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THE WHITE HOUSE
Office of the Press Secretary

PRESS BRIEFING
BY
LARRY SPEAKES

July 9, 1985

The Briefing Room

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THE WHITE HOUSE
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PRESS BRIEFING
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July 9, 1985

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MR. SPEAKES: David Stockman, this morning, informed the President that he will be leaving the administration as of August 1st to take a position with Solomon Brothers in New York. Dave has long planned to leave, and this is his final leave-taking from the Cabinet.

He was the youngest member of the original Reagan Cabinet and still holds that distinction. He was the youngest Budget Director in recent history, and has served in the office longer than any individual since World War II.

The President expressed his understanding that after Dave has fought five budget battles that he would want to turn his talents to other callings. But the President has expressed his deep appreciation for the service that Dave has performed for the country, his personal gratitude for the long hours that Dave has put in and his profound regret at losing a member of the original Reagan team.

Quote from the President: "David Stockman has served with dedication and distinction. His tireless efforts to bring fiscal discipline to the federal government and ensure economic stability for the country are deeply appreciated."

Q Would you read that again?

MR. SPEAKES: "Dave Stockman has served with dedication and distinction. His tireless efforts to bring fiscal discipline to the federal government and ensure economic stability for the country are deeply appreciated."

Dave took the decision to leave the first of August because August is the month that closes one budget cycle and basically begins another, which is generally about September 1st. Dave felt the President should have this two-month period to select a successor and give a successor an opportunity to get started on the new budget cycle.

Q Any thought about successors? And is the President

--

MR. SPEAKES: Thought, yes. Decision, no.

Q Have people been interviewed here in the White House?

Q Is there a list?

MR. SPEAKES: Oh, I would guess a mental list of likely candidates, but I don't think anybody's --

Q Well, do you want to tell us there was no unhappiness over Stockman's penchant for speaking his mind publicly, both in Congressional hearings and to reporters?

MORE

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MR. SPEAKES: Well, as you know, from time to time that we have had some things to say about Dave and things that he's said. Many times, as in the most recent case, he's been misinterpreted. But I think the cases are well documented.

But the President has nothing but the highest admiration for Dave Stockman. And I think that goes from top to bottom in the administration, and a wide segment of Capitol Hill has utmost respect for Dave's ability to deal with the budget -- a complex document like that. His dedication to the job is unmatched.

Q Well, why didn't he stay through the -- you say, the budget cycle, but clearly this budget cycle -- this budget -- will not be brought to an end until the authorization and appropriation process is complete.

MR. SPEAKES: No. Well, it will be brought to an end basically because Congress will go on recess the first part of August and will not be back until September. If they wait until September it is very, very late to do anything about it because you are really six or eight weeks away from a new fiscal year and you will basically be into the mode of looking at continuing resolutions at that time. So this is absolutely logical.

Q Do you anticipate any effect on this effort -- the Budget Conference -- the current pending thing?

MR. SPEAKES: I wouldn't think so.

Q Let me ask you --

MR. SPEAKES: Dave will be here and he will be in the middle of it, and that, you know, hopefully will be resolved by --

Q But if he is departing August 1st, I mean, would you like to have somebody -- are you trying to search for somebody quickly so they can deal with the Budget Conference?

MR. SPEAKES: Not necessarily. I think the President will take his time. He could very easily decide on somebody right off the bat, and then again he may take some time.

Q What about someone in the Cabinet?

Q Baldrige is the name everyone hears.

Q He wants it.

MR. SPEAKES: Wait and see.

Q Why does he want it?

Q Do you know -- well, I know you do. What salary is Stockman leaving precisely, and what is he going to?

MR. SPEAKES: Make a quick check on what the salary is. I think it is -- whatever the top echelon salary is -- 75, somewhere in there. What he is going to, I don't know. Solomon Brothers will have an announcement. I don't think it will disclose salary.

Q Do you know what position, now, Larry, at Solomon Brothers he will be taking?

MR. SPEAKES: Solomon Brothers can tell you that.

Q Did he notify the President, or Regan, of his intention -- generalized intention -- to leave?

