

Originally Processed With FOIA(s):
S

FOIA Number:
S

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the George Bush Presidential Library Staff.

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Speechwriting, White House Office of
Series: Speech File Backup Files
Subseries: Chron File, 1989-1993

OA/ID Number: 13659
Folder ID Number: 13659-005

Folder Title:
Veterans of Foreign Wars--Washington Conference 3/6/89 [OA 6343] [1]

Stack:	Row:	Section:	Shelf:	Position:
G	26	18	6	7

(McGroarty)
March 1, 1989
10:30am
dan1

REMARKS: VETERANS OF FOREIGN WARS WASHINGTON CONFERENCE
WASHINGTON, D.C.
MARCH 6, 1989

Thank you. {Acknowledgements, Secretary-designate Derwinski, Mr. Cooper Holt, Executive Director of VFW, Mr. Larry Rivers, Commander-in-Chief, VFW.} It is always an honor to meet with the Veterans of Foreign Wars. The love of liberty is the birthright of all men -- certainly of all Americans. That is why our nation owes a special debt of gratitude to its veterans, who freely and courageously took up the defense of freedom.

I am especially pleased to welcome the Department of Veterans Affairs to a place in the cabinet. It is a sign of America's commitment to her veterans -- of the importance we place in repaying, in some way, the sacrifices veterans have made in answering their country's call.

I want to speak this morning about a matter of the utmost importance to the VFW: keeping America strong -- today, and into the 21st Century.

opinion is nearly unanimous that today is a time of transition in world affairs. That means our powers of

Building a Better
P. 159

observation and analysis -- our ability to sort out change and continuity -- will be put to the test.

When it comes to predicting the future, Winston Churchill's rule is still the best. "I always avoid prophesying beforehand -- because it is much better policy to prophesy after the event has already taken place."

That's sound advice. We can't predict the future -- but we must do all we can to turn the opportunities it presents to our advantage.

I am confident we can.

*Building a Better
p. 138* We are, as you know, in the midst of a serious and systematic strategic review. I've asked the members of my national security team to look hard at the international landscape -- and to look forward, to assess the combination of security threats, technological change, and political and economic developments that will shape our security horizon well into the next century.

*Building a Better
p. 138* I am convinced that this important exercise will have lasting benefits on our national security strategy. In my address to Congress last month, I set a ninety-day deadline for this review. I won't rush the final result. The insights it

*125
Dec*

?

will provide into the forces we will face in the decades ahead are worth waiting for.

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

Building a Better P. 138 First, the foundations. *last month (Feb. 9)* Nearly two months ago, I presented to Congress a defense spending plan that is sound, and makes sense -- both strategically and fiscally. As a sign that my Administration is serious about the deficit, I called for a freeze in defense spending in 1990, adjusting only for inflation. *Building a Better P. 138* I am well aware that our national strength rests ultimately on the health and vigor of the American economy, and I mean to preserve both.

Building a Better P. 138 But our crucial military modernization plans -- and the diverse defense commitments we must keep -- cannot be achieved without additional defense funding. That is why my budget plan follows the freeze for 1990 with real increases of 1 percent in 1991 and 1992, and a 2 percent increase for 1993.

Building a Better P. 138 My aim is to put defense spending on a modest, manageable path of growth -- one that will allow us to modernize and maintain forces that are formidable, flexible, and ready.

Now, we've all heard the critics who tell us America can't afford the defenses I'm talking about. Well, the critics are wrong. The defense expenditures I am calling for are well within our economic means. *In 50s & 60s def. bud. 10% of GNP, and there was substantial econ. growth.*

But in the defense debate, what we can and can't afford isn't just a matter of economics. It's a matter of vital national security, and America's place in the world. I say:

-- We can't afford to continue the downward trend in defense spending. 1989 is the fourth straight year defense spending has declined in real terms. We've worked hard to rebuild America's strength -- and it's paid off. Today, America is strong, its voice is heard, and the values we stand for are more secure.

We can't afford to mistake a more stable international environment as proof we can spend less on national security.

The secret to our success can be summed up in a single word: strength. Let's sustain the military strength that helped turn the world situation around.

-- And finally, we can afford adequate defenses. The defense budget I am calling for in 1990 represents 5.5% of our annual GNP. That's a far smaller share of our national wealth than the United States spent on defense at any point throughout the 1950s or 1960s -- periods of rapid and sustained economic growth.

*1950 it was 5.1%
all other yrs in 50s & 60s it was more*

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

You have my word: as long as I'm President, America will stand fast and on the front line in defense of freedom.

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

*Building A Better
9-15-9*

*bottom of 159
continued*

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

On the key issue of change within the Soviet Union, there are still far more questions than answers. There is no doubt that the changes taking place are significant and far-reaching -- but it is equally true that the ultimate outcome of the events unfolding in the USSR remains uncertain.

*Building A Better
9-16-9*

*Building A Better
P. 160*

*Building A Better
P. 137*

My view is that we should press for progress that contributes to a more stable relationship between the U.S. and USSR -- whether in the areas of arms control, human rights, or regional conflicts. But we must combine our readiness to build better relations with a resolve to maintain defenses adequate to secure our interests. America and her allies must recognize that -- even in light of the military cuts proposed by President Gorbachev -- the Soviet Union remains the most formidable military power facing the free world.

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

What this means in terms of national security should be clear:

*Building A Better
P. 137*

We need to maintain and modernize our forces -- strategic and conventional. For America and its allies, a survivable nuclear force will remain the ultimate deterrent of aggression.

*Building A Better
P. 137*

We need to make a concerted effort to turn our technological strengths into a source of advantage to our national security. And that includes an active and aggressive pursuit of SDI.

*Building A Better
P. 160*

We need to make an active effort in arms control -- to strive for increased stability at lower levels of armaments.

*Building A Better
P.13*

XXXXXXXXXXXXXXXXXXXX
We need to keep our forces ready and well-trained. Our dedicated servicemen and servicewomen deserve no less.

*Building A Better
P.13*

XXXXXXXXXXXXXXXXXXXX
We need to reform our procurement process to deliver a dollar's worth of defense for every dollar we spend. The place to begin is to follow through on the sensible reforms suggested in the Packard Commission report on defense management.

And we need to maintain the alliance of like-minded nations that has helped us keep the peace in the post-war era. As strong as we are, America cannot go it alone. Our allies in Europe and in Asia share a common form of government, and a common interest in peace and freedom. We must continue to work together to sustain the great collective strength and sense of common purpose that have created the conditions for unparalleled peace, freedom, and prosperity.

*Leadership on the Issues
P.14*

XXXXXXXXXXXXXXXXXXXX
For forty years, our alliance structure has been the cornerstone of American security. Now, perfect agreement will never exist in an alliance of free nations. But there can be no doubt that the benefits of alliance far outweigh the inevitable differences of interest and outlook -- and the partnership of free nations has never been a more potent force than it is today.

Before I close today, I want to focus for a moment on a threat no less real than the adversaries you have battled.

I am speaking about that insidious threat to our society and our values: drug abuse. The notion that America is a nation at peace is only partly true, as long as the violence and destructive power of drugs assaults our communities.

I have sworn myself and members of my Administration to wage a war on drug abuse. This war is unconditional -- and this war must be won.

*leadership
P. 209*
I mean to mobilize all our resources, and wage this war on all fronts. We're going to combat drug abuse with education, treatment, enforcement and interdiction -- and, yes, with our nation's Armed Services when that is what it takes. We need to break the deadly grip of drugs where it exists, and prevent the drug scourge from taking hold.

VFW
The VFW can help. Two million members, 10,000 chapters nationwide -- the VFW is a well-respected member of communities across our nation.

*VFW Natl.
Convention
Chicago
Brochure
p. 19*
Today, I call on you to form a community of action. "For America, whatever it takes" -- that's the proud motto of the VFW. *VFW*

You've fought for your nation once. Your nation needs you again. Today, I want to enlist you in the anti-drug campaign.

-- Meet with other leaders in your community: church and clergy, law enforcement officers. Tell them the VFW volunteers are ready to help.

-- Go to the schools. Put the full weight of the VFW behind the anti-drug education effort that provides our children the reasons and the will-power they need to resist drugs.

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

David Tull I'm reaching out to you, so I want to extend my help as well. Bill Bennett, the point man in our anti-drug campaign, stands ready to meet with VFW leadership, to share ideas that can help you map a strategy. *David Tull*

The VFW has proven many times over its dedication to the health and well-being of our nation. I know we can count on the veterans of America to help us wage and win the war on drugs.

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

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

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

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

Well, this doesn't square with real-world experience. The fact is that diplomacy and military capability are complementary -- not contradictory. I know that creative diplomacy can help us avert conflict -- and I know that negotiations stand the greatest chance of success when they proceed from a position of strength.

*Building on R.H.
P. 134*

The fundamental lesson of the decade now drawing to a close is simply this: strength ^X ^X ^X secures peace.

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

Thank you, God bless you, and God bless America.

REMARKS: VETERANS OF FOREIGN WARS
WASHINGTON CONFERENCE
MARCH 6, 1989

fine /

THANK YOU. CONGRESSMAN DERWINSKI, COMMANDER-IN-CHIEF RIVERS: IT IS A PLEASURE TO BE HERE THIS MORNING. I WANT TO EXPRESS MY BEST WISHES TO A REAL VFW INSTITUTION, MY GOOD FRIEND COOPER HOLT, WHO IS STEPPING DOWN THIS YEAR AFTER MORE THAN A QUARTER

- 2 -

CENTURY OF DISTINGUISHED SERVICE AS VFW'S EXECUTIVE DIRECTOR. COOPER, YOU'VE EARNED THE GRATITUDE OF VETERANS EVERYWHERE FOR MAKING THE VFW YOUR LIFELONG CAUSE.

BEFORE I BEGIN LET ME SAY A WORD ABOUT AN ISSUE THAT I AM SURE IS OF PARTICULAR IMPORTANCE TO THE PEOPLE IN THIS ROOM. YOU KNOW JOHN TOWER AS A FELLOW VETERAN, AND AS A LIFELONG PUBLIC SERVANT. YOU ALSO KNOW HIM AS A FIGHTER. HE HAS FOUGHT FOR HIS COUNTRY

AS A SEVENTEEN-YEAR-OLD IN THE NAVY, AND NOW HE AND I ARE FIGHTING FOR SOME VERY IMPORTANT PRINCIPLES.

PRINCIPLES LIKE FAIRNESS AND TRUTH.

PRINCIPLES LIKE THE PREROGATIVE OF THE PRESIDENT TO ASSEMBLE THE MOST TALENTED AND QUALIFIED TEAM TO GUIDE THIS NATION FORWARD.

I HAVE ASKED THE SENATE TO VOTE ON THIS NOMINATION WITH THOSE PRINCIPLES IN MIND. I'VE ASKED SENATORS TO PUT ASIDE PARTISANSHIP. I'VE ASKED THEM TO USE THEIR

OWN EXPERIENCE WITH JOHN TOWER AS AN EXPERT ON DEFENSE ISSUES, AS A FORMER COLLEAGUE, AND AS A TOUGH, HARD-NOSED NEGOTIATOR, TO GUIDE THEM AS THEY MOVE TOWARDS A VOTE ON HIS NOMINATION.

IT IS VERY INTERESTING THAT NOT ONE SINGLE SENATOR HAS CHALLENGED JOHN TOWER'S KNOWLEDGE ON DEFENSE MATTERS -- NOT ONE.

- 5 -

I STAND BY JOHN TOWER . . . BECAUSE HE IS UNIQUELY QUALIFIED AS THE RIGHT MAN TO TAKE CHARGE AT THE PENTAGON.

IT IS ALWAYS AN HONOR TO MEET WITH THE VETERANS OF FOREIGN WARS. THE LOVE OF LIBERTY IS THE BIRTHRIGHT OF ALL MEN -- CERTAINLY OF ALL AMERICANS. THAT IS WHY OUR NATION OWES A SPECIAL DEBT OF GRATITUDE TO ITS VETERANS, WHO FREELY AND COURAGEOUSLY TOOK UP THE DEFENSE OF FREEDOM.

- 6 -

I AM ESPECIALLY PLEASED TO WELCOME THE DEPARTMENT OF VETERANS AFFAIRS TO A PLACE IN THE CABINET. IT IS A SIGN OF AMERICA'S COMMITMENT TO HER VETERANS -- OF THE IMPORTANCE WE PLACE IN REPAYING, IN SOME WAY, THE SACRIFICES VETERANS HAVE MADE IN ANSWERING THEIR COUNTRY'S CALL.

AND IN MY VIEW, IT IS IMPORTANT THAT THE FIRST SECRETARY OF VETERANS AFFAIRS IS SOMEONE WHO IS CLOSE TO THE PRESIDENT - WHO HAS THE PRESIDENT'S FULL

- 7 -

CONFIDENCE ON A PERSONAL BASIS. WELL, ED DERWINSKI, MY FORMER COLLEAGUE IN CONGRESS AND MY FRIEND OF LONG STANDING FITS THAT DESCRIPTION TO A " T ".

TODAY, THERE ARE SIX TIMES AS MANY VETERANS ALIVE AS THERE WERE WHEN THE VA WAS CREATED IN 1930. ED DERWINSKI'S ALREADY COME TO SEE ME TO DISCUSS SOME OF THE CHALLENGES FACING US IN VETERANS PROGRAMS. WITH THE PRESSURES THE COUNTRY IS UNDER TO SOLVE OUR MASSIVE FEDERAL DEFICIT, WE MAY NOT BE ABLE TO DO EVERYTHING

- 8 -

WE'D LIKE TO DO IN THE WAY OF ADDING RESOURCES FOR VETERANS PROGRAMS, BUT I CAN TELL YOU ED IS A STRONG ADVOCATE FOR VETERANS. LIKE ME, HE UNDERSTANDS THE NEEDS, INCLUDING THE CRYING NEED FOR STRONG HEALTH CARE FOR THE VETERANS.

**I WANT TO SPEAK THIS MORNING ABOUT A MATTER OF THE UTMOST IMPORTANCE TO THE VFW: KEEPING AMERICA STRONG -
- TODAY, AND INTO THE 21ST CENTURY.**

- 9 -

OPINION IS NEARLY UNANIMOUS THAT TODAY IS A TIME OF TRANSITION IN WORLD AFFAIRS. THAT MEANS OUR POWERS OF OBSERVATION AND ANALYSIS -- OUR ABILITY TO SORT OUT CHANGE AND CONTINUITY -- WILL BE PUT TO THE TEST.

WHEN IT COMES TO PREDICTING THE FUTURE, WINSTON CHURCHILL'S RULE IS STILL THE BEST.

- 10 -

"I ALWAYS AVOID PROPHESYING BEFOREHAND -- BECAUSE IT IS MUCH BETTER POLICY TO PROPHECY AFTER THE EVENT HAS ALREADY TAKEN PLACE."

[MAYBE I'M THE ONE TO DO THAT. LAST YEAR I TOLD THE AMERICAN LEGION ABOUT PEARL HARBOR BEING ON SEPTEMBER 7TH. IF ROOSEVELT HAD LISTENED TO ME, BACK THEN, WE MIGHT HAVE AVERTED THE DISASTER.]

WE ARE, AS YOU KNOW, IN THE MIDST OF A SERIES OF SYSTEMATIC STRATEGIC REVIEWS. I'VE ASKED THE MEMBERS

- 11 -

OF MY NATIONAL SECURITY TEAM TO LOOK HARD AT THE INTERNATIONAL LANDSCAPE -- AND TO LOOK FORWARD, TO ASSESS THE COMBINATION OF SECURITY THREATS, TECHNOLOGICAL CHANGE, AND POLITICAL AND ECONOMIC DEVELOPMENTS THAT WILL SHAPE OUR SECURITY HORIZON WELL INTO THE NEXT CENTURY.

