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er." The whole package, it is a nonstart-
er." Senator William S. Cohen, Republi-
can of Maine and a member of the
Armed Services Committee, said he
still hoped for a compromise. "It's not
rigor mortis yet," he said of the Senate
position. But he said, "We're not going
to pursue that if the White House is
going to slam the door down there. And
the House can go back and say we
couldn't deal with the Senate."

Talks

For Reykjavik, A Birthday Gift

REYKJAVIK, Iceland, Oct. 1
(AP) — The first Icelander to
get the news was Prime Minis-
ter Steingrimur Hermannsson.
The Soviet and American Am-
bassadors visited him separ-
ately Monday morning to ask
if his country would serve as
host to the talks this month be-
tween President Reagan and
Mikhail S. Gorbachev, the
Soviet leader.

"This was totally unexpect-
ed," Mr. Hermannsson said
later. "I was a bit surprised by
the request, but I had no hesita-
tion in saying yes."

Sworn to secrecy, Mr. Her-
mannsson called in a few top
officials to plan strategy. One
was Magnus Oskarsson, acting
Mayor of Reykjavik, the Ice-
landic capital.

"It was so secret I was not
even allowed to tell my secre-
tary where I was going," Mr.
Oskarsson said. "If any leak
was to come from Iceland it
would be very embarrassing."

When Mr. Oskarsson heard
the news, his reaction was,
"What a wonderful anniver-
sary gift for Reykjavik." The
city is celebrating its 200th
year as a city. "Then I began to
think of all the problems."

Mr. Oskarsson had heard
about the dislocations such
events can cause — the
crowded hotels, the swarms of
security agents pushing the
local people around, the traffic
jams, news organizations, the
demonstrations. Could a city of
90,000, used to a slow and re-
laxed pace, cope with the inva-
sion?

"I think yes," he said.
"There will be inconveniences,
but I cannot imagine any Ice-
lander will mind."

NY Times
10/2/86
p. A 6

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Summit Diplomacy: Challenge for Little Reykjavik

Proud, Isolated Iceland

By STEVE LOHR

Iceland, which is being thrust into the global spotlight as the venue for the Reagan-Gorbachev meeting next month, is among the world's most isolated nations, and proudly so.

President Vigdis Finnbogadottir once attributed Iceland's rich cultural life and the preservation of its language Old Norse, the vernacular of the Viking sagas, to "this luck that for centuries we were so forgotten."

In less than two weeks, however, this isolation will be briefly shattered when Ronald Reagan, Mikhail S. Gorbachev, their delegations and a press brigade of a perhaps a couple thousand people descend on Reykjavik, Iceland's capital 175 miles south of the Arctic Circle.

For Iceland, the meeting between the two world leaders will present a formidable challenge, straining the capacity of the Reykjavik area's restaurants, hotels and other services. "The bookings are flying in by the hundreds," said Johann Jonsson, London sales manager for Iceland Air, the country's airline. "We've been swamped since the announcement."

There are 2,000 to 2,500 hotel rooms in Reykjavik and the surrounding area, Mr. Jonsson estimates. At the Reagan-Gorbachev summit in Geneva last November, the television and press corps alone numbered more than 3,000.

Yet despite potential logistical difficulties, Iceland's Government expressed unqualified enthusiasm yesterday for playing host to the superpower session. "It is a great honor for Iceland that the two leaders should want to conduct their talks here," Prime Minister Steingrímur Hermannsson said in Reykjavik.

Reykjavik, a city of 85,000 people, was the scene of a different sort of East-West meeting in 1972, when the American chess champion Bobby Fischer played and eventually beat the Russian grand master Boris Spassky there. And in 1973, President Richard M. Nixon and his French counterpart, Georges Pompidou, met in Reykjavik to discuss such issues as monetary and trade policy.



Morgunblaðið/Jónas Sigurjónsson

PROBABLE SITE OF MEETING: The Saga Hotel, foreground, in Reykjavik, Iceland. Virtually all the hotel rooms in the capital city of 97,000 people were reported to have been reserved by journalists.

A rugged, volcanic island slightly smaller than the state of Kentucky, Iceland lies almost halfway between Moscow and Washington. Though geographically neutral, Iceland is clearly a Western nation and a founding member of the North Atlantic Treaty Organization. The N.A.T.O. base at Keflavik, roughly 40 miles southwest of the capital, is considered vital for surveillance of Soviet naval and submarine movements in the strategically important corridor with Iceland lying between Greenland and the United Kingdom. Iceland itself has no army, air force or navy.

Over the years, the presence of the military base has been a sensitive political issue at times. In 1974, a leftist government proposed closing down the Keflavik base. But the move led to a pro-N.A.T.O. petition campaign, which gathered 55,000 signatures, or a quarter of the population, and the government fell. It was replaced by a more conservative one and Washington agreed subsequently to limit the number of American troops in Iceland to 2,900.

Even so, the Keflavik base has

remained the central foreign policy issue in Iceland and the scene of occasional demonstrations. From 1979-83, Iceland was governed by a left-center coalition of the Progressive Party and the People's Alliance, with the latter group opposed to the N.A.T.O. presence. But since 1983, Iceland has been ruled by a center-right coalition of the Progressive and the Independence parties.

"This Government is much more pro-Western and pro-N.A.T.O. than its predecessor," said Sveinn Björnsson, an Icelandic diplomat in London.

Iceland's population of 240,000 is a notably homogeneous society, with most Icelanders descended from Norwegian settlers and Celts from the British Isles. Its per-capita income of \$10,700 place it on a par with most Scandinavian countries and slightly ahead of Japan. Like these other well-off homogeneous nations, Iceland's wealth is evenly distributed and its society is remarkably egalitarian.

In Iceland, literacy is almost universal, bookstores are numerous and books are mandatory Christmas gifts. While Iceland is a mod-



The New York Times/Oct. 1, 1986

Reykjavik will be the site of the next Reagan-Gorbachev meeting.

ern nation, the pull of traditional culture is still strong. Even today, there is widespread belief in elves, sprites, mermen and mermaids — known as huldafolk, or hidden people. In fact, a survey by the University of Iceland found that 55 percent of Icelanders believe in elves.

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POLITICAL HANDBOOK OF THE WORLD: 1986

*Governments and Intergovernmental Organizations
as of March 15, 1986*

(with major political changes through July 15, 1986)

EDITED BY

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only 25 of the latter won Assembly seats, a number of influential HSWP members were returned with less than 60 percent of the vote in a muted display of discontent on the part of the Hungarian electorate.

POLITICAL PARTIES

The sole political party is the Hungarian Socialist Workers' Party. As in other Communist-ruled states of Eastern Europe, its operations are supported by a Communist-controlled "front" organization, known in Hungary as the People's Patriotic Front (*Hazafias Népfront*), which embraces virtually all organized groups and associations in the country. Established in October 1954, it succeeded the Hungarian People's Independence Front of 1949, which had included the remnants of former non-Communist political parties. The People's Patriotic Front is led by former premier Gyula KALLAI (Chairman) and Imre POZSGAY (Secretary General).

Hungarian Socialist Workers' Party (*Magyar Szocialista Munkáspárt*). Established in June 1948 through a merger of the Communist Party and the left-wing Social Democratic Party, Hungary's dominant group was known until 1956 as the Hungarian Workers' Party; it was reorganized under its present name when János Kádár took over the leadership in the wake of the 1956 revolution. The Thirteenth Congress, held at Budapest on March 25-28, 1985, concluded with the election of a 105-member Central Committee, which, in turn, designated a 13-member Politburo (3 existing members being replaced) and an 8-member Secretariat (2 members being replaced and 1 added).

General Secretary: János KÁDÁR.

Other Members of Politburo: György ACZÉL (former Deputy Premier), Sándor GÁSPÁR (Secretary General, Central Council of Trade Unions), Károly GROSZ (First Secretary, Budapest HSWP Committee), Ferenc HAVASI (former Deputy Premier), Csaba HAMORI (First Secretary, HSWP Youth League), György LÁZÁR (Premier), Pál LOSONCZI (Head of State), László MARÓTHY (Deputy Premier), Károly NÉMETH (Deputy General Secretary, Central Committee), Miklós OVÁRI (Secretary, Central Committee), István SÁRLOS (President, National Assembly), István SZABO (Head, Collective Farm Movement).

Central Committee Secretariat: János BEREZCZ, Ferenc HAVASI, István HORVATH, János KÁDÁR, Károly NÉMETH, Miklós OVÁRI, Lénard PÁL, Mátyás SZÜRÖS.

LEGISLATURE

Under new electoral arrangements adopted in December 1983, the National Assembly (*Országgyűlés*) is a unicameral body of 387 members elected by direct universal suffrage for five-year terms. There are 352 contested seats, in addition to 35 filled on a single "national list" prepared by the PPF. At the balloting of June 8, 1985, 345 individuals were declared elected, no candidates in 42 constituencies having secured a sufficient number of votes; at a second-round poll on June 22, 41 of the remaining seats were filled, a later by-election being necessitated in one district due to withdrawal of the nominees.

President: István SÁRLOS.

CABINET

Chairman, Council of Ministers
(Premier)

György Lázár

Deputy Chairmen

Dr. Judit Csehák
Gen. Lajos Czinege
Lajos Faluvégi
József Marjai
László Maróthy

Ministers

Agriculture and Food
Construction and Urban Development
Culture and Education
Defense

Jeno Vánca
László Somogyi
Béla Kopeczi
Col. Gen. Ferenc
Kárpáti

Domestic Trade
Finance
Foreign Affairs
Foreign Trade
Health
Industry
Interior
Justice
Transportation

Dr. Zoltán Juhár
Dr. István Hetényi
Péter Várkonyi
Péter Veress
Dr. László Medve
László Kapolyi
Janos Kamara
Dr. Imre Markója
Lajos Urbán

NEWS MEDIA

All information media are either state owned or under effective government or party control.

Press. Although freedom of the press is constitutionally guaranteed, its scope is curtailed by extensive legislation as well as by administrative practice. Most newspapers are organs of political groups, trade unions, and youth and social (including religious) organizations. The major Budapest papers circulate nationally, but there are also nearly two dozen provincial dailies, all with circulations under 100,000. The following are issued daily at Budapest, unless otherwise noted: *Népszabadság* (710,000 daily, 800,000 Sunday), organ of Hungarian Socialist Workers' Party; *Szabad Föld* (510,000), political weekly of the People's Patriotic Front; *Népszava* (285,000 daily, 305,000 Sunday), organ of the Trades Union Council; *Esti Hírlap* (220,600), Budapest Party Committee organ; *Magyar Nemzet* (110,000), People's Patriotic Front daily; *Magyar Hírlap* (56,000), government publication.

News agencies. The Hungarian Telegraph Agency (*Magyar Távirati Iroda*—MTI) is the official facility. It is the sole receiver and distributor of news but maintains working relationships with several resident foreign bureaus, including Reuters and UPI.

Radio and television. Domestic radio and television service is provided by *Magyar Rádió*, which also transmits abroad in seven languages, and *Magyar Televízió*. There were approximately 5.5 million radio and 2.8 million television receivers in 1985.

INTERGOVERNMENTAL REPRESENTATION

Ambassador to the US: Dr. Vencel HAZI.

US Ambassador to Hungary: Nicholas M. SALGO.

Permanent Representative to the UN: Pál RÁCZ.

IGO Memberships (Non-UN): BIS, CCC, CMEA, IBEC, ICAC, ICCO, ICO, IIB, ILZ, ISO, PCA, WTO.

ICELAND

Republic of Iceland
Lýthveldith Island

Political Status: Independent republic established June 17, 1944; under democratic parliamentary system.

Area: 39,768 sq. mi. (103,000 sq. km.).

Population: 204,930 (1970C), 240,000 (1986E).

Major Urban Center (1984E): REYKJAVÍK (93,200; urban area, 130,700).

Official Language: Icelandic.

Monetary Unit: Króna (market rate March 1, 1986, 46.16 krónur = \$1US).

President: Vigdís FINNBOGADÓTTIR (nonparty); elected June 29 and inaugurated August 1, 1980, for a four-year term, succeeding Kristján ELDJÁRN; sworn in for second term August 1, 1984, having been unopposed at close of nominations on June 2.

Prime Minister: Steingrímur HERMANNSSON (Progressive Party); formed two-party coalition on May 26, 1983, following legislative election of April 23 and resignation of Gunnar THORODDSEN (Independence Party) on April 28.

THE COUNTRY

The westernmost nation of Europe, Iceland lies in the North Atlantic Ocean just below the Arctic Circle. Although one-eighth of the land surface is glacier, the warm Gulf Stream assures a relatively moderate climate and provides the country's richest resource in the fish that abound in its territorial waters. The population is quite homogeneous, the preponderant majority being of Icelandic descent. The language is an old form of Norwegian. Virtually the entire population (98 percent) adheres to the official Evangelical Luthéran Church, although other faiths are permitted. Approximately 80 percent of adult women work outside the home, mainly in clerical and service sectors; the male-female wage differential averages 40 percent, and women own only 10 percent of total property. While female representation averages only 15 percent, a number of women are politically influential, including the current president of the Republic and 3 legislators representing the Women's Alliance party.

Although fishing and fish processing employ only about 13 percent of the labor force, marine products account for nearly three-fourths of Iceland's export trade. Other leading activities include dairy farming and sheep raising, while development efforts have focused on exploiting the country's considerable hydroelectric and geothermal energy supply. As a result, aluminum smelting has become a significant industry, producing 10-15 percent of export earnings. Numerous devaluations of the króna since 1981, chronic inflation that peaked at 86 percent in 1983, a foreign debt amounting to nearly half of the GNP, and decline of the fishing industry due to high costs and depleting stocks have all contributed to economic adversity; however, a potential for more efficient exploitation of both maritime resources and domestic industrial capacity offers hope for long-term recovery.

GOVERNMENT AND POLITICS

Political background. Settled by disaffected Norsemen in the last quarter of the ninth century, Iceland flourished as an independent republic until 1262, when it came under Norwegian rule. In 1381, it became (along with other Scandinavian countries) a Danish dominion and for 500 years stagnated under neglect, natural calamities, and rigid colonial controls. The island achieved limited home rule in 1874 under the leadership of Jón SIGURDSSON and in 1918 became an internally self-governing state united with Denmark under a common king. Iceland's strategic position in World War II resulted in British occupation after the fall of Denmark, with military control subsequently being transferred to American forces. Full independence was achieved on June 17, 1944.

Coalition government has dominated Icelandic politics, there having been few single-party governments in the nation's history. The most significant change in the postwar era was the defeat of a 12-year centrist coalition of the Independence and Social Democratic parties in 1971. The election of June 1974 resulted in a coalition involving the Independence and Progressive parties, while that of June 1978 yielded (on August 31) a center-left government headed by Ólafur JÓHANNESSEN and containing three representatives each from the Progressive, Social Democratic, and People's Alliance parties. The latter government fell on October 12, 1979, after withdrawal of the Social Democratic ministers in protest against what they regarded as inadequate measures to curb mounting inflation. Three days later, Benedikt GRÖNDAL formed a minority Social Democratic government that remained in office on an interim basis following an inconclusive legislative election on December 2-3.

