 to reverse course. (Applause.)

At the heart of our efforts is one idea vindicated by 25 straight months of economic growth: Freedom and incentives unleash the drive and entrepreneurial genius that are a core of human progress. We have begun to increase the rewards for work, savings and investment, reduce the increase in the cost and size of government and its interference in people's lives.

We must simplify our tax system, make it more fair and bring the rates down for all who work and earn. We must think anew and move with a new boldness, so every American who seeks work can find work; so the least among us shall have an equal chance to achieve the greatest things -- to be heroes who heal our sick, feed the hungry, protect peace among nations and leave this world a better place.

The time has come for a new American Emancipation -- a great national drive to tear down economic barriers and liberate the spirit of enterprise in the most distressed areas of our country. My friends, together we can do this, and do it we must, so help me God.

From new freedom will spring new opportunities for growth, a more productive, fulfilled and united people, and a stronger America -- an America that will lead the technological revolution, and also open its mind and heart and soul to the treasuries of literature, music and poetry and the values of faith, courage and love.

A dynamic economy, with more citizens working and paying taxes, will be our strongest tool to bring down budget deficits. But an almost unbroken 50 years of deficit spending has finally brought us to a time of reckoning.

We have come to a turning point, a moment for hard decisions. I have asked the Cabinet and my staff a question and now I put the same question to all of you. If not us, who? And if not now, when? It must be done by all of us going forward with a program aimed at reaching a balanced budget. We can then begin reducing the national debt.

I will shortly submit a budget to the Congress aimed at freezing government program spending for the next year. Beyond this, we must take further steps to permanently control government's power to tax and spend.

We must act now to protect future generations from government's desire to spend its citizens' money and tax them into servitude when the bills come due. Let us make it unconstitutional for the federal government to spend more than the federal government takes in. (Applause.)

We have already started returning to the people and to state and local governments responsibilities better handled by them. Now, there is a place for the federal government in matters of social compassion. But our fundamental goals must be to reduce dependency and upgrade the dignity of those who are infirm or disadvantaged. And here, a growing economy and support from family and community offer our best chance for a society where compassion is a way of life, where the old and infirm are cared for, the young and, yes, the unborn protected, and the unfortunate looked after and made self-sufficient. (Applause.)

Now, there is another area where the federal government can play a part. As an older American, I remember a time when people of different race, creed, or ethnic origin in our land found hatred and prejudice installed in social custom and, yes, in law. There's no story more heartening in our history than the progress that we've made toward the "brotherhood of man" that God intended for us. Let us resolve there will be no turning back or hesitation on the road to an America rich in dignity and abundant with opportunity for all our citizens. (Applause.)

Let us resolve that we, the people, will build an American opportunity society, in which all of us -- white and black, rich and poor, young and old -- will go forward together, arm in arm. Again, let us remember that, though our heritage is one of blood lines from every corner of the earth, we are all Americans, pledged to carry on this last, best hope of man on earth. (Applause.)

I have spoken of our domestic goals and the limitations we should put on our national government. Now let me turn to a task that is the primary responsibility of national government -- the safety and security of our people.

Today, we utter no prayer more fervently than the ancient prayer for peace on earth. Yet history has shown that peace does not come, nor will our freedom be preserved, by goodwill alone. There are those in the world who scorn our vision of human dignity and freedom. One nation, the Soviet Union, has conducted the greatest military build-up in the history of man, building arsenals of awesome offensive weapons.

We've made progress in restoring our defense capability. But much remains to be done. There must be no wavering by us, nor any doubts by others, that America will meet her responsibilities to remain free, secure, and at peace. (Applause.)

There is only one way safely and legitimately to reduce the cost of national security, and that is to reduce the need for it. And this we're trying to do in negotiations with the Soviet Union. We're not just discussing limits on a further increase of nuclear weapons. We seek, instead, to reduce their number. We seek the total elimination one day of nuclear weapons from the face of the earth. (Applause.)

Now, for decades, we and the Soviets have lived under the threat of mutual assured destruction; if either resorted to the use of nuclear weapons, the other could retaliate and destroy the one who had started it. Is there either logic or morality in believing that, if one side threatens to kill tens of millions of our people, our only recourse is to threaten killing tens of millions of theirs?

I have approved a research program, to find, if we can, a security shield that will destroy nuclear missiles before they reach their target. It wouldn't kill people, it would destroy weapons. It wouldn't militarize space; it would help demilitarize the arsenals of earth. It would render nuclear weapons obsolete. We will meet with the Soviets, hoping that we can agree on a way to rid the world of the threat of nuclear destruction.

We strive for peace and security, heartened by the

changes all around us. Since the turn of the century, the number of democracies in the world has grown four-fold. Human freedom is on the march, and nowhere more so than in our own hemisphere. Freedom is one of the deepest and noblest aspirations of the human spirit. People worldwide hunger for the right of self-determination, for those inalienable rights that make for human dignity and progress.

America must remain freedom's staunchest friend, for freedom is our best ally. (Applause.) And it is the world's only hope to conquer poverty and preserve peace. Every blow we inflict against poverty will be a blow against its dark allies of oppression and war. Every victory for human freedom will be a victory for world peace.