I AM CONVINCED THAT THIS IMPORTANT EXERCISE WILL HAVE LASTING BENEFITS ON OUR NATIONAL SECURITY. IN MY ADDRESS TO CONGRESS LAST MONTH,

- 12 -

I SET A NINETY-DAY DEADLINE FOR THIS IMPORTANT WORK AND, I WON'T RUSH THE FINAL RESULTS. THE INSIGHTS WE WILL GAIN INTO THE PROBLEMS WE WILL FACE IN THE DECADES AHEAD ARE WORTH WAITING FOR.

TODAY, I WANT TO SPEAK ABOUT THE FOUNDATIONS OF AN ADEQUATE NATIONAL DEFENSE PROGRAM, ABOUT THE WORLD WE LIVE IN, AND THE CHALLENGES AND OPPORTUNITIES WE'LL ENCOUNTER -- AND ABOUT THE APPROACH I'LL TAKE ON ISSUES INTEGRAL TO OUR NATIONAL SECURITY.

- 13 -

FIRST, THE FOUNDATIONS. A MONTH AGO, I PRESENTED TO CONGRESS A SOUND DEFENSE SPENDING PLAN THAT MAKES SENSE -- BOTH STRATEGICALLY AND FISCALLY. AS A SIGN THAT MY ADMINISTRATION IS SERIOUS ABOUT THE DEFICIT, I CALLED FOR A FREEZE IN DEFENSE SPENDING IN 1990, ADJUSTED ONLY FOR INFLATION. I AM WELL AWARE THAT OUR NATIONAL STRENGTH RESTS ULTIMATELY ON THE HEALTH AND VIGOR OF THE AMERICAN ECONOMY, AND I MEAN TO PRESERVE BOTH -- A STRONG ECONOMY AND A STRONG DEFENSE.

- 14 -

BUT OUR CRUCIAL MILITARY MODERNIZATION PLANS -- AND THE DIVERSE DEFENSE COMMITMENTS WE MUST KEEP -- CANNOT BE ACHIEVED WITHOUT ADDITIONAL DEFENSE FUNDING.

THAT IS WHY MY BUDGET PLAN FOLLOWS THE FREEZE FOR 1990 WITH REAL INCREASES OF 1 PERCENT IN 1991 AND 1992, AND A 2 PERCENT INCREASE FOR 1993.

MY AIM IS TO PUT DEFENSE SPENDING ON A MODEST, MANAGEABLE GROWTH PATH -- ONE WE CAN AFFORD,

- 15 -

AND ONE THAT WILL ALLOW US TO MODERNIZE AND MAINTAIN FORCES THAT ARE FORMIDABLE, FLEXIBLE, AND READY.

BUT IN THE DEFENSE DEBATE, WHAT WE CAN AND CAN'T AFFORD ISN'T JUST A MATTER OF ECONOMICS. IT'S A MATTER OF VITAL NATIONAL SECURITY. I SAY:

-- WE CAN'T AFFORD TO CONTINUE THE DOWNWARD TREND IN DEFENSE SPENDING. 1989 WILL BE THE FOURTH STRAIGHT YEAR BUDGET AUTHORITY FOR DEFENSE HAS DECLINED IN REAL TERMS.

- 16 -

WE'VE WORKED HARD TO REBUILD AMERICA'S STRENGTH -- AND IT'S PAID OFF. TODAY, AMERICA IS STRONG, ITS VOICE IS HEARD, AND THE VALUES WE STAND FOR ARE MORE SECURE.

-- WE CAN'T AFFORD TO MISTAKE A MORE STABLE INTERNATIONAL ENVIRONMENT AS PROOF WE CAN SPEND LESS ON NATIONAL SECURITY. THE SECRET TO OUR SUCCESS CAN BE SUMMED UP IN A SINGLE WORD: STRENGTH. LET'S SUSTAIN THE MILITARY STRENGTH THAT HELPED TURN THE WORLD SITUATION AROUND.

- 17 -

-- AND FINALLY, WE CAN AFFORD ADEQUATE DEFENSES. THE DEFENSE BUDGET I AM CALLING FOR IN 1990 REPRESENTS 5.5% OF OUR ANNUAL GNP. THAT'S A FAR SMALLER SHARE OF OUR NATIONAL WEALTH THAT THE UNITED STATES SPENT ON DEFENSE AT ANY POINT THROUGHOUT THE 1950s OR 1960s -- PERIODS OF RAPID AND SUSTAINED ECONOMIC GROWTH.

- 18 -

THE BOTTOM LINE IS NOT A QUESTION OF COST, OR A QUESTION OF RESOURCES. IT IS SIMPLY A QUESTION OF WILL.

YOU HAVE MY WORD: AS LONG AS I'M PRESIDENT, AMERICA WILL STAND FAST AND ON THE FRONT LINE IN DEFENSE OF FREEDOM.

TODAY, AROUND THE WORLD, A NUMBER OF LONG-STANDING REGIONAL CONFLICTS ARE CLOSER NOW TO RESOLUTION THAN EVER BEFORE.

- 19 -

THE STIRRINGS OF FREEDOM, AND THE ADVANCE OF DEMOCRATIC RULE ARE EVIDENT AND UNDENIABLE. IN THE ECONOMIC SPHERE, THE FREE MARKET IS INCREASINGLY SEEN AS AN ENGINE OF GROWTH AND DEVELOPMENT UNMATCHED BY ANY OTHER SYSTEM.

YES, FREEDOM IS ON THE MARCH. BUT THERE ARE STILL FORCES ARRAYED AGAINST IT -- REGIMES WHOSE INTERESTS AND SYSTEMS ARE AT ODDS WITH OUR OWN AND WITH THOSE OF OUR ALLIES.

- 20 -

AND THE SPREAD OF CHEMICAL AND BIOLOGICAL WEAPONS -- ALONG WITH THE MEANS TO DELIVER THEM -- IS LIKELY TO MAKE THE FLASHPOINTS THAT ALWAYS EXIST MORE DANGEROUS THAN EVER BEFORE.

ON THE KEY ISSUE OF CHANGE WITHIN THE SOVIET UNION, THERE ARE STILL FAR MORE QUESTIONS THAN ANSWERS. THERE IS NO DOUBT THAT THE CHANGES TAKING PLACE ARE SIGNIFICANT AND FAR-REACHING -- BUT IT IS EQUALLY TRUE

- 21 -

THAT THE ULTIMATE OUTCOME OF THE EVENTS UNFOLDING IN THE USSR REMAINS UNCERTAIN.

MY VIEW IS THAT WE SHOULD PRESS FOR PROGRESS THAT CONTRIBUTES TO A MORE STABLE RELATIONSHIP BETWEEN THE U.S. AND USSR. BUT WE MUST COMBINE OUR READINESS TO BUILD BETTER RELATIONS WITH A RESOLVE TO MAINTAIN DEFENSES ADEQUATE TO SECURE OUR INTERESTS. AMERICA AND HER ALLIES MUST RECOGNIZE THAT -- EVEN IN LIGHT OF THE MILITARY CUTS PROPOSED BY PRESIDENT GORBACHEV --

- 22 -

THE SOVIET UNION REMAINS THE MOST FORMIDABLE MILITARY POWER FACING THE FREE WORLD.

WE MUST BE READY TO COPE WITH CHANGE AND FAVORABLE OPPORTUNITIES --AND READY IN ANY EVENT TO DEFEND OUR INTERESTS AND IDEALS.

WHAT THIS MEANS IN TERMS OF NATIONAL SECURITY SHOULD BE CLEAR:

WE NEED TO MAINTAIN AND MODERNIZE OUR FORCES -- NUCLEAR AND CONVENTIONAL. FOR AMERICA AND ITS ALLIES,

**A SURVIVABLE NUCLEAR FORCE WILL REMAIN THE ULTIMATE
DETERRENT OF AGGRESSION.**

**WE NEED TO MAKE A CONCERTED EFFORT TO TURN OUR
TECHNOLOGICAL STRENGTHS INTO A SOURCE OF ADVANTAGE TO
OUR NATIONAL SECURITY. AND THAT INCLUDES VIGOROUS
PURSUIT OF SDI.**

**WE NEED TO MAKE AN ACTIVE EFFORT IN ARMS CONTROL --
TO STRIVE FOR INCREASED STABILITY AT LOWER LEVELS OF
ARMAMENTS.**

**BUT I WILL STRONGLY OPPOSE LEGISLATIVE ATTEMPTS TO
WITHDRAW U.S. TROOPS FROM EUROPE UNILATERALLY.
IMPRUDENT UNILATERAL REDUCTIONS ARE NOT THE PATH TO
PEACE, SECURITY, AND FREEDOM.**

**WE NEED TO KEEP OUR FORCES READY AND WELL-TRAINED.
THE DEDICATED MEN AND WOMEN WHO SERVE OUR COUNTRY
DESERVE NO LESS.**

WE NEED TO REFORM OUR PROCUREMENT PROCESS TO DELIVER A DOLLAR'S WORTH OF DEFENSE FOR EVERY DOLLAR WE SPEND. THE WAY TO BEGIN IS TO FOLLOW THROUGH ON THE SENSIBLE REFORMS SUGGESTED IN THE PACKARD COMMISSION REPORT, AND THE FINDINGS OF THE DEFENSE MANAGEMENT REVIEW NOW UNDERWAY.

AND WE NEED TO MAINTAIN THE ALLIANCE OF LIKE-MINDED NATIONS IN EUROPE AND ASIA THAT HAVE HELPED US KEEP THE PEACE IN THE POST-WAR ERA. AS STRONG AS WE ARE, AMERICA CANNOT GO IT ALONE.

BEFORE I CLOSE TODAY, I WANT TO FOCUS FOR A MOMENT ON A THREAT NO LESS REAL THAN THE ADVERSARIES YOU HAVE BATTLED.

I AM SPEAKING ABOUT THAT INSIDIOUS THREAT TO OUR SOCIETY AND OUR VALUES: DRUG ABUSE. THE NOTION THAT

- 27 -

AMERICA IS A NATION AT PEACE IS ONLY PARTLY TRUE, AS LONG AS THE VIOLENCE AND DESTRUCTIVE POWER OF DRUGS ASSAULTS OUR COMMUNITIES.

AS I TALK, OUR ATTORNEY GENERAL IS HOLDING A SERIES OF TALKS WITH THREE SOUTH AMERICAN PRESIDENTS - SEEKING THEIR FULL PARTICIPATION IN THIS WAR AND OFFERING OUR FULL COOPERATION.

MY ABLE "DRUG CZAR," BILL BENNETT WILL BE CONFIRMED AS MY HARD HITTING POINT MAN TO BE AT MY SIDE IN THE

- 28 -

WHITE HOUSE - TO KEEP THE FOCUS ON WINNING THIS UNCONDITIONAL WAR.

I MEAN TO MOBILIZE ALL OUR RESOURCES, AND WAGE THIS WAR ON ALL FRONTS. WE'RE GOING TO COMBAT DRUG ABUSE WITH EDUCATION, TREATMENT, ENFORCEMENT AND INTERDICTION -- AND, YES, WITH OUR NATION'S ARMED SERVICES WHEN THAT IS WHAT IT TAKES. WE NEED TO BREAK THE DEADLY GRIP OF DRUGS, AND PREVENT THE DRUG SCOURGE FROM TAKING HOLD.

- 29 -

THE VFW CAN HELP. 2.3 MILLION MEMBERS, 750,000 AUXILIARY MEMBERS, AND 10,000 CHAPTERS NATIONWIDE -- THE VFW IS A WELL-RESPECTED MEMBER OF COMMUNITIES ACROSS OUR NATION.

TODAY, I CALL ON YOU TO FORM A COMMUNITY OF ACTION. "FOR AMERICA, WHATEVER IT TAKES" -- THAT'S THE PROUD MOTTO OF THE VFW.

- 30 -

YOU'VE FOUGHT FOR YOUR NATION ONCE. YOUR NATION NEEDS YOU AGAIN. TODAY, I WANT TO ENLIST YOU IN THE ANTI-DRUG CAMPAIGN.

- MEET WITH OTHER LEADERS IN YOUR COMMUNITY: CHURCH AND CLERGY, LAW ENFORCEMENT OFFICERS. TELL THEM THE VFW VOLUNTEERS ARE READY TO HELP.
- GO TO THE SCHOOLS. PUT THE FULL WEIGHT OF THE VFW BEHIND THE ANTI-DRUG EDUCATION EFFORT THAT PROVIDES

- 31 -

OUR CHILDREN WITH THE REASONS AND WILL-POWER THEY NEED TO RESIST DRUGS.

-- SPEAK TO YOUR STATE AND LOCAL ELECTED OFFICIALS. URGE THEM TO MAKE THE PASSAGE OF STRONG ANTI-DRUG LEGISLATION A PRIORITY.

I'M REACHING OUT TO YOU, SO I WANT TO EXTEND MY HELP AS WELL. BILL BENNETT, STANDS READY TO MEET WITH VFW LEADERSHIP, TO SHARE IDEAS THAT CAN HELP YOU MAP A STRATEGY.

- 32 -

THE VFW HAS PROVEN MANY TIMES OVER ITS DEDICATION TO THE HEALTH AND WELL-BEING OF OUR NATION. THE FIFTY YOUNG PEOPLE YOU'VE HONORED HERE TODAY UNDERSCORE THE VFW'S INTEREST IN OUR NATION'S YOUTH AND FUTURE.

I KNOW WE CAN COUNT ON THE VETERANS OF AMERICA TO HELP US WAGE AND WIN THE WAR ON DRUGS.

[PAUSE]

VETERANS SHARE A SPECIAL BOND. WE HAVE SEEN THE FACE OF WAR. WE KNOW ITS TERRIBLE COSTS. WE KNOW THAT

- 33 -

AMERICANS NEVER WILLINGLY CHOOSE CONFLICT. BUT WE KNOW AS WELL THAT WE MUST BE READY AND WILLING TO RESPOND WHEN OUR INTERESTS AND IDEALS COME UNDER THREAT.

LET ME BE CLEAR. I PREFER THE DIPLOMATIC APPROACH. NATIONS CAN AND SHOULD EXPLORE EVERY AVENUE TOWARD WORKING OUT THEIR DIFFERENCES WITHOUT RESORTING TO FORCE OR MILITARY INTIMIDATION.

- 34 -

BUT I AM ALSO A REALIST. I KNOW THAT THERE IS NO SUBSTITUTE FOR A NATION'S ABILITY TO DEFEND ITS IDEALS AND INTERESTS.

TOO OFTEN, WE HEAR THAT WE FACE A STARK CHOICE IN COPING WITH CONFLICT. WE CAN PURSUE A DIPLOMATIC SOLUTION -- OR WE CAN SEEK A RESOLUTION THROUGH MILITARY MEANS. ONE, WE'RE TOLD, IS INCOMPATIBLE WITH THE OTHER.

- 35 -

WELL, THIS DOESN'T SQUARE WITH REAL-WORLD EXPERIENCE. DIPLOMACY AND MILITARY CAPABILITY ARE COMPLEMENTARY -- NOT CONTRADICTORY. CREATIVE DIPLOMACY CAN HELP US AVERT CONFLICT -- NEGOTIATIONS STAND THE GREATEST CHANCE OF SUCCESS WHEN THEY PROCEED FROM A POSITION OF STRENGTH.