A series of unsuccessful efforts to form a new government led President Kristján ELDJÁRN to declare on January 29, 1980, that he would name a nonparty cabinet if no agreement were reached within two weeks. On February 8, however, Gunnar THORODDSEN, vice chairman of the Independence Party, formed a coalition with the Progressive and Alliance parties despite the opposition of Independence leader Geir HALLGRÍMSSON and most of the IP parliamentary delegation. Subsequently, on June 29, Vigdís FINNBOGADÓTTIR, director of the Reykjavík Theatre since 1972, became the world's first popularly elected female head of state when she defeated three other candidates seeking to succeed President Eldjárn, who had announced on January 1 his decision not to run for a fourth term.

On March 14, 1983, Prime Minister Thoroddsen requested dissolution of the *Althing* and announced that he would not be a candidate for reelection. After generally inconclusive balloting on April 23, unsuccessful efforts by each of the three major party leaders to form a viable coalition, and a new presidential threat to name a nonparty administration, Steingrímur HERMANNSSON of the Progressive Party succeeded, on May 26, in organizing a cabinet of his own and Independence party members.

Constitution and government. Iceland's constitution, adopted by referendum in 1944, vests power in a president (whose functions are mainly titular), a prime minister, a

legislature, and a judiciary. The president is directly elected for a four-year term. The 60-member legislature (*Althing*), also elected for four years (subject to dissolution), encompasses an upper house (*Efri deild*) of 20 members selected by their peers, and a lower house (*Nedri deild*) containing the other 40 deputies. The prime minister, who performs most executive functions, is appointed by the president but is responsible to the legislature. The two houses sit as a unicameral body for certain purposes, including deliberation of no-confidence motions.

Iceland is divided into 17 provinces (*sýslur*), which are subdivided into municipalities. Each province is administered by a centrally appointed administrative officer (*sýslumadur*), who is assisted by an elected council. The rural and urban municipalities, which also elect councils, are headed by officers known as *sveitarstjóri* and *baejarstjóri*, respectively. District magistrates (*sýslumenn*) and town magistrates (*baejafrógetar*) occupy the lower levels of the judicial system, while the Supreme Court sits at the apex. There are also special courts to deal with such areas as labor disputes and impeachment of government officials.

Foreign relations. Isolation and neutrality, together with an economic dependence on fishing, are the principal determinants of Icelandic foreign relations. Successive attempts to extend its territorial waters from 4 miles in 1952 to 200 miles in 1975 have embroiled the country in disputes with a number of maritime competitors. The first "cod war" resulted from the proclamation of a 12-mile limit in 1958 and was terminated by agreements with Britain, Ireland, and West Germany in 1961; a second period of hostilities followed the proclamation of a 50-mile limit in 1973 and was ended by a temporary agreement with Britain the same year. In 1975, a third "cod war" erupted following Iceland's extension of the limit to 200 miles despite an adverse ruling in 1974 by the International Court of Justice on the 50-mile limit. In June 1980, problems arose when Denmark extended its jurisdiction to 200 miles off Greenland's eastern coast. A month earlier, on the other hand, Iceland and Norway reached an agreement on fishing within an overlapping 200-mile zone and, in October 1981, concluded a related agreement on possible exploitation of mineral resources in the vicinity of Jan Mayen Island.

Traditionally opposed to maintenance of an indigenous military force, the government, in 1973, announced its intention to close the US-maintained NATO base at Keflavík in order "to ensure Iceland's security". The decision was reversed in August 1974 by the conservative-led Hallgrímsson coalition, although the government requested that Icelanders be employed for nonmilitary work previously done by Americans at the base. The present government has generally been conciliatory toward the US and NATO, with an agreement to modernize radar installations concluded in mid-1985.

Current issues. At the 1983 election, all of the major contenders except for the Independence Party experienced marginal losses, while two recently organized groups, the Social Democratic Alliance and the Women's Alliance, together captured 7 seats and 12.8 percent of the vote. Although Hermannsson faced some difficulty in forging a new Independence-Progressive coalition, his government

was subsequently able to enact a number of austerity measures, including further devaluation of the króna and, despite intense labor opposition, the suspension of quarterly wage indexing. The program yielded a drop in inflation from 86 to 31 percent in 1983-1984, which, however, regained upward momentum in late 1984 after the government, in response to a general strike in October, granted pay increases cumulating to more than 20 percent over the following year.

In foreign affairs, the Hermannsson administration has urged both closer cooperation with and more effective monitoring of NATO facilities on the island. In early 1985, plans were announced for an "Office of National Defense" to enhance joint planning. However, relations with the United States were strained in March by press reports indicating that Pentagon contingency plans included the movement of nuclear depth charges to the Keflavík base. Icelandic authorities demanded an "immediate explanation" of the reports, Foreign Minister Hallgrímsson emphasizing to US officials that "any military plans" affecting the island required Reykjavík's approval. While no policy shift was immediately apparent from Hallgrímsson's departure from the foreign ministry on January 1, 1986, the prime minister announced a reshuffling of all six IP portfolios, the first since assuming office.

Possibly the most dramatic event of 1985 was a "women's strike" on October 24. Close to 50,000 women, including President Finnbogadóttir and nine legislators, stayed away from offices and/or refused to perform homemaking tasks. Telephone communications were disrupted and many airlines, schools, and offices were brought to a standstill during the 24-hour protest, called to highlight a significant wage disparity between the sexes and the exclusion of women from most managerial positions. The president also joined in a street rally during the strike, which met with angry responses from both public and private groups, although a governmental committee was subsequently appointed to consider the wage complaints.

POLITICAL PARTIES

Governing Parties:

Independence Party (*Sjálfstaedisflokkurinn*). Formed in 1929 by a union of conservative and liberal groups, the Independence Party has traditionally been the strongest party and has participated in most governments since 1944. Although primarily representing commercial and fishing interests, it draws support from all strata of society and is especially strong in the urban areas. It stands for a liberal economic policy, economic stabilization, and the continued presence of NATO forces. A major split occurred in February 1980 when Vice Chairman Thoroddsen, backed by several Independence MPs, broke with the regular party leadership and formed a coalition government with the Progressive and People's Alliance parties. Thoroddsen did not seek parliamentary reelection in 1983, while former prime minister and party chairman Geir Hallgrímsson accepted the foreign affairs portfolio in the coalition government announced on May 26, 1983. Hallgrímsson stepped down as party leader the following October, although remaining in the government until January 1, 1986.

Leaders: Thorsteinn PALSSON (Party Chairman), Ólafur G. EINARSSON (Parliamentary Chairman), Geir HALLGRÍMSSON (former Prime Minister), Sigurbjörn MAGNÚSSON (Parliamentary Secretary), Kjartan GUNNARSSON (Party Secretary).

Progressive Party (*Framsóknarflokkurinn*). Founded in 1916 as a representative of agrarian interests, the Progressive Party has been

responsible for many social and economic reforms benefiting agriculture and the fisheries. In the past it has expressed qualified support for NATO, while advocating the withdrawal of military forces as soon as possible. Although placing second in the 1983 balloting, its chairman, Steingrímur Hermannsson, succeeded in forming a new coalition government in which 6 of the 10 cabinet posts were allocated to the Independence Party.

Leaders: Steingrímur HERMANNSSON (Prime Minister and Party Chairman), Páll PÉTURSSON (Parliamentary Chairman), Ólafur JÓHANNESSON (former Prime Minister), Kristján BENEDIKTSSON (Parliamentary Secretary), Haukur INGIBERGSSON (Party Secretary).

Opposition Parties:

People's Alliance (*Althyðubandalag*). Formerly styled the Labor Alliance, the People's Alliance was formed in 1956 as an electoral front of Communists and disaffected Social Democrats. The Communists form its principal element. The Alliance has advocated a radical socialist domestic program and a neutralist policy in foreign affairs, including Icelandic withdrawal from NATO. It participated in the 1980 Thoroddsen government.

Leaders: Svavar GESTSSON (Party Chairman), Ragnar ARNALDS (Parliamentary Chairman), Kristján VALDIMARSSON (Parliamentary Secretary).

Social Democratic Party (*Althyðuflokkurinn*). Formed in 1916, the Social Democratic Party advocates state ownership of large enterprises, increased social-welfare benefits, and continued support for NATO forces, with eventual replacement by Icelanders when conditions permit. At the April 1983 election, the party's legislative strength fell from 10 seats to 6.

Leaders: Jón Boldvin HANNIBALSSON (Party Chairman), Eidur GUDNASON (Parliamentary Chairman), Birgir DÝRFJÖRD (Parliamentary Secretary).

Social Democratic Alliance (*Bandalag Jafnadrarmanna*). The Social Democratic Alliance was formed prior to the 1983 election, at which it won 4 seats, by a number of dissident Social Democrats dissatisfied with worsening economic conditions.

Leaders: Guðmundur EINARSSON (Party Chairman), Stefán BENEDIKTSSON (Parliamentary Chairman), Kristín WAAGE (Parliamentary Secretary), Örn JÓNSSON (Party Secretary).

Women's Alliance (*Samtoek um Kvennalista*). The Women's Alliance is a feminist group organized prior to the 1983 balloting, for which it presented 8 candidates, seating 3.

Leaders: Sigríður Dúna KRISTMUNDSÓTTIR (Parliamentary Chairman), Bergljót BALDURSDÓTTIR (Parliamentary Secretary).

LEGISLATURE

The **Parliament** (*Althing*) consists of 60 members normally elected for four-year terms by a mixed system of proportional and direct representation. The members elect one-third of their number to constitute the Upper Chamber (*Efri deild*), while the remainder make up the Lower Chamber (*Nedri deild*). In the election of April 23, 1983, the Independence Party won 23 seats; the Progressive Party, 14; the People's Alliance, 10; the Social Democratic Party, 6; the Social Democratic Federation, 4; and the Women's Alliance, 3.

Speaker of the Combined Houses: Thorvaldur G. KRISTJÁNSSON.

CABINET

Prime Minister Steingrímur Hermannsson

Ministers

Agriculture	Jón Helgason
Commerce and Communication	Mathías A. Mathiesen
Education	Sverrir Hermannsson

Finance	Thorsteinn Pálsson
Fisheries	Halldór Asgrímsson
Foreign Affairs	Mathías A. Mathiesen
Health and Social Security	Ragnhildur Helgadóttir
Industry	Albert Guðmundsson
Justice and Ecclesiastical Affairs	Jón Helgason
Social Affairs	Alexander Stefánsson

NEWS MEDIA

Press. The following are dailies published at Reykjavik: *Morgunblaðið* (45,000), Independence Party; *Dagblaðið-Vísir* (39,000), independent; *Tíminn* (17,000), Progressive Party; *Thjóðviljinn* (12,000), People's Alliance; *Althyðublaðið* (5,000), Social Democratic.

Radio and television. The Icelandic State Broadcasting Service (*Ríkisútvarpið*) operates 47 radio transmitting and relay stations. Its television division (*Ríkisútvarpið-Sjónvarp*) provides service about 24 hours a week. In addition, the US Navy broadcasts from the NATO base at Keflavik. There were approximately 72,000 radio and 64,000 television receivers in 1985.

INTERGOVERNMENTAL REPRESENTATION

Ambassador to the US: Hans G. ANDERSEN.

US Ambassador to Iceland: Nicholas RUWE.

Permanent Representative to the UN: Hödur HELGASON.

IGO Memberships (Non-UN): BIS, CCC, CEUR, EFTA, ICES, Intelsat, IWC, NATO, NC, NIB, OECD, PCA.

INDIA

Republic of India
Bharat

Political Status: Independent member of the Commonwealth since August 15, 1947; republican regime instituted January 26, 1950.

Area: 1,222,480 sq. mi. (3,166,240 sq. km.), excluding approximately 32,350 sq. mi. (83,787 sq. km.) of Jammu and Kashmir presently held by Pakistan and 14,500 sq. mi. (37,555 sq. km.) held by China.

Population: 685,200,000 (1981C), 754,387,000 (1986E), including population of Indian-controlled portion of Jammu and Kashmir. The 1981 census results yielded a figure some 12,000,000 higher than government estimates had projected.

Major Urban Centers (1981C): DELHI (4,865,077; urban area, 5,713,581); Calcutta (3,291,655; urban area, 9,165,650); Bombay (urban area, 8,227,332); Madras (3,266,034); Bangalore (2,482,507); Hyderabad (2,142,087); Ahmedabad (2,024,917); Kanpur (1,531,345).

Official Languages: Hindi, English (in addition to other languages which are official at state levels).

Monetary Unit: Rupee (market rate March 1, 1986, 12.15 rupees = \$1US).

Tranquil nature of Iceland makes it ideal for summits

By Jeremiah O'Leary
THE WASHINGTON TIMES

REYKJAVIK, Iceland — The Russians' Hotel Saga was directly across the street from a movie theater featuring the U.S. motion picture "Top Gun" with bright neon in large letters. On the last day of the summit, workmen were seen removing the heroic commercial for American Naval aviation. No one could find out why.

President Reagan's team did not have its watches synchronized for the first session Saturday at Hofdi House, the isolated clapboard building once abandoned by a British ambassador because he thought it was haunted.

The president arrived first at 10:30 a.m. and went inside. He was to emerge and greet Mr. Gorbachev when he arrived five minutes later. But either Mr. Reagan was late, or Mr. Gorbachev was early, because the Soviet leader's Zil limousine rolled up to the entrance and there was no Reagan.

In a moment, the president came out looking flustered, and there was much bowing and scraping and looking at watches as Mr. Reagan escorted Mr. Gorbachev inside.

The easy-going nature of remote and unarmed Iceland makes a compelling argument for holding future superpower summits in such remote and relaxed places instead of Geneva, Vienna and the great power capitals.

The Icelandic Parliament had to hold an emergency meeting to pass a law permitting American and Soviet security personnel to carry weapons here. Icelandic police are always unarmed and only a small military unit called the Vikings is armed with small machine-guns.



John Poindexter



Larry Speakes

were not in session Saturday and Sunday. Except for the occasional appearance of Iceland's President Vigdis Finnbogadottir and Assistant Secretary of State Rozanne Ridgway, the summit was dominated by males.

The Icelandic diet is heavily influenced by the sea and American re-

Most of the several hundred American news people here thought they were vastly overdressed when they arrived in 50 degree temperatures. Everyone had a vision of an island covered with ice.

Instead, the Reykjavik area is washed by the Gulf Stream and looked more like a treeless moon-

roof of the Hotel Loftleidir, which beamed all calls to their destinations by satellite.

Beer-drinkers among the foreign visitors were baffled by the absence of anything resembling ordinary beer on this hard-drinking island. The locals explained that they had prohibition here about the time the United States suffered through it in the 1920s.

When the world's oldest parliament, the Althing, repealed prohibition against hard liquor, they decided for some reason to continue the ban on beer of ordinary alcoholic content. Icelandic beer contains 11 percent alcohol and attracts little customer action.