So we go forward today, a nation still mighty in its youth and powerful in its purpose. With our alliances strengthened, with our economy leading the world to a new age of economic expansion, we look to a future rich in possibilities. And all of this is because we worked and acted together, not as members of political parties, but as Americans.

My friends, we live in a world that's lit by lightning. So much is changing and will change, but so much endures and transcends time.

History is a ribbon, always unfurling; history is a journey. And as we continue our journey, we think of those who traveled before us. We stand again at the steps of this symbol of our democracy -- well, we would have been standing at the steps if it hadn't gotten so cold. (Laughter.) Now we're standing inside this symbol of our democracy. And we see and hear again the echoes of our past.

A General falls to his knees in the hard snow of Valley Forge; a lonely President paces the darkened halls and ponders -- ponders his struggle to preserve the Union; the men of the Alamo call out encouragement to each other; a settler pushes west and sings a song, and the song echoes out forever and fills the unknowing air.

It is the American sound. It is hopeful, big-hearted, idealistic, daring, decent, and fair. That's our heritage, that's our song. We sing it still. For all our problems, our differences, we are together as of old. We raise our voices to the God who is the Author of this most tender music. And may He continue to hold us close as we fill the world with our sound -- in unity, affection, and love. One people under God, dedicated to the dream of freedom that He has placed in the human heart, called upon now to pass that dream on to a waiting and a hopeful world.

God bless you and may God bless America. (Applause.)

END

12:10 P.M. EST

Matlock 21

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

January 22, 1985

STATEMENT BY THE PRESIDENT

I have just met with Secretaries Shultz and Weinberger, General Vessey, Bud McFarlane, Ken Adelman and our new arms control negotiators. I am very pleased that the three distinguished Americans who will be our representatives have agreed to serve our country in these important new arms control negotiations.

Max Kampelman, John Tower and Mike Glitman bring to their new assignments broad experience and deep knowledge. With the strong support of Paul Nitze and Ed Rowny, I am confident that our new team will represent the United States very effectively.

I view the negotiating commitments we undertook two weeks ago with the Soviets in Geneva with the utmost seriousness. I have no more important goal than reducing, and ultimately eliminating, nuclear weapons. The United States will have concrete ideas to put on the negotiating table. We hope the Soviet Union will follow a similarly constructive approach.

I also want to emphasize that we are determined to achieve a good agreement -- an agreement which meets the interests of both countries, which increases the security of our Allies, and which enhances international stability. Our new negotiators share this important goal. I look forward to working closely with our negotiating team in the months ahead. In this effort I have charged Max and his colleagues with the responsibility of keeping appropriate members of the Congress fully informed. With the patience and support of the American people, Congress and our Allies, I am confident that we will succeed.

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THE WHITE HOUSE
Office of the Press Secretary

Internal Transcript

January 23, 1985

INTERVIEW OF THE PRESIDENT
BY THE ASSOCIATED PRESS

The Oval Office

Q Mr. President, since our time is short and we want to take advantage of every minute we can, I wonder if we might start with an arms talks question today. Big surprise.

THE PRESIDENT: Fine.

Q Mr. President, how close are we to setting a date and place for the new round of arms talks?

THE PRESIDENT: Obviously, this is open to -- for both sides to come -- settle on a date. We have made a proposal of a date and location, or at least to have it sometime early in March and in Geneva, and we just have not heard back. This is -- we're working through diplomatic channels, through the Ambassadors, and we just don't have an answer yet on that. But, obviously, if there's some reason why that's not satisfactory to them, why we'll continue trying to find a date.

Q Have there been problems in working out this point with the Soviets?

THE PRESIDENT: No, we just simply had to come together in our own scheduling and when we thought that we could be ready, and then propose this could be a satisfactory time and place for us.

Q Why should something that seems so simple take weeks to resolve?

THE PRESIDENT: Both countries have bureaucracies. No, I think that their system of government and the -- the Politbureau and the kind of collective nature of their government, I think is -- be an explanation that we just haven't had an answer yet.

Q I wonder if I might follow up on that a little bit, about their system of government and the transitions they have versus ours. You've blamed your inability to achieve an arms control agreement during the first term on the rapid turnover in Soviet leadership during that period. Does the uncertainty of President Chernenko's health cloud the outlook for the upcoming talks?

THE PRESIDENT: Once again, like previous experiences that we've had here, things of this kind, we don't know. There just is no way of knowing. But to those who during the campaign seemed so upset about the fact that we hadn't had more negotiations than we did, let me just point out some interesting figures. In the 48 years between Roosevelt's coming into office, FDR, and my administration, there were eight Presidents of the United States. And in all those 48 years, there were only three leaders of the Soviet Union. Well, I had three before the first three years were up.

Q Do you have a sense or do your reports indicate that this does slow down their ability to make policy decisions on such crucial things as the arms talks?

THE PRESIDENT: Oh, I think that now that the facts have come out on the three previous and the long periods of ill health and so forth, obviously, this had to have an effect.

Q Do you think that's continuing? Or is there any indication at this --

THE PRESIDENT: I don't know. I don't that enough time has gone by now. And you stop to think that those negotiations in Geneva that resulted in the agreement to go forward with arms talks only took place in -- within this month, and then the agreement was made that we would have the arms talks and we would come together and settle on a date and a place, we're still in that single month. So I don't think that this is much foot-dragging. We have only recently settled upon a date that we thought would be satisfactory to us and notified them.