THE FUNDAMENTAL LESSON OF THE DECADE NOW DRAWING TO A CLOSE IS SIMPLY THIS: STRENGTH SECURES PEACE.

- 36 -

AMERICA WILL CONTINUE TO BE A FORCE FOR PEACE AND STABILITY IN THE WORLD -- PROVIDED WE STAY STRONG.

THANK YOU, GOD BLESS YOU, AND GOD BLESS AMERICA.

TOWER INSERT/VFW

Before I begin let me say a word about an issue that I'm sure is of particular importance to the people in this room. You know John Tower as a fellow veteran, and as a lifelong public servant. You also know him as a fighter. He has fought for his country as a seventeen-year-old in the Navy, and now he and I are fighting for some very important principles.

Principles like fairness and truth.

Principles like the prerogative of the President to assemble the most talented and qualified team to guide this nation forward.

I have asked the Senate to vote on this nomination with those principles in mind. I've asked Senators to put aside partisanship. I've asked them to use their own experience with John Tower as an expert on defense issues, as a former colleague, and as a tough, hard-nosed negotiator, to guide them as they move towards a vote on his nomination.

I stand by John Tower....not just because he is my friend, but more importantly because he is uniquely qualified as the right man to take charge at the Pentagon.

#

TOWER INSERT/VFW

Before I begin let me say a word about an issue that I'm sure is of particular importance to the people in this room. You know John Tower as a fellow veteran, and as a lifelong public servant. You also know him as a fighter. He has fought for his country as a seventeen-year-old in the Navy, and now he and I are fighting for some very important principles.

Principles like fairness and truth.

Principles like the prerogative of the President to assemble the most talented and qualified team to guide this nation forward.

I have asked the Senate to vote on this nomination with those principles in mind. I've asked Senators to put aside partisanship. I've asked them to use their own experience with John Tower as an expert on defense issues, as a former colleague, and as a tough, hard-nosed negotiator, to guide them as they move towards a vote on his nomination.

I stand by John Tower....not just because he is my friend, but more importantly because he is uniquely qualified as the right man to take charge at the Pentagon.

#

**REMARKS: VETERANS OF FOREIGN WARS
WASHINGTON CONFERENCE
MARCH 6, 1989**

draft

THANK YOU. CONGRESSMAN DERWINSKI, COMMANDER-IN-CHIEF RIVERS: IT IS A PLEASURE TO BE HERE THIS MORNING. I WANT TO EXPRESS MY BEST WISHES TO A REAL VFW INSTITUTION, MY GOOD FRIEND COOPER HOLT, WHO IS STEPPING DOWN THIS YEAR AFTER MORE THAN A QUARTER

- 2 -

CENTURY OF DISTINGUISHED SERVICE AS VFW'S EXECUTIVE DIRECTOR. COOPER, YOU'VE EARNED THE GRATITUDE OF VETERANS EVERYWHERE FOR MAKING THE VFW YOUR LIFELONG CAUSE.

IT IS ALWAYS AN HONOR TO MEET WITH THE VETERANS OF FOREIGN WARS. THE LOVE OF LIBERTY IS THE BIRTHRIGHT OF ALL MEN -- CERTAINLY OF ALL AMERICANS. THAT IS WHY OUR NATION OWES A SPECIAL DEBT OF GRATITUDE TO ITS

- 3 -

VETERANS, WHO FREELY AND COURAGEOUSLY TOOK UP THE DEFENSE OF FREEDOM.

I AM ESPECIALLY PLEASED TO WELCOME THE DEPARTMENT OF VETERANS AFFAIRS TO A PLACE IN THE CABINET. IT IS A SIGN OF AMERICA'S COMMITMENT TO HER VETERANS -- OF THE IMPORTANCE WE PLACE IN REPAYING, IN SOME WAY, THE SACRIFICES VETERANS HAVE MADE IN ANSWERING THEIR COUNTRY'S CALL.

AND IN MY VIEW, IT IS IMPORTANT THAT THE FIRST SECRETARY OF VETERANS AFFAIRS IS SOMEONE WHO IS CLOSE TO THE PRESIDENT - WHO HAS THE PRESIDENT'S FULL CONFIDENCE ON A PERSONAL BASIS. WELL, ED DERWINSKI, MY FORMER COLLEAGUE IN CONGRESS AND MY FRIEND OF LONG STANDING FITS THAT DESCRIPTION TO A " T ".

TODAY, THERE ARE SIX TIMES AS MANY VETERANS ALIVE AS THERE WERE WHEN THE VA WAS CREATED IN 1930. ED DERWINSKI'S ALREADY COME TO SEE ME TO DISCUSS SOME OF

THE CHALLENGES FACING US IN VETERANS PROGRAMS. WITH THE PRESSURES THE COUNTRY IS UNDER TO SOLVE OUR MASSIVE FEDERAL DEFICIT, WE MAY NOT BE ABLE TO DO EVERYTHING WE'D LIKE TO DO IN THE WAY OF ADDING RESOURCES FOR VETERANS PROGRAMS, BUT I CAN TELL YOU ED IS A STRONG ADVOCATE FOR VETERANS. LIKE ME, HE UNDERSTANDS THE NEEDS, INCLUDING THE CRYING NEED FOR STRONG HEALTH CARE FOR THE VETERANS.

I WANT TO SPEAK THIS MORNING ABOUT A MATTER OF THE UTMOST IMPORTANCE TO THE VFW: KEEPING AMERICA STRONG - - TODAY, AND INTO THE 21ST CENTURY.

OPINION IS NEARLY UNANIMOUS THAT TODAY IS A TIME OF TRANSITION IN WORLD AFFAIRS. THAT MEANS OUR POWERS OF OBSERVATION AND ANALYSIS -- OUR ABILITY TO SORT OUT CHANGE AND CONTINUITY -- WILL BE PUT TO THE TEST.

WHEN IT COMES TO PREDICTING THE FUTURE, WINSTON CHURCHILL'S RULE IS STILL THE BEST.

"I ALWAYS AVOID PROPHESYING BEFOREHAND -- BECAUSE IT IS MUCH BETTER POLICY TO PROPHECY AFTER THE EVENT HAS ALREADY TAKEN PLACE."

[MAYBE I'M THE ONE TO DO THAT. LAST YEAR I TOLD THE AMERICAN LEGION ABOUT PEARL HARBOR BEING ON SEPTEMBER 7TH. IF ROOSEVELT HAD LISTENED TO ME, BACK THEN, WE MIGHT HAVE AVERTED THE DISASTER.]

WE ARE, AS YOU KNOW, IN THE MIDST OF A SERIES OF SYSTEMATIC STRATEGIC REVIEWS. I'VE ASKED THE MEMBERS

OF MY NATIONAL SECURITY TEAM TO LOOK HARD AT THE INTERNATIONAL LANDSCAPE -- AND TO LOOK FORWARD, TO ASSESS THE COMBINATION OF SECURITY THREATS, TECHNOLOGICAL CHANGE, AND POLITICAL AND ECONOMIC DEVELOPMENTS THAT WILL SHAPE OUR SECURITY HORIZON WELL INTO THE NEXT CENTURY.

I AM CONVINCED THAT THIS IMPORTANT EXERCISE WILL HAVE LASTING BENEFITS ON OUR NATIONAL SECURITY. IN MY ADDRESS TO CONGRESS LAST MONTH,

I SET A NINETY-DAY DEADLINE FOR THIS IMPORTANT WORK AND, I WON'T RUSH THE FINAL RESULTS. THE INSIGHTS WE WILL GAIN INTO THE PROBLEMS WE WILL FACE IN THE DECADES AHEAD ARE WORTH WAITING FOR.

TODAY, I WANT TO SPEAK ABOUT THE FOUNDATIONS OF AN ADEQUATE NATIONAL DEFENSE PROGRAM, ABOUT THE WORLD WE LIVE IN, AND THE CHALLENGES AND OPPORTUNITIES WE'LL ENCOUNTER -- AND ABOUT THE APPROACH I'LL TAKE ON ISSUES INTEGRAL TO OUR NATIONAL SECURITY.

FIRST, THE FOUNDATIONS. A MONTH AGO, I PRESENTED TO CONGRESS A SOUND DEFENSE SPENDING PLAN THAT MAKES SENSE -- BOTH STRATEGICALLY AND FISCALLY. AS A SIGN THAT MY ADMINISTRATION IS SERIOUS ABOUT THE DEFICIT, I CALLED FOR A FREEZE IN DEFENSE SPENDING IN 1990, ADJUSTED ONLY FOR INFLATION. I AM WELL AWARE THAT OUR NATIONAL STRENGTH RESTS ULTIMATELY ON THE HEALTH AND VIGOR OF THE AMERICAN ECONOMY, AND I MEAN TO PRESERVE BOTH -- A STRONG ECONOMY AND A STRONG DEFENSE.

BUT OUR CRUCIAL MILITARY MODERNIZATION PLANS -- AND THE DIVERSE DEFENSE COMMITMENTS WE MUST KEEP -- CANNOT BE ACHIEVED WITHOUT ADDITIONAL DEFENSE FUNDING.

THAT IS WHY MY BUDGET PLAN FOLLOWS THE FREEZE FOR 1990 WITH REAL INCREASES OF 1 PERCENT IN 1991 AND 1992, AND A 2 PERCENT INCREASE FOR 1993.

MY AIM IS TO PUT DEFENSE SPENDING ON A MODEST, MANAGEABLE GROWTH PATH -- ONE WE CAN AFFORD,

AND ONE THAT WILL ALLOW US TO MODERNIZE AND MAINTAIN FORCES THAT ARE FORMIDABLE, FLEXIBLE, AND READY.

BUT IN THE DEFENSE DEBATE, WHAT WE CAN AND CAN'T AFFORD ISN'T JUST A MATTER OF ECONOMICS. IT'S A MATTER OF VITAL NATIONAL SECURITY. I SAY:

-- WE CAN'T AFFORD TO CONTINUE THE DOWNWARD TREND IN DEFENSE SPENDING. 1989 WILL BE THE FOURTH STRAIGHT YEAR BUDGET AUTHORITY FOR DEFENSE HAS DECLINED IN REAL TERMS.

- 13 -

WE'VE WORKED HARD TO REBUILD AMERICA'S STRENGTH -- AND IT'S PAID OFF. TODAY, AMERICA IS STRONG, ITS VOICE IS HEARD, AND THE VALUES WE STAND FOR ARE MORE SECURE.

-- WE CAN'T AFFORD TO MISTAKE A MORE STABLE INTERNATIONAL ENVIRONMENT AS PROOF WE CAN SPEND LESS ON NATIONAL SECURITY. THE SECRET TO OUR SUCCESS CAN BE SUMMED UP IN A SINGLE WORD: STRENGTH. LET'S SUSTAIN THE MILITARY STRENGTH THAT HELPED TURN THE WORLD SITUATION AROUND.

- 14 -

-- AND FINALLY, WE CAN AFFORD ADEQUATE DEFENSES. THE DEFENSE BUDGET I AM CALLING FOR IN 1990 REPRESENTS 5.5% OF OUR ANNUAL GNP. THAT'S A FAR SMALLER SHARE OF OUR NATIONAL WEALTH THAT THE UNITED STATES SPENT ON DEFENSE AT ANY POINT THROUGHOUT THE 1950S OR 1960S -- PERIODS OF RAPID AND SUSTAINED ECONOMIC GROWTH.

- 15 -

THE BOTTOM LINE IS NOT A QUESTION OF COST, OR A QUESTION OF RESOURCES. IT IS SIMPLY A QUESTION OF WILL.

YOU HAVE MY WORD: AS LONG AS I'M PRESIDENT, AMERICA WILL STAND FAST AND ON THE FRONT LINE IN DEFENSE OF FREEDOM.

TODAY, AROUND THE WORLD, A NUMBER OF LONG-STANDING REGIONAL CONFLICTS ARE CLOSER NOW TO RESOLUTION THAN EVER BEFORE.

THE STIRRINGS OF FREEDOM, AND THE ADVANCE OF DEMOCRATIC RULE ARE EVIDENT AND UNDENIABLE. IN THE ECONOMIC SPHERE, THE FREE MARKET IS INCREASINGLY SEEN AS AN ENGINE OF GROWTH AND DEVELOPMENT UNMATCHED BY ANY OTHER SYSTEM.

YES, FREEDOM IS ON THE MARCH. BUT THERE ARE STILL FORCES ARRAYED AGAINST IT -- REGIMES WHOSE INTERESTS AND SYSTEMS ARE AT ODDS WITH OUR OWN AND WITH THOSE OF OUR ALLIES.

AND THE SPREAD OF CHEMICAL AND BIOLOGICAL WEAPONS -- ALONG WITH THE MEANS TO DELIVER THEM -- IS LIKELY TO MAKE THE FLASHPOINTS THAT ALWAYS EXIST MORE DANGEROUS THAN EVER BEFORE.

ON THE KEY ISSUE OF CHANGE WITHIN THE SOVIET UNION, THERE ARE STILL FAR MORE QUESTIONS THAN ANSWERS. THERE IS NO DOUBT THAT THE CHANGES TAKING PLACE ARE SIGNIFICANT AND FAR-REACHING -- BUT IT IS EQUALLY TRUE

THAT THE ULTIMATE OUTCOME OF THE EVENTS UNFOLDING IN THE USSR REMAINS UNCERTAIN.

MY VIEW IS THAT WE SHOULD PRESS FOR PROGRESS THAT CONTRIBUTES TO A MORE STABLE RELATIONSHIP BETWEEN THE U.S. AND USSR. BUT WE MUST COMBINE OUR READINESS TO BUILD BETTER RELATIONS WITH A RESOLVE TO MAINTAIN DEFENSES ADEQUATE TO SECURE OUR INTERESTS. AMERICA AND HER ALLIES MUST RECOGNIZE THAT -- EVEN IN LIGHT OF THE MILITARY CUTS PROPOSED BY PRESIDENT GORBACHEV --

- 19 -

THE SOVIET UNION REMAINS THE MOST FORMIDABLE MILITARY POWER FACING THE FREE WORLD.

WE MUST BE READY TO COPE WITH CHANGE AND FAVORABLE OPPORTUNITIES --AND READY IN ANY EVENT TO DEFEND OUR INTERESTS AND IDEALS.

WHAT THIS MEANS IN TERMS OF NATIONAL SECURITY SHOULD BE CLEAR:

WE NEED TO MAINTAIN AND MODERNIZE OUR FORCES -- NUCLEAR AND CONVENTIONAL. FOR AMERICA AND ITS ALLIES,

- 20 -

A SURVIVABLE NUCLEAR FORCE WILL REMAIN THE ULTIMATE DETERRENT OF AGGRESSION.

WE NEED TO MAKE A CONCERTED EFFORT TO TURN OUR TECHNOLOGICAL STRENGTHS INTO A SOURCE OF ADVANTAGE TO OUR NATIONAL SECURITY. AND THAT INCLUDES VIGOROUS PURSUIT OF SDI.

WE NEED TO MAKE AN ACTIVE EFFORT IN ARMS CONTROL -- TO STRIVE FOR INCREASED STABILITY AT LOWER LEVELS OF ARMAMENTS.

- 21 -

BUT I WILL STRONGLY OPPOSE LEGISLATIVE ATTEMPTS TO WITHDRAW U.S. TROOPS FROM EUROPE UNILATERALLY.

IMPRUDENT UNILATERAL REDUCTIONS ARE NOT THE PATH TO PEACE, SECURITY, AND FREEDOM.