The language of Iceland is similar to Old Norse and is as incomprehensible to most Americans as Chinese. But Iceland is 99 percent literate and almost everybody speaks English.

Everybody was enchanted with Iceland's water and lack of air pollution. The cold water comes right from the world's biggest glacier and the hot water emerges boiling from the faucets, all of it from thermal hot springs associated with the more than 200 volcanos here. The entire country including private homes is heated by the thermal water, an amazing engineering feat and a wind-fall saving on fuel bills.

Iceland got a financial shot in the arm from the pre-summit summit. A Coca-Cola normally costing 40 cents went for \$1. Bed-and-breakfast houses for tourists quadrupled their prices, the networks and bigger publications rented fleets of taxis during the summit week, and hotel rooms went from about \$40 a night to \$130.

White House spokesman Larry Speakes landed a verbal barb on National Security Adviser John M. Poindexter at a Saturday briefing for making a comment on the discussions in contravention of the news blackout.

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Wash Times 10/13/82

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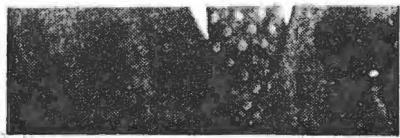
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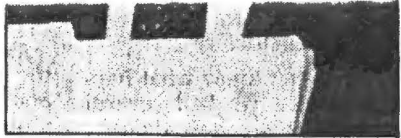
The unobtrusive security precautions were made possible by the speed with which the Reykjavik meeting was called and Iceland's ability to refuse entry to anyone without obvious business or a room reservation. This relaxed officials and reporters alike, and permitted an informal atmosphere.

Raisa Gorbachev, the Soviet leader's fashion-plate wife, did not make anything like the splash here that she did in Geneva last November. She did, however, change her clothes four times on Saturday.

Without Mrs. Reagan present, there were no social occasions and a minimum of protocol. It was amazing how much time for work this gave to both the Soviet and American delegations when the leaders



John Poindexter



Larry Speakes

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porters had some interesting bouts with the menus in Reykjavik restaurants. There were few orders for an appetizer of cuttlefish and even fewer for a piece de resistance advertised as breast of puffin, a parrot-like sea bird of the far north. Nobody ordered a pate which, a waiter explained, was made from "crushed sheep's head," evidently a delicacy here. To be fair, the lobster and salmon were superb.

U.S. astronauts used the extensive lava fields to train for their flights to the moon. But as time wore on, the suddenness with which the weather can change became apparent as sudden cold rain storms and chill winds swept in.

Friday night, the powerful wind gusts knocked out all telephone communication from the press room to the world several times when it knocked down the antenna on the

springs associated with the more than 200 volcanos here. The entire country including private homes is heated by the thermal water, an amazing engineering feat and a wind-fall saving on fuel bills.

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White House spokesman Larry Speakes landed a verbal barb on National Security Adviser John M. Poindexter at a Saturday briefing for making a comment on the discussions in contravention of the news blackout.

Mr. Poindexter, who has been under criticism for authoring the "disinformation" program against Libya, had been asked how the talks were going. He replied, "business-like." Mr. Speakes said, "I will not do that and Poindexter should not have."

Mr. Speakes also reacted crisply to a comment by Soviet spokesman Georgy Arbatov that President Reagan's agreement with Congress on nuclear tests was a "trick."

Mr. Speakes said, "The implication was that unless Mr. Arbatov is psychic, he was unable to determine what was going on at that moment." He said Mr. Arbatov started his press conference while the two leaders were still in close discussion, was not at the meeting and couldn't have known what was going on between the leaders.

REYKJAVIK REPORT

Hospitality, charm and culture shake the chill off Iceland

By Andrew Borowiec
THE WASHINGTON TIMES

REYKJAVIK, Iceland — In a small house overlooking the site of the superpower summit, Unnur Jonsdottir served baked cod in white wine and raised a toast of black death.

The cod was delicious and the toast had nothing to do with mortality. Brennivin or "black death" is a colorless fiery liquid favored by Icelandic fishermen. It has helped many newsmen here to cope with diplomatic cliches, nuclear jargon and disinformation.

Unnur is one of the hundreds of Reykjavik housewives who opened their homes to newsmen unable to find hotel accommodations in this capital of 90,000. [In this country, one addresses people only by their first names and her second name — Jonsdottir — literally means the daughter of John.]

"It is a big day for Iceland," she said, looking at the arrival of the world's two most powerful leaders from a window of her modest home.

She asked a reasonable price of

\$50 a day, changed sheets and towels every other day and served a copious breakfast that included an array of local specialties.

"Try to sample our cooking, most people like it," said Sigtryggur Jonsen, an executive of a firm exporting canned fish. "And please try to discover Iceland."

Most summit visitors soon appreciated the country's talent for organization and improvisation, its passion for reading, the theater and story-telling. The citizens of Reykjavik took in stride the various inconveniences of the summit and patiently suffered the ignorance of most of their guests.

One learns quickly that Iceland not only has the world's oldest Parliament and Europe's oldest living language, but also Europe's largest discotheque, a three-story giant ablaze with rock music and on weekends packed with an exceptional collection of blonde beauties.

The capital has two theater companies and the country claims 200,000 theatergoers a year — from a population of 241,000. It has the largest per capita newspaper read-

ership and book consumption in the world and labor unions, which push for a longer working week (mainly because of the lucrative overtime pay).

In any case, Icelanders seem to be addicted to work and many don't give up even after the official retirement age of 67. Some 80 percent of married women work.

Ethnic prejudice is unknown. "They've accepted me immediately," said Ewa Klonowska who left her native Poland for the tranquility of Iceland and was given a university post as soon as she learned the language.

Reykjavik has museums and galleries, eight movie theaters and two doctors for every 1,000 inhabitants.

The burghers work 10- and 12-hour days, drink water and milk during the week and celebrate on weekends. The police force of 300 rarely exhibits weapons and is used mainly to help women with their shopping bags or escort Saturday revelers home. Alcohol is expensive but available. But, because of a legislative quirk, beer is not sold in Iceland.

By outside standards, crime does not exist but lately some citizens have begun to lock their front doors. "We've had several cases of burglary," said Sveinn Einarsson of the Ministry of Culture.

Education and medical care are free and income taxes run up to 45 percent for modest salaries. A pay equivalent to \$2,000 a month is considered impressive, although one can easily spend \$100 for a full dinner in one of the better restaurants.

Iceland also boasts six chess grandmasters and the current Miss World, 22-year-old Holmfridur Karlsdottir, who probably has the world's longest legs and whose ambition is to return to her job as a kindergarten teacher.

The houses of Reykjavik are heated by the water from hot springs — the favorite bathing place any time of the year. Reykjavik has 110 such "swimming pools."

"It is a good day for swimming," said Unnur looking at the gray clouds with temperatures around 40 degrees. The reporter beat a hasty retreat.



Posters showing President Reagan and Mikhail Gorbachev rowing a Viking boat were being sold in Iceland in honor of the summit meeting.

PRESERVATION COPY

THE WHITE HOUSE
Office of the Press Secretary

THE MEETINGS OF
OF
PRESIDENT RONALD REAGAN
AND
GENERAL SECRETARY MIKHAIL GORBACHEV

ICELAND
OCTOBER 11-12, 1986

NOTICE TO THE PRESS

September 30, 1986

The Office of the Press Secretary will process press credential requests only for those members of the press traveling to Iceland aboard Air Force One or the White House press charter. We are now in the process of gathering information on press credentials for the President's trip to Iceland for meetings with General Secretary Gorbachev. Because of the limited time between now and the President's departure and in an effort to be as efficient as possible, we are asking members of the press traveling with the President to fill out a Press Credential Application (available in the White House Press Office) and return it, with two passport-sized photographs signed on the back and passports, to the Office of the Press Secretary by the close of business Monday, October 6. It may be necessary for additional materials to be submitted. Further information will be provided when available.

Members of the press wishing to travel with the President are also requested to place their name on the trip sign-up list, now posted in the White House Press Briefing Room. The deadline for signing up is also the close of business Monday, October 6.

Because of limited seats aboard the aircraft and because of limited facilities in Iceland, signing up does not necessarily guarantee a seat aboard Air Force One or the White House press charter. Those members of the press whose request to travel cannot be honored will be notified.

* * *

THE WHITE HOUSE

WASHINGTON

THE MEETINGS OF
PRESIDENT RONALD REAGAN
AND
GENERAL SECRETARY MIKHAIL GORBACHEV

ICELAND
OCTOBER 11-12, 1986

PRESS CREDENTIAL APPLICATION

NAME

AFFILIATION

JOB DESCRIPTION

DATE AND PLACE OF BIRTH

PASSPORT NUMBER

COUNTRY OF PASSPORT

PASSPORT ISSUANCE LOCATION

PASSPORT ISSUANCE DATE

PASSPORT EXPIRATION DATE

HOME ADDRESS

HOME TELEPHONE NUMBER (AC)

BUSINESS ADDRESS

BUSINESS TELEPHONE NUMBER (AC)

SOCIAL SECURITY NUMBER

HEIGHT

WEIGHT

COLOR HAIR

COLOR EYES

WHITE HOUSE PRESS PASS EXPIRATION DATE

This form, with two passport-size photos signed on the back, is to be submitted to the Office of the Press Secretary by the close of business Monday, October 6.

THE MEETINGS OF
PRESIDENT RONALD REAGAN
AND
GENERAL SECRETARY MIKHAIL GORBACHEV

ICELAND
OCTOBER 11-12, 1986

EQUIPMENT INVENTORY

NAME

AFFILIATION

ITEM

MANUFACTURER

SERIAL NUMBER

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

September 30, 1986

PRESS BRIEFING
BY
THE PRESIDENT
AND
SECRETARY OF STATE GEORGE P. SHULTZ

The Briefing Room

10:06 A.M. EDT

SECRETARY SHULTZ: This morning the Eastern District Court of New York accepted the application of Gennadi Zakharov, a Soviet citizen assigned to the U.N. Secretariat, to plead nolo contendere to all three counts of the indictment filed against him.

The court has remanded Mr. Zakharov into the custody of the Soviet Ambassador to the United States for the purpose of effecting his immediate departure from this country. It is expected that Mr. Zakharov will leave the United States this afternoon.

During the discussions held over the past ten days, Soviet Foreign Minister Shevardnadze has informed me that Yuri Orlov, one of the founders of the Helsinki Monitoring Group, and a giant of the Soviet human rights movement will be allowed to leave the Soviet Union. Mr. Orlov and his wife will depart by October 7, and are expected to come to this country. The precise timing and means of their departure will be determined through diplomatic channels.

Yuri Orlov, a physicist by profession, and member of the Armenian Academy of Sciences, was Chairman of Moscow's Helsinki Monitoring Group until his arrest in October, 1977 for alleged anti-Soviet activity.

The Helsinki Monitors, a courageous group of human rights activists, openly attempted to hold the Soviet authorities accountable to their commitments under the Helsinki Accords of 1975. They maintain direct contact with Western diplomats and journalists in an effort to keep them informed of Soviet human rights abuses. Such well-known figures as Andrei Sakharov, Yelena Bonner, and Anatoli Shcharansky participated in the Moscow Helsinki Monitoring Group. And similar groups modeled on the Moscow example sprang up in other major Soviet cities.

Orlov was a founding member and driving force behind the Helsinki monitors. As Chairman of the Moscow group, he singled himself out for particular attention from the KGB and was caught up in the first wave of arrests of group members. In 1978 he was sentenced to seven years in a strict regime labor camp and five years of internal exile. Since 1984 he has been forced to live in a remote Siberian village in extremely harsh physical conditions. At age 62 Orlov is in extremely poor health as a result of prolonged periods of solitary confinement -- up to six months at a time -- in labor camp and severe beatings suffered both in camp and in exile.

Orlov's wife, Irena Valitova, shared his commitment to the Helsinki process. She has maintained regular contact with Western embassies and journalists over the years since her husband's arrest, and has steadfastly worked to ameliorate the harsh conditions of his confinement.

I think the President will be here in a minute.

MORE

Q Well, good morning.

Q Reykjavik? What a surprise.

Q Iceland?

THE PRESIDENT: Yes. Yes, that's what I was here to tell you about. (Laughter.)

I am pleased to announce that General Secretary Gorbachev and I will meet October 11th and 12th in Reykjavik, Iceland. The meeting was proposed by General Secretary Gorbachev and I've accepted and it will take place in the context of preparations for the General Secretary's visit to the United States which was agreed to at Geneva in November of '85.

And I might say the United States and the Soviet Union appreciate the willingness of the government of Iceland to make this meeting in Reykjavik possible. So I know you'll all be on your best manner.

Q Well, Mr. President --

Q Mr. President, do think this increases the chances for an arms agreement, the fact that you're going to meet with Mr. Gorbachev before he comes to the U.S? Will that mean that you have something ready for signature then when you meet with him here?

THE PRESIDENT: I don't believe anything of that kind. I don't think this is going to be just a signing meeting at all. And I have no way of knowing what the outcome will be as we continue with our people or whether we --

Q Mr. President --

Q Mr. President, what do you think the chances are, sir?

THE PRESIDENT: Well, I've said for a long time that I think the chances are better than they've been for -- in many years for reaching some agreement on arms reduction.

Q Mr. President, why did you change your mind on this? All year you had seemed to oppose the idea of a meeting in a neutral country and demanded that it was the General Secretary's turn to come to the U.S. And is there any agenda for this meeting? Are you going to have any kind of agreements on INF or risk reduction centers?

THE PRESIDENT: No, this, in no way, discounts the fact -- and what we've said about a summit -- this is not a summit. This was a suggestion by his that he and I, one-on-one, meet earlier and make that in neutral country because we have agreed, yes, to the summits, that this one would be here and the next one would be in their country.

Q But no agreement has --

Q Mr. President --

Q No agreements at this meeting, sir?

THE PRESIDENT: What?

Q No agreements at the meeting next week?

THE PRESIDENT: I don't know. We've -- all we've agreed upon is that we're going to have a meeting.

Q Mr. President, does that commitment still continue,

though, for the General Secretary to come to the United States for a summit that would actually produce some sort of arms control agreement?

THE PRESIDENT: I hoped for that the last time we met and I'll continue to hope for that. And our arms negotiators have continued to meet. Both sides have made proposals and there have been differences between them. And so far those differences have not been reconciled.

Q Mr. President, we believe that the --

Q How would you now say the Daniloff affair either laid the groundwork for this special meeting or created an obstacle? What is your assessment of this whole --

THE PRESIDENT: The release of Daniloff

made the meeting possible. I could not have accepted and held that meeting if he was still being held.

Q Well, Mr. President, on that subject, we believe the Soviets seized Daniloff because of our arrest of Zakharov and they wanted Zakharov out. They're now going to get Zakharov out. What do you say to those who say that you've lost on that trade and they got what they wanted?

MR. SPEAKES: This will have to be the last question, please.