Q If I can change parts of the world a little bit, there have been five Americans seized in Lebanon in the past year. Yet, you have remained silent on their disappearance. Is that part of your strategy for dealing with this hostage problem?

THE PRESIDENT: Yes, this is a situation in which, with the safety of those individuals in mind -- it doesn't mean that we're sitting doing nothing. It just means that it isn't something that we should be talking about publicly.

Q What are we doing?

Q Well, are doing something?

THE PRESIDENT: What?

Q What are we doing, Mr. President?

THE PRESIDENT: That's it. We are -- we are active in doing all we can; but it isn't something that we want to talk about.

Q Does raising the public focus on this issue make it more difficult to win their freedom?

THE PRESIDENT: Yes, this again is in the field of terrorism, where you have to recognize that you aren't dealing with a government. You're dealing with some unknown personages and you have in mind the safety of those five individuals. And, again, as I say, it just isn't something that we want to give the score on.

Q Mr. President, can you say have we been in direct touch with their captors?

THE PRESIDENT: I can't talk, and won't talk about --

Q Can you say if we're any closer to having their release now, or how close it might be?

THE PRESIDENT: I'm just not going to talk.

Q Let me go to one more region that has captured your attention a great deal during the last administration. The ban on U.S. aid to Nicaraguan rebels ends on February 28th, which is only five weeks from now. Senator Durenberger and others in Congress have proposed that instead of renewing covert CIA support, the United States should openly aid the rebels. Is your administration considering that option?

THE PRESIDENT: I think that there are great difficulties in that. And all I'm going to say about that is that I believe that it is in our national interest, and security interest, to continue supporting the people of Nicaragua, who are asking nothing more than freedom from totalitarianism and the implementing of the democratic principles for which the revolution was fought, the revolution that those people supported.

And coupled with that is the fact that Nicaragua -- the Nicaraguan government is exporting subversion and attempting the overthrow of a duly-elected government in its neighboring -- or its neighbor, El Salvador. And all of these things have to be of interest to the United States.

Q You say there are difficulties in making it open. And yet, this is a democracy and the covert nature of the aid has hardly been a secret. What are the --

THE PRESIDENT: Yes, and some who made it --

Q What are the difficulties in simply saying, "Yes, we're going to do this. It's right, and we're going to do it."

THE PRESIDENT: Because in the world of international law, you find that you've changed the situation completely. And you then find yourself having to weigh what are then considered acts of war.

Q Along that line, Mr. President, there are a lot of people around the world who think that the United States looks a little selfish almost by refusing to acknowledge the World Court jurisdiction in the Nicaragua case.

THE PRESIDENT: Yes, that's --

Q What do you say to them?

THE PRESIDENT: I say that what we've done is in keeping with the United Nations Charter. That International Court was never supposed to involve itself in political affairs, nor is it supposed to involve itself in armed struggles. And we would be sitting there apparently on trial with a majority of the jury consisting of representatives of governments that don't even recognize the jurisdiction of the International Court of Justice. And that's a little ridiculous.

Q Let's switch to the domestic area.

THE PRESIDENT: All right.

Q You've said you're going to do something to save the Medicare system from going broke. What are you going to do?

THE PRESIDENT: Well, I'm not sure that we're completely ready, until our budget package goes up there, with the proposals that we'll make. But we've been -- we have been discussing ways of capping some of the charges that can be made on Medicare patients, both by doctors and hospitals, things of that kind. Because the Medicare Trust Fund is somewhat -- not as completely so as the situation that prevailed until we came to a bipartisan agreement with regard to Social Security itself, and that it is outgo exceeding the income. And, as I say, it isn't as desperate a situation as the other was. But the program needs being put on a better financial and fiscal base than it is at present, because down the road, you could see us, then, approach

the same kind of problem that we dealt with in Social Security.

Q Would capping medical and -- or, doctor's and hospital's fees be sufficient?

THE PRESIDENT: Well, this is one of the things that we're still working on. We certainly do not want to limit medical service to the elderly.

Q The doctors say if you cap their fees, you'll limit it because they will simply serve others from whom they can get their full fee.

THE PRESIDENT: Well, of course, they're free to do that. I remember a time before government was involved in medical care when most doctors considered it'd simply be an obligation that they had patients they carried on their books knowing that they would never receive their full fee, or even any fee, from some of them.

Q Has that philosophy changed do you think?

THE PRESIDENT: Well, I think that when government does step in and intervene, then, in a sense, you've said to those individual practitioners that now they don't have to bear the burden by themselves; that all their fellow citizens are going to bear it.

Q But you think that's part of a doctor's responsibility -- to carry patients who can't pay?

THE PRESIDENT: Well, they always felt it was their responsibility.

Q Yes.

Q You talk a lot about voluntary effort --

THE PRESIDENT: Yes.

Q -- and support -- private initiative. Is that the kind of private initiative that you think is necessary? To have the community pick up where the government can't help?

