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THE WHITE HOUSE

WASHINGTON

July 8, 1991

MEMORANDUM FOR THE PRESIDENT

FROM: TONY SNOW *TS*
SUBJECT: DEFENSE ADDRESS

I. SUMMARY

On Tuesday, July 9, at 10:15 a.m., you will address the American Defense Preparedness Association at the J.W. Marriott Hotel. The audience will consist of about 700 defense contractors.

II. DISCUSSION

The speech (12 minutes, on teleprompter) closely follows your address at the Air Force Academy. The speech is designed to influence the Senate's work on the defense bill this week by strongly defending the Administration's plan -- including full funding for the B-2 and G-PALS, and cuts in the Reserves and National Guard.

Snow/Simon
DEFENSE.TS
Draft Two
July 8, 1991

PRESIDENTIAL ADDRESS: AMERICAN DEFENSE PREPAREDNESS ASSOCIATION
J.W. MARIOTT HOTEL
JULY 9, 1991
10:15 A.M.

Thank you, General Skibbie, for that wonderful introduction.
And thanks also to your chairman, Mac Cramer.

[[I've seen some incredible things in the last week: Mt. Rushmore at its dedication; Americans celebrating their nation and their fighting forces. And here in Washington, we enjoyed an incredible fireworks display last Thursday -- a spectacle surpassed only by the red glare of Patriot missiles over Israel and Saudi Arabia. //]]

[[You may not realize it, but today is the anniversary of Zachary Taylor's death. I know the poor man has suffered his share of indignities recently. But before we leave him alone entirely, I do want to set the historic record straight. I am told that his last words were not, "Please pass the broccoli," // but instead, "I have endeavored to do my duty."]] //

Well, I've come here to talk about our shared duty to maintain an effective national defense. The Senate has started looking at our defense budget, and its deliberations could have a profound impact on our future national security.

Recognizing the changing international environment and taking into account domestic fiscal constraints, our

Administration has proposed a tough, lean defense budget. This proposal consumes a smaller proportion of our gross national product than any defense budget since the Great Depression. Now, you don't have to have an accounting degree or a chest full of medals to understand the importance of spending wisely. In present circumstances, every penny we spend on unnecessary defense items will come at the expense of defense muscle.

I know that some budget cuts will hurt some of you. I also know that some of you build or support systems that we do not consider absolutely vital. But as President, I have a duty to serve the national interest -- and our national interest demands a defense budget that guarantees our security at the lowest feasible cost.

Last August I announced plans to restructure our armed forces in light of the Cold War's end and the emergence of a new kind of world. That proposal recognized some fundamental facts:

One: We don't have a blank check for defense. We must live within our means.

Two: Instabilities around the globe still threaten us. Many nations have acquired weapons of mass destruction. When despots such as Saddam Hussein combine modern weapons and ancient ambitions, they threaten us all. Meanwhile, the Soviet Union remains a military superpower, with an increasingly sophisticated war machine.

Three: we need the right kind of military. Our forces must have the strength to discourage aggression, the mobility to meet

unexpected challenges, and the flexibility to deal with everything from ICBMs to regional conflicts to hostage crises.

These principles lie at the heart of our Administration's defense proposals. Any defense bill that fails to incorporate them will get my personal veto. //

With that in mind, let me talk about a few items I consider crucial, beginning with the B-2 Stealth bomber.

I have asked for 75 B-2 bombers, the most revolutionary military aircraft in our nation's history. When you hear members' complaints about the B-2's cost, remember that a single B-2 does the job of literally dozens of aircraft: tankers, escort craft, suppression and surveillance craft, and other bombers -- at a lower overall cost.

When people play cute by arguing that we only need a few B-2s because they're so technologically advanced, ask yourselves: Should we risk our security, the lives of our sons and daughters, and our national credibility just because some members of Congress don't want to come to grips with a revolution in warfare? Should we be content to rely on a bomber designed in the Forties and built in the Fifties?

Think about the costs; think about military operations; think about our long-range national security needs, and you'll conclude that we need two operational wings -- 75 aircraft -- of the B-2.

Some also seem reluctant to spend money protecting Americans, our armed forces, and our allies from accidental -- or

intentional -- ballistic missile attacks. We have asked Congress to support the G-PALS system -- that's Global Protection Against Limited Strikes. Anyone who thinks we will face threats no more severe than the SCUD missile lives in a dream world. If we want to protect ourselves and deter aggression, we have a responsibility to develop defense technologies, such as brilliant pebbles, within our reach. This includes G-PALS. //

As we prepare for our future, we also must ask what kind of military structure we need. Our Gulf experience showed just how valuable reserves can be. It also showed that we don't need the kind of reserve component the House insists we keep. The House defense bills will spend nearly 12 billion dollars over the next five years on unneeded reserve positions and operations. This money, I might add, would come at the expense of programs that all our forces -- active and reserve -- will need.

We learned many things in the Gulf -- many of which were anticipated in the defense speech I gave last August 2nd -- ironically, the day Saddam invaded Kuwait.

We learned that nations of the world can and will act collectively to deal with aggression. They will try diplomacy first, and use military action only as a last resort.

We learned that the United States alone can mobilize the international community and lead it through such efforts.

We learned that high-tech weapons are not "toys," as critics have claimed for years. They minimize civilian casualties, maximize damage to military targets, shorten wars and save lives.

It would be a shame if, so soon after the war, we ignored these lessons. It would be a travesty if we wasted money on defenses that would not have helped us in our last war, and won't make any sense in the next.

As the Senate begins its deliberations, I urge it to pass a budget that defends people, not pork; that enables us to fight the next war, not the last one; that emphasizes national security, period.

Our Administration has tried to restore proportion to federal government and use the office of the presidency to make decisions that might seem too painful for representatives or senators. I've served in Congress and I know the pressure to advance the interests of the home district.

A president, charged with the national interest, can help. The Base Closure Commission provides a case example of a fair and impartial attempt to serve the national interest; to ensure that government lives within its means without abandoning its fundamental responsibilities.

Thirty years ago, in his valedictory address to the nation, Dwight Eisenhower talked about themes that remain important today. "A vital element in keeping the peace is our military establishment," he said. "Our arms must be mighty, ready for instant action, so that no potential aggressor may be tempted to risk his own destruction."

Yet, Ike also cautioned that our efforts must serve national interests and national needs -- not the narrow concerns of specific industries or interest groups.

A New World Order demands a new set of defense priorities. Together, we can put those priorities into action -- and retain the sacred trust the public has placed in us. As attention turns toward the Senate, I ask your help in this vital task.

Thank you for letting me join you today -- and may God Bless the United States of America.

#

Mr. Chairman and Members of the Committee:

It's a real pleasure to be here today to share with you our thoughts on stealth. Your support of our military, and your understanding of the leverage that advanced technology brings to it, was critical to success in the Gulf. On behalf of all the aircrews that flew in harm's way—I thank you. Additionally, as you know, there were many thousands of support personnel who made those missions possible. Your support of their training and well being was vital to our success.

During Operation Desert Shield/Storm, I was General Schwarzkopf's Joint Force Air Component Commander—Brigadier General Buster C. Glosson was my Director of Campaign Plans. As such, we have a unique appreciation of the contribution of stealth to this war. The following is a summary of our views.

Desert Storm was our first large scale employment of stealth aircraft—the F-117—in combat. Their performance was eye-watering. We're still coming to grips with the implications, but I can honestly say that stealth has revolutionized warfare.

The F-117 allowed us to do things that we could have only dreamed about in past conflicts. Stealth enabled us to gain surprise each and every day of the war. For example, on the first day of the air campaign the F-117s delivered the first bombs of the war against a wide array of targets, paralyzing the Iraqi air defense network. The attacks on radar sites and command and control bunkers used to control Iraqi defenses allowed waves of conventional aircraft to strike with high effectiveness and very low losses.

But F-117s did much more than that. They allowed us to strike the "heart" of the enemy—downtown Baghdad—not only on Day 1, but night

Bob Simon
7730

Mike Hayden x 4970

DEPARTMENT OF THE AIR FORCE
PRESENTATION TO THE COMMITTEE ON
APPROPRIATIONS
SUBCOMMITTEE ON DEFENSE
UNITED STATES HOUSE OF REPRESENTATIVES

SUBJECT: STEALTH AND DESERT STORM

STATEMENT OF:

~~LIEUTENANT GENERAL CHARLES A. HORNER~~

~~Commander, U.S. Central Command Air Forces~~

BRIGADER GENERAL BUSTER C. GLOSSON

Director of Campaign Plans, U.S. Central Command Air Forces

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HOUSE OF REPRESENTATIVES**

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after night. Stealth allowed us to maintain continuous pressure on vital target sets (see appendix 1) regardless of the defenses—anywhere in Iraq. F-117s were the only aircraft that attacked “downtown” Baghdad targets—by most accounts more heavily defended than any Eastern European targets at the height of the Cold War. They did it with impunity. Without the F-117 the fighter pilot losses and the civilian casualties would have been an order of magnitude higher.

I flew the F-105 in Vietnam. On those missions, a whole set of support assets would go with me to deal with the enemy's defenses. Some aircraft would jam enemy radars. Others would suppress enemy radars and surface-to-air missile sites. Air-to-air fighters would sweep in front to shoot down enemy interceptors. This whole gaggle would be supported by a fleet of tankers. In the attack on the Paul Doumer Bridge in 1972, for example, we had about four support aircraft for every attacking aircraft. The war in Iraq would have been more of the same without stealth. For example, in one attack against one airfield, 4 A-6 bombers and 4 Saudi Tornados were escorted by 4 F-4G Wild Weasels, 5 EA-6B radar jammers, and 21 F/A-18 fighters carrying radar-homing missiles—38 aircraft—only 8 dropping bombs. At the same time 21 F-117s were dropping bombs on 37 targets—21 aircraft—21 dropping bombs.