THE PRESIDENT: No, not at all. There was no connection between these two releases and I don't know just what you have said so far about this, but there were other arrangements with regard to Zakharov that resulted in his being freed.

Q Well, sir, do you think the world is going to believe that there was no connection when, in fact, Daniloff comes out one day and Zakharov goes zip through the magistrate the next and out?

THE PRESIDENT: May I point out to you that there have been several instances over the recent years in which we have arrested a spy and convicted a spy here in this country. And in each instance we ended up, rather than giving them board and room here, we ended up exchanging them for dissidents and people who wanted exit from the Soviet Union.

Q Is there more than --

Q Mr. President?

Q Are we getting more than just Orlov or are there other dissidents there?

THE PRESIDENT: I'm not going to comment on that. Somebody else has already.

Q Is there --

Q Mr. President, you said that Daniloff was a hostage. What message do you have for other American hostages today, for instance, those in Lebanon who have not been beneficiaries of these negotiations?

THE PRESIDENT: I'm glad that this is the last question and I have looked forward to answering this one -- I understand I'm scheduled soon for a press conference and I'm going to save all the ammunition for that -- I'll see you again.

Q When is that?

SECRETARY SHULTZ: We'll announce it in proper time.

THE PRESIDENT: They'll announce the date at a proper time. There -- see.

Q Didn't you just announce --

THE PRESIDENT: But, to answer this question, I understand the sorrow, the grief of the families of the hostages who are held in Beirut and -- we assume they're held in Beirut, because that's the kind of hostage situation this is. There has never been a direct contact with us from the holders of those hostages -- the kidnapers, but there hasn't been a day since they were taken that we have not been engaged in efforts to get them out. And I can just add this -- that sometimes we've thought that we were on the verge of doing that and then there's been a sharp disappointment. And, so as I say, I can understand the families -- if this looks at one. But

MORE

look at the difference: here we are dealing with a government with which we have diplomatic relations. In the other, we're dealing with faceless terrorists who have only through others issued a demand that cannot be met and we, as I say -- there is not a day that goes by that we're not bending every effort to get those people home.

Q Come back when you can stay longer.

THE PRESIDENT: Pardon?

Q Come back when you can stay longer.

THE PRESIDENT: Yes. Sometime soon -- when the date is.

Q Do you say the Soviets blinked, sir?

THE PRESIDENT: Pardon?

Q The Soviets blinked?

THE PRESIDENT: Shouldn't have said that. No comment.

(Laughter.)

Q Secretary Shultz?

Q Mr. Secretary, how do answer those who say that what this Daniloff arrangement really means is that the Soviets now have license any time they want to get out a captured KGB spy, all they've got to do is grab an American inside the Soviet Union?

SECRETARY SHULTZ: I think that we have to look at our overall objectives here and then judge what has happened, including the answer to that question, in the light of our objectives. Let me set them out for you.

First of all, in this broad range of events that are taking place -- last week, this week -- we need to handle them in a strong, in a realistic, in a persevering way and in a way that gets results.

Second, we want to get Daniloff out. Third, we want to address your question in part by making it clear that we have run out of any patience with the idea of any country using its people in the U.N. Mission as a platform for espionage against the United States. And, at the same time, we want to handle these matters as best we can so that the ongoing, potentially positive results from our negotiations and discussions with the Soviet Union can continue and have a chance of bearing fruit.

Those were our objectives. Now, Daniloff is out. The Soviets have assured us that their numbers in the U.N. mission, presently, are less than those that we set out for October 1. In their terms they decided to do that for reasons of efficiency in running their mission. But at any rate, from our standpoint, the numbers are there.

Second, they have told us, and our own information confirms, that the majority of those on the list we gave them have left and they have described to us their conception of a normal rotation process, but those people have left. They asked us in the course of our discussions for a grace period and that was extended by two weeks and we expect to have further information by the time that expires. So, we have been achieving our objectives in that sense, and we have managed in the discussions that were held here, and in the response in the prospective meeting in Iceland shows we have managed to keep the possibility of positive results in this relationship going. And so, overall, I think, it's been a pretty good week for us and I hope they may feel the same way.

Q Mr. Secretary, two weeks ago you wouldn't take the Soviets word for the rotation, in fact, it was treated with a little bit of -- almost sarcasm --

SECRETARY SHULTZ: What rotation are you talking -- what do you mean by rotation?

Q Well, then let me backup. It sound to me as you've now done what two weeks ago you refused to do about the U.N. mission. You wanted to see documents, you wouldn't take their word for it that they've left, on top of that in a blanket accusation -- allegation, the administration said, "These 25 are spies." It strikes me know, and please correct me if I'm wrong, that in the negotiations the U.S. has given a little ground, it has agreed to take their word for it, number one, on whose left and who hasn't left, and number two, to withdraw the notion that all 25 are spies. Because clearly if you're going to let them stay two weeks I don't suppose you allow spies to hand around for an extra two weeks if you really knew they were spies?

SECRETARY SHULTZ: The numbers that we sought, we have attained. And we have had an explicit discussion with them about that. Obviously we keep track of the numbers, but a reason, for example, why it's difficult for us to know precisely what their level is is that if somebody in their Mission who has a multiple entry visa returns to Moscow, we don't know whether he is coming back or not until he comes back. So that is why we have to have a discussion about this matter, and we have had it, and so we have their estimate and description of that staffing level.

Furthermore, we have had an explicit discussion about the 25. Obviously they see it differently than we do, but from our standpoint the important thing is that most of them have left and I believe we will deal successfully with the balance of this problem.

So overall, I think, that what we are seeking -- namely to make it clear to everyone, not only the Soviet Union -- that the use of the U.N. Mission as an espionage platform is out. And I think that is one of the things that has come out of this. It is a very strong sentiment and a very important point.

Q Mr. Secretary, can you tell us what the agenda is for Iceland and how that works with any prospective summit meeting vis-a-vis an arms control agreement or framework -- a Vladivostok-type agreement -- perhaps on INF?

SECRETARY SHULTZ: Well, this is a preparatory meeting proposed as such and accepted as such, and in a way it is very much a part of the process that has been going on with increasing intensity over the last two or three months where we have had all sorts of special groups meeting on all the different subjects that we have under review. So this is a meeting that will give a special push, obviously, and I think it is a very good idea -- a good thing.

Now our agenda will be our regular agenda. Obviously we are going to talk about arms control issues, and they are important. And we have made progress in a number of areas. You mentioned INF -- that's one of them. We are going to talk about various bilateral problems. We are going to talk about regional issues. You can be sure that we are going to keep the subject of human rights on the agenda.

So all of these subjects will in various ways be discussed. I think that if we can move things to the point where on some significant things -- well, they're all significant, but especially significant things -- we can see the gap closed and the prospect of an agreement, and that is all to the good. But of course we have to look at the content and both be satisfied with the content. But there has been enough motion and enough sense of the importance of this that perhaps this meeting can do what is necessary to energize our own -- both negotiators and provide for a productive meeting -- summit meeting in the United States -- hopefully still in 1986.

Q Mr. Secretary, you have a --

Q Mr. Secretary, could you tell us how many of the 25 on the list for the Soviet Mission are still in the United States and will any of them be allowed to remain in the United States after the two-week grace period?

SECRETARY SHULTZ: I don't want to specify the numbers. We know the numbers. In discussing this issue,

some questions have been raised about some members of the group -- and we're willing to hear what they have to say about that -- but at any rate, we expect to see 25 people that we think have an association with intelligence activities leave.

Q Mr. Secretary?

Q Mr. Secretary, you've said this is a preparatory summit. But, after all, it is a summit. And this administration's policy has been that summits must be carefully prepared and must have a very good chance of tangible results. If I understood the President correctly, he's not certain what's going to come out of this summit. Why did your policy change, and don't you take a risk that, in fact, nothing will come out?

SECRETARY SHULTZ: Well, in the announcement that the President read I believe it calls it a meeting, but you're the labler. That's the way it is described by them to us and us to them -- that it is a preparatory meeting. Obviously, it's at the level of heads of state. Now, in a real sense it is being carefully prepared. We have been working hard on all of the different areas of subject matter for a long time and, as I said, with great intensity this summer. We had our arms control -- Geneva arms control team in Moscow for a couple of days and theirs here for a couple of days, we've had a number of meetings on regional issues, we had an overall meeting that Undersecretary Armacost chaired, we've had a major discussion of bilateral issues and we've also discussed the human rights area.

So, there's been a lot of preparatory work and the question now is through a meeting of the two heads, will we be able to energize this process still further and make the summit meeting in 1986 which, as I said, we still hope it will be in 1986 -- make it genuinely productive.

Q Mr. Secretary?

Q Mr. Secretary, could you please assess for us the impact that the Daniloff case has had on U.S.-Soviet relations? Some people have suggested that, in fact, instead of hurting chances for a summit it has propelled chances for a summit, as we see with this meeting next week that, in fact, it forced both sides to stop the diplomatic posturing and get serious about relations.

SECRETARY SHULTZ: I think the President put it right. It doesn't -- something like the Daniloff case doesn't contribute to a summit; it tends to create a bad atmosphere and tends to make people in the United States concerned about what will happen to them if they go to the Soviet Union and so on. So, I don't think that contributes anything. On the other hand, it was an impediment and as we have said, it was hard to imagine a fruitful summit while Daniloff was being held. So, his release clears that atmosphere and I think will enable us to move forward productively.

Q When did the Soviets propose this mini-summit? Was that in the letter that Gorbachev sent with Mr. Shevardnadze?

SECRETARY SHULTZ: The proposal of the preparatory meeting was in the letter of General Secretary Gorbachev to the President which Shevardnadze delivered --

Q Two Fridays ago.

SECRETARY SHULTZ: -- a week ago Friday, I guess.

Q And, Mr. Secretary, is Mr. Orlov and his wife, are they the only dissidents that we know of that will be allowed to leave in return for Mr. Zakharov?

SECRETARY SHULTZ: Well, we have a continuing dialogue with the Soviet Union about a large number of dissidents, about divided families, about emigration generally. So there is an ongoing urging of them to take action in those -- in those areas.

Q But you have no assurance --

SECRETARY SHULTZ: So we'll continue that now. That's where I'll leave it.

Q Mr. Secretary --

Q Thank you, sir. Mr. Secretary, how important do you think having this meeting is to the Soviets? In your talks with Mr. Shevardnadze did you get the feeling that Mr. Daniloff would have been released if these plans for a meeting in Iceland had not been agreed to by the United States?

SECRETARY SHULTZ: The Daniloff case, and the various other aspects of it, no doubt troubled them, but they certainly troubled us and we're not about to go. And I don't think one could have had a fruitful summit without these matters being settled. Now, insofar as their assessment of the need for this preparatory meeting is concerned, the fact that they suggested it in the first place shows that they felt it could be a productive contribution to this dialogue. So I assume that's their belief and as we considered it, and the President considered it, we agreed. And so the meeting will be held.

Let's try to get into the back of the room here.

Yes?

Q Mr. Secretary, in the context of what you said earlier, do you think it's reasonable to expect an INF framework agreement to be reached in Iceland?

SECRETARY SHULTZ: I don't want to get into the prediction business beyond saying that there has been a great change in the negotiating positions on INF comparing now, with, let's say, a year and a half or so ago. So there's been a lot of motion and in the discussions that we have had there are suggestions of other possible areas where agreement might be found. So I think there are reasonable prospects. But on all of these things you never have an agreement until you have an agreement. So it's a little hard to assess just how far along we are.

Q Mr. Secretary, in you negotiations --

Q -- qualified, maybe, then --

SECRETARY SHULTZ: No -- let -- who else hasn't had a -- somebody who hasn't had a question. Yes?

Q The order that you issued in last spring to cut the Soviet mission back to 100 -- I believe it was 170 people by next April --

SECRETARY SHULTZ: That's by April, 1988.

Q Yes, is that order still unchanged and in effect?

SECRETARY SHULTZ: That's unchanged.

SECRETARY SHULTZ: And what we did was we set out various time periods. That's where the number 25 came from. It was our estimate that it took 25 to get down to the 218 and a week or so before we identified the 25 names, the Soviet UN Ambassador had issued a very confrontational statement about their willingness to meet the 218 -- that's what triggered off the 25. So at least, as we see it, we're getting somewhere.

Q Is Orlov the only one to come out?

Q What assurances have you got that the next time the FBI picks up a suspected Soviet spy, that the Soviets will not pick up another American newspaper man?

SECRETARY SHULTZ: There are all sorts of problems here and I think that the strong and resolute action by the President probably sends a pretty good message of how we feel about it and what we'll do about it. And so I think you have to look at all these things as a package. But, obviously, the Soviet Union can pick up people in their country, and have over a long period of time, and -- just look at the history of Mr. Orlov, as an example.

Q Is he the only one to come out, Mr. Secretary? Is Orlov the only one?

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SECRETARY SHULTZ: No. I think it's very clear that they recognize, as we do, that the genuine summits will be -- the next one in the U.S. and the following one in the Soviet Union. That's in everybody's plan and that's what's referred to in the statement that the President read today. So, there's no -- there's no suggestion that this meeting in Iceland is a substitute for a summit. It's quite the contrary. It's a preparation for the summit meeting.

Q What are the chances that this will push back the timing?

Q Mr. Secretary, could you tell us what grounds did they cite for the need for this meeting in Iceland? And what was our reason for accepting this notion after we had rejected the notion of the two leaders meeting on neutral territory before?

Q And you'd rejected a meeting in the fall because of the election campaign? (Laughter.)

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SECRETARY SHULTZ: The -- we are engaged in a very important and very serious effort to try to get control of the escalating numbers of nuclear weapons and in whatever way we can to get a better handle on the tensions around the world that erupt out of regional problems of various kinds -- human rights problems -- even some of our bilateral issues. We've worked at it very hard and I observe that the Soviets have too. We believe,

MORE

and I think they do, that a real, well-prepared, extensive summit meeting in the United States on the one hand, in the Soviet Union on the other, can be a good thing. We want to make it as good a thing as possible. That's why this tremendous effort that's been going on is being made.

Now, the General Secretary suggested to the President that it would help in this preparatory effort of the two of them met perhaps a little less formally than a summit meeting tends to be, and see if they can't push the ball along a little bit in perhaps some of the areas that show the most promise. And as we thought about it, it seemed like a sensible idea, so why not?

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SECRETARY SHULTZ: I think that the name of the game here is to try to make progress toward the objectives that we are seeking, and this should help.

Q Is Orlov the only one to come out, sir? We had heard that there may be other dissidents.

SECRETARY SHULTZ: Well, there -- as you -- whatever you have heard, you haven't heard it authoritatively, and what I have said is authoritatively what will happen, and that is what we have to say --

Q Might there be others, sir? Might there be others?

Q Mr. Secretary, last Thursday, you told a group of reporters with regard to the 25 Soviet diplomats, that -- the list that you gave them -- that is something that has been done. There it stands. We don't plan to change that. But you have changed that.

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Q Sir did you agree to the removal of two specific names from that list -- two senior intelligence officers?