WE NEED TO KEEP OUR FORCES READY AND WELL-TRAINED. THE DEDICATED MEN AND WOMEN WHO SERVE OUR COUNTRY DESERVE NO LESS.

WE NEED TO REFORM OUR PROCUREMENT PROCESS TO DELIVER A DOLLAR'S WORTH OF DEFENSE FOR EVERY DOLLAR WE SPEND. THE WAY TO BEGIN IS TO FOLLOW THROUGH ON THE SENSIBLE REFORMS SUGGESTED IN THE PACKARD COMMISSION REPORT, AND THE FINDINGS OF THE DEFENSE MANAGEMENT REVIEW NOW UNDERWAY.

AND WE NEED TO MAINTAIN THE ALLIANCE OF LIKE-MINDED NATIONS IN EUROPE AND ASIA THAT HAVE HELPED US KEEP THE PEACE IN THE POST-WAR ERA. AS STRONG AS WE ARE, AMERICA CANNOT GO IT ALONE.

BEFORE I CLOSE TODAY, I WANT TO FOCUS FOR A MOMENT ON A THREAT NO LESS REAL THAN THE ADVERSARIES YOU HAVE BATTLED.

I AM SPEAKING ABOUT THAT INSIDIOUS THREAT TO OUR SOCIETY AND OUR VALUES: DRUG ABUSE. THE NOTION THAT

AMERICA IS A NATION AT PEACE IS ONLY PARTLY TRUE, AS LONG AS THE VIOLENCE AND DESTRUCTIVE POWER OF DRUGS ASSAULTS OUR COMMUNITIES.

AS I TALK, OUR ATTORNEY GENERAL IS HOLDING A SERIES OF TALKS WITH THREE SOUTH AMERICAN PRESIDENTS - SEEKING THEIR FULL PARTICIPATION IN THIS WAR AND OFFERING OUR FULL COOPERATION.

MY ABLE "DRUG CZAR," BILL BENNETT WILL BE CONFIRMED AS MY HARD HITTING POINT MAN TO BE AT MY SIDE IN THE

WHITE HOUSE - TO KEEP THE FOCUS ON WINNING THIS UNCONDITIONAL WAR.

I MEAN TO MOBILIZE ALL OUR RESOURCES, AND WAGE THIS WAR ON ALL FRONTS. WE'RE GOING TO COMBAT DRUG ABUSE WITH EDUCATION, TREATMENT, ENFORCEMENT AND INTERDICTION -- AND, YES, WITH OUR NATION'S ARMED SERVICES WHEN THAT IS WHAT IT TAKES. WE NEED TO BREAK THE DEADLY GRIP OF DRUGS, AND PREVENT THE DRUG SCOURGE FROM TAKING HOLD.

THE VFW CAN HELP. 2.3 MILLION MEMBERS, 750,000 AUXILIARY MEMBERS, AND 10,000 CHAPTERS NATIONWIDE -- THE VFW IS A WELL-RESPECTED MEMBER OF COMMUNITIES ACROSS OUR NATION.

TODAY, I CALL ON YOU TO FORM A COMMUNITY OF ACTION. "FOR AMERICA, WHATEVER IT TAKES" -- THAT'S THE PROUD MOTTO OF THE VFW.

YOU'VE FOUGHT FOR YOUR NATION ONCE. YOUR NATION NEEDS YOU AGAIN. TODAY, I WANT TO ENLIST YOU IN THE ANTI-DRUG CAMPAIGN.

- MEET WITH OTHER LEADERS IN YOUR COMMUNITY: CHURCH AND CLERGY, LAW ENFORCEMENT OFFICERS. TELL THEM THE VFW VOLUNTEERS ARE READY TO HELP.**
- GO TO THE SCHOOLS. PUT THE FULL WEIGHT OF THE VFW BEHIND THE ANTI-DRUG EDUCATION EFFORT THAT PROVIDES**

OUR CHILDREN WITH THE REASONS AND WILL-POWER THEY NEED TO RESIST DRUGS.

-- SPEAK TO YOUR STATE AND LOCAL ELECTED OFFICIALS. URGE THEM TO MAKE THE PASSAGE OF STRONG ANTI-DRUG LEGISLATION A PRIORITY.

I'M REACHING OUT TO YOU, SO I WANT TO EXTEND MY HELP AS WELL. BILL BENNETT, STANDS READY TO MEET WITH VFW LEADERSHIP, TO SHARE IDEAS THAT CAN HELP YOU MAP A STRATEGY.

THE VFW HAS PROVEN MANY TIMES OVER ITS DEDICATION TO THE HEALTH AND WELL-BEING OF OUR NATION. THE FIFTY YOUNG PEOPLE YOU'VE HONORED HERE TODAY UNDERSCORE THE VFW'S INTEREST IN OUR NATION'S YOUTH AND FUTURE.

I KNOW WE CAN COUNT ON THE VETERANS OF AMERICA TO HELP US WAGE AND WIN THE WAR ON DRUGS.

[PAUSE]

VETERANS SHARE A SPECIAL BOND. WE HAVE SEEN THE FACE OF WAR. WE KNOW ITS TERRIBLE COSTS. WE KNOW THAT

AMERICANS NEVER WILLINGLY CHOOSE CONFLICT. BUT WE KNOW AS WELL THAT WE MUST BE READY AND WILLING TO RESPOND WHEN OUR INTERESTS AND IDEALS COME UNDER THREAT.

LET ME BE CLEAR. I PREFER THE DIPLOMATIC APPROACH. NATIONS CAN AND SHOULD EXPLORE EVERY AVENUE TOWARD WORKING OUT THEIR DIFFERENCES WITHOUT RESORTING TO FORCE OR MILITARY INTIMIDATION.

- 31 -

BUT I AM ALSO A REALIST. I KNOW THAT THERE IS NO SUBSTITUTE FOR A NATION'S ABILITY TO DEFEND ITS IDEALS AND INTERESTS.

TOO OFTEN, WE HEAR THAT WE FACE A STARK CHOICE IN COPING WITH CONFLICT. WE CAN PURSUE A DIPLOMATIC SOLUTION -- OR WE CAN SEEK A RESOLUTION THROUGH MILITARY MEANS. ONE, WE'RE TOLD, IS INCOMPATIBLE WITH THE OTHER.

- 32 -

WELL, THIS DOESN'T SQUARE WITH REAL-WORLD EXPERIENCE. DIPLOMACY AND MILITARY CAPABILITY ARE COMPLEMENTARY -- NOT CONTRADICTORY. CREATIVE DIPLOMACY CAN HELP US AVERT CONFLICT -- NEGOTIATIONS STAND THE GREATEST CHANCE OF SUCCESS WHEN THEY PROCEED FROM A POSITION OF STRENGTH.

THE FUNDAMENTAL LESSON OF THE DECADE NOW DRAWING TO A CLOSE IS SIMPLY THIS: STRENGTH SECURES PEACE.

- 33 -

AMERICA WILL CONTINUE TO BE A FORCE FOR PEACE AND STABILITY IN THE WORLD -- PROVIDED WE STAY STRONG.

THANK YOU, GOD BLESS YOU, AND GOD BLESS AMERICA.

BEFORE I BEGIN LET ME SAY A WORD ABOUT AN ISSUE THAT I'M SURE IS OF PARTICULAR IMPORTANCE TO THE PEOPLE IN THIS ROOM. YOU KNOW JOHN TOWER AS A FELLOW VETERAN, AND AS A LIFELONG PUBLIC SERVANT. YOU ALSO KNOW HIM AS A FIGHTER. HE HAS FOUGHT FOR HIS COUNTRY AS A SEVENTEEN-YEAR-OLD IN THE NAVY, AND NOW HE AND I ARE FIGHTING FOR SOME VERY IMPORTANT PRINCIPLES.

PRINCIPLES LIKE FAIRNESS AND TRUTH.

- 2 -

PRINCIPLES LIKE THE PREROGATIVE OF THE PRESIDENT TO ASSEMBLE THE MOST TALENTED AND QUALIFIED TEAM TO GUIDE THIS NATION FORWARD.

I HAVE ASKED THE SENATE TO VOTE ON THIS NOMINATION WITH THOSE PRINCIPLES IN MIND. I'VE ASKED SENATORS TO PUT ASIDE PARTISANSHIP. I'VE ASKED THEM TO USE THEIR OWN EXPERIENCE WITH JOHN TOWER AS AN EXPERT ON DEFENSE ISSUES, AS A FORMER COLLEAGUE, AND AS A TOUGH, HARD-

- 3 -

NOSED NEGOTIATOR, TO GUIDE THEM AS THEY MOVE TOWARDS A VOTE ON HIS NOMINATION.

I STAND BY JOHN TOWER....NOT JUST BECAUSE HE IS MY FRIEND, BUT MORE IMPORTANTLY BECAUSE HE IS UNIQUELY QUALIFIED AS THE RIGHT MAN TO TAKE CHARGE AT THE PENTAGON.

#

TOWER INSERT/VFW

Before I begin let me say a word about an issue that I'm sure is of particular importance to the people in this room. You know John Tower as a fellow veteran, and as a lifelong public servant. You also know him as a fighter. He has fought for his country as a seventeen-year-old in the Navy, and now he and I are fighting for some very important principles.

Principles like fairness and truth.

Principles like the prerogative of the President to assemble the most talented and qualified team to guide this nation forward.

I have asked the Senate to vote on this nomination with those principles in mind. I've asked Senators to put aside partisanship. I've asked them to use their own experience with John Tower as an expert on defense issues, as a former colleague, and as a tough, hard-nosed negotiator, to guide them as they move towards a vote on his nomination.

I stand by John Tower....not just because he is my friend, but more importantly because he is uniquely qualified as the right man to take charge at the Pentagon.

#

THE WHITE HOUSE
WASHINGTON

Stephanie -

John Gardner called about
VFW speech.

You should call ~~and find~~
the Executive Clerk to find out
when Drawinski takes oath
as administrator of the VA.
He was confirmed yesterday
by the Senate.

You may have to check
again on Monday.

(McGroarty)
March 2, 1989
6:00pm
danl

REMARKS: VETERANS OF FOREIGN WARS WASHINGTON CONFERENCE
WASHINGTON, D.C.
MARCH 6, 1989

Thank you. Congressman Derwinski, Commander-in-Chief Rivers: it is a pleasure to be here this morning. I want to express my best wishes to a real VFW institution, my good friend Cooper Holt, who is stepping down this year after more than a quarter century of distinguished service as VFW's Executive Director. Cooper, you've earned the gratitude of veterans everywhere for making the VFW your lifelong cause.

It is always an honor to meet with the Veterans of Foreign Wars. The love of liberty is the birthright of all men -- certainly of all Americans. That is why our nation owes a special debt of gratitude to its veterans, who freely and courageously took up the defense of freedom.

I am especially pleased to welcome the Department of Veterans Affairs to a place in the cabinet. It is a sign of America's commitment to her veterans -- of the importance we place in repaying, in some way, the sacrifices veterans have made in answering their country's call.

Today, there are six times as many veterans alive as there were when the VA was created in 1930. Counting their dependents and survivors, about one-third of our population now has an immediate family involvement in veterans affairs.

Ed Derwinski's already come to see me to discuss some of the challenges facing us in veterans programs. With the pressures the country is under to solve our massive Federal deficit, we may not be able to do everything we'd like to do in the way of adding resources for veterans programs, but I can tell you Ed is a strong advocate for veterans.

I want to speak this morning about a matter of the utmost importance to the VFW: keeping America strong -- today, and into the 21st Century.

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

When it comes to predicting the future, Winston Churchill's rule is still the best. "I always avoid prophesying beforehand -- because it is much better policy to prophesy after the event has already taken place."

That's sound advice. We can't predict the future -- but we must do all we can to turn the opportunities it presents to our advantage.

I am confident we can.

WJ
NSC
AAS
We are, as you know, in the midst of a series of systematic strategic reviews. I've asked the members of my national security team to look hard at the international landscape -- and to look forward, to assess the combination of security threats, technological change, and political and economic developments that will shape our security horizon well into the next century.

WJ
NSC
AAS
I am convinced that this important exercise will have lasting benefits on our national security. In my address to Congress last month, I set a ninety-day deadline for this important work. And although some of the reviews may be finished earlier, I won't rush the final results. The insights we will gain into the problems we will face in the decades ahead are worth waiting for.

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

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

But our crucial military modernization plans -- and the diverse defense commitments we must keep -- cannot be achieved without additional defense funding. That is why my budget plan follows the freeze for 1990 with real increases of 1 percent in 1991 and 1992, and a 2 percent increase for 1993.

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

Now, we've all heard the critics who tell us America can't afford the defenses I'm talking about. Well, the critics are wrong. The defense expenditures I am calling for are well within our economic means.

But in the defense debate, what we can and can't afford isn't just a matter of economics. It's a matter of vital national security, and America's place in the world. I say:

-- We can't afford to continue the downward trend in defense spending. 1989 will be the fourth straight year budget authority for defense has declined in real terms. We've worked hard to rebuild America's strength -- and it's paid off. Today, America is strong, its voice is heard, and the values we stand for are more secure.

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

-- And finally, we can afford adequate defenses. The defense budget I am calling for in 1990 represents 5.5% of our annual GNP. That's a far smaller share of our national wealth than the United States spent on defense at any point throughout the 1950s or 1960s -- periods of rapid and sustained economic growth.

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

You have my word: as long as I'm President, America will stand fast and on the front line in defense of freedom.

Today, around the world, a number of long-standing regional conflicts are closer now to resolution than ever before. The

stirrings of freedom, and the advance of democratic rule are evident and undeniable. In the economic sphere, the free market is increasingly seen as an engine of growth and development unmatched by any other system.

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

On the key issue of change within the Soviet Union, there are still far more questions than answers. There is no doubt that the changes taking place are significant and far-reaching -- but it is equally true that the ultimate outcome of the events unfolding in the USSR remains uncertain.

My view is that we should press for progress that contributes to a more stable relationship between the U.S. and USSR -- whether in the areas of arms reduction, human rights, regional conflicts, or other global challenges. But we must combine our readiness to build better relations with a resolve to maintain defenses adequate to secure our interests. America and her allies must recognize that -- even in light of the military cuts proposed by President Gorbachev -- the Soviet Union remains the most formidable military power facing the free world.

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

What this means in terms of national security should be clear:

We need to maintain and modernize our forces -- nuclear and conventional. For America and its allies, a survivable nuclear force will remain the ultimate deterrent of aggression.

We need to make a concerted effort to turn our technological strengths into a source of advantage to our national security. And that includes vigorous pursuit of SDI.

We need to make an active effort in arms control -- to strive for increased stability at lower levels of armaments. But I will strongly oppose legislative attempts to withdraw U.S. troops from Europe unilaterally. Unilateral disarmament is not the path to peace, security, and freedom.

We need to keep our forces ready and well-trained. The dedicated men and women who serve our country deserve no less.

We need to reform our procurement process to deliver a dollar's worth of defense for every dollar we spend. The way to begin is to follow through on the sensible reforms suggested in

I have sworn myself and members of my Administration to wage a war on drug abuse. This war is unconditional -- and it must be won.

I mean to mobilize all our resources, and wage this war on all fronts. We're going to combat drug abuse with education, treatment, enforcement and interdiction -- and, yes, with our nation's Armed Services when that is what it takes. We need to break the deadly grip of drugs, and prevent the drug scourge from taking hold.

The VFW can help. 2.3 million members, 750,000 auxiliary members, and 10,000 chapters nationwide -- the VFW is a well-respected member of communities across our nation.

Today, I call on you to form a community of action. "For America, whatever it takes" -- that's the proud motto of the VFW.