THE PRESIDENT: Well -- and where it can be done better by the private sector. But let me make it plain in this case, I am not suggesting that doctors are selfishly standing there and victimizing their fellow citizens at all. I think they're -- you'll still find many instances of doctors doing what needs to be done and without any thought of remuneration.

The Medicare program did get itself into a position where I think there was -- there was also some -- there's -- also a thing to look at as to patient abuse. And that is of overstaying their time in a hospital simply because they have no responsibility for paying for it, excessive calling of the doctor, simply because no longer is there any charge to the patient.

I'm sure that if we're going to have a program of this kind, it's our obligation to see that the program is not abused by patients or by practitioners.

Q Do you think there is widespread abuse in Medicare?

THE PRESIDENT: Let me just give an example. I'll go back to my Governor days. When we learned that a woman had had forty -- I believe the figure was 42 physical examinations in one month by 42 different doctors. Now, the doctors didn't know about each other. Very obviously, this had to be a hypochondriac who was trying to find a doctor that would tell her she was sick. And there was no adverse finding from any of the 42 examinations. And the only ones who knew that this was going on, other than the woman who was doing it, was when the bill came for payment and you said, "How can this be?" But I think a little policing to make sure that this can't happen.

Q How widespread is that sort of thing?

THE PRESIDENT: I don't know. But we know the opportunity is there.

Q Another big federal program that faces your decision soon. In fact, I think you've had to make some already. Your administration is moving to cut price supports to farmers in order to return U.S. agriculture to a free-market system. How many farmers do you expect will go bankrupt during that transition or shakeout?

THE PRESIDENT: I don't know. And I would hope that that won't happen. We're not instantly pulling the rug out from under them. You can't have for virtually a half a century an industry that is geared to a certain government-support program and then instantly pull that rug out. But the overwhelming majority of farmers have made it plain that they believe the best answer for them is to get back out into the free market. And we believe that also.

If you go back to earlier days, some years ago, when the farm program was in -- into effect, there were always parts of the farm program that were not government-controlled or regulated or supported, or subsidized. And the curious thing was that at the very height of that -- and I'm speaking back in earlier farm programs and -- even before I was Governor -- but just to show you what the effect can be, you found that the parts of agriculture that were out on the free market, there was an -- every year an increase in the per capita use of their -- and purchase of their product. By contrast, there was a per capita decline in the sale of the product of those that were under the government programs.

And --

Q What --

THE PRESIDENT: -- we just, I think, and -- just, not too many years ago, the Department of Agriculture did come way down on the total throughout the year of support payments. And we found out again that the actual per capita income of farmers in America increased. And that's why I believe that most farmers, as I say, and farm organizations, want a procedure that gets us back to the marketplace.

Q What is the administration going to do to increase access to credit by farmers?

THE PRESIDENT: As you know, we had a program in which we -- we offer that in this kind of emergency situation -- well, it is in place of guaranteeing loans and actually offering outright loans.

Q Mr. President, you're fond of telling us, and the statistics do show, that more people are working as a result of economic recovery today than certainly during the recession a couple of years ago. But they also show that the number of poor people in the country continues to increase, rising to more than 35 million people, even in a time of economic growth and lower inflation. Why is that?

THE PRESIDENT: Well, the beginning of the increase in poverty started after the war on hunger began, the Great Society programs that were put into implementation in the latter half of the '60's and then on through the '70's. There had been, up until then, I think you'll find a decrease in poverty -- in poverty figures; and then it turned around and they began increasing.

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And under the previous administration to ours the increase in poverty was at about 9.1 percent rate. We have reduced it down to about a 5 percent rate. So it is still increasing, but we've reduced the rate of increase in that. Now, I think part of that might have -- could have had to do with our control of inflation.

For the last three years, inflation has averaged, in the United States -- or the Cost Price Index -- I know that some of these terms have different -- inflation can have a different context than Cost Price, and that the Consumer Price Index has averaged 3.9 for the last three years, down from double-digit for three years previously.

So, I think this could have an effect, too, in this reduction. But it shows that the -- in the war on poverty, poverty won. And now we're making some changes. And where some people are complaining as if -- that we're lacking in compassion -- I don't think so. I think when you show that we're making an improvement now on who lives below poverty, that is a plus. When we can show that more people are working, and we've reduced the unemployment level, I think that all of this shows that we're on the right track.

MR. SPEAKES: Let's do one more.

Q Two?

MR. SPEAKES: Have you got one more? Two quick ones.

Q Two quick ones.

MR. SPEAKES: I don't want Helen to get -- (inaudible).

(Laughter.)

Q Mr. President, you called George Bush the best Vice President in history. Will you urge him to run for the Presidency in 1988?

THE PRESIDENT: I think this is one that -- as I am supposed to be titular head of the party -- that I won't answer on that. I will -- but, I will just say, I stand by what I've said. I don't believe there's ever been a Vice President, to my knowledge, that was as involved in the doings of government and policy making and all as he has been, and has been as hard working as he has been.

Q Have you explained your position to him, and --

THE PRESIDENT: Oh, he knows that, yes.

Q You've just named an experienced business executive, Don Regan, as your Chief of Staff for the second term. Do you expect, as he apparently does, that he will be the CEO, if you will, and you will be the Chairman of the Board?