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And we thought about it and we decided -- the President decided that perhaps it could be. And we should be willing to do those things of this sort -- that may help this process along. And it's -- really, it's just as simple as that. Nobody was playing toe to toe on this thing.

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Q Mr. Secretary, why did the President not tell the Soviets in reply to that suggestion, okay, if you agree to a date -- certain on a summit here in the United States? Why did he not use that opportunity to pin them down to a summit date?

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SECRETARY SHULTZ: I don't think we're talking about preconditions. What we're talking about is what's desirable and there are lots of different ways to satisfy both of our desires to have significant results from these meetings.

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10:44 A.M. EDT

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University of Okla

Revised Version

(Dolan)
October 13, 1986
1:30 a.m.

* *See Ceci comments on back*

PRESIDENTIAL ADDRESS TO THE NATION
ICELAND MEETING
MONDAY, OCTOBER 13, 1986

Good evening. As most of you know, I have just returned from meetings with the leader of the Soviet Union, General Secretary Gorbachev, in Iceland. As I did last year when I returned from the summit conference in Geneva, I want to take a few moments tonight to share with you what took place in these discussions.

But first, let me tell you that from the start of my meetings with Mr. Gorbachev I have always regarded you, the American people, as full participants. Believe me, without your support and participation, none of these talks could have been held, nor could the ultimate aim of American foreign policy -- world peace and freedom -- be pursued. This faith in the intuitive wisdom of the people and the consent of the governed are the founding principles of our Republic. And it is for these principles, I went the extra mile to Iceland.

(X)
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[And that was easy to do, because I think you know I have a basic trust in the intelligence of the American people and I have always believed that if given the facts, ^(you) they will always make the right decision. I mention this because I know there are some already demanding to know why I would not give up our Strategic Defense Initiative and charging the United States caused a breakdown in our talks in Iceland. I noticed the press, even before I left Iceland, was reporting we were to blame for not reaching an agreement.]

Let me assure you, the talks with General Secretary Gorbachev -- lasting more than 10 hours -- were hard and tough but extremely useful. During long discussions on both Saturday and Sunday, Mr. Gorbachev and I made considerable headway on a number of arms reduction issues, clearing away obstacles and going further than we ever have before. And, you know, as the hours went by we found ourselves agreeing on more and more elements -- and lower and lower levels of weapons.

(X) You may recall, for instance, that a year ago in Geneva we agreed on the goal of 50¹ percent cuts in our strategic nuclear forces. Well, this weekend in Reykjavik we went further -- agreeing at last on more precise numbers for these cuts and on the precise period -- 5 years -- in which they would be made. Some people had been suggesting that the road to agreement was to try for smaller cuts over a longer period. But we held to our proposal of deep cuts as soon as possible -- and we made it stick. Under our plan, heavy missiles, the most dangerous weapons in the Soviet arsenal, would be cut in half. I was especially glad to see that Mr. Gorbachev agreed with me on this.

7 You may also recall that last year in Geneva he and I instructed our negotiators to seek an interim agreement on cutting intermediate nuclear missiles in both Europe and Asia. This has been one of the most controversial and divisive East-West issues in the life of ^{the} my Administration; yet at Reykjavik we cut through the rhetoric of the past and were able to agree on drastic cuts in these forces, outlawing them altogether in Europe and allowing only 100 warheads on such

missiles worldwide. As a result, Soviet SS-20 missiles would be reduced from approximately 400 to only 33.

Finally, you probably know that Mr. Gorbachev has made nuclear testing one of his most frequent -- and I have sometimes thought, propagandistic -- themes. Yet at Reykjavik we were on the verge of an agreement to begin a completely new set of negotiations on nuclear tests.

We didn't have every detail settled, but all these were real achievements.

(X) But there remained towards the end of our talks one area of disagreement. While both sides seek reduction in the number of nuclear missiles and warheads threatening the world, the Soviets insisted that we sign an agreement that would deny to me -- and to future Presidents for 10 years -- the right to develop, test, and deploy a defense against nuclear missiles for the people of the United States.

This was a variation on an old Soviet position, and it was unacceptable. So, to break the deadlock Sunday afternoon, we made to General Secretary Gorbachev the most sweeping and generous arms control proposal in history -- complete elimination by both sides of all ballistic missiles over a period of 10 years. And if the General Secretary would agree with us to rid the world of these most destructive of weapons, I said we would offer a 10-year delay in any deployment of S.D.I. If the Soviet Union would agree with the United States, I said, to eliminate all offensive missiles, the United States would not deploy the defensive system Mr. Gorbachev says he fears.

Mr. Gorbachev said he could accept this offer only on one condition: that we halt all our work on strategic defense for the United States -- except laboratory research. That would have killed America's defensive program in its cradle. That would have forfeited our children's opportunity to live in a world free of the fear of nuclear attack. That would have sacrificed the future security interest of the American people, in exchange for a Soviet promise. And this we could not do.

So again and again, we hit the same obstacle. The Soviets told us their proposals were a single package. They said there would be no deals unless we also agreed to their terms on the Strategic Defense Initiative. They held other issues hostage, while trying to kill the possibility of research progress on strategic defense.

Why did Mr. Gorbachev reject our offer?

Why are the Soviets afraid of S.D.I.? Not a single Soviet citizen has anything to fear from an American S.D.I. That defensive system -- once developed and deployed -- would harm not people, but only ballistic missiles, after they had been fired. It threatens nothing and would harm no one.

In refusing our offer and making his non-negotiable demand on the United States, Mr. Gorbachev refused an historic opportunity to rid the world of the threat of nuclear war resulting from attack by ~~ballistic nuclear~~ missiles. Nevertheless, we remain dedicated to continuing the peace process. We have come too far to turn back now. So tonight I call on the Soviet Union to build on the agreements we reached

and not to tear down (throw away) that which we have built (accomplished in so many areas) because of our differences over the single issue of S.D.I.

So you can see that for all the progress we made, the differences between the United States and the Soviet Union remain deep and abiding, that, obviously, there are no diplomatic quick-fixes to such profound differences. These talks brought home again the truth of the statement that nations do not mistrust each other because they are armed; they are armed because they mistrust each other.

But I do believe we made progress in Iceland and will continue to make progress if we continue to pursue a prudent, deliberate, and, above all, realistic approach with the Soviets. Let me remind you that, from the earliest days of our Administration, this has been our policy: we made it clear we had no illusions about the Soviets or their ultimate intentions; we were publicly candid about the critical moral distinctions between totalitarianism and democracy. We said that the principal objective of American foreign policy is not just the prevention of war but the extension of freedom. And, we stressed our commitment to the growth of democratic government and democratic institutions around the world; that is why we assisted freedom fighters who were resisting the imposition of totalitarian rule in Afghanistan, Nicaragua, Angola, Cambodia, and elsewhere.

And yet at the same time we set out these foreign policy goals and began working towards them, we pursued another of our

major objectives: that of seeking means to lessen tensions with the Soviets, ways to prevent war and keep the peace.

This policy is now paying dividends -- one sign of this in Iceland was the progress on the issue of arms control. I cannot predict the nature or dates of future agreements. I can only repeat that, for the first time in a long while, Soviet-American negotiations in the area of arms reductions are moving, and moving in the right direction: not just toward arms control, but arms reduction.

But for all the progress we made on arms reductions, we must remember there were other issues under discussion on the table in Iceland, issues that are even more fundamental. For some time before our talks began, I had been saying that arms control negotiations alone could not bear the full weight of Soviet-American relations; that, as I said, the real cause of the arms competition was political tensions growing out of our deeper differences. In short, doing more about arms control meant talking about more than arms control. So I proposed "umbrella talks" with the Soviets -- to expand the agenda, to go to the real source of the conflict and competition between the Soviets and the West.

One such issue is human rights. As President Kennedy once said, "Is not peace, in the final analysis, a matter of human rights...?" Only last week, here in the Oval Office, a heroic champion of human rights, Yuri Orlov, described to me the
X persecutions he suffered for leading an effort simply to get the Soviet government to live up to the solemn commitment on human

rights it had signed at Helsinki in 1975. Mr. Orlov's suffering is like that of far too many other individuals in all walks of life inside the Soviet Union -- including those who wish to emigrate.

In Iceland, human rights was a critical part of our agenda. I can report to you that I made it plain to Mr. Gorbachev that the United States would not seek to exploit improvement in these matters for purposes of propaganda. But I also made it plain, once again, that an improvement of the human condition within the Soviet Union is indispensable for an improvement in bilateral relations with the United States. For a government that will break faith with its own people cannot be trusted to keep faith with foreign powers. If the best and brightest inside the Soviet Union -- like Mr. Orlov -- cannot trust the Soviet Government, how then can the rest of the world? So, I told Mr. Gorbachev -- again in Reykjavik as I had in Geneva -- we Americans place far less weight upon the words that are spoken at meetings such as these, than upon the deeds that follow. When it comes to human rights and judging Soviet intentions, we are all from Missouri: you have got to show us.

Another subject area we took up in Iceland also lies at the heart of the differences between the Soviet Union and America. This is the issue of regional conflicts. I told Mr. Gorbachev that the good feeling at summits cannot make the American people forget what Soviet actions have meant for the peoples of Afghanistan, Central America, Africa, and Southeast Asia. Until Soviet policies change, we will make sure that our friends in

these areas -- those who fight for freedom and independence -- will have the support they need.

Finally, there was a fourth item besides arms reduction, human rights, and the resolution of regional conflicts. This area was that of bilateral relations, people-to-people contacts. In Geneva last year, we welcomed the signing of several cultural exchange accords; in Iceland, we saw indications of more movement in these areas. But let me say now the United States remains committed to people-to-people programs that could lead to exchanges between not just a few elites but thousands of everyday citizens from both our countries.

So I think then you can see that we did make progress in Iceland on a broad range of topics. We reaffirmed our 4-point agenda; we discovered major new grounds of agreement; we probed again some old areas of disagreement.

Now, my fellow Americans, I cannot promise, nor can any President promise, that the talks in Iceland or our future discussions with Mr. Gorbachev will lead inevitably to great breakthroughs or momentous treaty signings.

We still believe that no agreement is better than a bad agreement. And we must bear in mind the nature of the Soviet regime itself will put many obstacles in our path as we go along. When that happens, we must be prepared, not surprised. We must not permit such developments to disorient our policy or derail our initiatives. We must be deliberate and candid and make it clear that the Soviet Union will be held responsible for its actions. And we must persevere.

And on this point, I know you are also interested in the question of whether there will be another summit. There was no indication by Mr. Gorbachev as to when or whether he plans to travel to the United States, as we agreed he would last year in Geneva. I repeat tonight that our invitation stands and that we continue to believe additional meetings would be useful. But that's a decision the Soviets must make.

But whatever the immediate prospects, I can tell you that I am ultimately hopeful about the prospects for progress at the summit and for world peace and freedom. You see, the current summit process is very different from that of previous decades; it is different because the world is different; and the world is different because of the hard work and sacrifice of the American people during the past 5-1/2 years. Your energy has restored and expanded our economic might, your support has restored our military strength, and your courage and sense of national unity in times of crisis have given pause to our adversaries, heartened our friends, and inspired the world. The Western democracies and the NATO alliance are revitalized and all across the world nations are turning to democratic ideas and the principles of the free market. And today, freedom is on the march because, at its critical hour, the American people stood guard as it gathered its forces and regained its strength.

So, if there is one impression I carry away with me from these October talks, it is that, unlike the past, we are dealing now from a position of strength, and for that reason we have it

within our grasp to move speedily with the Soviets towards even more breakthroughs.

I know such optimism in a century that has seen so much war and suffering seems unwarranted to some. Yet this confidence is based on more than an easy optimism; it springs from a quiet appreciation for what British author, Paul Johnson calls the "enormous reserves" of democratic societies, societies where national unity springs from popular consent.

The resiliency of a free society is one of the comforting lessons of history. And because of you, the American people, those enormous reserves are now making their presence and power felt throughout the world.

I saw evidence of this in the progress we made in the talks with Mr. Gorbachev. And I saw evidence of it when we left Iceland yesterday, and I spoke to our young men and women at our Naval installation at Keflavik [KEF-la-VICK] -- a critically important base far closer to Soviet naval bases than to our own coastline. As always, I was proud to spend a few moments with them and thank them for their sacrifices and devotion to country. They represent America at her finest: committed to defend not only our own freedom but the freedom of others who would be living in a far more frightening world -- were it not for the strength and resolve of the United States.

"Wherever the banner of liberty is unfurled, there shall be America's heart, her prayers and her benedictions," John Adams once said. He spoke well of our destiny as a Nation. My fellow Americans, we are honored by history, entrusted by destiny with

the oldest dream of humanity -- the dream of lasting peace and human freedom.

It is in pursuit of that dream I went to Geneva a year ago and to Iceland last week; it is in pursuit of that dream I have invited Mr. Gorbachev to visit us here for further discussions. And it is in pursuit of that dream that I thank you now for all the support you have given me, and I again ask for your help and your prayers as we continue our journey towards a world where peace reigns and freedom is enshrined.

Thank you and God bless you.

{ definition of SDI
{ implemented instead of deployed

(Dolan)
October 3, 1986
2:00 p.m. *EL*

PRESIDENTIAL RADIO TALK: PRE-SUMMIT MEETING WITH
GENERAL SECRETARY GORBACHEV
SATURDAY, OCTOBER 4, 1986

My fellow Americans: I'm sure many of you have heard that a week from now in Reykjavik, Iceland, I will be meeting with the leader of the Soviet Union, General Secretary Gorbachev. Though the meeting will be relatively brief, our discussions will be of critical importance: we'll be laying the groundwork for Mr. Gorbachev's upcoming visit to the United States and the summit talks that will take place then.

Now as President, I get all sorts of briefings when talks like these are scheduled but I thought today I'd change things around a bit and give a briefing of my own to those I think are equally important participants in the summit process -- you the people.

Now I know it's true that some here in the capital think the people can't be trusted with such complex matters as foreign policy. But along with our Founding Fathers, I've always believed that the intuitive wisdom of the people is far more dependable over the long run than the temporary insights or parochial pursuits of the Washington experts. That's why I've said right from the start that the first obligation of democratic leaders is to keep the people informed and seek their support on public policy.

So today I want to take a few moments to bring you up to date on the meeting in Iceland and ask your support for our objectives there. In particular, I want to ask your help in

removing a grave obstacle to our chances for progress at these talks and the others to follow. It's an obstacle created by partisan divisions here at home, so I do think it's a problem you can help me solve.

Perhaps you remember Mr. Gorbachev and I first met a year ago in Geneva. We spent about 5 hours alone; and more than 15 hours together with the rest of our delegations. Believe me, we learned again the truth of the statement: nations don't mistrust each other because they are armed; they're armed because they mistrust each other. On this point, I was very blunt and candid with Mr. Gorbachev and told him that in our view the source of that mistrust was the Soviet Union's record of seeking to impose its ideology and rule on others.