You've fought for your nation once. Your nation needs you again. Today, I want to enlist you in the anti-drug campaign.

-- Meet with other leaders in your community: church and clergy, law enforcement officers. Tell them the VFW volunteers are ready to help.

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

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

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

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

The fundamental lesson of the decade now drawing to a close is simply this: strength secures peace.

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

Thank you, God bless you, and God bless America.

UNCLASSIFIED

CLASSIFICATION

CIRCLE ONE BELOW

IMMEDIATE

PRIORITY

ROUTINE

MODE

SECURE FAX #

ADMIN FAX #

PAGES

DIG

RELEASED

FROM/LOCATION

1. Secretary Navy

TO/LOCATION/TIME OF RECEIPT

1. Stephanie Blessey

2.

3.

4.

5.

6.

7.

INFORMATION ADDRESSES/LOCATION/TIME OF RECEIPT

1.

2.

SPECIAL INSTRUCTIONS/REMARKS

✓

TOR 0215Z17 Mar 89

11:29

UNCLASSIFIED



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20350-1000

UNCLASSIFIED TRANSMISSION ONLY

FACSIMILE SERVICE REQUEST

SECRETARY OF THE NAVY'S ADMINISTRATIVE OFFICE

DESK PHONE: 202-695-1649

ATVN: 225-1649

FACSIMILE PHONE: 202-694-3477

ATVN: N/A

PRECEDENCE: IMMEDIATE ()

PRIORITY ()

ROUTINE ()

NUMBER OF PAGES (INCLUDING COVER SHEET):

DATE:

FROM: SECNAV PA

TO: Stephanie Blessey

OFFICE/CODE:

OFFICE/CODE:

DESK PHONE:

DESK PHONE:

FAX PHONE: 202-694-3477

FAX PHONE:

REMARKS/COMMENTS

Please deliver to Stephanie
Blessey, Room 111

TIME OF TRANSMISSION

DATE OF TRANSMISSION

Principal Speaker

The Honorable John Goodwin Tower United States Senator

A native Texan, John Tower was born in Houston on September 29, 1925, the son and grandson of Methodist ministers. While growing up, he lived in a number of east Texas communities, graduating from Beaumont High School. He now makes his home in Dallas, with offices in both Dallas and Washington, D.C.

Tower enlisted in the Navy at the age of 17, during World War II, and saw combat on a gunboat in the Western Pacific. He is a Master Chief Boatswain's Mate in the United States Naval Reserve.

Tower received a bachelor's degree in history and political science from Southwestern University, a master's degree in political science from Southern Methodist University, and did graduate work at the London School of Economics and Political Science.

A former professor of government at Midwestern University in Wichita Falls, Texas, Tower won a special election for the Senate seat of Lyndon B. Johnson in 1961. He was reelected in 1966, 1972 and 1978, and retired from the Senate on January 3, 1985.

While in the Senate, Tower was chairman of both the Senate Armed Services Committee and the Senate Republican Policy Committee. He also served on the Banking, Housing and Urban Affairs Committee and the Budget Committee. From January 1985 until April 1986, Tower served as U.S. Negotiator on Strategic Nuclear Arms, with the rank of Ambassador, at the Negotiations on Nuclear and Space Arms with the Soviet Union in Geneva.

In November 1986, President Reagan called Tower out of retirement to chair the Special Review Board (often referred to as the Tower Commission), which studied the role and functions of the National Security Advisor, the National Security Council and the NSC Staff. He now serves on the President's Foreign Intelligence Advisory Board.

Tower is Chairman of the Board of Tower, Egger & Green, Consultants, Inc., a national and international consulting firm specializing in business and



investment opportunities. He is an independent consultant in defense and national security affairs. He is a member of the Board of Directors of British Aerospace, Inc., and Astrotech International Corporation. Tower is also Chairman of the Board of Pergamon-Brassey's International Defense Publishers, Inc., and the Armed Forces Journal International. Tower is the Chairman of the United States Navy Memorial Foundation. He serves on the Board of Trustees of Southwestern University (Georgetown, Texas), and is a Distinguished Lecturer in Political Science at Southern Methodist University.

Tower has been awarded the Order of Merit of the Republic of Tunisia and the Knight Commander's Cross of the Order of Merit of the Federal Republic of Germany. He is a 33rd-degree Mason and Shriner and is a member of the American Association of University Professors, the American Legion, the Texas Historical Society, the Texas Philosophical Society, and the United Methodist Church. He is a past Worthy Grand Master of the Kappa Sigma Fraternity.

Tower's three daughters, Penny Tower, Marian Tower, and Mrs. Berry Cox (Jeanne), live in Dallas.

**DEPARTMENT OF THE NAVY**

NAVAL RESERVE PERSONNEL CENTER

NEW ORLEANS, LOUISIANA 70148-7800

AREA CODE (504) 245

RTN 606, AV 263.

1814

IN REPLY REFER TO

1820

Code 25:mrn:1

451-46-9866

24 JAN 1989

From: Commanding Officer
To: BMCN John G. Tower, USNR
3525 Turtle Creek Blvd.
Dallas, TX 75219

Subj: TRANSFER TO THE RETIRED RESERVE

Ref: (a) Title 10, U. S. Code, Sections 1376(a) and 274
(b) DOD Directive 1200.15
(c) Title 10, U. S. Code, Chapter 67

Encl: (1) Certificate of Transfer to the Retired Reserve

1. Your request to be transferred to the Retired Reserve has been approved.

2. You are therefore given an honorary transfer to the Retired Reserve in accordance with reference (a) and (b) effective 1 February 1989 as a Master Chief Boatswain's Mate but without pay or allowances authorized by reference (c). Your certificate of transfer to the Retired Reserve is forwarded as enclosure (1).

3. Our country owes a debt of gratitude to you and to others of your caliber who, during your most productive years sacrificed so much by making your services available to your country. Your devotion to duty in maintaining a strong Naval Reserve which is so vital to our National defense has contributed in a large measure to the security of this Nation. I know that the Navy can depend upon your support during the years to come.

C. T. SORGE

Copy to: (w/o encl)
COMNAVMILPERSCOM (NMPC-313)
BMCN John G. Tower, USNR (Advance Copy)

ADVANCEMENT HISTORY

<u>RATE/ RATING</u>	<u>DATE OF ADVANCEMENT</u>	<u>TIR RATE REQUIREMENT</u>	<u>AUTHORITY FOR PROMOTION</u>
BM3	2 JAN 67 TIR COMPUTED FROM 2 JAN 67	YES	SPECIAL ENLISTED SELECTION BOARD CONDUCTED BY PERS-B2233
BM2	16 AUG 70 TIR COMPUTED FROM 16 AUG 70	YES	SPECIAL ENLISTED SELECTION BOARD CONDUCTED BY PERS-B2233
BM1	16 AUG 72 TIR COMPUTED FROM 16 AUG 72	YES	SPECIAL ENLISTED SELECTION BOARD CONDUCTED BY PERS-B2233
BMC	16 AUG 75 TIR COMPUTED FROM 16 AUG 75	YES	SPECIAL ENLISTED SELECTION BOARD CONDUCTED BY PERS-B2233
BMCS	11 JAN 82 TIR COMPUTED 1 JUL 81	YES	MERITORIOUS ADVANCEMENT PER CNP MEMO PERS 5-32/NMPC-93D :gm OF 19 DEC 81 (ATTACHMENT)
BMCM	20 MAR 83 TIR COMPUTED 1 JAN 83	NO	MERITORIOUS ADVANCEMENT PER CNP LTR OF 21 MAR 83 (ATTACHMENT)

NATIONAL DEFENSE

The objectives of the national defense program are to protect the United States and its allies from foreign aggression and to maintain sufficient military strength to deter both nuclear and conventional war. Should armed conflict nonetheless occur, we must be prepared to defend ourselves successfully, while limiting the scope and intensity of the conflict.

Carrying out these objectives requires a full range of defense capabilities. These include survivable and flexible capabilities for nuclear deterrence; strong maritime, air, and ground forces forward deployed in Europe and other critical areas; and the means to deploy reinforcements rapidly from the United States and to sustain our military forces anywhere in the world.

Budget authority for national defense declined in real terms for the fourth straight year with funding of \$298.8 billion provided in 1989. This decline in real defense funding levels has resulted in smaller annual procurements of equipment, ammunition, and war reserve stocks than previously planned, slower development of new weapons, and delays in equipment maintenance. To reverse this adverse trend, the budget proposes sustained, moderate real growth of about 2 percent per year in 1990 and after. In comparison to last year's estimates, total 1989-1993 funding for national defense is lower by \$19.1 billion.

As required by the Defense Authorization Act of 1986, a two-year budget for 1990 and 1991 is submitted for national defense. The budget proposes \$315.2 billion in budget authority and estimates \$303.0 billion in outlays for the national defense function in 1990 and \$330.8 billion in budget authority and \$314.4 billion in outlays for 1991. These levels are below those projected in last year's budget request, (\$316.4 billion and \$333.7 billion, respectively, for budget authority).

The accompanying table shows budget authority and outlays for the three national defense subfunctions: military functions of the Department of Defense, atomic energy defense activities, and defense-related activities of other agencies.

Department of Defense—Military.—Budget authority of \$305.6 billion in 1990 and \$320.9 billion in 1991 is requested for the military functions of the Department of Defense (DOD). The budget provides for continuing efforts to:

- modernize all components of U.S. strategic forces to ensure that they deter nuclear attack by virtue of their ability to survive and retaliate should an attack occur;
- develop and procure conventional equipment for essential modernization of U.S. conventional forces;

- o Ensuring that every law enforcement officer in the nation who wants body armor has access to it.

To those who think America will shrink from this war against drugs, say this: We have not spent the last 200 years defending our country from despots and dictators, only to lose our streets to drug dealers and gangs.

We are all the victims of these thugs -- our families and our communities, peaceful, orderly places that are all too often now just a memory -- places where doors weren't always locked, and parents didn't worry about their children when they went out to play, where school corridors were safe, and teachers didn't worry about going home alive.

To fight this war -- to recapture America -- we've got to do, in the words of Los Angeles Police Chief Daryl Gates, "whatever it takes, for as long as it takes."

* * *

DRUGS

George Bush believes that to win the war on drugs everyone must be a soldier: students must reach out to peers in trouble; parents must learn the signs of troubled children; communities must pull together; every level of government must respond; the federal government must lead.

Drugs are a complex social problem of national and international importance. The situation demands an ongoing, consistent effort by families, schools, churches, community leaders, health organizations, law enforcement and heads of state. We must wage this battle on four fronts: education/prevention, treatment, eradication/interdiction, and enforcement.

George Bush Will Lead The Fight Against Drugs On Four Fronts:

- o Establishing "zero tolerance" as an attitude and a way of life by educating our children at home and at school, from kindergarten through college on the dangers of even experimenting with drugs;
- o Encouraging those who fail to heed the signals and do use drugs to seek treatment -- we want to reclaim lives, not abandon them;
- o Obliterating drugs at the source by stopping them before they cross our borders and eradicating domestic production in our own country;
- o Enacting and enforcing tough drug enforcement laws, including the death penalty for drug kingpins and drug-related murders.

OVERVIEW

The restoration of our Nation's military strength in the past decade has been one of the major factors in securing international peace and opening broad prospects for constructive relations with our adversaries. The responsibility to safeguard security and freedom is therefore not only the most important obligation shared by the President and Congress; it is perhaps the most important responsibility of the United States in the world.

Recent history demonstrates dramatically that when America is weakened, the world is a more dangerous place. When America is stronger, the world is safer. Thus, the benefit of restoring and maintaining our strength comes not only in improved readiness, modernization, and morale in our Armed Forces, but in the prospects for peace and freedom.

"We have to continue with our policy of peace through strength if we want an enduring improvement in U.S.-Soviet relations."

"To the world, we offer new engagement and a renewed vow: we will stay strong to protect the peace."

George Bush

PRINCIPLES

- Our strategic forces must continue to be modernized, including ground, sea and air-based systems. This is essential for maintaining deterrence and making productive arms control negotiations possible.
- Arms control agreements must be judged not merely by the numbers of specific weapons they may reduce, but by how well they ensure a safer, more stable structure of security and peace lasting into the 21st century.
- The equipment available to our conventional forces, which defend our interests over a broad range of potential conflicts, must continue to be upgraded. We will also maintain the combat readiness of these forces by providing sufficient training and military exercises.
- Technological leadership must be maintained by supporting research necessary to the development of future systems. This includes the active pursuit of the Strategic Defense Initiative.
- We must build on the success of the recent past in recruiting and retaining high-quality military personnel.
- All opportunities must be pursued to make defense programs more efficient, to avoid waste and realize maximum capabilities from our investment in defense.

"I firmly believe that the vital first step to broadening our national consensus on defense is to wring the last drop of waste and mismanagement out of the way we buy our weapons. And that's what we intend to do."

George Bush

POLICIES

In the current context, the President is prepared to agree to a one-year freeze on the real growth of the defense budget, but only on condition that:

- The savings must be allocated to his priority initiatives for reducing the scourge of drugs and increasing our long-term economic growth.
- The defense spending level must be part of a comprehensive budget agreement that meets the Gramm-Rudman-Hollings targets without a tax increase and incorporates reforms in the budget process.

Under a freeze on real growth, there would be an increase of \$9.1 billion in budget authority over the 1989 level and an increase of \$1.4 billion in outlays. For the out-years, the President proposes real increases of 1 percent, 1 percent and 2 percent.

The President would like to embrace, even for the short term, the defense budget projections which are in the Reagan budget. Unfortunately, the current economic situation requires defense budget savings. The defense projections for the out-years must be based on perceptions of risk and the national security challenges facing America. They must also be reconciled with the demands of our economy and the state of international relationships. The President's basic task is to assure the national security of the United States. Therefore should conditions change, the President will obviously seek whatever adjustments are necessary to protect our security.

PROPOSED CHANGE				
(In billions of dollars)				
	1989	1990	Dollar Change	Percent Change
Budget Authority	290.2	299.3	+9.1	+3.1
Outlays	289.8	291.2	+1.4	+0.5

To produce the needed savings to meet this freeze in the defense budget:

- The President has instructed the National Security Council to review our national security policies and defense strategies with a view to ensuring compatibility among our commitments, strategies, capabilities, and resources. The National Security Council will recommend to the President within 90 days options for United States policy.
- The President charges the Secretary of Defense to improve the defense procurement process. The Secretary will develop a plan to implement the spirit as well as the letter of the Packard Commission report and the Goldwater-Nichols Act. The Secretary is charged to make the hard choices to reduce management overhead by eliminating unnecessary layers of bureaucracy, improving the quality of defense personnel at all layers, and eliminating or deferring lower-priority programs. Finally, the Secretary is charged to develop a plan for more efficient acquisition practices, such as streamlining some 40,000 defense regulations and laws, and using more commercial-style competition, off-the-shelf systems and subsystems, and services available in the private sector.
- It is necessary to recognize that many of these problems—such as the miasma of laws and procedures—stem from Congressional micromanagement. These reforms cannot be accomplished unless Congress does its share by streamlining its procedures of oversight

and budgeting, including more efficient practices such as two-year budgeting and multi-year procurement.

The Secretary of Defense will report to the President in not more than 90 days with recommendations to improve defense management, including steps that must be taken by Congress to improve management practices and procurement procedures. Within 60 days, the Secretary will provide specific program recommendations to meet 1990-91 budget targets without impairing national security.