Stealth allows operations without the full range of support assets required by non-stealthy aircraft. It gave us greater combat capability from a smaller force structure. Eight F-117s with eight pilots could achieve the same results as 75 non-stealth aircraft and over 100 aircrew (see appendix 2). For example, though F-117s represented only 2.5% of the assets, on Day 1 of the war they flew against over 30% of the targets. Over the course of the entire war, preliminary estimates illustrate that the F-117s, which flew only about 3% of the total ^{COMBAT} sorties, covered about 40% of the strategic air campaign's target base.

Viewed in terms of the total requirements to hit a target—stealth provides the best bargain. Initial acquisition cost is higher, but stealth systems expose fewer lives, reduce total sorties, and reduce requirements

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for munitions, manpower, fuel, support infrastructure, and therefore total overall cost.

The reduction in support requirements provided by stealth also gave us tremendous flexibility. Let me give you a notional example based on my recent experience. If intelligence indicated a particular target that we needed to strike quickly—a target located in the teeth of Iraqi air defenses, and if only conventional aircraft were available, we would have some difficult choices. The defenses might be so tough that we would have to forego hitting the target until the defenses were beat down—this could take time and risk lives and material. Or if it was vital to hit the target, we would have to orchestrate a large attack package to get our attack aircraft in. This also takes time and requires a major adjustment to our original plans—additionally Wild Weasels, fighter escorts, jammers, and tankers must be rescheduled—and we would probably lose some airplanes. It's those kind of decisions that account for a lot of additional grey hairs. With the F-117, all we would have to do is change the target and let those fighter pilots do their job; as we did numerous times during the Gulf war.

The next generation of stealth is the B-2. The B-2's acquisition cost has been the subject of some controversy. But the B-2 can carry over 10 times the load of an F-117 at over 5 times the unrefueled range. Put another way, the B-2 combines the range and payload of the B-52 with the advantages of the stealth F-117 that proved so valuable in Desert Storm. Even the most conservative calculations reveal that the B-2 offers from 5-10 times more ton-miles of payload for every dollar invested. There are very few, if any, defense investments, that offer you 5-10 times more capability per dollar.

Would I have used a B-2 in Desert Storm? You bet I would—not only because of its enormous increase in conventional capability over any other attack system, but because we would be putting fewer lives at risk to accomplish the same mission. At appendix 3, are some examples of how the B-2 could have been used with great effectiveness in real Desert Storm situations. I urge you not to focus solely on aircraft unit cost—the bottom line is not dollars per aircraft, but overall capability per dollar (see

appendix 4). Would I risk a B-2 in combat? Well, I didn't have any trouble risking the most expensive fighter in our inventory—the F-117—on a daily basis. And I was able to do that because we had confidence in the survivability provided by stealth. The B-2 would be no exception.

One final point regarding the B-2—and one often overlooked. We may not have 161 days to build up our forces in the next war. One of our principal concerns early on was what if Saddam crossed the line shortly after August 2 and rolled into Saudi Arabia? The B-2 would provide an important option to deliver a knockout punch immediately, without the force buildup that was necessary in this case (see Appendix 5). The view that the B-52s could have done this, is mistaken. It simply couldn't survive in a heavy threat environment. The B-2 could.

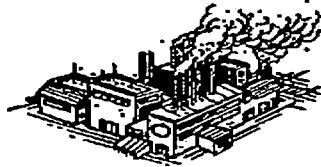
As a father, taxpayer, commander, and pilot I can assure you that stealth will give America the cutting edge capability it needs to ensure our security for the long term.

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Spectrum of F-117 Targets



**Hardened
Aircraft
Shelters**



**Military Production
Factories (Tanks,
Ammo, Scuds, etc.)**



**Biological &
Chemical
Production & Storage**



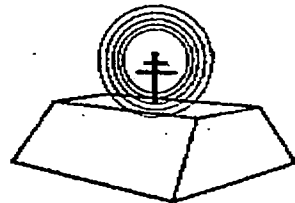
Bridges



**Surface-to-Air
Missile Sites**



**Nuclear R & D &
Production
Facilities**



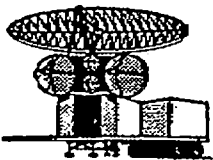
**Sector/Interceptor
Ops Centers**



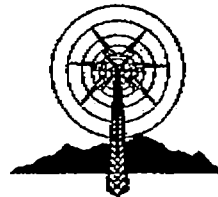
Airfields



Aircraft in Open



Early Warning Radar



**Communication
Facilities**



Leadership Targets



Fire Trenches

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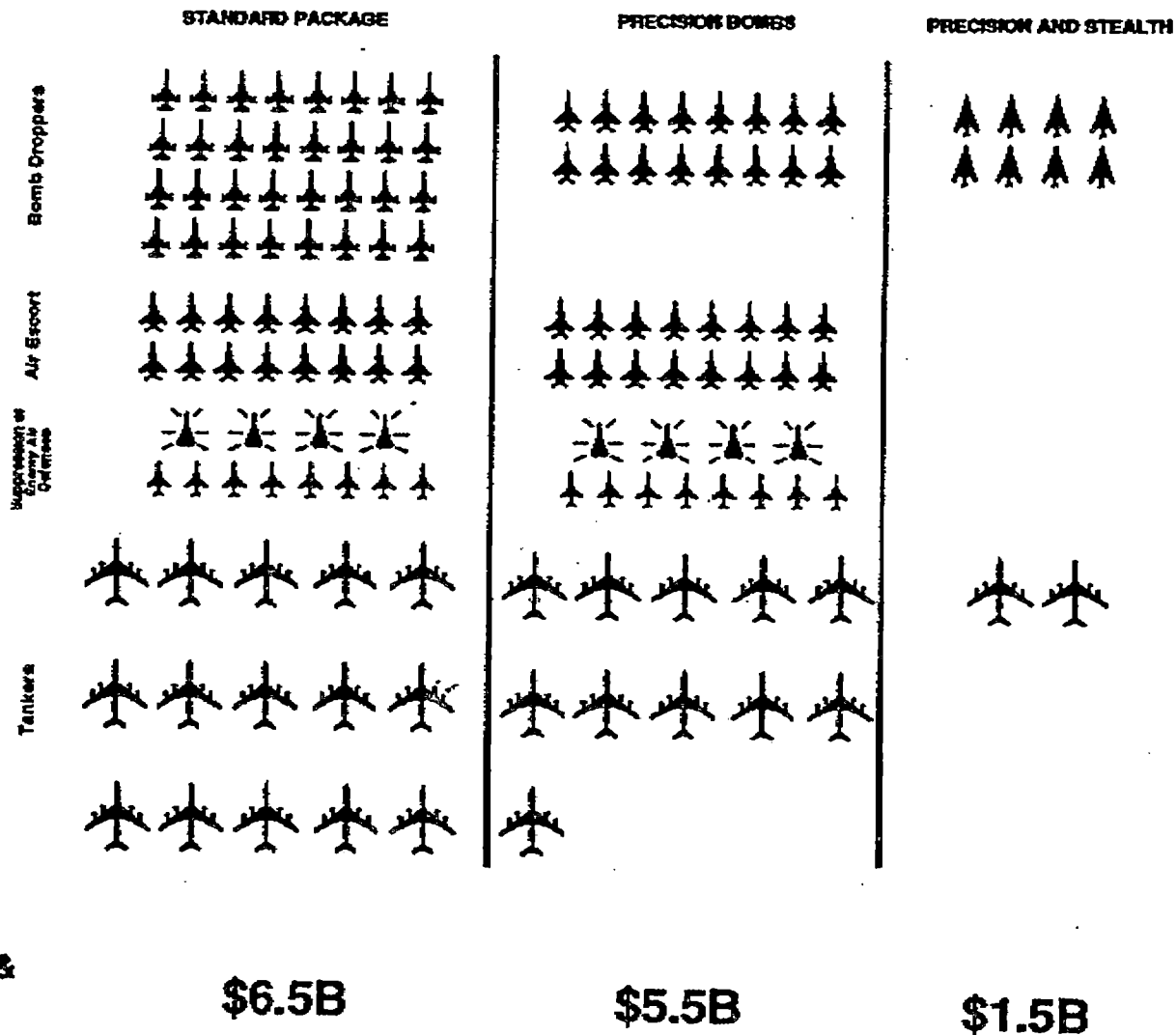
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SECRETARY OF THE AIR FORCE

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THE VALUE OF STEALTH

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Viewed in context, stealth aircraft—like the F-117—are costly, but cost-effective

DESERT STORM: B-2 POTENTIAL

Need: Penetration of very hard, multiple targets in close proximity

Example: Chemical Munitions Bunkers

- 8 chemical munitions bunkers near Baghdad
 - Very hardened bunkers (demand precision, penetration, and multiple weapons) in high threat area (demands stealth)
 - Required 2000 lb high explosive bombs to soften bunker followed by penetrating 2000 lb bomb in exact same spot
 - Over 50 F-117 sorties flown against bunkers

Solution: 2 B-2s (each carrying 8 large penetrating weapons) could do same job

Need: Range, precision, and hard target penetration capability

Example: Kirkuk/Qayyarah/Mosul—Nuclear R&D sites, bunkers, and hardened aircraft shelters

- Tankers (and their associated EW/force protection support) required to fly well into Iraq to extend F-117 range
- Required air superiority to move tankers north

Solution: B-2 range, stealth, and PGM potential would allow attacks from Day 1, obviating need for tankers, electronic warfare assets, and fighter protection

Need: High payload to cover an area target in a high threat environment

Example: Military Industrial complex

- Many military, production, storage, and maintenance facilities in large complex just north of Baghdad
 - Because of large area, very good B-52 target, but because of high surface to air missile threat not able to use B-52s alone
 - Number of aimpoints excessive for complete coverage by F-117s alone
- To deal with high threat, used F-117s (stealth) to eliminate SAMs (required PGMs) to allow B-52s to attack from high altitude above AAA threat
 - Because of more immediate target priorities and high threat, this solution not implemented until later in the war

Solution: The B-2, even with non-precision munitions, would have allowed attacks against this complex from Day 1

NEED: Multiple weapons to cover multiple aimpoints on soft single target in high threat area

EXAMPLE: Nuclear Research Facility: More than 15 aimpoints

- Over 50 F-117 sorties
- Over 50 F-16 sorties and over 20 F-111 sorties and associated support