MR. SPEAKES: Oh, it has been a source of speculation, as you know, for the past six months or so, particularly after -- in

the new term. But I don't think anybody's formally notified the President until Dave did so this morning.

Q Would you expect the President to name his replacement by August 1st?

MR. SPEAKES: I really don't have a timetable.

Q Do you expect any effect on the current budget process from Stockman's leaving?

MR. SPEAKES: No, I don't.

Q Following up on Dave's question, do you expect that this is going to be resolved -- the budget -- before Stockman leaves, that he will be able to be here when the --

MR. SPEAKES: It will be basically resolved one way or the other, Lou. Either the Congress will have bitten the bullet by that time and come up with a compromise in the Conference, or by August 1st they will be pretty well headed toward recess, and when they return in September it is awfully late to come up with a budget and chances are we will be focusing on the continuing resolution.

Q Do you think they are going to, to use your words, have bitten the bullet?

MR. SPEAKES: We'd hope so. That's what we told them this morning, that's what he'll tell the leadership this afternoon and tomorrow he will be seeing the conferees at 11:00 a.m. and he'll tell them the same things.

So -- Bernie?

Q Was this -- can you then say that the resignation took you by surprise?

MR. SPEAKES: Took me by surprise?

Q Not you, but the -- the administration?

MR. SPEAKES: No.

Q The President?

Q What about you?

MR. SPEAKES: No. I've never been surprised at anything.
(Laughter.)

Q Well, I -- he was not a Cabinet officer whose times had come?

Q What?

Q New York Times had come?

Q I --

Q -- never mind.

Q I -- can we file this?

Q Can we have a --

Q As far as I'm concerned --

Q Everybody's had --

Q What?

Q Can we have a photo -- the President this morning?

MR. SPEAKES: -- entire question?

Q It's wasn't a -- let me just -- let me just ask -- there wasn't a straw that broke the camel's back, then, on the --

MR. SPEAKES: No, there was not.

Q -- coin a phrase.

Q Did Stockman play any role in the mid-year economic review?

MR. SPEAKES: Yes, he's been involved in it.

Q Will the mid-year review be done by the time he leaves?

MR. SPEAKES: I might not be finally completed by August 1st, but he would participate in it up until the time he leaves and certainly be around for advice after that. And whether -- I doubt if it will be sent to Congress until some time in early August.

Q Is the Chief of Staff Mr. Regan displeased to see

him go? Does he have the same warm words for Stockman as the President?

MR. SPEAKES: He does.

Q Huh.

Q Let's go with it.

MR. SPEAKES: Jerry?

Q Larry, did Stockman tell the President he's leaving because he's burned out, or to earn more money, or did he give any other reasons besides --

MR. SPEAKES: No, it's the reason the President had always stated. He attracts good people to government knowing that they come at a tremendous sacrifice -- they can move onto the private sector and they owe it to their families and to their careers to move on at a time certain. The President does not begrudge the fact that many do so and that David is certainly a prime example of that.

Pat?

Q Larry, you pointed out that the President meets in less than an hour for some very important negotiations on the budget. Isn't this a rather odd time to be announcing the resignation of your budget director?

MR. SPEAKES: No. (Laughter.)

Q But -- can you indicate, was he any kind of an obstacle at this point in reaching some kind of negotiations?

MR. SPEAKES: No.

Q Filing.

Q Did the President -- how did Stockman inform the President? Was there a private meeting?

MR. SPEAKES: Just went into the office -- I'm not sure what time it was. It could have been right after noon -- I said this morning -- so it was -- midday.

Q What -- did he call and ask for an appointment -- How did that come about?

MR. SPEAKES: Sure, I think he told Don Regan generally what he had in mind and Regan set up a time on the President's schedule.

Q Come right on in? (Laughter.)

Q Did Regan go in -- did Regan go in with him?

MR. SPEAKES: No, I don't think so.

Q What was that salary?

Q Thank you.

MR. SPEAKES: Seventy-five one.

Q Seventy-five one.

Q Do you know what his -- is he still going to be involved in this afternoon's budget -- in the meetings this afternoon.

MR. SPEAKES: Yes, I'm sure he will --

THE PRESS: Thank you.

END

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