FUNDING SUMMARY

(In billions of dollars)

	1989	1990	1991	1992	1993
Budget Authority	290.2	299.3	311.0	322.0	335.9
Outlays	289.8	291.2	298.8	306.8	317.4

NATO, under U.S. leadership, has been the most successful alliance in history. Next year, in 1989, we'll celebrate 40 years of keeping the peace.

And as we celebrate this happy anniversary and take stock of what we've accomplished, it is even more important to face up to our challenges. We must assess our military posture in a post-INF environment, which is also marked by fiscal constraint. We've got to evaluate the consequences -- as an alliance -- of ferment in the Soviet Union and Eastern Europe. Today Eastern Europe is shaken by economic failure. Political change is coming and its peoples are demanding democracy. They want more freedom.

I went to Eastern Europe last year. I've seen the conditions in Warsaw and Gdansk and I've met with Lech Walesa. The affection for our great American experiment in democracy just has to be felt first hand.

I will state my convictions simply. The survival of both peace and freedom will continue to depend on the Atlantic Alliance for the foreseeable future. There can be no substitute for the greatest coalition of free nations in history. And within that coalition, America's leadership is essential to its success.

That's why the United States and Western Europe must draw even closer together as we face the challenging times ahead. We stand today on the threshold of negotiations with the Soviet Union that could usher in a new era of European peace and harmony. Transatlantic unity is the key to opening the door. We can turn that key, open that door together if we strengthen our partnership.

The United States can start by ruling out unilateral American troop withdrawals. Now, after the INF Treaty, when conventional defense is receiving renewed attention, about the worst thing we could do would be to shake European confidence and to worsen the conventional imbalance through such a move.

Just as it would be a strategic error to pursue START negotiations by eliminating American nuclear modernization, or SDI, so it would be an equally dangerous move to prepare for conventional force negotiations by removing U.S. troops. We are not going to reduce our troops in Europe unilaterally! There can be no wavering on this vital point.

In the course of this campaign, I have declared that conventional military imbalances deserve equal attention with nuclear weapons in our policy. Prevention of war in Europe -- any war, nuclear or conventional -- remains at the heart of our strategy. What is required is both continuity -- continued adherence to the proven doctrine of flexible response -- and for fresh thinking on our part, including the "competitive strategies" concept. But it also calls for something more.

NATO is not just a military alliance and our policy must be more than defense initiatives, however well meant. We share a community of values, of freedom, of democracy. To lead this alliance of free nations calls for careful, experienced understanding of how to move free peoples and their

OVERVIEW

As the last decade of the 20th century approaches, the world is in transition as rarely before in history. It is poised between the post-World War II era and a new era whose outlines can begin to be discerned—and shaped. It is a world that affects American lives and livelihoods as never before. It is a world of rare opportunities—and some serious challenges.

"We know what works: freedom works. We know what's right: freedom is right. We know how to secure a more just and prosperous life for men on earth: through free markets, free speech, free elections and the exercise of free will unhampered by the state."

George Bush

The free nations—the United States and its democratic allies and friends—can take pride as witnesses of trends in the world that represent the vindication of our values and our way of life:

- There is a close and prosperous partnership among us.
- A tide of freedom is flowing, with democracy flourishing in more and more countries around the globe and the cause of freedom and human rights proving itself the most powerful political force on the planet.
- There is a new appreciation of our philosophy of economic freedom, in developing and developed countries alike, and even in the Communist world. It is more broadly understood that free markets and private initiative are the engine of prosperity, technological advance and social progress.
- America's adversaries face a profound systemic crisis, with their economic and political theories discredited.
- There is an easing of tension between East and West, firmly grounded in concrete progress on a broad agenda of issues, from arms reduction to cooperative exchanges to human rights to resolving regional conflicts.

The free nations are also confronted by many challenges, but these are challenges to wise policy, not to the essence of the free system:

- There is the challenge to maintain unity even as a new era of more constructive relations with our adversaries begins. It is, after all, our strength and solidarity that brought the United States and its allies to this hopeful point.
- There are a host of economic challenges: correcting trade imbalances; maintaining free and fair trade, and preventing trading blocs or barriers; addressing debt problems that threaten emerging democracies and others. The free nations must look to the health and growth of a world economy in which all nations will feel a stake, resolving disputes and maintaining a robust and open world trading system.
- Technological advance brings with it unprecedented blessings. Yet it also brings the danger of proliferation of nuclear, chemical/biological, and ballistic missile weaponry. The world community must work practically and cooperatively to control and counter these dangers. The scourge of terrorism must also be combatted.
- There remain regions of conflict that call for intensified efforts for just and peaceful solutions: the Middle East, Indochina, Southern Africa, Central America, and elsewhere.

The first priority is relations with allies and friends. The neighboring countries in this hemisphere have a special claim on United States friendship and concern in building a vital partnership. The other industrial democracies, particularly in the Atlantic Community but also in East Asia and the Pacific, are allies sharing profound moral as well as strategic interests. And a new partnership with this nation's allies is needed to respond to the new global challenges.

Vice President Quayle's first trip was to Latin America. The Prime Minister of Japan just paid a successful visit to Washington. The President has asked Secretary of State Baker to consult with European allies in the coming week. The President looks forward to an early meeting with NATO leaders.

The changes taking place in the Soviet Union and Eastern Europe are among the historic events of this era. The United States acknowledges that change, and hopes to see further change in that positive direction. This nation is ready to work with the Soviet Union in many areas, building on the significant progress that has been made. The agenda for the future includes regional conflicts, arms reduction, human rights, and bilateral exchanges as well as a host of new transnational challenges: the global environment, terrorism, narcotics, the proliferating technology of modern weaponry.

The United States welcomes the Soviet Union's expressions of its "new thinking," of its new approach to the world, and looks forward to concrete cooperation to give effect to those expressions. The United States is realistic, knowing that a significant clash of interests and philosophy still remains. But U.S. policy will probe in all parts of the expanded agenda with the Soviets and seize the positive opportunities as they become visible.

PRINCIPLES

- In a world of fundamental change, and of many flourishing democracies, one key principle remains valid: the American role of leadership remains as central and vital as ever. This nation is blessed with partners who share its values and efforts, but the United States also bears inescapable responsibilities as the most powerful democracy and the backbone of nuclear deterrence.
- To sustain the U.S. role of leadership in the world there must be a spirit of bipartisanship and cooperation at home. Where the President and Congress have worked together in the past, foreign policies have succeeded brilliantly. Where the two branches have been at odds, they have thwarted each other and the Nation's policies have suffered grievously.
- In an interdependent world, as America's stake in a healthy global economy grows, prosperity and progress depend more and more on the bedrock principle of freedom—a fair and open trading system that nurtures global expansion; freedom for entrepreneurship that is the most powerful engine of economic development and growth. The laws of economics do not discriminate; this is the formula for success for both advanced and developing nations.

POLICIES

The President has instructed the National Security Council to review the range of foreign policy and national security challenges facing the Nation. The National Security Council will recommend to the President within 90 days options for United States policy, designed to help shape events in furtherance of United States goals and ideals.

These policy reviews are underway.

The President and Secretary of State are pledged to consult and collaborate with Congress, as appropriate, as they design and implement policies for a new era.

FUNDING SUMMARY

(In millions of dollars)

	1989	1990	1991	1992	1993
Budget Authority	17,598	19,314	19,130	19,278	19,454
Outlays	16,660	17,677	17,777	18,491	18,410

Bush 88 Quayle

FOR IMMEDIATE RELEASE
Monday, August 22, 1988

CONTACT: Alixe Glen
(202) 842-1988

EXCERPTS OF REMARKS BY
VICE PRESIDENT GEORGE BUSH
VETERANS OF FOREIGN WARS 89TH ANNUAL CONVENTION
CHICAGO, ILLINOIS
MONDAY, AUGUST 22, 1988

Thank you, Commander Stock.

President Katkus and members of the Ladies Auxiliary, fellow members of the VFW, it's a pleasure to be with you here in Chicago.

I suppose it's fitting that I should speak to you this morning in "the city with the big shoulders," because I have come to talk about American strength, American security, America's commitment to her veterans and fundamental, solid American values.

As you know, I have just come from another convention --- our Party's national convention in New Orleans. It was an exciting week -- full of hoopla to be sure, but also devoted to some very serious business.

I left that convention for this heartland of our country, the Midwest, energized and ready to go to every corner of America -- because there is one thing I must tell you about this election: I mean to run hard -- fight hard -- I mean to win.

The choice before you is serious business -- because my opponent and I have very different philosophies when it comes to leading this country.

Fifty years ago, appeasement tempted Nazi aggression -- and the world was plunged into war.

Since then, American Presidents -- Democratic and Republican alike -- have been united on one point.

Franklin D. Roosevelt said: "We have learned the old, old lesson that the probability of an attack is mightily decreased by the assurance of an ever ready defense."

John F. Kennedy said: "Only when our arms are sufficient beyond doubt can we be certain-beyond-doubt that they will never be employed."

And the other night, on a podium in the New Orleans Superdome, I explained that the Administration in which I have proudly served had acted on the ancient knowledge that strength and clarity lead to peace -- weakness and ambivalence lead to war. Weakness tempts aggressors. Strength stops them. It is that simple.

Today, the world is changing fast. We stand on the edge not only of a new decade, but of a new century.

Let's take stock of our changing world as we enter this new era.

The spirit of democracy is sweeping the Pacific rim. New democracies assert themselves throughout Latin America. The Soviets are withdrawing from Afghanistan. The Vietnamese are withdrawing from Cambodia. Iran and Iraq are silencing the guns of war. And the Cubans may even be ready to withdraw from Angola.

And we have a new relationship with the Soviet Union. One that demands continued caution and realism; but one that has allowed us to sign a treaty which -- for the first time in history -- eliminates an entire class of nuclear weapons.

Peace is breaking out all over -- and it is no accident.

It happened because we as a country recognized and pursued the truth for which the VFW has stood since its inception. Peace through strength works. So let me say this morning: I will not allow this country to be made weak again.

As veterans, you know better than anyone else the terrible cost of war.

I, too, almost lost my life in one.

I hate war. I love peace. We have peace -- and I am not going to let anyone take it away from us.

I think it is fair to ask this morning whether my opponent understands this fundamental truth: that strength deters aggression. That the way to peace is through strength.

For many years, he supported the nuclear freeze. And what would that freeze have done?

- It would have locked in Soviet superiority in a range of strategic areas;

- It would have prevented us from deploying the Pershing Missiles in Europe. How else would we have convinced the Soviets that we were serious about having them remove their 1,000 SS-20 warheads at a time when we had none.

- Ultimately, for precisely that reason, the freeze would have failed to bring the Soviets back to the negotiating table to sign the INF Treaty.

In the microwave oven of the campaign, my opponent's position on the freeze has started to melt -- in belated recognition of the fact that our policies are working.

After this convenient switch of policies, my opponent would have you believe that he's closer to Ronald Reagan on defense policy than I am.

Jeane Kirkpatrick tells about the "blame America first" crowd. Governor Tom Kean tells about the crowd that sent America around the world in the 1970's with a "kick me" sign on its back.

Well, I do not need lessons from that crowd. I've never apologized for the United States of America -- never have, never will. And I don't believe in making unilateral concessions to the Soviet Union or anyone else.

Only a willingness to keep our arms up to date makes the Soviet Union respect America's deterrent. Only the constant modernization of our forces, complete with the testing of new systems, gives the Soviets the incentive to negotiate real arms control agreements.

I plan, to negotiate strategic arms reductions with the Soviets. And I plan to put priority on eliminating Soviet superiority in conventional forces. But I will not do what my opponent has suggested -- get rid of the MX, the Midgetman, the B-1 bomber and two carrier battle groups. I will not make such unilateral cuts in our defense.

I believe that we as a nation should be proud, that we must be realistic and strong, that we have a special responsibility in this world to lead, to remain engaged, and to defend and advance the cause of freedom around the world.

Pride. Realism. Strength. Engagement. These are the principles which have made us the strongest, freest nation on earth. And they are the pillars on which we should depend in the next century. And to these, I would add: honor for those who have served.

Our veterans have made a special sacrifice to this country -- and we should honor that sacrifice by meeting our duty to them.

I'll be a President who favors veterans -- after all, I'm one of you.

I know how we can start. For about 25 years, bills have been introduced in Congress to make the Veterans Administration a full Cabinet department. I support having the VA at my Cabinet table.

I will make sure that veterans preference in Federal hiring is not diluted -- if anything, it should be strengthened.

I will do everything I can to resolve the fates of our prisoners of war and soldiers missing in action. None of us can forget -- none of us can totally be at peace until all our POWs and MIAs are accounted for.

And I would pay attention to something else: America's veterans are getting older -- over six million are over age 65. In this Administration, we've opened 10 geriatric care centers in VA hospitals around the country. But we can do more. I would work to build a health care policy for older veterans that could serve as a model for all Americans.

Vietnam Veterans deserve our help as well -- they will not be forgotten. They'll get the services and treatment they need and deserve.

Keeping the faith with veterans is not just a matter of trust -- it's a pillar of a sound national security policy, and I'm going to do it.

What of the other pillars?

Let's start with pride. I've seen a lot in my life since I first stepped into a plane to defend my country. I've worked in China, at the U.N., met dozens of world leaders, and I ran the intelligence community of this country as Director of Central Intelligence. But nothing prepared me -- nothing -- for the shock that we felt in 1981 when we got a good look at our military.

Aircraft that couldn't fly because of lack of spare parts. Ships that couldn't sail for lack of crews and ammunition. A one and one half ocean Navy for a three ocean commitment. An Army unable to recruit the people it needed. More than half our divisions rated not ready. A military headed for high tech in its weapons and low tech in its skills.

It was pathetic!

We don't ever want to see that again. And if I'm elected President, we won't.

Look at what we have already done. Our military people had to know that our government was four-square behind them. Respect for the uniform. Respect and honor for the young men and women who defend our values. And ultimately, of course, that meant respect for the United States of America.

We've been working toward a 600-ship Navy with 15 aircraft carriers ready to go. We're giving soldiers the beans and the bullets to do the job. Trained pilots in capable planes. The Marines, proud and ready. The highest level of skills we've ever had in the military. The right people with the right stuff.

You know, George C. Marshall was once asked what America's fighting secret was. And his answer was simple: "The best damn kids in the world."

Well, every single member of the Joint Chiefs of Staff has told me that we have never had finer young men and women in the services than we do today. I'm proud of them, and I'm happy to say that once again America is, too.

The second point I mentioned was realism. A word about the Soviet Union, in this regard. I've spent some time with Mr. Gorbachev. Andrei Gromyko was right. He's got a nice smile. He's also got teeth of iron. And one major reason why he favors agreements now -- is because we're strong.

The improvements made to our nuclear deterrent over the last eight years have helped turn the arms control process in a constructive direction. But we're not out of the woods yet. The Soviets are now deploying two new ICBM's, the SS-24 and SS-25. So even with perestroika, Soviet military modernization, including their own research into strategic defense, has not slackened. Soviet military spending continues to rise.

So what's the answer? Do the practical thing. Reduce offensive weapons through arms control in a way that stabilizes the balance. But keep the balance, keep deterrence working to prevent war by modernizing our weapons. And invest in the Strategic Defense Initiative.

In the event of a crisis, we certainly would want the best information possible. A President would need the most up to date communications system in the world -- so that he would have the ability to send and receive secret messages as rapidly as possible in the event of an attack.

Our nation has designed such a communications system -- which spans the continent, from the Atlantic to the Pacific. It's called the Ground Wave Emergency Network -- or GWEN for short. My friend James Schlesinger, a former Secretary of Defense, reported that of the 56 planned GWEN sites around the country, 52 have been completed. Only one Governor refused to

have a site anywhere in his state -- the Governor of Massachusetts. Only one!