SOLUTION: 2 B-2s with stealth, large payload, and precision munitions could accomplish same task

WHAT THE B-2 OFFERS

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STANDARD PACKAGE

PRECISION BOMBS

PRECISION AND STEALTH

B-2

Bomb Droppers



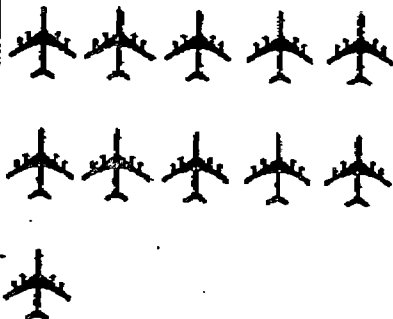
Air Support



Responsibility of
Air Support
Bombers



Tankers



Procurement cost &
20 year O&S cost

\$6.5B

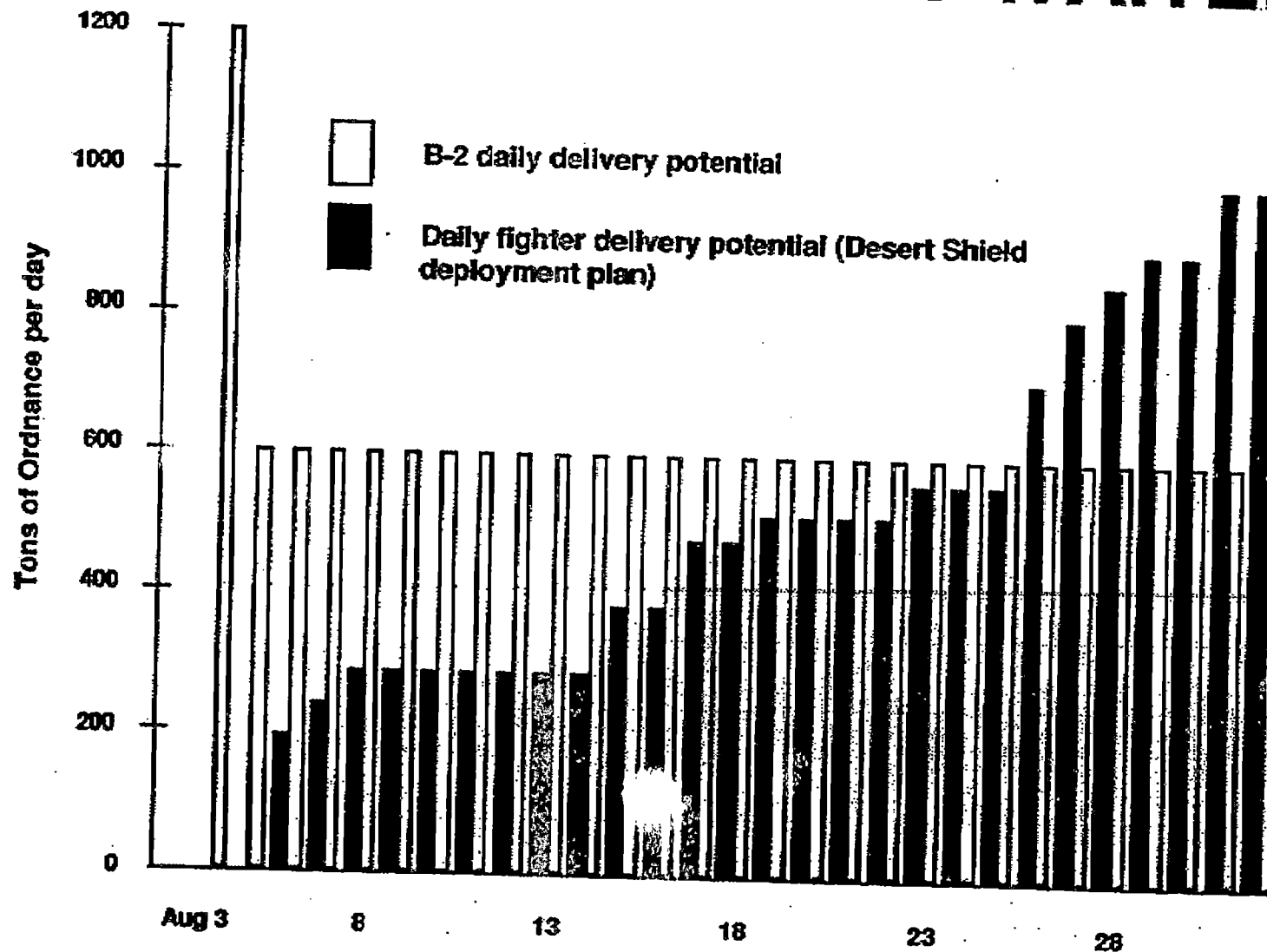
\$5.5B

\$1.5B

\$1.3B

WHAT IF SADDAM HADN'T WAITED?

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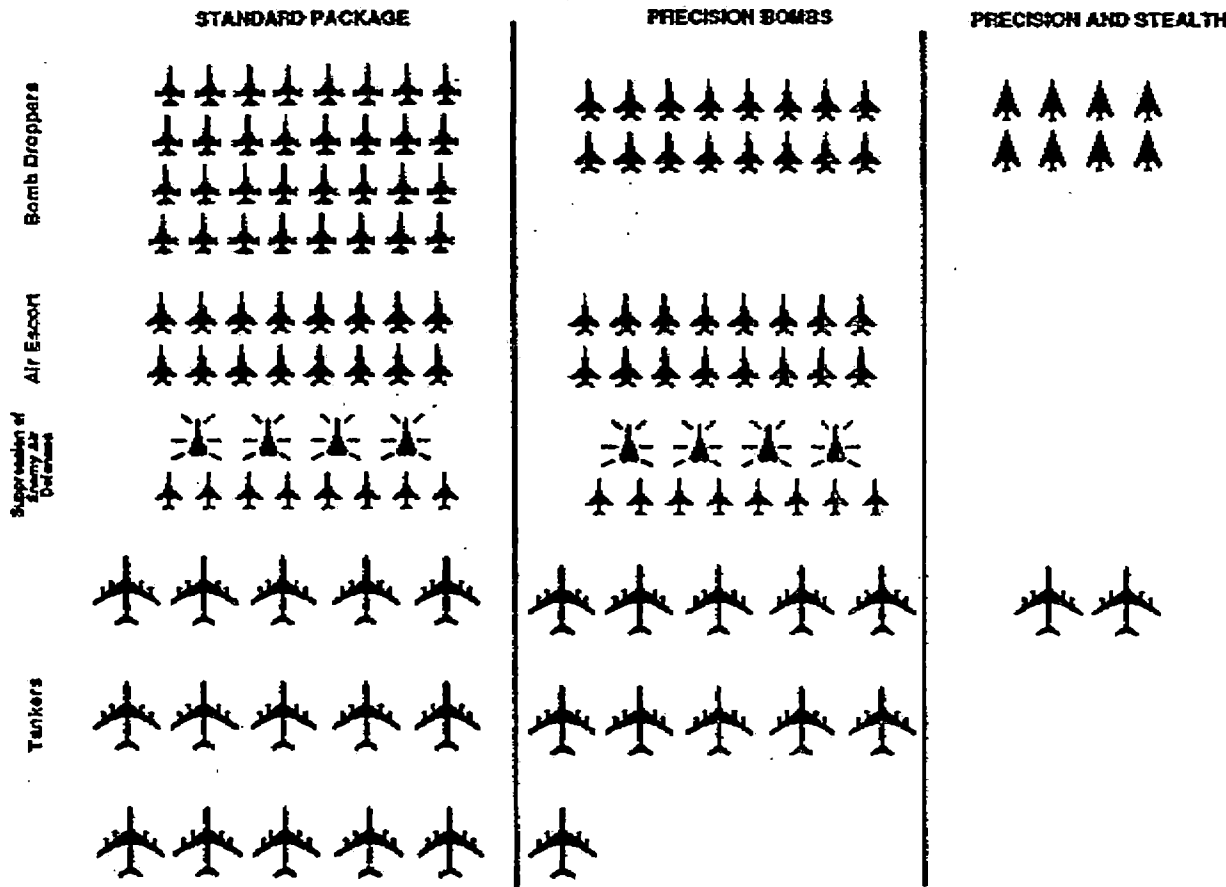


- Assumes same fighter build-up as in Desert Storm
- 2.0 sortie rate for A-10 and F-16
 - 1.0 sortie rate for F-15E, F-111, and F-117
- B-2 delivery potential assumes 60 B-2s
- First sortie flown from CONUS
 - 0.5 sortie rate out of a rear area base

**B-2 CONVENTIONAL
CAPABILITIES**

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THE VALUE OF STEALTH



Stealth aircraft can overfly targets and attack with precision bombs

Advantages

- Unprecedented survivability—not a single F-117 scratched against Iraq
- Restores element of surprise (enduring principal of successful warfare)
- Responsive targeting and strike assessment
- Fewer lives at risk

Disadvantages

- Unit acquisition cost appears high

Unit acquisition cost & 10-year O&S cost **\$6,493M** **\$5,547M** **\$1,528M**

Viewed in context, stealth aircraft—like the F-117—are costly, but cost-effective