But I also made it clear that while the United States remains committed to freedom and self-determination for all the nations of the world, we also want to work with the Soviet Union to prevent war and maintain peace. We believe the twin goals of world peace and freedom can be furthered by making progress with the Soviet Union in four thorny but closely-related areas: respect for human rights, arms reductions, the resolution of regional conflicts, and expanded bilateral contacts between our nations.

And, to achieve progress on such a broad agenda, we believe personal meetings between our leaders can be very useful. First, as I said, to dispel illusions -- to make sure the Soviets avoid miscalculation, that they know where we stand. And second, the

simple fact is that heads of state can frequently resolve matters far more quickly than other negotiators can.

On this point, I like to tell a story about the Geneva summit. Our experts thought the scheduling of any future meetings was a difficult, delicate subject best left to later in the discussions. Yet as we were walking together after one of our meetings, I mentioned to Mr. Gorbachev how much I would like him to visit the United States. So, I invited him; and he said, "I accept." And then he told me how much he would like me to see the Soviet Union. So he invited me. And I said: "I accept." And there it was. As simple as that.

So face-to-face talks can be helpful. And when the Soviet Foreign Minister met with me 2 weeks ago, he carried a letter from Mr. Gorbachev. Part of the letter was the suggestion that we meet in a third country like Iceland -- for preparatory talks on the upcoming summit here in the United States. I accepted.

I want you to know that next week during the talks in Iceland, we will be taking the same balanced approach we took in Geneva. On one hand, we will make it clear we seek negotiations and serious progress with the Soviets on a wide range of issues. On the other, we will make it clear that we will not sacrifice our values, principles, or vital interests for the sake of merely signing agreements. And that's just another way of making it clear to the Soviets we harbor no illusions about them or their geopolitical intentions.

This last point is important. You see, in the past, when agreements were reached with the Soviets, this led to much

unrealistic talk about the great thaw in Soviet-American relations and even predictions about the end of the cold war. And then when the Soviets reverted to form -- such as the invasion of Afghanistan -- the result was shock and policy paralysis in Washington.

This now has changed. Just last month -- after a Soviet spy at the U.N. was arrested -- the Soviets retaliated by taking hostage an American journalist, Nicholas Daniloff, in Moscow. It was an act of international outrage; but this time we were prepared. Because we understood that the Soviets are relentless adversaries, they could not surprise us, nor could their actions derail our long-term commitments or initiatives. We knew what we had to do. We wanted Daniloff freed, with no deals. We had to make clear to them the consequences of their actions. We had to be direct, candid, and forceful.

And we were. That's why Nicholas Daniloff is freed and back in the United States. Later, we swapped Zakharov, the spy, for two noted Russian dissidents, Yuri and Irina Orlov. And that's why we can now go forward to Iceland. Believe me, as we proceed along the path of negotiations, there will be other such obstacles. But let me assure you: as each obstacle arises, we will again make clear to the Soviets our lack of illusions about them, and our resolve to hold them accountable for their actions.

That's the bottom line to this briefing: in order to be successful in negotiations, an American President must be perceived by the Soviets as realistic and firm and, above all, a President speaking for a united people, a united country.

In the past, this has been one of the Nation's noblest traditions. When it came to matters of national security, politics usually stopped at the water's edge, Americans stood together and the fabric of bipartisan cooperation was untearable, the bond of national unity unbreakable.

As I mentioned when I returned last year from Geneva, rarely have the expressions of public and congressional support been more gratifying than during our negotiations with the Soviets. And so today, with a new round of negotiations underway, I'm appealing again for that support.

And I'm asking the Congress to be especially alert about sending the Soviets a message of national unity.

For example, we believe our 5-1/2 year military buildup has been a principal factor in bringing the Soviets to the negotiating table. So we need continued support for defense appropriations. So too, some legislative restrictions passed by the House of Representatives could well jeopardize the chances for successful discussions with the Soviets.

The House, for example, voted to ban tests of anti-satellite systems, even though the Soviets have a system in operation and we don't. They voted to stop us from producing a credible deterrent to modern Soviet chemical weapons. They voted to substantially cut our request for the Strategic Defense Initiatives, a program that promotes a safer future and also underpins our negotiating position in Geneva and our hopes for strategic arms reductions. They voted to deny funds to move beyond certain limits of SALT II, a treaty that couldn't be

ratified and that would've expired by now if it had been ratified and that the Soviets have repeatedly violated. And finally, the House has prohibited essentially the testing of all nuclear weapons, which we still need to deter war.

These national security proposals as well as other unacceptable domestic policy provisions are now included in the Government-wide appropriations bill that is being sent this way -- unless they are changed from the House passed version, believe me, it will be vetoed. But there is an even larger issue. Every single one of these issues I outlined is under discussion with the Soviets -- I cannot afford to have my hands tied in our discussions about them. Nor can we fail to have the Government's appropriations resolved for next year. The Soviets must not think that delay could work to their advantage by gaining from the Congress what they cannot win at the negotiating table.

That is why we need to send to the Soviets a consistent message of clear resolve and national unity. These upcoming negotiations are important to you, your children, to America's future. Today I'm asking your support and that of the congressional leadership. Bipartisan cooperation has been the keystone of American foreign policy and, as I've said, I'm grateful and deeply touched by the support I've received in the past from all of you.

But right now that support is needed more than ever. The Members of Congress should know that as I said at the beginning, the people are the experts in any democracy and you will hold

accountable those who for the sake of partisan advantage trifle with our national security and the chances for peace and freedom.

These are hopeful developments; and that is why I think we can view this whole summit process soberly and yet with a reasonable degree of optimism.

Thank you for your support in the past and as we leave for the talks in Iceland I hope I can count on you again. Make your views known in Washington and don't forget to keep us in your prayers as well.

shires to nation. The concept was refined later to produce a Burghal Hideage for towns, and a County Hideage for shires; and this last, in turn, made possible Domesday Book. Domesday Book adumbrated the growth of the Exchequer, and its characteristic instrument, the pipe-roll, which survived as the record of central finance until 1832, when England was already a great industrial nation, and the heart of a world empire. This crude summary, of course, ignores an infinite multitude of complexities, but it is still true to say that the rural society of eighth-century Mercia developed the matrix of modern England.

The strength of Old English society was thus based on a well-informed central authority, which used its knowledge to pay its way. But the England of the English was still highly vulnerable: a million people sitting on some of the best land in the world, developing it steadily to make it a still more tempting target for the violent and predatory forces of north-west Europe. When England turned inwards in the eighth century, it became essentially a civil society of farmers. The English manor never became a military institution; not even the Normans, who were geared to little else but warfare, could make it one. The Channel and the North Sea provided powerful natural barriers to aggression; but both could be crossed, and they constituted a standing temptation to ignore the unpleasant and expensive realities of a world ruled by force. The English never developed a professional army. Except in brief moments of extreme crisis they could not even produce an amateur one able to keep the field. Their efforts to create a navy nearly always ended in lamentable failure. It was not that the English lacked aggression; they have always been among the most aggressive peoples on earth. But they seemed incapable of any sustained attempt to harness their aggression to a national purpose. They accepted the concept of a national defence force. They had the administrative machine to produce it on an equitable basis - an armed man for every two hides, making the fyrd equal to about 1 per cent of the total population. The conscripts, with much reluctance, would assemble; they would even fight fiercely, if battle was not delayed; then their only thought was to get back to their farms, and their blood-fends. For most of the time the English State was, for all practical purposes, disarmed. The wonder is that the English contrived to survive at all. They might so easily have become another lost people of history. There was absolutely nothing inevitable about their durability. In the ninth, tenth and eleventh centuries they were the victims of overwhelming aggression. Why were they not extinguished? There is no simple answer. History is not propelled by single causes. The English were saved once by a great man,

once by the cunning and resourcefulness of their ruling class, and once by the resilience of their institutions and their language. Each episode is worth examining.

In 865 a Scandinavian army of unprecedented size moved into England with the object of setting up a permanent system of exploitation. In the next 13 years it destroyed all the English kingdoms except Wessex, and in most districts began the partition of the land for settlement. In 878 the odds were overwhelming that English civilisation would be destroyed; that its forms of government, speech and culture would disappear; that an alien ruling class would be established and a mass-migration take place under its aegis; and that the English would survive, like the Britons before them, only as a servile class, gradually adopting the dominant culture. When Alfred took refuge with his personal followers in the marshes west of Selwood, this was the imminent prospect facing his country and people.

But a civil society based on a degree of consent has enormous reserves. It is one of the most comforting lessons which history teaches us. The resources of civilisation are not easily exhausted. A society banded together for aggressive purposes, whose ethics, criteria and hierarchy are exclusively military, led by men whose status rests solely on force, possesses great initial advantages. But its strength is more apparent than real; it has no self-sustaining moral authority, no internal discipline other than violence; it can satisfy only a limited spectrum of human desires; it is inherently corrupt; it possesses no collective wisdom, except in the narrow field of military expediency; it can tolerate no freedom of discussion, and therefore has no capacity to respond to changed conditions; its victories generate anarchy, and its defeats despair, for it has nothing worth-while to defend. By contrast, a civil society can more easily survive setbacks and learn from them; it has a sense of righteousness which breeds determination and, if necessary, unparalleled ferocity: it confronts instinct with reason, formulates long-term policies and new forms of discipline and organisation. Once grant it a breathing-space, after the initial shock, and it will quickly develop a strategy of survival and forge the instruments of victory. In the long run it holds all the moral and intellectual cards, and these are decisive in combination.

But the breathing-space is vital; and it is usually left to an individual to make it possible. There is always a role for a great man in the clash of collective forces; no one who studies English history can be in any doubt on this point. The opportunity exists; the moment is ripe; the

PAUL JOHNSON

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*A History of the  
English People*  
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THE WHITE HOUSE
WASHINGTON

Carol

10/6/86

MEMORANDUM

TO: JOHN POINDEXTER

FROM: FREDERICK J. RYAN, JR. *fjr*

SUBJECT: APPROVED PRESIDENTIAL ACTIVITY

MEETING: Presidential Address to the Nation

DATE: October 13, 1986

TIME: 8:00 pm

DURATION: Approximately 20 minutes

LOCATION: Oval Office

BACKUP LOCATION:

REMARKS REQUIRED: Yes

MEDIA COVERAGE: Coordinate with Press Office

FIRST LADY
PARTICIPATION: No

NOTE: PROJECT OFFICER, SEE ATTACHED CHECKLIST

W. Ball
P. Buchanan
D. Chew
J. Courtemanche
M. Coyne
E. Crispen
M. Daniels
T. Dawson
D. Dellinger
A. Dolan
J. Erkenbeck
L. Faulkner
C. Fuller

W. Henkel
J. Hooley
A. Kingon
J. Kuhn
C. McCain
J. Miller
R. Riley
R. Shaddick
B. Shaddix
L. Speakes
G. Walters
WHCA Audio/Visual
WHCA Operations

R. McDaniel

STUMP SPEECH: WORKING DRAFT

[Greetings to audience and recognition of V.I.P.'s]

[Joke.]

But I want you to know what a pleasure it was this morning to board Air Force One, watch Washington slip away into the distance, head out over the [name physical features such as the Great Smokies or the Great Plains], and come at last to [city or State where President is speaking]. It reminded me how important it is for a President to put some distance between himself and Washington every so often, to leave the special interests behind, and get out among the people. Flying in today, I saw your schools and neighborhoods and churches, your baseball diamonds and football fields. It put me back in touch with the fundamental values of faith and family that we're working so hard to defend. To tell you the truth, it even sort of reminded me of my own boyhood back in Dixon, Illinois. I guess what I'm trying to say is that [city] has given me a gift today -- the gift of the real America. And for that, my friends, I thank you.

I've come here today on behalf of someone who understands just this, the real America, your America.

[Remarks about the candidate, citing the high points of his record.]

Let me tell you a little about the record [candidate] believes in [and has worked so hard in the Senate to help us achieve]. Back in 1980, you'll remember, the American economy was in the worst mess since the Depression. Government was everywhere: running up taxes, causing inflation, raising

interest rates, and taking bigger and bigger shares of your earnings. To get big Government off your backs and out of your pockets, we slowed Government growth, slashed needless regulations, and enacted an across-the-board personal income tax cut of nearly 25 percent. Then we indexed taxes, making it impossible for inflation to push you into higher tax brackets anymore.

Critics dubbed our plan "Reaganomics" and predicted economic ruin. But what's actually happened?

Inflation has fallen from more than 12 percent to less than 2. Interest rates are down. Mortgage rates are down and housing starts are up, helping industries like timber. We've seen more than 3-1/2 years of economic growth and the creation of more than 11-1/2 million new jobs -- more new jobs than Western Europe and Japan put together have created in the past 10 years.

You know, I could tell it was working when they stopped calling it "Reaganomics."

[In a location with a bad economy.] In the midst of this expansion, it's true, certain sectors of our economy have lagged behind -- for instance, natural resources industries like [name the local industry]. But I pledge to you today that I will not rest -- that [candidate] will not rest -- until every region of our country and every sector of our economy shares in the national prosperity. Already, [candidate] and I have worked to [list relevant actions].

Perhaps most important, [candidate] and I have worked to promote economic growth by giving our Nation comprehensive tax

reform, a reform that would make our entire tax system simpler and fairer, and enable some 8 out of 10 Americans to pay Federal income taxes of 15 percent or less -- that's right, 15 percent or less. That sounds to me like darn good news -- how's it sound to you?

In foreign affairs, we've rebuilt our Nation's defenses and won new respect for America around the world. Among our men and women in uniform, morale has soared as we've given them the pay and training they've always deserved. In the Navy alone, we've gone from fewer than 480 battle-ready ships to more than 540 -- well on the way to our goal of 600.

[Remarks on candidate's commitment to defense.]

It's still a difficult and dangerous world out there. But with [candidate's] help, we've made ourselves stronger and better prepared to deal with it. And something else. I just have to believe that from now on, every nickel-and-dime fanatic and dictator will know that if he chooses to tangle with the United States of America, he'll have to pay a price. Restored prosperity at home, renewed strength and self-assurance abroad -- this is the story of the past 6 years, the story in which [candidate] has played such an important part.

Now, I'm aware that [candidate] has had support from many Democrats, and I want you to know that both [candidate] and I welcome that support with open arms. We must never mistake the rank-and-file of the Democratic Party for the liberals who lead that Party -- the liberals who want to betray everyday Democrats by going back to the failed old policies of tax and tax, spend

and spend. So I ask Democrats to consider whether just maybe they ought to join the Republican Party as I did. I know it isn't easy. But as Winston Churchill said: "Some men change their party for the sake of their principles; others their principles for the sake of their party." And even if you can't quite bring yourself to change parties -- well, you can still send the liberals a message by voting for the Republican team.

This election here in [State] could determine which party controls the United States Senate. It could determine whether in the remaining time of my presidency, I see 2 more years of moving forward, or 2 years of backsliding and stalemate. My friends, I don't believe you elected me because you wanted me to go forward for 6 years and stand still for 2. I believe you elected me because you wanted me to work with people like Jerry Denton to get America moving again -- and keep her moving for all 8 years.