THE PRESIDENT: (Laughter.) Well, whether we use those titles -- maybe I don't understand the difference between CEO and Chairman of the Board out in a corporation well enough myself. But, I think that his whole approach to this is that the policies are mine, and he is there to carry out the policies.

Q Does it free you to do more big thinking and concentrate on particular issues instead of having so much of the nitty-gritty to face?

THE PRESIDENT: Well, no, I don't think there's going to be anything of a change in that regard. I know that he -- the functions of his job that have to do with management -- you might say, office management, he's a proven expert in that, both in private life and over as Secretary of the Treasury.

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MR. SPEAKES: -- (inaudible) -- before we're all in trouble. (Laughter.)

Q Okay, well, on our way out, let me just say, Mr. President, you, in your last interview, expressed considerable irritation with all of the reports about who's in charge, and whether or not you're detached from leadership --

THE PRESIDENT: Yes.

Q -- and as a representative of the world's largest newsgathering organization -- we have more newspapers, more radio and television stations than anyone in the world -- and we'd like to ask if you would be willing to let us, or let me, go around with you for a day or two, and describe what it is you do, and how you do it?

Q Sort of a fly on the wall.

THE PRESIDENT: I think I'm going to have to leave this to them, in case I don't find that -- (laughter) -- I've got 365 days a year, with somebody wanting to be with me. But, let's us talk about that --

Q Larry, we've just proposed "A Day in the Life of" -- sort of --

MR. SPEAKES: I see.

Q Thank you very much, Mr. President.

THE PRESIDENT: A pleasure.

Q Thank you, sir.

THE PRESIDENT: All right. You bet.

Q How's Mike?

THE PRESIDENT: Huh? Just fine.

Q Is he?

THE PRESIDENT: You mean -- oh, Mike Deaver. Oh, wait a minute -- (laughter) -- I just said goodbye to Mike, my son. No, no Mike Deaver's -- I know they're running a lot of tests and so forth over there, and can't seem to get a handle on what laid him low. I think he thought too long he just had the flu, but -- so I can't give you a report on that. But, it seems to be --

Q Nothing serious, I hope.

Q There's no cause for --

THE PRESIDENT: Well, I don't think -- no, no --

Q -- real concern, at this point?

THE PRESIDENT: -- no.

Q Thank you.

THE PRESIDENT: All right.

END

11:45 A.M. EST

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THE WHITE HOUSE
Office of the Press Secretary

Internal Transcript

January 23, 1985

INTERVIEW OF THE PRESIDENT
BY
UNITED PRESS INTERNATIONAL

The Oval Office

11:46 A.M. EST

Q Well, tell me everything. For one thing, on Geneva, is there a time -- you've proposed March 5, Geneva -- has that been accepted?

THE PRESIDENT: We've had no answer as yet. You know, it's going through the Ambassadors and through that process. And it was only a short time ago that we came together and said, well, that would be suitable for us. And now it's up to them to let us know whether they want to do that or not.

Q Do they look like they'll accept it?

THE PRESIDENT: We don't know. Just haven't heard back.

Q What's your guess on the prospects of success?

THE PRESIDENT: Well, I don't think anyone, looking back over history, should be euphoric. But I just have to cling to some optimism. When you look at the situation and realize that this is literally the first time that they have ever publicly stated a desire to reduce the number of weapons. And always before it seemed that we sat down and the negotiations were, "Well, how fast are we going to increase them?" And now, here we're coming at this with both sides having said that their ultimate goal would be -- they'd like to -- that we'd all like to eliminate nuclear weapons entirely.

Q You told Hugh Sidey that you would like to see them push ahead on their own SDI?

THE PRESIDENT: Yes.

Q Why?

THE PRESIDENT: Well -- (laughter) -- because I think it could hasten the day when we would eliminate nuclear weapons. What if our research revealed that we can have a defensive weapon that can -- whether it is completely a hundred percent effective or not -- can reduce the real threat of anyone pushing the button, because of -- they know that very few of their weapons would get through. Then it just makes a lot of sense to say let's eliminate that weapon.

Now, if both sides have it, this answers the argument of those who say, "Well, won't the other side just multiply the number of weapons, hoping to increase the number that could get through a defense?" As a matter of fact, this is why we said all we want to do right now, all we're asking, is research. And the time comes that that research leads to the development of a weapon -- we're willing to meet and discuss deployment.

Q Are you willing to abide by, or keep in force, all the past arms agreements with the Soviets while the negotiations are going on?

MORE

THE PRESIDENT: Well, we have been more or less doing that. I think we've been doing more of it than they have in SALT II. But, I just think as long as they know that, in the absence of an agreement, we are not going to sit back unilaterally disarming and let them carry on their great military build up to an unquestioned superiority -- then there would be no point in negotiating because they'd have no reason to negotiate. They -- I think the reason we're coming to the table is that they know, as we know, that the choice now is -- have some legitimate agreement on the reduction of arms, or face an arms race.

Q Well, then, you would be willing to abide by keeping the agreements in force?

THE PRESIDENT: Yes, we've made no effort to change that.

Q On the Summit, you don't want to get acquainted. Why not? You -- when you went to China, you noticed free enterprise; in fact, you called that shot very well and -- why not get acquainted with them, size them up? You've never been to the Soviet Union.