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WHAT THE B-2 OFFERS

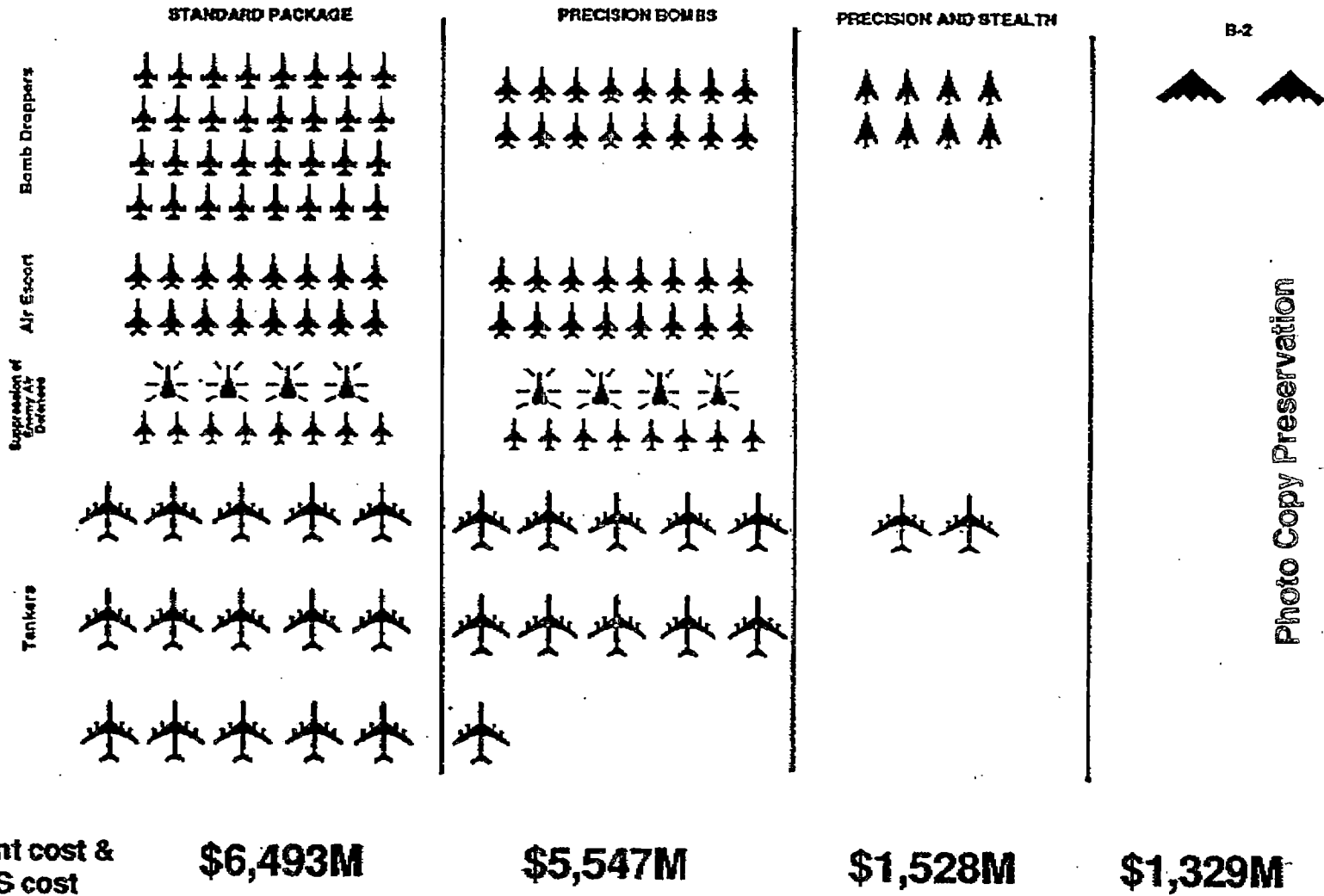
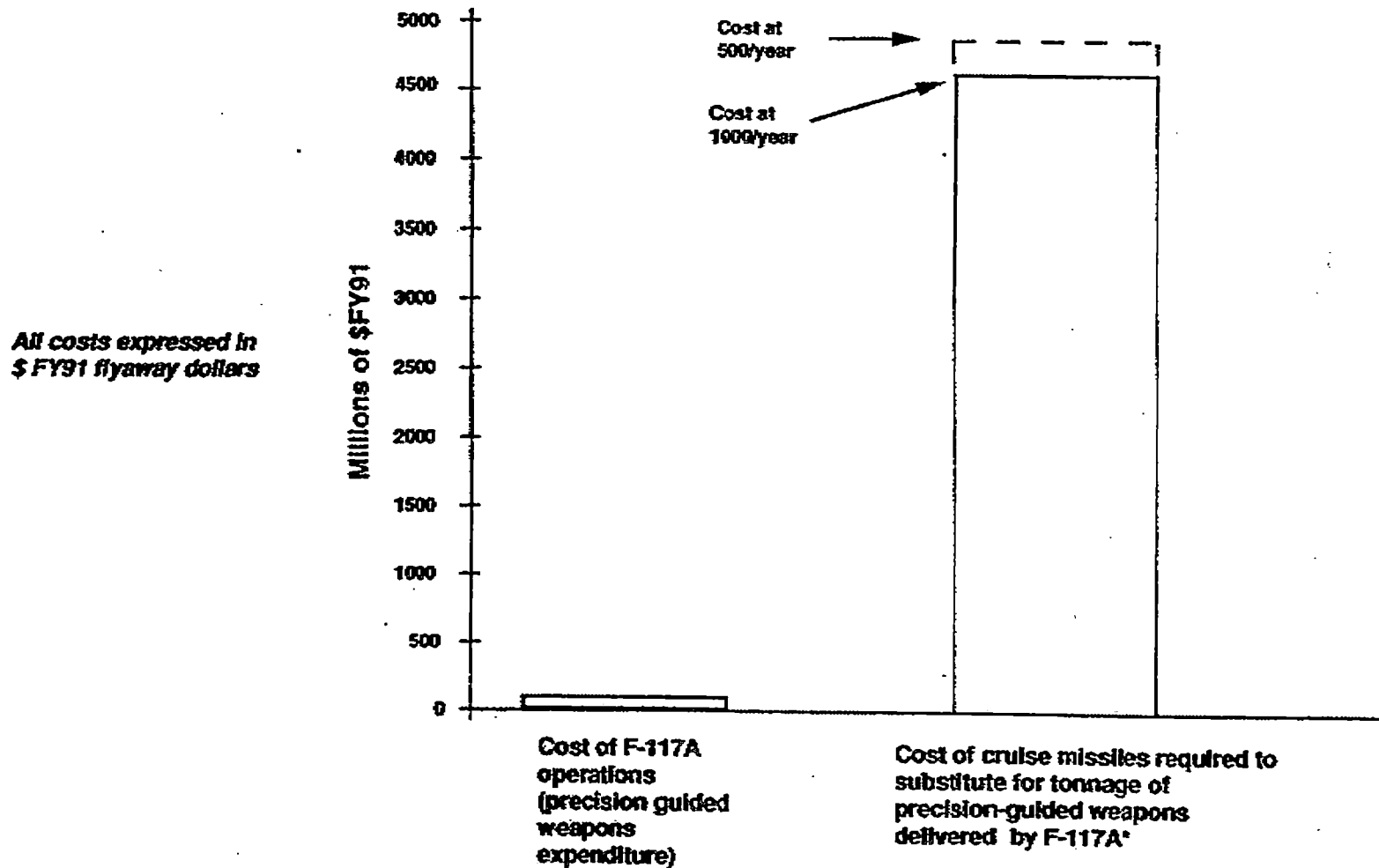


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And the B-2 can do jobs no other aircraft can do....

THE COST-EFFECTIVENESS OF STEALTH REUSABLE VS. EXPENDABLE INVESTMENT:

Cost of F-117-delivered precision-guided weapons in Desert Storm
compared to
Cost to deliver same tonnage with cruise missiles

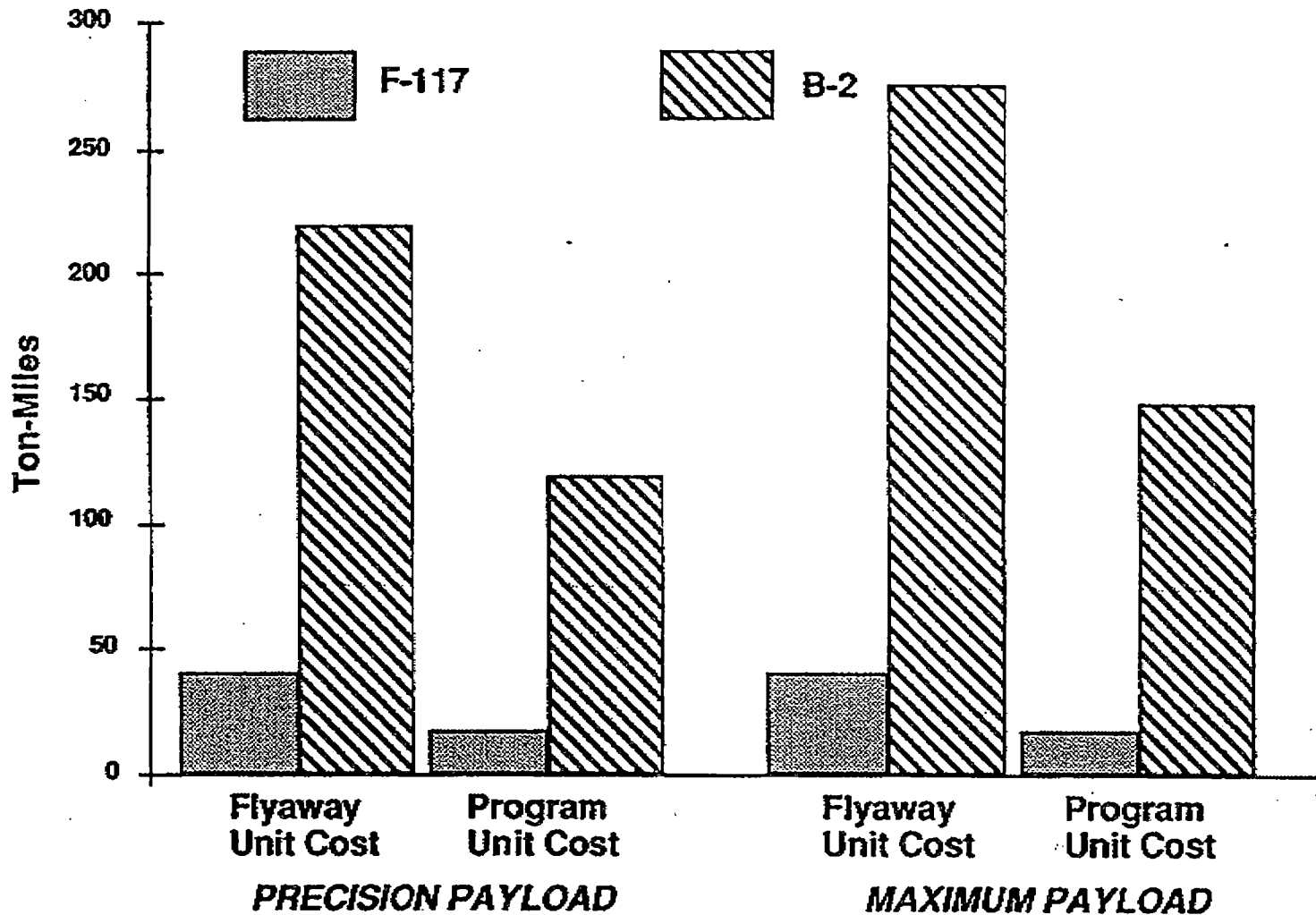


*Replacement cost of F-117 airframes would be \$2.4 billion

*Cruise missiles ineffective against certain classes of targets

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COST-EFFECTIVENESS: Measuring "Work"



Ton-Miles of munitions per million dollars

The F-117 is costly, but cost-effective.