You know, earlier today we were in Louisiana. Not long before, I spoke in California and Colorado. And everywhere I've gone, I've seen something that touched me, something that gives heart to all those who can still remember the self-doubt, the weakness abroad and at home, that marked so much of the sixties and seventies. Today here in [city], I see it again.

Call it confidence, self-assurance, what you will. It's a renewed understanding that, for all our faults, ours is a Nation of goodness and greatness; that despite our mistakes in the world, we've stood for human freedom with greater consistency and courage than any other nation in history; that if only we have faith, if only we look not to Government but to ourselves, we can

build upon this economic expansion to create a new and lasting era of prosperity.

Come to think of it, what I've seen has a name. It's called love of country.

This new confidence and self-respect -- this love of country -- this is what [candidate] stands for. So it is that I ask you to cast a vote that will help me to be the President you want me to be. But even more, I ask you to cast a vote for yourselves, for your children, and for your children's children. My friends, I ask you to send [candidate] back to the [United States Senate/State House].

Thank you, and God bless you all.

INSERT:

And I think today I as we have discussed the various areas of concern in Soviet-American relations we have seen emerge two starkly different philosophies, two sharply different visions of the future. One view believes the future belongs to the state and it believes this brave new world, this worker's paradise, will happen only when human beings become the wards and servants of the state. At its root, is a belief that any injustice or outrage against human rights can be justified if it is done in the name of revolution and a brave new future.

And then there is a different view -- one that sees a future that belongs to humanity not the state, that is built by people not governments. It sees the human person, as a creature of God, endowed with unalienable rights; and it believes that no government and no state, in pursuit of some coercive Utopian dream, can take away or deny these rights.

Finally, it is an optimistic view; one that believes a future of prosperity and peace is not only possible but probable; probable because humanity's oldest dream is personal freedom, a dream that in the latter part of this century is growing and prospering.

This optimism in a century that has seen so much suffering brought on by totalitarian rule may strike some as unwarranted. And yet the confidence of the democracies is I believe fully justified. British author Paul Johnson points out the "initial advantages" that belong to militarist societies are "more apparent than real." By contrast, he points out the "enormous reserves" of societies based on the consent of the governed and

argues that the popular consensus in a democratic society provides unit of purpose, determination and stamina.

Mr. Johnson calls this resiliency of free and democratic societies one of the most comforting lessons of history. "Grant it a breathing space and it will quickly develop a strategy of survival and forge the instruments of victory," he says. "In the long run, it holds all the moral and intellectual cards and these are decisive in combination."

Because of the efforts of many nations united in the cause of peace and freedom over the past 40 years, that cause has been granted just such a breathing space. Today, those who are committed to that cause are delighted to see it prospering, to see it "forging the instruments of victory" around the globe. We see the growth of democracy and democratic institutions in many nations, we see prosperity brought about by a new found adherence to principles of economic freedom. And we see a new willingness to confront openly the transgressions of aggressive powers -- a candor and realism about the moral distinctions between free and totalitarian societies.

Last year in Geneva, when I met with the leader of the Soviet Union, General Secretary Gorbachev, we decided to continue our face to face dialogue for peace. At that time,

Good Evening. As most of you know, I have just returned from meetings with the leader of the Soviet Union, General Secretary Gorbachev, in Iceland. It's good to be home -- and I want now to take just a few moments to explain to you what took place at these meetings. Actually, and Mr. Gorbachev might be surprised to hear this but right from the start of our talks together I've always thought there was someone else in the room than just the two of us. I've often noted the value the founding fathers placed on the intuitive wisdom of the people and the consent of the governed -- and that's why I've always regarded you as the American people as equal participants in the summit process. Without the support you have given me and this administration, these talks would not now be held; and without your guidance and participation, they cannot be successful.

I wanted to report to you the talks in Iceland which I've just returned from were not however a full blown summit conference. Rather they were preparatory talks -- a planning session -- for the summit conference that both Mr. Gorbachev and I agreed to in Geneva.

At the time, I invited Mr. Gorbachev to the United States and he accepted -- and then he invited me to the States. Perhaps some of you remember that during the summit conference last year there was a great deal of speculation about whether these face to face negotiations would continue. Well, the meeting we held over the weekend actually weren't a summit conference; they were a

planning session for the in Iceland however however were not a summit conference -- they were relatively brief and largely meant for planning purposes. Our meetings in Iceland, however, were not as full fledged were brief - but this was deliberate. This short round of talks was meant as preparation before the

Our meetings in Iceland however were quite brief; they lasted only two days and compared to the more than 20 hours of talks in Geneva last year, we met together for six hours.

The talks in Iceland were only about six hours over the course of two days. This time we were together for less than four hours. There was a lot. We met. My purpose in going was a fast planning session. I have just returned from Iceland where I met with the leader of the Soviet Union General Secretary Gorbachev.

I am pleased to report to you tonight that the meeting was successful; at last year. As most of you know, I spent Saturday and Sunday in Iceland meeting with Soviet leader Mikhail Gorbachev. These talks were a continuation of a summit meeting we held last year in Geneva and the President or Administration could carry out these talks or any part of successfully. The American people have been equal participants in these talks -- you have made them possible and considered you equal participants in the summit process between Mr. Gorbachev and me -- without your support, without your guidance no President no Administration could conduct these talks or any aspect of our foreign policy successfully. We continued there the face-to-face dialogue for peace we began last year at the summit conference in Geneva.

It's good to be home and I've always believed there's been Mr. Gorbachev might be surprised to know that right from the start of our talks together, I've always thought there's been someone else in the room besides just the two of us. Mr. Gorbachev might be surprised to hear this; but right from the beginning I've believed there's been someone else in the room with us than just the two of us -- and that's you the American people. And that's you the American people.

[Before I turn to the subject of my address to you today, the vital subject of Soviet-American relations, I can't help but offer a word about that dream, and a letter I received recently from a young Vietnamese man -- one of the boat people, dropped at the age of 12 on an island somewhere in the vast sea, and then shipped off to a refugee camp. It was only a few years later, that young man graduated as valedictorian of a high school here in the United States, went on to Harvard and today is studying at Dartmouth Medical School. As he wrote me.... I know he will make a good and especially compassionate doctor -- but more than that -- isn't his story one we wish for all the children of the planet, isn't his world of opportunity and hope the kind of world we want to build; isn't that why we are here today?]

[I can best demonstrate by mentioning this: as some of you know, I am given from time to time to telling a story or two. As Mr. Gorbachev and I sat in the parlor of the villa, I asked him if he had heard about the American and the Russian arguing over who had the best system of government. The American explained that under our system he was permitted to walk right into the White House, pound the desk of the President of the United States and tell him what a terrible job he was doing. The Russian said he had exactly the same rights in the Soviet Union. The American who up until then had thought his Russian counterpart realistic and sophisticated, now challenged his claim. "I can too," the Soviet citizen answered, "I can walk right into the Kremlin,

pound the desk of Secretary Gorbachev and say what a terrible job the President of the United States is doing."

I'm sure all of you will be pleased to hear that Secretary Gorbachev...laughed. I know I was pleased.]

[The United States does not view this case as a mere distraction, nor a side issue. The Soviet Union knows our government harbors no illusions about its real nature, about its expansionist intents and ultimate purposes. So, we fully understand that acquiescing in the Daniloff matter would only encourage the Soviets to think we have modified our realistic view of their regime and tempt them to commit further outrages. We stand firm on the Daniloff matter. To do otherwise would only jeopardize the chance of real progress on other issues.]

[Let me also point out that our first response to terrorism is to deny terrorists their goals; that is why the United States will never abandon its pursuit of a just and comprehensive peace in the Middle East. And we will not cease our support of our friends in the region who are seeking political solutions: Israel, Egypt, Jordan, Morocco, Tunisia, Saudia Arabia and others who have committed themselves to peace.]

[The free flow of goods and services does what no state manager or government policymaker can ever do; it directs resources to where they can be most productively used. Protectionism, however, blocks this process; it substitutes the

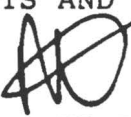
cumbersome bureaucracy of government for the invisible genius of market forces. It slows economic growth and technological improvement, it keeps millions in poverty who want only a chance to better their lives. Truly, protectionism is destructionism.]

THE WHITE HOUSE

WASHINGTON

October 7, 1986

MEMORANDUM FOR TRAVELING GUESTS AND STAFF

FROM: WILLIAM HENKEL 

SUBJECT: INFORMATION FOR THE TRIP OF THE PRESIDENT TO
REYKJAVIK, ICELAND, THURSDAY, OCTOBER 9-SUNDAY,
OCTOBER 12, 1986

Attached for your planning purposes is an outline schedule, DRAFT aircraft manifests and miscellaneous information for the Trip of the President to Reykjavik, Iceland, Thursday, October 9-Sunday, October 12, 1986. Any further questions on this trip should be directed to Joanne Hildebrand or Marylou Skidmore in the Advance Office on X7565.

TRIP CONCEPT

The President will be traveling to Reykjavik, Iceland on Thursday, October 9-Sunday, October 12, 1986. The purpose of this trip is to participate in preparatory, working meetings with General Secretary Mikhail Gorbachev before his upcoming visit to the United States. These meetings will be extremely private in nature and will provide an opportunity for the two leaders to participate in candid discussions on where the U.S. and the U.S.S.R. stand on a number of issues. These meetings are not intended to produce agreements, but rather to lay the foundation for substantive agreements in the future.

The schedule and arrangements have been designed around the above concept. In short, the trip is not like any the President has made and, consequently, will not be staffed as such. Three co-equal criteria have been established to decide whether staff should travel to Iceland: (1) substantive support; (2) security; and (3) support for the President in his role as Commander in Chief and Chief Executive of the country. A "business as usual" attitude is contrary to the purpose of this event; it is personal, private and without extensive or even normal press coverage.

Due to the lead time and geographic location of the trip, normal and customary international arrangements will not be present. The advance teams from all agencies are working on a 24-hour basis to assure, first and foremost, that the three criteria of support named above, are met. All other requests and desires are secondary.

10/07/86 6:00 a.m.

The working and living environment for the trip has been established with a triangle concept in mind. The President will be living in the U.S. Ambassador's Residence, adjacent to the U.S. Embassy. Mr. Regan and Admiral Poindexter will be housed in the British Ambassador's Residence, 1 block from the U.S. Ambassador's Residence. Secretary Shultz and most of the traveling staff will be staying in the Hotel Holt, roughly $1\frac{1}{2}$ blocks away. All working offices have been established in a former commercial school, in the center of the triangle of housing facilities.

It is fortunate that such a geographically ideal environment has been established. All staff should be warned that extensive transportation, dining facilities and various other amenities may not be in abundance or even available. The City of Reykjavik is simply not capable of supporting an operation of this nature on such short notice. An understanding and sensitivity to the overall situation will be greatly appreciated.

SCHEDULE DISTRIBUTION

The schedule for Iceland will be printed in two parts. Part I will cover Thursday, October 9th-Friday, October 10th and will be printed and distributed in Washington, D.C. on Wednesday, October 8, 1986. Part II will cover Saturday, October 11th-Sunday, October 12th and will be printed and distributed in Iceland on Friday, October 10th. Any other amendments to the schedule will be distributed on a day-to-day basis.

The schedule may not be as detailed or as specific as usual with regard to staff movements. Therefore, we would like to request up front that you follow explicitly the directions that are given.

Please note that we expect a minimum number of people will be accompanying the President when attending any event. If you are not manifested or listed in the schedule, you are not included.

PASSPORTS

Current passports are required for entrance into and exit out of Iceland. As usual, State Department personnel will collect and carry them in order to facilitate their quick handling with Immigration officials in Iceland. Visas are not required for Iceland. Passports will be collected in the Advance Office prior to departure. Please bring all passports to the Advance Office (Room 185 $\frac{1}{2}$ OEOB) as soon as possible.

BAGGAGE CALL/TRANSPORTATION/AIRCRAFT SCHEDULE

There is a 7:00 a.m. baggage call for all passengers on Air Force One and 26000. Please place unlocked baggage in the West Basement. Hand carry all film.

Vans will depart the West Basement at 8:30 a.m. for those manifested on Air Force One and requiring transportation. If you are manifested on Air Force One and wish to go straight to Andrews Air Force Base with your luggage, please be at the Base Operations Building, Distinguished Visitors' Lounge, no later than 8:45 a.m.

For those manifested on 26000, vans will depart the West Basement at 9:00 a.m. If you are on 26000 and wish to go straight to Andrews Air Force Base with your luggage, please be at the Base Operations Building no later than 9:15 a.m.

Please remember and be sensitive to the fact that all luggage must be x-rayed and tagged prior to departure.

Air Force One departs at 9:45 a.m. and 26000 departs at 10:15 a.m. A Continental Breakfast and Lunch will be served on both aircraft. Air Force One arrives in Iceland at 7:05 p.m. local time. 26000 arrives at approximately 7:35 p.m. local time. Transportation from the airport will be provided - it is roughly a 45 minute drive into the City of Reykjavik.

WEATHER/ATTIRE

The weather is extremely variable in Iceland. Temperatures in the last week have ranged from 55° to 5° (with wind chill factor). Rain, snow and high winds are very possible.

Winter clothing is recommended, including a wool coat, gloves and an umbrella. The "layered clothes" concept is recommended. Business attire will, of course, be expected for meetings, etc. Both daytime and evening attire is similar to that of Washington, D.C.

HOTELS/ACCOMMODATIONS

Hotel rooms are at a premium on this trip. At this point, we have stopped counting the number of rooms and are working with the number of actual beds in the city. In other words, it is very possible that many of the staff, including traveling staff, will be in double rooms. In addition, it is our hope that we can keep the U.S. traveling party within a close perimeter of the offices; however, due to the short time factor involved and limited resources, we will consider it a success to get everyone housed.

10/07/86 6:00 a.m.

HEALTH/MEDICAL

No shots are required for this trip; however, the White House Medical Unit recommends that you have a current tetanus and a current typhoid. Any further questions, please call the White House Medical Unit.

A personal note - many of the members of the survey and pre-advance team have caught colds due to a combination of factors: extreme weather change, less sleep, less food, etc. Please be conscious of this probability and take all available cautions.

LUGGAGE/SHOPPING

As usual, space in the baggage compartment of each aircraft is extremely limited. Any souvenir or gift items will be given last priority when loading for the trip home.

TIME CHANGE

Iceland is four hours ahead of Washington, D.C.

ELECTRIC CURRENT

Electric current is 220 volts. A round two-pronged converter is necessary for adapting American appliances to Icelandic outlets. The hotels will have a limited supply of both converters and hair dryers for your use.

PER DIEM

Per diem is for personal expenses (i.e. meals, laundry). Your hotel bills will be paid for; however, you must personally clear all incidental charges from your bill upon check-out. If you have reimbursable charges (i.e. official telephone calls), you must obtain a copy of the receipt prior to departure. Failure to do so will result in a delay and possible problems in processing your expense voucher, which in turn will delay reimbursement of any money owed you.