THE PRESIDENT: Well, we -- China was a little different thing.

Q Little friendlier -- (laughter.)

THE PRESIDENT: Yes, they had been here, and the -- we also had an agenda of legitimate things we were going to discuss with them. And all I've said about the Soviet Union is -- and they have said the same thing, see, we're not alone in that -- they've said there must be an agenda. There must be some things that we're going to meet -- that require a Summit to discuss and talk out.

Q Aren't there a lot of things that you could talk about?

THE PRESIDENT: Well, there are things that, at a ministerial level, talks that are going forward -- having to do with fishing agreements and trade agreements and things of that kind. The other point is, Helen, look -- and I shared this information with the others, too -- in the 48 years from the beginning of Roosevelt's first term to mine, there have been 8 Presidents. And those 8 Presidents, over a period of 48 years, only had to deal with three different Russian leaders. Well, I had three in the first three years. And I can see very well where they, themselves, were in no position to -- for three years they were getting used to a -- you might say a new leader, most of the time. So I started out trying --

Q You think they're still shaking down, then?

THE PRESIDENT: Well, and now we have again, apparently, a health problem. But -- and I can understand that -- when a newcomer comes in, particularly in their type of government, and now has to set himself in there. When it was

Brezhnev who had been there longer and whom I had met 10 years before. My first year, as a matter of fact, from the hospital, I sent him a handwritten letter discussing things that -- having to do with peace and so forth -- that I thought that we had discussed 10 years before when I was a Governor and he was a --

Q Do you -- General Haig said this place run by the troika was a zoo. Do you have any new Cabinet officers in mind and are you going to give Regan a free hand in filling all these vacancies?

THE PRESIDENT: Well, free hand to the extent that I have the ultimate responsibility, so I don't think he'll be going off hiring people without he and I getting together on it and agreeing on someone. But --

Q Any new Cabinet --

THE PRESIDENT: Well, there are -- you know of some of the changes that are being made. Right now, I don't know of any other post where they're talking about leaving. I wouldn't be surprised because I think when you go outside of government as completely as we did and bring people from the private sector in, which was what I wanted to do and what I'd done as Governor, you recognize that there's going to come a time for most of them when they're going to have to say, "Well, that's all the time I can give" --

Q Would you have a White House job for Kirkpatrick?

THE PRESIDENT: I am hopeful that we have something that she would enjoy doing and --

Q In the White House?

THE PRESIDENT: Well, it's not physically in the White House, but it is a department of the Executive Branch that I'm not free to talk about yet, but that, I think, that she would be very good at.

Q Foreign policy? Is it big as a bread basket?
(Laughter.)

THE PRESIDENT: Let me say it would be consistent with her field and her experience.

Q Right. Well, what about this zoo business? Do you think that's an unfair attack on your --

THE PRESIDENT: On the what?

Q Zoo. Calling it a zoo.

THE PRESIDENT: Oh.

Q Haig.

THE PRESIDENT: Well --

Q Or is he just sour graping --

THE PRESIDENT: I'm -- I won't comment on that, but there has been no troika or anything else here. Helen, in spite of all the stories to the contrary, the buck really does stop right over there at that desk.

Q And a lot of other things, too, huh?

THE PRESIDENT: Yes.

Q Four more years. (Laughter.)

What is this love feast with O'Neill? How long will the honeymoon last this time?

THE PRESIDENT: (Laughter.) Well, I don't know, but --

Q Do you have any prediction?

THE PRESIDENT: I don't know, but we had a meeting yesterday of the leadership of both Houses and both parties -- leadership.

Q Right.

THE PRESIDENT: And it was -- well, there was a fine spirit of -- in there and expressions of cooperation. And, so, I'm going to take them at their word that --

Q Why do they have this new lease on life or --

THE PRESIDENT: Well, I think when you come down to it, Helen, the -- actually, the disagreements are not what they were years ago of one side wanting to go the opposite way. If you look at the debate, the debate basically is not whether we shall have from one side the great spending on some new programs and the other side saying, "No, let's not." The debate is about, "Well, how much shall we reduce spending?"

Everyone is united that we must reduce the deficit. And there may be disagreements as the actual techniques or technicalities of getting at that problem. Well, that makes for a lot different debate than we had in the past when --

Q Right.

THE PRESIDENT: -- one side was opposing the institution of a brand new social program.

Q Are you prepared now to endorse the tax simplification that the Treasury Department drew up?

THE PRESIDENT: Well, we can't say that item for item in it because of the budget problems that we've been dealing with and some long, bloody hours. We have not dealt with the Treasury program or study in the same way. We're waiting until we get the budget out of the way.

Q Right.

THE PRESIDENT: Then, we'll sit down in the same manner around the same big table in there and start going at all the options that are presented in that program.

Q But you go for the concept?

THE PRESIDENT: But the over -- yes, the overall concept of tax simplification and actually the reduction of rates.

Q Well, the Wall Street Journal had you worrying about country club dues not being -- (laughter) -- or is that unfair?

THE PRESIDENT: There are some areas where heretofore that has been recognized as a legitimate deduction because of the need, for example, in some non-advertising industries to make personal contacts. But what we're going to do about things like that with this new simplification, that'll remain to be seen. We haven't debated any of it yet.