The B-2 is even more costly, but even more cost-effective

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DESERT STORM: B-2 POTENTIAL

Need: Penetration of very hard, multiple targets in close proximity

Example: Chemical Munitions Bunkers

- 8 chemical munitions bunkers near Baghdad
 - Very hardened bunkers (demand precision, penetration, and multiple weapons) in high threat area (demands stealth)
 - Required 2000 lb high explosive bombs to soften bunker followed by penetrating 2000 lb bomb in exact same spot
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Solution: 2 B-2s (each carrying 8 large penetrating weapons) could do same job

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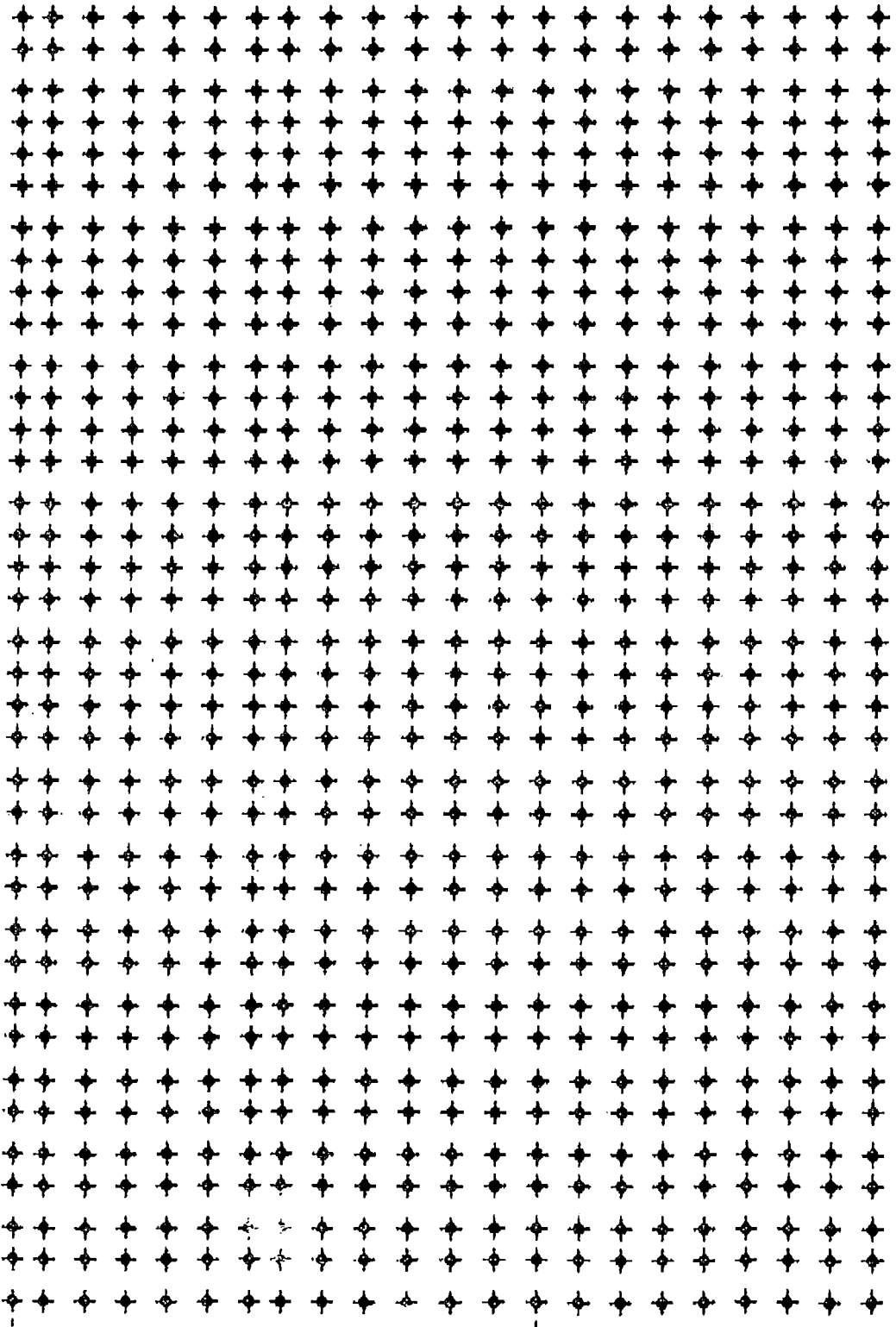
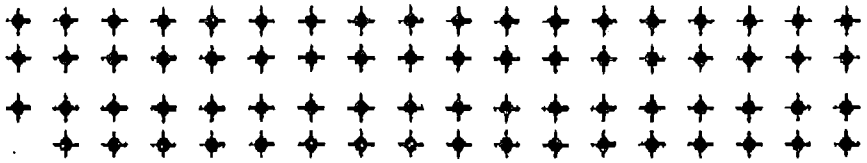
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PRECISION-GUIDED ORDNANCE DELIVERY POTENTIAL (2000 lb guided weapons) One Day of Operations

F-117A Fleet (42 PAA)



B-2 Fleet (60 PAA)



Assumes .05 Mission capable rate

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CONVENTIONAL DELIVERY POTENTIAL OF STEALTH PLATFORMS

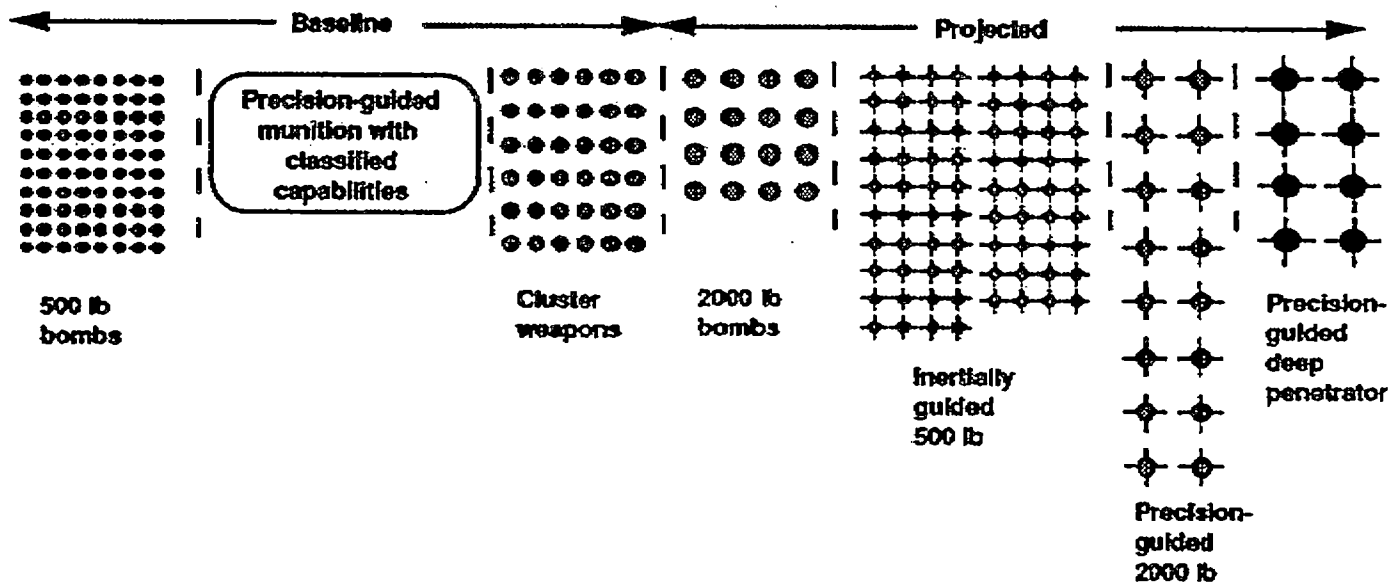
F-117A



Guided 2000 lb
Guided 500 lb

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B-2



CONCLUSIONS

The B-2 offers unprecedented conventional warfighting capabilities

- Combines stealth of the F-117 with greater payload and range than B-52
 - Very cost-effective compared to the "work" it does
- High payload provides great versatility and a powerful punch without a host of support assets
- Long range and stealth permits operations against an enemy anywhere on the planet within hours—can strike confidently at the heart of the enemy from Day One

"The B-2 has the potential to make all other air forces in the world obsolete overnight."

General Merrill A. McPeak, Chief of Staff, United States Air Force

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05/14/91

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SECRETARY OF THE AIR FORCE

020

AMERICAN DEFENSE PREPAREDNESS ASSOCIATION
J.W. MARIOTT HOTEL
JULY 9, 1991
10:15 A.M.

THANK YOU, GENERAL SKIBBIE, FOR THAT WONDERFUL
INTRODUCTION. AND THANKS ALSO TO YOUR CHAIRMAN, MAC
CRAMER.