Building America's strength costs money, and many people rightly ask if we can afford it. Perhaps a little historical comparison is in order here.

President Kennedy's name has been invoked for all sorts of things lately. But here's a figure that surprised me and I'm sure it will surprise you. In 1960, when Kennedy became President, 45 percent of the federal budget went for defense.

Well, guess what the figures are now, even after what I'm proud to call the Reagan-Bush defense build-up. Defense outlays account for 27% of the federal budget. That's right. The defense budget takes less -- far less -- of a percentage of our budget than it did in John Kennedy's times.

The trick now is to keep our defense budget on an even keel, not to run it down so low that suddenly we've got to invest not only for the future but also to make up for the failures of the past.

~~The real issue now is not huge increases in defense which we don't need or huge cuts which we can't afford. The issue is ensuring that we get the best bang for our buck.~~

A word in that regard about the Pentagon. There is no more need to tolerate waste in defense resources than there is to tolerate fraud. Like espionage, fraud and waste weaken us secretly.

It's time to ferret out all corruption at the Pentagon.

Congress can help, too, by cutting down on its micro-management, and -- as an example -- having the courage to close unneeded bases.

~~I've reviewed the report of the Commission headed by David Packard, and I endorse most of its findings.~~

~~Specifically, we should:~~

- ~~Get Congress to change our complex procurement laws to combine all of them into one single government-wide procurement statute. The more complicated our system, the more spread out it is in different laws, the more wide open it is to fraud, abuse, and just plain old waste.~~

- ~~Move to a multi-year budgeting process. If ever there was an argument for planning ahead, it is in national defense. America's security shouldn't have to get on the Congressional budget roller coaster every year. The ride should be smooth and steady. I will work with Congress to make this change.~~

-more-

Defense
Procurement

- And we must cut the bureaucracy, and I don't mean cutting the guys who repair the ships and fix the planes. I mean eliminating unnecessary layers of senior and middle management that just make for more paperwork and not more security.

Finally, I mentioned engagement.

We do have a special mission in the world; we are the flagship of freedom.

Ever since we helped rebuild Europe and Japan after the war, we have had a partnership with our allies. Today, they are stronger -- and better able to help in meeting new challenges. They should do more, and they will do more, if I am elected.

We led the fight in combatting terrorism by striking against Qadhafi in Libya. Not everybody liked it but today we have stronger cooperation in meeting the terrorist threat. My opponent refused to support this action, but let me say this: if terrorists murder innocent Americans, and we have the evidence as we did in the case of Libya, I will strike again.

We showed leadership in protecting the flow of oil to the free world through the Persian Gulf. But now some, including my opponent, were quick to criticize our efforts but the parties are talking peace. And just imagine the cost to the economic growth of the free world if that oil supply had been shut down. The verdict is clear: with Iran-Iraq talking peace our policy was right in the Gulf, and our hand-wringing critics were wrong.

And thank God we didn't listen to my opponent who wanted us to finesse our responsibility to lead by turning the United Nations to put together some international fleet.

Yesterday was a sad anniversary. On that day in August of 1939, Nazi Germany and the Soviet Union agreed to a non-aggression pact that helped set the stage for the War in which many of you fought. In no time, they were greedily dividing up Poland. And not long after, they started fighting each other.

Stalin and Hitler. What a fitting reminder that the world is a dangerous place.

In this kind of a world, full of both danger and hope, full of new technologies and old desires, full of unlimited promise but potentially devastating crisis, the question I put before you is who should lead this great country -- this last best hope of man on earth.

Because what it all comes down to, when you strip away all the political rhetoric and all the campaigning, when you reduce

all the fancy names for new weapons and complex international situations to the cold hard truth of decisions -- is the man at the desk.

Who do you want at that desk? A man who has stood at the side of our President for the last eight years, who has been in battle, seen tragedy and victory, who has read the urgent cables, faced the tough choices, and seen the tears in the eye of a dead soldier's mother.

The man at the desk. I think America wants tough, tested, and experienced leadership in the man who sits at that desk as we begin the 1990s. My friends, I am that man.

Thank you very much.

#

THE WHITE HOUSE
Office of the Press Secretary

EMBARGOED FOR RELEASE
AT 9:00 PM (EST)
THURSDAY, FEBRUARY 9, 1989

PRESIDENT BUSH'S AGENDA: BUILDING A BETTER AMERICA

FACT SHEET

Less than three weeks into his Presidency, President Bush addressed a Joint Session of the Congress and outlined a comprehensive agenda for building a better America. The President's Message is accompanied by a supplementary discussion of plans and proposals entitled Building a Better America. Together, the Message and the 193-page supplement describe the President's priorities and approach.

The President outlined a realistic plan that establishes clear priorities and meets the Gramm-Rudman-Hollings budget targets, without raising taxes. While dealing with problems from the past (the Savings and Loan crisis and nuclear clean-up), and meeting tight fiscal constraints, the President's priorities nonetheless focus attention on investing in America's future.

The President's agenda has six basic parts -- each of which is summarized below:

1. Restoring Fiscal Balance
2. Advancing Priorities for Growth and Competitiveness
3. Ending the Scourge of Drugs
4. Making a Kinder and Gentler Nation
5. Managing America's Government Better
6. Securing a More Peaceful World

In seeking to advance his agenda, the President again extended his hand to the Congress in a cooperative bipartisan spirit. He repeated his observation that "the people did not send us here to bicker," emphasizing that Americans want to see their elected leaders produce. To this end, he offered to have members of his Administration negotiate in good faith -- day and night if that is what it takes -- in order to reach bipartisan agreement with the Congress.

MORE

I. RESTORING FISCAL BALANCE

A. Ordering Budget Priorities

The President's budget plan adopts a common-sense approach to budgeting. It no longer measures changes against the Wonderland concept of "current services baseline" but rather from this year to next year. In this approach the starting point is the large revenue growth expected in FY 1990 over 1989 -- almost \$82 billion. This growth is then allocated to a reduction of the deficit by 40 percent, required increases in such areas as interest on the national debt, and to the President's priorities and initiatives.

B. Budget Process Reforms

The President's budget process reform proposals include:

- o A Balanced Budget Constitutional Amendment, to end the chronic affliction of spending that exceeds revenues and to assure future fiscal responsibility.
- o A Line Item Veto, a tool possessed by 43 state governors, to help the President control spending.
- o Enhanced rescission authority that would require an up-or-down vote by Congress on Presidential rescission proposals.
- o Biennial Budgeting, to make the budget process easier and more efficient and encourage longer term policy development by the President and Congress.
- o Enactment of Individual Appropriations bills, to avoid crisis-born, thousand-page omnibus "continuing resolutions."
- o A Joint Budget Resolution, requiring approval of the President, to guarantee early negotiations and make it more likely that the resolution would ultimately be reflected in law.
- o Enforcement of the Budget Resolution as a guideline for legislative action, ending differing policy interpretations.
- o Credit Reform, to identify the true subsidy cost of direct and guaranteed loan programs.

- o Heightened Attention to Capital Expenditures without changing the measurement of a budget surplus or deficit.
- o Longer Horizons, to assure that major budget problems such as FSLIC insolvency are anticipated.

II. ADVANCING PRIORITIES FOR GROWTH AND COMPETITIVENESS

A. Investing in R&D and Long Term Productive Capacity

The President's initiatives to assure the continued economic health of future generations include:

- o Encouraging Long-Term Investment by reducing the capital gains tax rate to a maximum of 15 percent for long-held assets and eliminating capital gains taxes for taxpayers with adjusted gross incomes below \$20,000 a year.
- o Elevating Science and Technology in national policy-making by making the White House Science Advisor an Assistant to the President, reporting directly to the President.
- o Enhancing the Federal investment in basic research by increasing research programs of the National Science Foundation and the Department of Energy by \$360 million.
- o Maintaining America's leadership in space. The President proposes a 22 percent increase in funding for the National Aeronautics and Space Administration, providing for the continued development of Space Station Freedom and a build-up of the flight rate of the space shuttle. Viable commercial space initiatives are also encouraged.
- o Making the Research & Experimentation (R&E) tax credit permanent and improving R&E expense allocation rules to encourage continued growth of private domestic research and experimentation.

- o Stimulating Domestic Oil and Gas Production and reducing dependence on foreign oil by:
 - providing tax incentives for exploratory drilling costs; and
 - urging decontrol of natural gas.
- o Constructing the Super Conducting Supercollider which will be used by research scientists around the world and will assure our technological leadership in high-energy physics.
- o Expanding Biomedical Research. The President will propose a seven percent increase in funding for basic research and will encourage new partnerships with industry for applied research.
- o Promoting International Competitiveness. The President will create a Council on Competitiveness to be chaired by the Vice President.
- o Improving Opportunities for Disabled Americans. The President will establish a policy working group of senior Administration officials to recommend changes needed to promote self-sufficiency and to rationalize services across government programs.

B. Investing in People: Education

Educational achievement of our Nation's children is a major determinant of future productivity and our competitive position in the world. The President will help to reward success through public recognition and financial rewards for those schools, students and teachers who have excelled. The President's initiatives include:

- o Rewarding Successful Schools whose students demonstrate substantial progress with a new program starting at \$250 million and rising to \$500 million. The awards can be used by the winning schools for any educational purpose.
- o Recognizing Superior Teachers across the country with public recognition and cash awards to provide incentives for excellence and to demonstrate that highly motivated educators will not go unnoticed.

- o Establishing a National Science Scholars Program to foster a greater commitment to science and mathematics education. Scholarships and opportunities for hands-on experience in federal research laboratories will be provided to top high school students across the country.
- o Creating a new \$100 million addition to the magnet schools program to encourage curriculum innovation and provide better opportunities for motivated students.
- o Helping states develop alternative certification systems to remove unnecessary barriers so that talented and motivated people can become teachers or principals.
- o Providing additional Federal funds to increase support for experimentation and innovation in the schools and to assure timely distribution of knowledge about what works in education.
- o Providing \$60 million over four years in new Federal matching grants for Historically Black Colleges and Universities to create incentives for increased endowments, to assure continued progress of these important institutions.
- o Assuring proper accountability in Federal education programs to provide for the best use of tax dollars and the achievement of educational goals.

C. Expanding Economic Opportunities: Enterprise Zones

- o Create Enterprise Zones to expand economic opportunity for economically distressed areas, using tax incentives and regulatory relief to stimulate growth.

III. ENDING THE SCOURGE OF DRUGS

The President believes in zero tolerance of illegal drug use. No amount of illegal drug use is acceptable to the President. Action on multiple fronts is needed. The President is requesting \$6 billion in FY 1990 to fight drugs, including nearly \$1 billion in new outlays for drug education,

treatment, and enforcement, and will support stiffer drug penalties. The Director of National Drug Control Policy will develop a national drug control strategy.

A. Educating the Young: Drug Prevention

- o Funding for the Drug-Free Schools and Communities Act will be increased.
- o A new \$25 million Emergency Urban Grants program is created for the special needs of those urban school systems with the worst drug problems.
- o A new \$35 million community partnership grant program will also be added to stimulate more community involvement in drug prevention activities.

B. Reclaiming Lives with Improved Drug Treatment

- o Funding for drug abuse treatment will be increased 18 percent, including new grants to reduce the waiting periods for admittance into drug treatment programs.
- o A grant program will be created to assist areas of the country identified as having the greatest need for more treatment for the indigent, disadvantaged, youth and expectant mothers.

C. Going to the Source: Drug Law Enforcement

- o Substantial funding increases are requested for the Drug Enforcement Agency, the Customs Service, the State Department's Bureau of International Narcotics Matters, and the drug interdiction budget of the Coast Guard, to strengthen inspection, interdiction, intelligence efforts and crop eradication programs.
- o The Justice Department will receive funding for grants for local law enforcement agencies and for additional U.S. Attorney prosecutorial staff, as well as for FBI investigations and local law enforcement training.

D. Strengthening Our Laws: Drug Penalties

- o The President will call for strict application of the tough new penalties in the Anti-Drug Abuse Act of 1988.
- o Drug offenders will be a top prosecuting priority of U.S. Attorneys.

IV. MAKING A KINDER, GENTLER NATION

A. Protecting the Environment

The President proposes a nine-part program to protect the environment.

- o Strengthening Our Commitment to Cleaner Air: The President will propose legislation to reauthorize the Clean Air Act, ensuring progress toward meeting air quality standards in the Nation's major cities. The President will ask Congress to establish an acid rain program that will obtain significant SO₂ and NO_x emission reductions, balancing competing interests, by specified dates. The President will work to achieve the worldwide ratification of the historic Montreal Protocol.
- o Preserving and Expanding Recreation Lands: America's parks and open spaces are national treasures. The President proposes \$200 million for new land acquisitions through the Land and Water Conservation Fund, reversing the policy in the January budget of essentially no new acquisitions.
- o Developing Offshore Oil and Gas While Protecting the Environment: The President believes that oil and gas development is necessary; however, drilling will be permitted only in an environmentally sound manner. The President will delay leasing in three sensitive areas pending resolution of environmental concerns by a task force he will establish.
- o Speeding Hazardous Waste Cleanup: A reinvigorated Superfund program is the key to resolving the Nation's hazardous waste problems. Polluters unwilling to clean up their wastes will pay triple damages; cost recovery cases will be pursued sooner to end the incentive for delay; and EPA will use its emergency cleanup authority more often.
- o Fighting Ocean Pollution: The President is committed to end ocean dumping by the end of 1991, and EPA will issue no new permits for ocean dumping of sludge or industrial waste. The FBI and EPA will be instructed to prosecute illegal dumpers of medical waste and new penalties against medical waste dumpers will be sought.
- o Preserving Our Wetlands: The national goal will be no net loss of wetlands. An interagency task force will be established to ensure that all agencies involved in wetlands preservation work toward that goal, and there will be firmer enforcement of present laws aimed at saving wetlands.

MORE

- o Enhancing Water Quality: The President proposes an increase in funding of \$64 million for coordinated Federal water quality programs in four agencies. Farmers will be aided in their efforts to avoid groundwater contamination from pesticides and fertilizers.
- o Reducing the Growing Volume of Waste: The President is committed to exceeding EPA's current goal of 25 percent reduction in waste. This is primarily a local problem, but Federal assistance will be expanded, including developing a database on successful waste reduction and recycling techniques.
- o Fostering International Cooperation on the Environment: President Bush will promote international cooperation on environmental issues, including global warming, preservation of the oceans, and the loss of tropical rain forests.

B. Combatting Homelessness

- o The President is committed to addressing forcefully -- through public and private action -- the tragedy of men, women, and children living without homes. The President's budget fulfills his pledge to fully fund the McKinney Act at \$746 million in FY 1990, and over-all funding directed at homelessness will increase 70 percent to \$1 billion.
- o Beyond McKinney, an incremental \$50 million will be requested for a new matching grant program, in partnership with state and local agencies and not-for-profit and volunteer organizations. This program will address many facets of homelessness, encouraging and supporting the most promising local solutions for the problem.

C. Enhancing Parental Choice in Child Care

The President proposes a four-part initiative, a key element of which is to preserve the incentive for parents to make their own decisions about what sort of care is best for their children. The cost of the initiative in 1990 is \$330 million, rising to more than \$2.5 billion by 1993.

- o Enhancing Parental Choice in Child Care: The President proposes a new, refundable tax credit of up to \$1000 for each child under four in low-income families, allowing families to select from a wide range of child care options the arrangement that best suits their needs.