CUSTOMS

U.S. residents returning after a stay abroad of more than 48 hours are, generally speaking, granted customs exemptions of \$400 each. The next \$600 is taxed at 10%. Duty-free articles must accompany the traveler at the time of return, must be for personal or household use, must have been acquired as an incident of his or her trip, and must be properly declared to Customs. Not more than one liter of alcoholic beverages may be included in the \$400 exemption.

10/07/86 6:00 a.m.

The \$400 exemption may be granted only if the exemption, or any part of it, has not been used within the preceding 30-day period.

Everyone will be required to file a customs declaration form upon entering the U.S.

IDENTIFICATION/ACCESS BADGES

A general rule for all White House and other government agency passholders is to carry, at all times, your picture identification.

As usual, White House and agency staff pins will be recognized in all stops. A separate access badge system is currently under negotiations and may be established; all information with regard to this system will be distributed upon arrival in Iceland.

FOREIGN CURRENCY EXCHANGE

The Icelandic currency is the króna (crown). It is exchanging at approximately 41.5 k to \$1.00. Currency exchange will be provided by the U.S. Embassy. All information with regard to times and location for exchange will be provided upon arrival in Iceland.

Please note that most business establishments in Iceland will accept credit cards and even U.S. dollars; however, be sure to ask first before making a purchase.

CULTURE/CUSTOMS

Tipping is not expected in Iceland; hotel, restaurant and taxi-cab charges, among other things, always include the service fee. Naturally, you can tip when you feel that a special reason exists for doing so. A sales tax will be included in any item that you purchase, including restaurants and stores.

The Icelandic language is a Germanic/Scandinavian language. Command of the English language is widespread among Icelanders. You should have no problem communicating without an interpreter.

Icelandic ceramics and woolen knitwear are the popular items widely available for purchase. Many stores will even give discounts on cash purchases.

CHURCH/RELIGIOUS SERVICES

Icelanders are predominantly Lutheran. Services are held regularly in the Reykjavik churches at 11:00 a.m. or 2:00 p.m. on Sundays. Attached is a memo from Richard Riley, Director of the White House Military Office regarding other Worship Services in Iceland during the trip.

RESTAURANTS

There are a number of restaurants of different cuisines in the City of Reykjavik; however, you should be warned that most of them are small and very difficult to get into. Reservations are almost required in order to assure a seat. Please remember that approximately 1,200-1,500 people will be descending upon the city for this event and all of them will be looking for places to eat. A prime example of the difficulty that may be faced: on both Friday and Saturday nights of the pre-advance phase, many members of the team did not eat dinner because there were simply no places in any restaurant. It is suggested that you bring non-perishable snack items in your luggage, just in case.

ACCEPTANCE OF GIFTS, ENTERTAINMENT AND TRAVEL EXPENSES
FROM FOREIGN GOVERNMENTS

Please review the enclosed memorandum from the Legal Counsel's Office regarding acceptance of gifts, entertainment and travel expenses from foreign governments.

DRAFT

AIR FORCE ONE MANIFEST
Andrews Air Force Base to Reykjavik, Iceland
Thursday, October 9, 1986

THE PRESIDENT
Sec. Shultz - State
D. Regan - WH
P. Buchanan - WH
W. Henkel - WH
J. Poindexter - NSC
L. Speakes - WH
D. Thomas - WH
D. Chew - WH
T. Dawson - WH
Amb. Hartman - State
J. Kuhn - WH
K. Osborne - WH
F. Gantt - NSC
C. Hill - State
J. Matlock - NSC
T. Simons - State
P. Thompson - NSC
B. Vosburgh - WH
Ofcl. Photog. - WH
Dr. Smith
Mil. Aide
1 USSS-COS
9 USSS
5 USAF
11 Press

10/07/86 8:00 a.m.

DRAFT

26000 MANIFEST
Andrews Air Force Base to Reykjavik, Iceland
Thursday, October 9, 1986

R. Riley - Mil.
K. Adelman - ACDA
J. Bull - State
S. Bunch - NSC
B. Burton - State
T. Cobb - NSC
T. Dolan - WH
K. Eddins - State
M. Engram - State
K. Fitzpatrick - State
J. Hildebrand - WH
R. Jankovits - Mil.
M. Kampelman - State
J. Kordek - USIA
R. Linhard - NSC
K. Makris - WH
K. Millison - NSC
J. Nesmith - State
J. Nettles - Mil.
M. Parris - State
L. Pascoe - State
R. Perle - DOD
C. Redman - State
M. Riccobene - Mil.
P. Rodman - NSC
A. Snyder - USIA
P. Sommer - NSC
S. Steiner - NSC
J. Timbie - State
C. Wick - USIA
13 USSS
2 JCS/Other Staff
AF-Steno
4 USAF

10/07/86 8:00 a.m.

DRAFT

PROPOSED SUMMARY SCHEDULE
FOR THE TRIP OF THE PRESIDENT
TO
REYKJAVIK, ICELAND
THURSDAY, OCTOBER 9-SUNDAY, OCTOBER 12, 1986

THURSDAY, OCTOBER 9, 1986

9:25 a.m. THE PRESIDENT proceeds to Marine One for boarding.

OPEN PRESS COVERAGE

9:30 a.m. MARINE ONE departs The South Lawn en route Andrews Air Force Base.

Flight Time: 10 mins.

9:40 a.m. MARINE ONE arrives Andrews Air Force Base.

OPEN PRESS COVERAGE
CLOSED ARRIVAL/DEPARTURE

THE PRESIDENT deplanes and proceeds to Air Force One for boarding.

9:45 a.m. AIR FORCE ONE departs Andrews Air Force Base en route EST Reykjavik, Iceland.

Flight Time: 5 hrs. 20 mins.
Time Change: + 4 hrs.
Food Service: Continental Breakfast/
Lunch

7:05 p.m. AIR FORCE ONE arrives Keflavik Airport, Iceland.
Local

OPEN PRESS COVERAGE
CLOSED ARRIVAL

THE PRESIDENT deplanes and participates in brief courtesy greeting.

10/07/86 6:00 a.m.

THURSDAY, OCTOBER 9, 1986

DRAFT

PAGE 2

Met by:

U.S. Ambassador Nicholas Ruwe
President of Iceland
Prime Minister of Iceland
Foreign Minister of Iceland

OPEN PRESS COVERAGE

THE PRESIDENT concludes greeting and proceeds to motorcade for boarding.

7:15 p.m. THE PRESIDENT departs Keflavik Airport en route U.S. Ambassador's Residence in Reykjavik.

Drive Time: 45 mins.

8:00 p.m. THE PRESIDENT arrives U.S. Ambassador's Residence and proceeds inside.

OFFICIAL PHOTOGRAPHER ONLY

REMAIN OVERNIGHT: U.S. Ambassador's Residence
Reykjavik, Iceland

10/07/86 6:00 a.m.

FRIDAY, OCTOBER 10, 1986

DRAFT

PAGE 1

morning WASHINGTON WORK/PRIVATE TIME

1:00 p.m.- THE PRESIDENT participates in briefing lunch at the U.S.
2:00 p.m.* Ambassador's Residence.

OFFICIAL PHOTOGRAPHER ONLY

afternoon WASHINGTON WORK/PRIVATE TIME

4:30 p.m.* THE PRESIDENT participates in 20-30 minute courtesy
bilateral meeting with the President, Prime Minister
and Foreign Minister of Iceland at Bessastadir.

PRESS POOL COVERAGE (beginning only)

Private Dinner at U.S. Ambassador's Residence

REMAIN OVERNIGHT: U.S. Ambassador's Residence
Reykjavik, Iceland

SATURDAY, OCTOBER 11, 1986

DRAFT PAGE 1

morning WASHINGTON WORK/PRIVATE TIME

10:30 a.m.- THE PRESIDENT participates in first meeting with General
12:30 p.m.* Secretary Gorbachev at Hofdi.

PRESS POOL COVERAGE (arrival outside
only)

PRESS POOL COVERAGE (beginning of
meeting only)

12:45 p.m.- PRIVATE TIME at the U.S. Ambassador's Residence.
1:00 p.m.*

1:00 p.m.- THE PRESIDENT participates in briefing lunch at the U.S.
2:00 p.m.* Ambassador's Residence.

OFFICIAL PHOTOGRAPHER ONLY

2:00 p.m.- PRIVATE TIME at the U.S. Ambassador's Residence.
3:15 p.m.*

3:30 p.m.- THE PRESIDENT participates in second meeting with
5:30 p.m.* General Secretary Gorbachev at Hofdi.

OFFICIAL PHOTOGRAPHER ONLY
(beginning only)

evening PRIVATE TIME

Private Dinner at U.S. Ambassador's Residence

REMAIN OVERNIGHT: U.S. Ambassador's Residence
Reykjavik, Iceland

SUNDAY, OCTOBER 12, 1986

[] PAGE 1

morning WASHINGTON WORK/PRIVATE TIME

10:30 a.m.- THE PRESIDENT participates in third meeting with General
12:30 p.m.* Secretary Gorbachev at Hofdi.

OFFICIAL PHOTOGRAPHER ONLY (beginning
only)
PRESS POOL COVERAGE (outside only on
departure only)*

Private Lunch at U.S. Ambassador's Residence

2:45 p.m.* THE PRESIDENT departs U.S. Ambassador's Residence in
Reykjavik en route Keflavik Airport.

Drive Time: 45 mins.

3:30 p.m.* THE PRESIDENT arrives Keflavik Airport and greets
members of the American community in Iceland
(tentative).

PRESS COVERAGE TBD

THE PRESIDENT participates in brief farewell greeting
with Government of Iceland Officials.

OPEN PRESS COVERAGE

THE PRESIDENT proceeds on board Air Force One.

OPEN PRESS COVERAGE
CLOSED DEPARTURE

3:45 p.m.* AIR FORCE ONE departs Reykjavik, Iceland en route
Local Andrews Air Force Base.

Flight Time: 6 hrs. 5 mins.
Time Change: - 4 hrs.
Food Service: TBD

5:50 p.m.* AIR FORCE ONE arrives Andrews Air Force Base.

OPEN PRESS COVERAGE
CLOSED ARRIVAL/DEPARTURE

THE PRESIDENT deplanes and proceeds to Marine One for
boarding.

5:55 p.m.* MARINE ONE departs Andrews Air Force Base en route The
White House.

Flight Time: 10 mins.

* Denotes approximate and tentative

10/07/86 6:00 a.m.

SUNDAY, OCTOBER 12, 1986

DRAFT

PAGE 2

6:05 p.m.* MARINE ONE arrives The South Lawn.

OPEN PRESS COVERAGE

THE PRESIDENT deplanes and proceeds inside.


* Denotes approximate and tentative

10/07/86 6:00 a.m.

THE WHITE HOUSE

WASHINGTON

April 16, 1986

FROM: PETER J. WALLISON
COUNSEL TO THE PRESIDENT 

SUBJECT: Acceptance of Gifts, Entertainment and Travel Expenses from Foreign Governments

It is especially important for those of you traveling with the President to the Economic Summit in Tokyo or providing support in overseas locations to review the law and White House policy regulating the acceptance of gifts and other items of value from foreign governments and sources.

This memorandum merely highlights the important aspects of those laws and regulations. Specific questions should be referred to the Counsel's Office.

I. Gifts from Foreign Governments or Officials

The United States Constitution and a federal statute (5 U.S.C. § 7342) generally prohibit U.S. government officials, their spouses and dependents from accepting gifts from foreign governments, foreign multinational organizations, or agents or representatives of any such governments or organizations. The following general guidelines apply:

- A. A U.S. official may not request or encourage the tender of a gift or decoration.
- B. Gifts valued at under \$165 may be accepted and retained (so-called gifts "of minimal value tendered and received as a souvenir or mark of courtesy"), unless acceptance would violate the regulations pertaining to domestic gifts. (Note: Gifts retained by you must be reported on the annual public financial disclosure form under the same conditions as domestic gifts).
- C. Valuation is based on retail value in the United States at the time of acceptance. 41 C.F.R. § 101-49.001-5. A valuation of any gift should be sought immediately upon your return. The gift should be submitted to the White House Gift Unit for that purpose.
- D. Gifts valued at \$165 or more may be accepted when "it appears that to refuse . . . would likely cause offense or embarrassment or otherwise adversely affect the

foreign relations of the United States" Such gifts, however, are "deemed to have been accepted on behalf of the United States." They must be turned over to the White House Gift Unit as soon as possible for recording, necessary reporting, and disposition.

II. Gifts from Foreign Individuals

Regretfully, we must caution you to be very wary of gifts that are suddenly and unexpectedly offered to you from foreign, non-official, individuals, especially when you do not know the donor. If you consider accepting, these gifts are to be treated the same as domestic gifts in regard to propriety of acceptance, reporting, etc.

III. Gifts for the President and First Lady

No staff member should accept a gift for the President or the First Lady except by prior arrangement with the host government or entity. Again, be especially wary of gifts which are suddenly and unexpectedly thrust upon you. Anyone who receives a gift intended for the President or First Lady must ensure that it is turned over to security personnel for inspection as soon as possible. Upon return, the gift would then be deposited with the White House Gift Unit, along with information concerning identity of the donor, time and place of acceptance, etc., so that the gift can be properly recorded and a decision made as to its disposition.

IV. Inspection of Gifts

In all instances when a gift comes into your possession -- be it for you from a foreign government or individual, or for the President or First Lady -- it is imperative that it be turned over to the security personnel for inspection at the earliest opportunity. In no instance should you take any gift onto an airplane or other transportation vehicle without such inspection.

V. Travel and Entertainment Expenses Provided by Foreign Governments

U.S officials may accept gifts of travel or expenses (transportation, food and lodging) for travel taking place entirely outside of the U.S., provided that the value of the expenses are reasonable and acceptance is appropriately consistent with the interests of the U.S. A thorough record of any such expenses accepted should be kept as they may be required to be reported on the annual financial disclosure form.

In regard to any of the above, please check with my office if you have any questions.

Thank you for your attention; your observance of these rules is essential and appreciated.

THE WHITE HOUSE

WASHINGTON

October 3, 1986

MEMORANDUM FOR: JAMES L. HOOLEY
DIRECTOR, PRESIDENTIAL ADVANCE

FROM: RICHARD RILEY *for DRG*
DIRECTOR, WHITE HOUSE MILITARY OFFICE

SUBJECT: Worship Service in Iceland

Several members of the staff have inquired about the availability of religious services during the period White House personnel are in Iceland in support of the President.

The Navy Chief of Chaplains' office informs me that White House personnel are welcomed and encouraged to worship with Naval Air Station Keflavik personnel while they are in Iceland. There will be Jewish, Protestant and Roman Catholic services available, to include special Jewish services during the Holy Days.

Information on religious activities can be obtained by calling the Chaplain's office at NAS Keflavik. To reach the office from on base at Keflavik, dial 4111; from Keflavik proper, dial 5-2000 and ask for extension 4111; from Reykjavik, dial 925-2000 and ask for extension 4111.

The Military Office in Keflavik can provide your personnel with more specific information.