[[I'VE SEEN SOME INCREDIBLE THINGS IN THE LAST
WEEK: MT. RUSHMORE AT ITS DEDICATION; AMERICANS
CELEBRATING THEIR NATION AND THEIR FIGHTING FORCES.
AND HERE IN WASHINGTON, WE ENJOYED AN INCREDIBLE
FIREWORKS DISPLAY LAST THURSDAY -- A SPECTACLE
SURPASSED ONLY BY THE RED GLARE OF PATRIOT MISSILES
OVER ISRAEL AND SAUDI ARABIA. //]]

[[YOU MAY NOT REALIZE IT, BUT TODAY IS THE
ANNIVERSARY OF ZACHARY TAYLOR'S DEATH. I KNOW THE POOR
MAN HAS SUFFERED HIS SHARE OF INDIGNITIES RECENTLY.
BUT BEFORE WE LEAVE HIM ALONE ENTIRELY, I DO WANT TO
SET THE HISTORIC RECORD STRAIGHT. I AM TOLD THAT HIS
LAST WORDS WERE NOT, "PLEASE PASS THE BROCCOLI," //
BUT INSTEAD, "I HAVE ENDEAVORED TO DO MY DUTY."]] //

WELL, I'VE COME HERE TO TALK ABOUT OUR SHARED DUTY TO MAINTAIN AN EFFECTIVE NATIONAL DEFENSE. THE SENATE HAS STARTED LOOKING AT OUR DEFENSE BUDGET, AND ITS DELIBERATIONS COULD HAVE A PROFOUND IMPACT ON OUR FUTURE NATIONAL SECURITY.

RECOGNIZING THE CHANGING INTERNATIONAL ENVIRONMENT AND TAKING INTO ACCOUNT DOMESTIC FISCAL CONSTRAINTS, OUR ADMINISTRATION HAS PROPOSED A TOUGH, LEAN DEFENSE BUDGET -- A PROPOSAL THAT CONSUMES A SMALLER PROPORTION OF OUR GROSS NATIONAL PRODUCT THAN ANY DEFENSE BUDGET SINCE THE GREAT DEPRESSION. NOW, YOU DON'T HAVE TO HAVE AN ACCOUNTING DEGREE OR A CHEST FULL OF MEDALS TO UNDERSTAND THAT, UNDER PRESENT CIRCUMSTANCES, EVERY PENNY WE SPEND ON UNNECESSARY DEFENSE ITEMS WILL COME AT THE EXPENSE OF DEFENSE MUSCLE.

I KNOW THAT BUDGET CUTS WILL HURT SOME OF YOU. BUT WE WILL HAVE TO SET NEW PRIORITIES AND FOCUS ON ONLY OUR MOST IMPORTANT, ABSOLUTELY VITAL PROGRAMS. AS PRESIDENT, I HAVE A DUTY TO SERVE THE NATIONAL INTEREST -- AND OUR NATIONAL INTEREST DEMANDS A DEFENSE BUDGET THAT GUARANTEES OUR SECURITY AT THE LOWEST FEASIBLE COST.

LAST AUGUST I ANNOUNCED PLANS TO RESTRUCTURE OUR ARMED FORCES IN LIGHT OF THE COLD WAR'S END AND THE EMERGENCE OF A NEW KIND OF WORLD. THAT PROPOSAL RECOGNIZED SOME FUNDAMENTAL FACTS:

ONE: WE DON'T HAVE A BLANK CHECK FOR DEFENSE -- NEVER HAVE. WE MUST LIVE WITHIN OUR MEANS.

TWO: INSTABILITIES AROUND THE GLOBE STILL THREATEN US. MANY NATIONS HAVE ACQUIRED WEAPONS OF MASS DESTRUCTION. WHEN DESPOTS SUCH AS SADDAM HUSSEIN COMBINE MODERN WEAPONS AND ANCIENT AMBITIONS, THEY THREATEN US ALL. AND, SADDAM HUSSEIN ISN'T THE ONLY DESPOT AROUND, NOR WILL HE BE THE LAST.

MEANWHILE, THE SOVIET UNION REMAINS A MILITARY SUPERPOWER, WITH AN INCREASINGLY SOPHISTICATED WAR MACHINE.

THREE: WE NEED THE RIGHT KIND OF MILITARY. OUR FORCES MUST HAVE THE STRENGTH HERE AND ABROAD TO DISCOURAGE AGGRESSION, THE MOBILITY TO MEET UNEXPECTED CHALLENGES, AND THE FLEXIBILITY TO DEAL WITH EVERYTHING FROM I.C.B.M.'S TO REGIONAL CONFLICTS TO HOSTAGE CRISES.

THESE CONSIDERATIONS LIE AT THE HEART OF OUR ADMINISTRATION'S DEFENSE PROPOSALS. ANY DEFENSE BILL THAT FAILS TO INCORPORATE THEM WILL GET MY VETO. //

WITH THAT IN MIND, LET ME TALK ABOUT A FEW ITEMS I CONSIDER CRUCIAL, BEGINNING WITH THE B-2 STEALTH BOMBER.

I HAVE ASKED FOR 75 B-2 BOMBERS, THE MOST REVOLUTIONARY MILITARY AIRCRAFT IN OUR NATION'S HISTORY. WHEN YOU HEAR MEMBERS' COMPLAINTS ABOUT THE B-2'S COST, REMEMBER THAT A SINGLE B-2 DOES THE JOB OF LITERALLY DOZENS OF AIRCRAFT: TANKERS, ESCORTS, SUPPRESSION AND SURVEILLANCE CRAFT, AND OTHER BOMBERS.

WHEN PEOPLE ARGUE COYLY THAT WE ONLY NEED A FEW B-2S BECAUSE THEY'RE SO TECHNOLOGICALLY ADVANCED, ASK YOURSELVES: SHOULD WE RISK OUR SECURITY, THE LIVES OF OUR SONS AND DAUGHTERS, AND OUR NATIONAL CREDIBILITY JUST BECAUSE SOME MEMBERS OF CONGRESS DON'T WANT ACKNOWLEDGE THE REVOLUTIONARY ADVANTAGE THIS WEAPON SYSTEM WILL GIVE THE NATION? SHOULD WE ENTER THE 21ST CENTURY RELIANT UPON A BOMBER DESIGNED IN THE FORTIES AND BUILT IN THE FIFTIES? NO: THE B-2 COMBINES THE RANGE AND PAYLOAD OF THE B-52 WITH THE ADVANTAGES OF STEALTH TECHNOLOGY. AND IN THE END IT OFFERS DETERRENCE -- NUCLEAR DETERRENCE, CONVENTIONAL DETERRENCE, DETERRENCE ALL ACROSS THE SPECTRUM.

THINK ABOUT THE COSTS; THINK ABOUT MILITARY OPERATIONS; THINK ABOUT OUR LONG-RANGE NATIONAL SECURITY NEEDS, AND YOU'LL CONCLUDE THAT WE DO INDEED NEED TWO FULL WINGS OF THE B-2. //

SOME ALSO SEEM RELUCTANT TO SPEND MONEY PROTECTING AMERICANS FROM ACCIDENTAL -- OR INTENTIONAL -- BALLISTIC MISSILE ATTACKS. WE HAVE ASKED CONGRESS TO SUPPORT THE G-PALS SYSTEM -- THAT'S GLOBAL PROTECTION AGAINST LIMITED STRIKES. ANYONE WHO THINKS WE WILL FACE THREATS NO MORE SEVERE THAN THE SCUD MISSILE ARE DELUDING THEMSELVES. IF WE WANT TO PROTECT OURSELVES AND DETER AGGRESSION, WE HAVE A RESPONSIBILITY TO DEVELOP DEFENSE TECHNOLOGIES, SUCH AS BRILLIANT PEBBLES, THAT LIE WITHIN OUR REACH. THIS INCLUDES G-PALS. //

AS WE PREPARE FOR THE FUTURE, WE ALSO MUST ASK WHAT KIND OF MILITARY FORCE STRUCTURE WE NEED. OUR GULF EXPERIENCE REINFORCED THE VALUABLE ROLE RESERVES CAN PLAY. IT ALSO SHOWED THAT WE DON'T NEED THE KIND OF RESERVE COMPONENT THE HOUSE INSISTS WE KEEP. THE HOUSE DEFENSE BILLS WOULD SPEND NEARLY 12 BILLION DOLLARS OVER THE NEXT FIVE YEARS ON UNNEEDED RESERVE POSITIONS AND OPERATIONS. THIS MONEY WOULD COME AT THE EXPENSE OF PROGRAMS THAT ALL OUR FORCES -- ACTIVE AND RESERVE -- WILL NEED.

WE LEARNED MANY THINGS IN THE GULF -- A NUMBER OF WHICH WERE ANTICIPATED IN THE DEFENSE SPEECH I GAVE LAST AUGUST 2ND -- IRONICALLY, THE DAY SADDAM INVADED KUWAIT.

WE LEARNED THAT NATIONS OF THE WORLD CAN AND WILL ACT COLLECTIVELY TO DEAL WITH AGGRESSION. THEY WILL TRY DIPLOMACY FIRST, AND USE MILITARY ACTION ONLY AS A LAST RESORT.

WE LEARNED THAT THE UNITED STATES ALONE CAN MOBILIZE THE INTERNATIONAL COMMUNITY AND LEAD IT THROUGH SUCH EFFORTS. THAT LEADERSHIP WAS NOT JUST COINCIDENCE, OR NICE TO HAVE -- IT WAS A PREREQUISITE FOR OUR COLLECTIVE SUCCESS.

WE LEARNED THAT HIGH-TECH WEAPONS ARE NOT PRICEY "TOYS," AS CRITICS HAVE CLAIMED FOR YEARS. THEY MINIMIZE CIVILIAN CASUALTIES, MAXIMIZE DAMAGE TO MILITARY TARGETS, SHORTEN WARS AND SAVE LIVES -- AMERICAN LIVES, COALITION LIVES, AND EVEN ENEMY LIVES. WE MUST NEVER FORGET ANY LIFE UNNECESSARILY LOST IS A TRAGEDY -- ESPECIALLY IN TIMES OF WAR.