Q When Fahd and Mubarak come almost following each

other on heels, do you have a new Middle East plan or do you think there's any possibility of a breakthrough or --

THE PRESIDENT: Well, no, we're still -- we still believe in the same plan that we proposed. And their --the close proximity of their visits isn't -- is not deliberate --

Q Has nothing to do --

THE PRESIDENT: -- has nothing to do with it, no. It just -- that's the way it worked out. But what we're still trying to do is bring about the getting together of the moderate Arab states and Israel -- in other words, to produce more Egypts -- treaties of that kind, to have peace once and for all between those countries.

Q Is it more hopeful?

THE PRESIDENT: Well, I've never given up hope. It was

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certainly delayed by the whole Lebanon experience. We had been making progress before. King Hussein and Arafat were meeting on how negotiations could be brought about with Israel. Then that was broken off. But they have been in communication again. Jordan has now recognized Egypt. You remember Egypt lost its recognition --

Q Yes.

THE PRESIDENT: -- from the Arab league because of its treaty with Israel. So I have to believe that there are those on both sides who do want to find a settlement.

Q And why did you break off talks with Nicaragua? I mean, the dual actions of the World Court, and breaking off the talks, seemed to indicate that you have some -- you're going to put more military pressure on.

THE PRESIDENT: No. We didn't break off the talks. They have just -- the talks came to an end and have not been, a date has not been set for any renewed talks with them. But it wasn't a breaking off. And this is very much still on the agenda for us. We would like a political settlement, if that were possible, down there.

We recognize the issue is, in Nicaragua, that the people of Nicaragua who wholeheartedly supported the revolution, supported a revolution whose announced aims were the implementation of full democracy. And instead, one faction of the revolution took over and instituted a totalitarian regime. Well, at the same time, this totalitarian regime is exporting subversion, is attempting to get --

Q They still are?

THE PRESIDENT: Yes, they're still trying to get the overthrow of the Salvadoran government by way of support of the --

Q And they aren't more conciliatory now?

THE PRESIDENT: No.

Q Have you stopped the arms from the Soviets to Nicaragua?

THE PRESIDENT: No, they have not been completely headed off at all. And so we feel that it's even in our own interest to be supportive of the people of Nicaragua.

Q Mr. President, you want abortion to be made a crime. And what would be the proper punishment? I mean, would that be capital punishment, if it was murder?

THE PRESIDENT: Well, I haven't thought about it from that standpoint. I have only --

Q And somebody would have to pay the piper, wouldn't they?

THE PRESIDENT: Well, all I've said is -- and then we'll see what the legalities are from there. I have said that today the evidence, in my view, is so incontrovertible that the unborn child is a living human being. Now, there's only one way in our society in which we condone the taking of human life, and that is in defense of our own -- part of a Judeo-Christian tradition. But this is, I think, more of a civil rights problem right now than it is a -- certainly not a religious problem.

It is a case of -- if this is a living entity, then how do we approve people just, on whim or because they don't want to be inconvenienced, taking that human life?

Q Well, sometimes it's deeper than that, but, anyway, there would be punishment, wouldn't there?

THE PRESIDENT: Yes, I'm sure there would be.

Q Could be jail for --

THE PRESIDENT: Well, I'm not going to get into those technicalities. I only -- I would like to call to your attention that, even in medical circles now, instead of simply referring to the fetus as "it," there are more and more doctors that are using the term "the second patient." That, in other words, as the mother is a patient -- or the prospective mother -- that infant the mother is carrying is also a patient and a doctor's responsibility. So, this recognition -- the only way, it seems to me, that the pro-abortionists could make their case and justify it, is if they could prove that this was not a living entity. And until they can, and I don't believe they can, but until and unless they could do that, then we're talking about an individual that has a right to the constitutional protection of life, liberty and the pursuit of happiness.

Q Do you feel freer now that you don't have to face another election? I mean, do you think that you can do more, or -- have you had some sense of a burden being lifted:?

THE PRESIDENT: Well, there's -- oh, there's always a little feeling of that. For one thing, the knowledge that no one will be looking at everything you do and saying it's political. But in the first four years, Helen, just the same as when I was Governor of California, I insisted, in our Cabinet process, that we do not discuss the political ramifications of any issue before us. That it must be decided on the basis of what is right or wrong, good or bad, for the people.

And I think the one burden that is lifted is what I mentioned earlier, that no matter how much I refuse to consider politics in making a decision, I was always accused of -- (laughter) -- of having politics involved in it.

Q And you think you still will?

THE PRESIDENT: Well, no, I don't think I will now that -- they can't say the same thing.

Q Do you have a candidate for '88 like George Bush?

THE PRESIDENT: (Laughter.) No, I'm not going to talk candidates for '88.

MR. SPEAKES: Mr. President --

Q But do you -- oh, I know -- he's cutting me off.

MR. SPEAKES: No, I've just been handed a bulletin.

Q Oh, what is it?

THE PRESIDENT: Oh -- you have a news -- should we give you a news scoop?

Q Yes.

THE PRESIDENT: "The Senate Committee, holding hearings on James Baker -- "

Q Confirmed him. (Laughter.)