- o Making the Existing Dependent Care Credit Refundable: ~~For lower income families that do not pay tax, the~~ present credit is of no value. Under the proposal it would be made refundable.
- o Expanding Head Start: A \$250 million increase in the Head Start program will allow up to 95,000 additional four year-olds to get a better start in life.
- o Examining Barriers to Liability Insurance: The difficulty encountered by employers in obtaining liability insurance may prevent them from providing on-site child care. The President has directed the Secretary of Labor to determine what obstacles stand in the way of purchasing such insurance, and report back to him by the end of this year.

D. Increasing Adoption

The President proposes to facilitate adoption by restoring the tax deduction for unreimbursed one-time costs of adopting special needs children and doubling it to \$3,000. A reduction in the January budget for the Adolescent Family Life Program is withdrawn, and there is increased funding for several adoption-related programs.

E. Involving Youth in Service: YES to America

The President is convinced that increasing the involvement of young Americans in voluntary programs will not only reduce many national problems but will also instill a life-long spirit of service. He will propose legislation and funding for the establishment of the YES to America Foundation.

F. Responding to HIV/AIDS

Solving the problem of AIDS is the highest public health priority of the Bush Administration. The President proposes an increase of \$313 million in AIDS funding in 1990, devoting more money than ever before for research, education, testing, and counselling.

G. Improving Medicaid for Pregnant Women, Infants, and Children

The President is committed to improving health care for lower-income Americans by focusing first on those most at risk: pregnant women and their children. To accomplish this, the Administration is proposing to further expand eligibility for Medicaid beyond expansions recently enacted. The proposal for Medicaid savings in the January budget is withdrawn.

H. Protecting Social Insurance and Providing for Those in Need

Social Security will be fully funded, with an estimated 3.6 percent Cost of Living Adjustment in January 1990. Other social insurance benefit programs, such as Unemployment Compensation and Veterans Service-connected Compensation, are also fully funded. No cuts are proposed in means-tested entitlement programs.

V. MANAGING AMERICA'S GOVERNMENT BETTER

A. Providing for National Security While Increasing Efficiency

The President proposes to freeze defense budget authority for one year in real terms, followed by a resumption of real growth of one percent in 1991 and 1992 and two percent in 1993. The President will accept the freeze in 1990 only on condition that the savings be allocated to his priority initiatives, and that the defense spending level be part of a comprehensive budget agreement that meets the Gramm-Rudman-Hollings targets without a tax increase and includes budget process reforms.

The President has ordered a review by the National Security Council of defense policies and strategies, and has charged the Secretary of Defense with improving the defense procurement process. The President has also asked the Congress to do its share by streamlining its own procedures of oversight and budgeting for defense.

B. Attending to Problems from the Past

- o Reforming the S & L Sector. A comprehensive plan for dealing with insolvencies in the thrift industry was announced February 6. It involves a mix of industry and taxpayer funds but will not result in greater net budget outlays than contemplated in the January budget, except in FY 1989. The total cost to the taxpayer over ten years is estimated at \$39.9 billion.
- o Protecting Safety and Environment While Modernizing Nuclear Weapons Plants. The President proposes an increase of \$1.1 billion in budget authority in FY 1990 for nuclear safety, environmental cleanup and modernization, 42 percent above 1989. Outlays would rise \$700 million.
- o Ensuring Excellence and Safety in Aviation. Budget authority for the FAA will increase by almost \$1.2 billion in 1990, providing for hiring more air traffic controllers and a 41 percent increase in the program of modernization of the air traffic control system.

MORE

C. Transferring Assets to the Private Sector

The Administration intends to transfer to the private sector activities of government that can be best performed there. These include the naval petroleum reserves, helium processing facilities and the assets of two of the seven electric power marketing administrations. In addition, there will be sales of oil and gas leases on the outer continental shelf and in the Arctic National Wildlife Refuge. Three lease areas on the outer continental shelf off California and Florida are withdrawn from proposed sale pending further assessment of potential environmental damage.

VI. SECURING A MORE PEACEFUL WORLD

- o The President is committed to building ever-stronger partnerships with United States allies and friends, who are our first priority.
- o As the result of Western strength and solidarity, we enjoy the prospect of more constructive relations with the East. The President is ready to work with the Soviet Union in many areas, to build on previous significant progress. The agenda for the future includes addressing regional conflicts, arms reduction, human rights and bilateral exchanges, as well as many new transnational challenges, including terrorism, narcotics and the global environment.
- o There is a new appreciation of the benefits of economic freedom -- in developed countries, in developing countries and even in the Communist world. It is increasingly realized that free markets and private initiative are the engine of prosperity and growth. American policies will build upon this awareness and the profound changes it is likely to bring in much of the world.
- o The President and Secretary of State are pledged to consult and collaborate with Congress as appropriate. History shows that foreign policies succeed when there is a spirit of bipartisanship and cooperation.
- o The President has instructed the National Security Council to review the range of foreign policy and national security challenges facing the nation. The NSC will recommend to the President within 90 days options for United States policy.

BUSH BUDGET SUMMARY

RECEIPTS, OUTLAYS, AND DEFICITS
(In billions of dollars)

	1989	1990	1991	1992	1993
Receipts	979.3	1,065.6	1,147.6	1,218.6	1,286.6
Outlays, excluding					
asset sales	1,149.5	1,160.4	1,211.8	1,249.2	1,284.1
Deficit, excluding					
asset sales	170.2	94.8	64.2	30.6	-2.5
G-R-H targets	136.0	100.0	64.0	28.0	0.0
Deficit, including					
asset sales	163.3	91.1	61.9	26.8	-3.8

#

VTU

3/1/89

Advance

Trip Coord: Kathy Kamian &

Lead: Mark Rosenker

Wait thr: 1:30 p.m. 3/1/89

~~3001 3002 3003 3004 3005 3006 3007 3008 3009 3010~~

Nunn speaks Tues. @ 4:00 p.m.

25 min. for remarks

- Voice of Democracy - yard from each state who have been awarded for outstanding speaking skills. possible photo op before

- Cooper Hall of Henry Rivers will accept the to dias

- seating chart TBD & given to adv.
→ them: We Remember
Rivers will intro.
mention war exp.
that G-B is a member
brief bio
U.S. Rep.
CIA
USLO to China

Health care
Vet. Affairs
Central Affairs

9:15-10:

off

Gen. Arl Gray Command of Marine
value of indin to Marine

57

187/10
199606
Lib Coag; Kaphd Kowice &

John R. Barker

10/15 1:30 pm 2/2

1820

impd. ⑤. red change mark

27. 3. 18

[illegible]

1
4/11 report
2010 to 2011

[illegible][illegible]

pink Dio 0.25
that CB is a member
also has information on GPs.

27

1220 % Chis.

1890

9:12-10:

2. 1/2
 3. 1/2
 4. 1/2
 5. 1/2
 6. 1/2
 7. 1/2
 8. 1/2
 9. 1/2
 10. 1/2
 11. 1/2
 12. 1/2
 13. 1/2
 14. 1/2
 15. 1/2
 16. 1/2
 17. 1/2
 18. 1/2
 19. 1/2
 20. 1/2
 21. 1/2
 22. 1/2
 23. 1/2
 24. 1/2
 25. 1/2
 26. 1/2
 27. 1/2
 28. 1/2
 29. 1/2
 30. 1/2
 31. 1/2
 32. 1/2
 33. 1/2
 34. 1/2
 35. 1/2
 36. 1/2
 37. 1/2
 38. 1/2
 39. 1/2
 40. 1/2
 41. 1/2
 42. 1/2
 43. 1/2
 44. 1/2
 45. 1/2
 46. 1/2
 47. 1/2
 48. 1/2
 49. 1/2
 50. 1/2
 51. 1/2
 52. 1/2
 53. 1/2
 54. 1/2
 55. 1/2
 56. 1/2
 57. 1/2
 58. 1/2
 59. 1/2
 60. 1/2
 61. 1/2
 62. 1/2
 63. 1/2
 64. 1/2
 65. 1/2
 66. 1/2
 67. 1/2
 68. 1/2
 69. 1/2
 70. 1/2
 71. 1/2
 72. 1/2
 73. 1/2
 74. 1/2
 75. 1/2
 76. 1/2
 77. 1/2
 78. 1/2
 79. 1/2
 80. 1/2
 81. 1/2
 82. 1/2
 83. 1/2
 84. 1/2
 85. 1/2
 86. 1/2
 87. 1/2
 88. 1/2
 89. 1/2
 90. 1/2
 91. 1/2
 92. 1/2
 93. 1/2
 94. 1/2
 95. 1/2
 96. 1/2
 97. 1/2
 98. 1/2
 99. 1/2
 100. 1/2

39/

Bob Potvin

West Brookfield, Massachusetts 01585 • (617) 867-3346

January 20, 1989

The President
The White House
Washington

Dear Mr. President:

Congratulations on your victory to office on Inauguration Day!

I am writing as an American, a husband and a father of two teenage boys. My hopes and dreams are that as our family moves forward into the Nineties we are continued to be blessed with peace and prosperity.

I know you like people, Mr. President, and that's good. I further hope that you will put a special emphasis on communicating with the young people of America as to spark in them a great sense of pride in our great American Heritage.

As a Vietnam Veteran who served my country back in the 60's I feel a renewed interest in something like the Peace Corps would be wonderful. A Federal Program that would attract, educate and reach out to all the World in a positive manner will win the hearts of all peoples.

Give our American Youth something that's attractive to their intellectual growth, Mr. President.

..... And Good Luck.

I have every confidence in your leadership ability.

Sincerely,

Bob Potvin

LA
DOD
171 Primrose Ave
Mobile, Al 36606

January 21, 1989

Honorable George Bush
President of the United States
The White House
Washington, D. C. 20500

Dear Mr President:

After you have read the encnclosure and find the Military and Federal Retirement Trust Funds are in such great shape, I hope you will have such feeling to change the 1990 Federal Budget to give the Military and Federal Retirees a full COLA and eliminate the mini COLA and restore a full COLA for the next five years. We Retirees will be glad to bite the bullet if necessary but all Retirees should be treated equal including the Social Security Retirees.

We Retirees are counting on you to look out for our welfare as we dedicated our lives for our Country.

One
A litte information, I was working for the Federal Government when I went into the service in the beginning of World War II. I was assigned to alitte known Theatre of Operation(India-China-Burma). After the war was over I returned to US and contunied my Career with the Federal Government with the AF as a civilian. Some assignments were world wide including a tour in Vietnam as a weapon systems officer. I retired in 1969.

Hoping you success in guiding the Nation to peace and prosperty.

With great respect,

Clayton R. McVay
Clayton R. McVay
a retiree
1 ENCL

Civil Service

By Sean Ford

The Civil Service Retirement and Disability trust fund has received a clean bill of health from congressional auditors, having amassed the largest cash balance of Uncle Sam's 167 trust funds.

A recent audit by the General Accounting Office found that the trust fund had a balance of \$177 billion at the close of fiscal 1987, the most recent year for which tallies were available. The \$177 billion represented close to 40 percent of trust funds balances on hand that year.

By contrast, the nation's largest trust fund — the Old Age and Survivors Insurance trust fund (Social Security) — had a balance of \$58 billion. The primary Social Security fund nearly ran dry in the early 1980s before a White House-congressional rescue package in 1983 put it back on solid fiscal footing. A surplus of nearly half a trillion dollars is forecast by the mid-1990s.

For this fiscal year, however, GAO estimated the civil service

Retirement Rings Up Highest Trust Fund Balance

retirement trust fund still will show a higher balance, about \$214 billion vs. \$139 billion for Social Security. The Social Security fund balance is expected to overtake the other fund in the next two or three years.

Among other prominent trust

funds, the military retirement fund had a balance of \$30 billion after fiscal 1987, GAO said.

A trust fund is different from other budget accounts because its proceeds are expended automatically on certain programs. When a trust fund accumulates

a surplus, it can produce two effects on the overall federal budget — one good and one bad — auditors said.

On the positive side, the surpluses reduce the need for government borrowing, since most trust fund balances by law are

invested in Treasury securities.

Unfortunately, GAO said, trust fund surpluses also can have the effect of masking the true extent of the federal deficit. The fiscal 1987 deficit, for example, was gauged at \$150.4 billion (by the Office of Management and Budget and Congressional Budget Office) in joint estimates made under the Gramm-Rudman-Hollings deficit-reduction law, which mandates automatic spending cuts in years when Congress fails to meet deficit-reduction goals.

But the fiscal 1987 estimates did not factor in trust fund surpluses of \$72.7 billion, auditors wrote. So the true federal deficit for the year was \$223.1 billion.

In terms of receipts, Social Security is by far the largest trust fund, taking in \$208 billion in fiscal 1987. The civil service fund, the third largest, collected \$43.2 billion and paid out \$25.8 billion.

The fourth largest fund, military retirement, collected \$31.9

'Notch Babies' to Get No Balm From Report

By Sean Ford

Social Security "notch babies," who claim they are unfairly denied benefits from that system, don't have an actuarial leg to stand on, a nonpartisan study group has concluded.

In a newly released report, the National Academy of Social Insurance found that "no reasonable basis exists" for increasing Social Security benefits of the notch group — recipients born between 1917 and 1921 — and that such increases would be "unwise" and "would jeopardize the financial stability of the [system] for future generations."

The academy is a private, non-profit study group composed in large part by former Social Security officials. It is chaired by Robert Ball, who headed the Social Security Administration from 1962-73, while the former chief actu-

ary of SSA, Robert Myers, presided over the academy panel that wrote the report.

Senators Daniel Moynihan, D-N.Y., and Robert Dole, R-Kan., the majority and minority leaders of the Senate Finance Committee's subcommittee on Social Security and family policy, commissioned the study. Moynihan sits on the academy board.

The notch problem has received a good deal of attention in the media and on Capitol Hill in recent years. It arises from a 1977-passed change in benefit computations which provides unintentionally higher benefits (in terms of "replacement rates" of working income) to people born from 1911 to 1916.

Because of the change, a person born in 1916 who earned maximum Social Security credits

See Notch, Page 16

See Fund, Page 18

Mail Order Market

MILLIONS SOLD
5 1/4" DISKS
 AS LOW AS
23.9¢
 \$239.00 Per 1000
 Min. Qty. 500 pcs \$25/100
 SLEEVES & LABELS INCLUDED

5 1/4" HD 1.2 Meg.	
\$65 per 100	
3 1/2" DISKS 3 1/2" HD 1.44 Meg.	
\$90 per 100	\$39 per 10

WHOLESALE INQUIRIES INVITED
 Material may be new, previously programmed, or pre-labeled. Piece for Piece replacement
The Best Disks For Your Money!

ERM Inc.
Electronic Liquidators
 37 WASHINGTON STREET
 MELROSE, MA 02176
(617) 662-9363
 FAX (617) 665-4856
 MC VISA or Money Order

Fund

From Page 6

billion and paid out \$18 billion.

Some of the major funds are exempt from potential Gramm-Rudman impoundment. They include: Social Security, the civil service, military retirement, federal disability insurance and railroad retirement.

Eighty percent of federal trust funds are used to finance social insurance and retirement programs, GAO reported. Recently, there have been legislative proposals to invest Social Security trust fund surpluses and to take more of the other trust funds "off-budget," meaning they would be removed from annual budget debates. GAO did not take a position on those initiatives, however.

The thrift savings plan for federal employees was taken off budget in 1989 through legislation proposed by President Reagan, who agreed with GAO and OMB that government involvement in the fund should be limited to a purely fiduciary capacity.