IT WOULD BE A SHAME IF, SO SOON AFTER THE WAR, WE DISREGARDED THESE LESSONS. // AND IT WOULD BE A TRAVESTY TO WASTE MONEY ON DEFENSES THAT WOULD NOT HAVE HELPED US IN THE GULF, AND WON'T HELP US MEET OUR FUTURE CHALLENGES. //

AS THE SENATE BEGINS ITS DELIBERATIONS, I URGE IT TO PASS A BUDGET THAT DEFENDS PEOPLE, NOT PORK; // THAT ENABLES US TO FIGHT THE NEXT WAR, NOT THE LAST ONE; // THAT PROMOTES NATIONAL SECURITY, PERIOD. LET ME TELL YOU NOW -- IF THE CONGRESS SENDS ME A DEFENSE BILL THAT IS INADEQUATE, THAT FAILS TO FUND NEEDED PROGRAMS AND WASTES MONEY AT THE EXPENSE OF DEFENSE MUSCLE, I WILL VETO IT.//

OUR ADMINISTRATION HAS TRIED TO RESTORE PROPORTION TO FEDERAL GOVERNMENT AND USE THE OFFICE OF THE PRESIDENCY TO MAKE DECISIONS THAT MIGHT SEEM TOO PAINFUL FOR REPRESENTATIVES OR SENATORS. I'VE SERVED IN CONGRESS AND I KNOW THE GENUINE PRESSURE ON THE MEMBERS OF CONGRESS TO ADVANCE THE INTERESTS OF THE HOME DISTRICT.

THIRTY YEARS AGO, IN HIS VALEDICTORY ADDRESS TO THE NATION, DWIGHT EISENHOWER EMPHASIZED SEVERAL THEMES THAT REMAIN IMPORTANT TODAY. "A VITAL ELEMENT IN KEEPING THE PEACE IS OUR MILITARY ESTABLISHMENT," HE SAID. "OUR ARMS MUST BE MIGHTY, READY FOR INSTANT ACTION, SO THAT NO POTENTIAL AGGRESSOR MAY BE TEMPTED TO RISK HIS OWN DESTRUCTION."

YET, IKE ALSO CAUTIONED THAT OUR EFFORTS MUST SERVE NATIONAL INTERESTS AND NATIONAL NEEDS -- NOT THE NARROW CONCERNS OF SPECIFIC INDUSTRIES OR INTEREST GROUPS.

A NEW WORLD ORDER DEMANDS A NEW SET OF DEFENSE PRIORITIES. TOGETHER, WE CAN PUT THOSE PRIORITIES INTO ACTION. // AS ATTENTION TURNS TOWARD THE SENATE, I ASK YOUR HELP IN CREATING A MILITARY STRONG ENOUGH TO PROTECT OUR INTERESTS BUT LEAN ENOUGH TO PRESERVE PUBLIC FAITH IN GOVERNMENT. //

THANK YOU FOR YOUR CONTINUED EFFORTS TO KEEP
AMERICA SAFE AND STRONG. THANK YOU FOR LETTING ME JOIN
YOU TODAY -- AND MAY GOD BLESS THE UNITED STATES OF
AMERICA.

#

Snow/Simon
DEFENSE.TS
Draft One
July 5, 1991

PRESIDENTIAL ADDRESS: AMERICAN DEFENSE PREPAREDNESS ASSOCIATION
J.W. MARIOTT HOTEL

TUESDAY, JULY 9, 1991
10 A.M.

Mac Cramer *chm.*

Thank you, General Skibbie, for that wonderful introduction.

[Introductory acknowledgments]

[[I've seen some incredible things in the last week: Mt. Rushmore at its dedication; Americans celebrating their nation and their fighting forces. In front of this group, I think of the incredible fireworks display last Thursday: It was the most wonderful thing I've seen since our Patriot Missiles set off their own fireworks over Israel and Saudi Arabia.]] //

see file
[[You may not realize it, but today is the anniversary of Zachary Taylor's death. I know the poor man has suffered his share of indignities recently. But before we leave him alone entirely, I do want to set the historic record straight. ^{am told} I ~~said~~ [^] ~~the other day that his last words were,~~ "Please pass the ~~broccoli.~~" // Actually, that was his next to last statement. ~~Our researchers tell me that his~~ real last words were, "I have endeavored to do my duty," ~~It is~~ and not, "Please pass the broccoli."

Well, I've come here to talk about our shared duty to build an effective national defense. The Senate will start looking at our defense budget this week. Its deliberations could have a profound impact on our future national security.

Some Americans seem to think that the collapse of communism and our triumph in the Gulf have reduced the importance of thinking about defense. But sensible defense is as important -- and as difficult to achieve -- as ever.

Cheney testimony to SASC 2-21-91
 A changing international environment and tight budgets have led our Administration to propose a defense budget that will consume a smaller proportion of our gross national product than any since the Great Depression. You don't have to have an accounting degree or a chest full of medals to understand that this budget doesn't leave any room for pork. Every penny spent on unnecessary items comes at the expense of defense muscle.

I know that some budget cuts will hurt some of you. I also know that some of you build or support systems that we do not consider absolutely vital. But as President, I have a duty to serve the national interest -- and our national interest demands a defense budget that provides security for everyone on American soil at the lowest feasible cost.

Last August I announced plans to restructure our defensive systems in light of the Cold War's end and the emergence of a new kind of world. That proposal recognized some fundamental facts:

One: We don't have a blank check for defense;

Two: *we are still threatened by* Instabilities around the globe, ~~still threaten us.~~

Many nations have acquired high-tech weapons of destruction. When despots such as Saddam Hussein combine modern weapons and ancient ambitions, they threaten us all. At the same time, the

Soviet Union remains a military superpower, with an increasingly sophisticated war machine.

*Aspen
speech
8-2-90*

Three: we need the right kind of military. Our forces must have the muscle to discourage aggression, the mobility to meet unexpected challenges, and the flexibility to deal with everything from ICBMs to regional conflicts to hostage crises.

These principles lie at the heart of our Administration's defense proposals. Any defense bill that fails to incorporate them will get my personal veto. //

With that in mind, let me talk about a few items I consider crucial, beginning with the B-2 Stealth bomber.

I have asked for 75 B-2 bombers, the most revolutionary military aircraft in our nation's history. When you hear members of Congress complaining about the B-2's cost, remember that a single B-2 replaces literally dozens of aircraft: tankers, escort craft, suppression and surveillance craft, and other bombers. In the end, it costs less to purchase and operate than the ^{many} aircraft it replaces.

And when members of Congress play cute by arguing that we only need a few B-2s because they're so technologically advanced, ask yourselves: Should we risk our security, the lives of our sons and daughters, and our national credibility just because

Congress doesn't want to come to grips with a revolution in warfare? ^{In the 21st century} Think about the costs; think about military operations; ^{This nation can't keep relying on a bomber designed in the 1940s + built in the 1950s.} think about our long-range national security needs, and you'll conclude that we need two flight wings of the B-2.

Congress also seems reluctant to spend money protecting Americans from accidental -- or intentional -- ballistic missile attacks. We have asked Congress to support the G-PALS system -- that's Global Protection Against Limited Strikes. People who think we will face threats no more severe than the SCUD missile live in a dream world. If we want to protect ourselves and deter aggression, we have a responsibility to develop technologies within our reach. This includes G-PALS. A budget without G-PALS will be a budget with a veto. //

As we prepare for our future, we also must ask what kind of military structure we need. Our Gulf experience showed just how valuable reserves can be, but it also showed that we don't need the kind of reserve component the House insists we keep. The House defense bills will spend \$11 billion over the next five years on unneeded reserve positions and equipment. This money, I might add, would come at the expense of programs that all our forces, active and reserve, will need.

Jeff Jones NSC
Aspen speech 8-2-90 We learned many things in the Gulf -- many of which were anticipated in the defense speech I gave last August 2nd -- ironically, the day Saddam invaded Kuwait.

We learned that nations of the world can and will act collectively to deal with aggression. They will try diplomacy first, and use military action only as a last resort.

We learned that the United States alone can mobilize the international community and lead it through such efforts.

We learned that high-tech weapons are not "toys," as critics have claimed for years. They let us minimize civilian casualties, maximize damage to military targets, shorten wars and save lives.

It would be a shame if Congress, so soon after the war, ignored the lessons of the Gulf. It would be a travesty if we wasted money on defenses that would not have helped us in our last war, and won't make any sense in the next.

As the Senate begins its deliberations, I urge it to pass a budget that defends people, not pork; that enables us to fight the next war, not the last one; that places greater priority on national security than on congressional incumbency.

Our Administration has tried, in domestic policies and defense policies, to restore proportion to federal government, and use the office of the presidency to make decisions that might seem too painful for representatives or senators.

[[Tomorrow, I will ask Congress to adopt the recommendations of the Base Closure Commission. The commission had a tough job, but performed its task with admirable fairness, impartiality, and commitment to the national interest. This decision reflects our commitment to government that lives within its means without abandoning its fundamental responsibilities.]]

Thirty years ago, in his valedictory address to the nation, Dwight Eisenhower talked about themes that remain important today. "A vital element in keeping the peace is our military establishment," he said. "Our arms must be mighty, ready for

*Farewell
Address*

1-17-61

instant action, so that no potential aggressor may be tempted to risk his own destruction."

Yet, Ike also cautioned that our efforts must serve national interests and national needs -- not the narrow concerns of specific industries or interest groups.

Let us remember that today and every day. Our job is to serve the American people and address their needs. If we want to keep that job, we must create a military force strong enough to protect our interests but lean enough to preserve public faith in government.

A New World Order demands a new set of defense priorities - - a set I have discussed today. Together, we can put those priorities into action -- and retain the sacred trust the public has placed in us. As attention turns toward the Senate, I ask your help in this vital task.

Thank you for letting me join you today -- and may God Bless the United States of America.

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United States of America, do
the week beginning June
Scleroderma Awareness
the people of the United
this week with appropri-
activities that will en-
standing of scleroderma
continued research.

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George Bush

Office of the Federal Regis-
12, 1991]

4—Independence

the United States

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every backyard barbe-
play of fireworks that

makes the Fourth of July a favorite summer
holiday carries deeper symbolism and
meaning. Each resonates with the singular
joy of a free people.