THE PRESIDENT: " -- just voted unanimously to recommend his confirmation."

Q That's wonderful. Boy, that's quick stuff. How about the merger between the Trade Office and Commerce?

THE PRESIDENT: Well, no decision's been made on that yet.

Q Are you supporting -- I mean, are you favoring it?

THE PRESIDENT: Well --

Q Are you favoring Baldrige or Shultz, I should say?

THE PRESIDENT: I'm the one that has to make the decision and I --

Q And you haven't made a decision?

THE PRESIDENT: -- and so I don't want to comment because I haven't made the decision yet.

Q Do you have anything to regret besides that tax bill from the first term? I mean, that's the one you seem to have -- the \$90 -- 9 billion. Is there anything you would have done differently?

THE PRESIDENT: Well, yes, if I had known what I know now. I was -- I definitely believe that increasing taxes endangers the recovery that we're having, that the great problem we face economically is the percentage of Gross National Product that the government is taking from the private sector.

Now, it was true that most of the things in that bill were in the nature of closing loopholes, and some of them were loopholes that we had never asked for in the beginning ourselves but that were added onto our original tax cut bill. And they were -- you'd have to consider them unfair -- they were kind of special for some groups and denied to others. So, from that standpoint, I could reconcile myself to that.

But the proposal was that there was going to be \$3 in additional cuts in spending for every \$1 of increased tax. And that, I thought I could live with that \$1 in return for those \$3 because we never did get all of the spending cuts that we thought were possible and that we'd asked for. Then, as it turned out, we didn't get the spending cuts. And, frankly, I felt cheated.

Q But any other things you could have regretted doing in the first term that you can make up for or are passe now or --

THE PRESIDENT: No, I think we fought as hard as we could for the things like the cuts that we believe in. And we got enough of the percentage of our proposal that we've had this recovery. And now for three years straight, inflation has averaged 3.9 percent, down from double digits. We know where the interest rates are, and I think they're going to come down further. And we know what happened to unemployment. And we have to say this is the first time in this history of recessions since World War II that we have brought unemployment and inflation both down at the same time.

Q It is phenomenal, the whole thing. Do you think anything can go wrong?

THE PRESIDENT: No, as a matter of fact, the latest economic indicators and the ones just released the other day are better than we ourselves had estimated.

Q You told USA that you've never changed your views in the White House. Does that mean the Presidency doesn't teach you anything?

THE PRESIDENT: Oh, well, I was talking about my basic

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philosophy, of believing, as I say, in that government has got to spend less; government has been too intrusive in the private sector and in the lives of the people. I still believe that, and we still have a ways to go, although we've corrected many things -- some of the little things that aren't really little but that escape notice.

For example, Helen, we consolidated, based on our experience in state government and when we were on the receiving end of categorical grants from the federal government, we consolidated some 52 categorical grants into, I think it was, eight or ten -- ten, I think -- block grants, and in doing that, reduced the amount of administrative personnel in Washington by 3,000 employees -- in simplifying that -- but reduced 30,000 pages of regulations imposed on local governments to 885 pages. And all of those are the things that I mean that I still believe in and --

Q So, your goals are the same for --

THE PRESIDENT: Yes.

Q -- the second term?

THE PRESIDENT: Yes.

Q What are they really? To cut down the size of government and --

THE PRESIDENT: And economic -- continued economic expansion with low or no inflation. And on the international scene, to pursue the goal of getting rid of nuclear weapons entirely and bringing about the possibility of peace in the world.

Q Do you --

MR. SPEAKES: The President's got to --

Q Did your grandchildren have any observations about the White House?

THE PRESIDENT: Oh, I didn't -- well, one of them doesn't talk enough. One of them just can barely get out, "Grandpa," for me, and that's Ashley. Cameron -- oh, he seemed to be having a good time, and he and I built that snowman that --

Q Right.

THE PRESIDENT: -- standing in the Rose Garden.

Q You had a houseful.

THE PRESIDENT: Yes.

Q Was that enjoyable?

THE PRESIDENT: Yes, it was. We had 14 all told.

Q What was the highlight of the Inauguration --

THE PRESIDENT: Oh, my.

Q I mean, what did you --

THE PRESIDENT: I don't know, but I -- well, there were two things that both involved young people that really turned me on. One was the pre-Inaugural Pageant with all those wonderful young people and seeing them with their obvious patriotism and all and the same thing -- pretty much the same thing -- when we went out to the Capital Centre to meet with those --

Q And, so, the two --

MORE

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THE PRESIDENT: -- who weren't going to be allowed --

Q -- feeling --

THE PRESIDENT: -- couldn't parade. And I do think it --
I think it eliminated a lot of the disappointment in that
get-together. But to see them again and their enthusiasm and all --

MR. SPEAKES: The President --

Q Thank you, Mr. President.

THE PRESIDENT: Oh, all right.

Q -- Deaver all right?

THE PRESIDENT: Well, he's -- they're making a lot of
tests and things --

Q He may be a White House victim.

END

12:10 P.M. EST

Jan. 23, 1985

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Room 368 - EOB
National Security Council

FROM: Mr. Norman G. Clyne
Office of Ambassador Nitze
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