This year we are particularly grateful for
the blessings of liberty because we have
been reminded of the price that many
brave and selfless individuals have been
willing to pay to secure them. Just months
ago, when forces led by a brutal tyrant in-
vaded a small, defenseless country—raping,
pillaging, and threatening not only the sta-
bility of an entire region but also vital inter-
ests of all freedom-loving peoples—thou-
sands of courageous Americans answered
the call of duty. Our celebration of Inde-
pendence Day, 1991, is dedicated in a spe-
cial way to them—to the regulars, reserv-
ists, National Guardsmen, and members of
the United States Merchant Marine who
helped to liberate Kuwait.

Of course, as we honor our Persian Gulf
veterans, we also remember in prayer each
of their comrades who made the ultimate
sacrifice in service to our country. We
salute with great pride and gratitude the
military personnel who offered vital support
for our mission from bases here at home
and around the world, and we pay due trib-
ute to all those who have served in the
United States Armed Forces.

The Americans who fought tyranny and
lawlessness in the Persian Gulf have upheld,
once again, the principles that were first
affirmed on these shores 215 years ago
when our Nation's Founders elected “be-
tween submission or the sword.” On this
Independence Day—a day marked by tri-
umphant homecomings and by the promise
of a safer, more peaceful world—it is fitting
that we recall the words that Thomas Jeffer-
son wrote shortly before his death on July 4,
1826:

All eyes are opened, or opening, to the
rights of man. . . . These are grounds
of hope for others. For ourselves, let
the annual return of this day forever
refresh our recollections of these
rights, and an undiminished devotion
to them.

Now, Therefore, I, George Bush, Presi-
dent of the United States of America, do
hereby ask all Americans to join in celebrat-
ing this 215th anniversary of our Nation's

Independence with appropriate ceremonies
and activities.

In Witness Whereof, I have hereunto set
my hand this eleventh day of June, in the
year of our Lord nineteen hundred and
ninety-one, and of the Independence of the
United States of America the two hundred
and fifteenth.

George Bush

[Filed with the Office of the Federal Regis-
ter, 11:46 a.m., June 12, 1991]

Remarks to Members of the Defense Community at Andrews Air Force Base, Maryland

June 11, 1991

Stealth

Thank you all very much. And I hope
everybody's enjoyed this tour as much as I
have. And first, let me pay my respects to
the men and women of the U.S. Air Force.
I was telling General McPeak and the Sec-
retary that I'm always so impressed by you
all's dedication, certainly service. And I'm
just delighted to be here with those that
have made this exhibition possible from the
research stage and right on up until now. I
want to salute Dick Cheney, of course; our
leader—one of our leaders, Bob Dole is
with us today; Don Rice, of course, our Sec-
retary; General McPeak, you've heard me
speak about him; and Members of the
Senate who took the time to come out here
today—our chairman, Sam Nunn, and
others. And I'm just delighted you all are
here.

Senator Warner, Senator Nunn, and the
members of the committee have been
strong supporters of Stealth technology
even before the first prototype F-117 in
1977. And we've now seen the promise of
Stealth fulfilled with a remarkable success
of the F-117 in Desert Storm.

The F-117 carried a revolution in warfare
on its wings over Baghdad. And these re-
markable aircraft flew only about 2 percent
of the combat sorties, but struck over 40
percent of the strategic targets. The success
of the F-117 is a tribute to those men and
women who could see—even in the seven-
ties—the potential of Stealth, the need for
Stealth, and had the strength and persever-
ance to see it through.

Among those who deserve special credit for the accomplishment are the members of this committee who gave that plane, the F-117, their strong and continuous support. And there now is no question, Stealth works. And it's been proven in combat. And it broke the Iraqis' back, and it saved precious American lives. It flew hundreds of sorties through the most heavily defended areas without a scratch.

And the B-2 takes the next generation of Stealth and applies it to a strategic bomber. This leap in technology will make a unique contribution to nuclear deterrence and will deliver the enhanced conventional capabilities that F-117 pilots say they'd most like to have: more range, more payload. The B-2 has 5-to-6 times the range and 10 times the payload—10 times the payload of the F-117.

Some claim they don't understand the mission of the B-2. Well, let me try to clear it up. The mission of the B-2 is deterrence: nuclear deterrence, conventional deterrence, deterrence all across the spectrum. And with the smaller forces and budgets that we're looking at in the nineties, that's the kind of flexibility and value that America needs. We need the B-2 bomber. We cannot allow the House actions that would terminate this vital program to stand.

Partners with the B-2 in deterrence are the new cruise missiles that also embody Stealth technology, and they will provide a cost effective way to keep some of our older bombers viable, and they add a unique capability to even our most modern systems.

No student of the Gulf war can doubt how the combination of cruise missiles and manned aircraft can overwhelm an enemy's air defenses.

And finally, Desert Storm should have made the importance of control of the air crystal clear to all. Air superiority—air superiority enabled the allied forces, air and surface, to operate with an effectiveness that amazed the world and, thank God, to operate with allied casualties as low as possible.

Today's generation of fighters drove the Iraqi Air Force from the skies. The F-22, that we see here, the prototype of the next air superiority fighter, combined Stealth and maneuverability in a way that ensures

the American forces in the next century will be able to count on control of the air.

Stealth has really brought a revolution to air power. It is a leap in technology that comes from American genius and ingenuity. It works, and it's needed. And it's an edge that can help guarantee our security in the ever more complex world that we will face in the future. And it's an edge that I want to give our country, and an edge that America's fighting men and women deserve to have should they ever be called on again.

I'll fight for Stealth, and I will fight for the B-2. And I appeal to the leaders here today and to others in the Congress to step up to the challenge and give it full support and full funding this year.

And I want to thank you again, everybody from the Senate that took the time to come out here today. And for those that are committed, let me tell you, please, let us know what we can do because this is priority, not simply to the administration but, in my view, to the country.

Thank you all very much for taking the time to join us.

Note: The President spoke at 2:58 p.m. in Hangar 3 at the base. In his remarks, he referred to Gen. Merrill A. McPeak, U.S. Air Force Chief of Staff; Secretary of Defense Dick Cheney; Robert Dole, Senate minority leader; Secretary of the Air Force Donald B. Rice; and Sam Nunn, chairman of the Senate Armed Services Committee. Prior to his remarks, the President participated in a briefing and toured strategic and tactical fighter aircraft at the base. A tape was not available for verification of the contents of these remarks.

**Statement by Press Secretary Fitzwater
on United States Agricultural Loan
Credit to the Soviet Union**

June 11, 1991

President Bush has informed President Gorbachev today that the United States will meet the Soviet request for up to \$1.5 billion in credit guarantees toward the purchase of American agricultural products. Secretary of Agriculture Ed Madigan will follow up immediately with Soviet officials to work out the details of this agreement.

Pursuant to that legislation agreements for cooperation were concluded with four of our NATO partners in May and June 1959. A similar agreement was also recently concluded with our NATO ally, the Republic of Italy. All of these agreements are designed to implement in important respects the agreed NATO program.

This agreement with the Government of Italy will enable the United States to cooperate effectively in mutual defense planning with Italy and in the training of Italian NATO forces in order that, if an attack on NATO should occur, Italian forces could, under the direction of the Supreme Allied Commander for Europe, effectively use nuclear weapons in their defense.

These agreements previously concluded and this Italian Agreement represent only a portion of the work necessary for complete implementation of the decision taken by the North Atlantic Treaty Organization in December 1957. I anticipate the conclusion of similar agreements for cooperation with certain other NATO nations as the Alliance's defensive planning continues.

Pursuant to the Atomic Energy Act of 1954, as amended, I am submitting to each House of the Congress an authoritative copy of the agreement with the Government of Italy. I am also transmitting a copy of the Secretary of State's letter accompanying an authoritative copy of the signed agreement, a copy of a joint letter from the Secretary of Defense and the Chairman of the Atomic Energy Commission recommending my approval of this document and a copy of my memorandum in reply thereto setting forth my approval.

DWIGHT D. EISENHOWER

NOTE: The text of the agreement and related documents is published in the Congressional Record of March 7, 1961 (vol. 107, p. 3095).

¶ Farewell Radio and Television Address to the American People. *January 17, 1961*

[Delivered from the President's Office at 8:30 p.m.]

My fellow Americans:

Three days from now, after half a century in the service of our country, I shall lay down the responsibilities of office as, in traditional and solemn ceremony, the authority of the Presidency is vested in my successor.

This evening I come to you with a message of leave-taking and farewell, and to share a few final thoughts with you, my countrymen.

Like every other citizen, I wish the new President, and all who will labor with him, Godspeed. I pray that the coming years will be blessed with peace and prosperity for all.

Our people expect their President and the Congress to find essential agreement on issues of great moment, the wise resolution of which will better shape the future of the Nation.

My own relations with the Congress, which began on a remote and tenuous basis when, long ago, a member of the Senate appointed me to West Point, have since ranged to the intimate during the war and immediate post-war period, and, finally, to the mutually interdependent during these past eight years.

In this final relationship, the Congress and the Administration have, on most vital issues, cooperated well, to serve the national good rather than mere partisanship, and so have assured that the business of the Nation should go forward. So, my official relationship with the Congress ends in a feeling, on my part, of gratitude that we have been able to do so much together.

II.

We now stand ten years past the midpoint of a century that has witnessed four major wars among great nations. Three of these involved our own country. Despite these holocausts America is today the strongest, the most influential and most productive nation in the world. Understandably proud of this pre-eminence, we yet realize that America's leadership and prestige depend, not merely upon our unmatched material progress, riches and military strength, but on how we use our power in the interests of world peace and human betterment.

III.

Throughout America's adventure in free government, our basic purposes have been to keep the peace; to foster progress in human achievement, and to enhance liberty, dignity and integrity among people and among nations. To strive for less would be unworthy of a free and religious people. Any failure traceable to arrogance, or our lack of comprehension or readiness to sacrifice would inflict upon us grievous hurt both at home and abroad.

Progress toward these noble goals is persistently threatened by the conflict now engulfing the world. It commands our whole attention, absorbs our very beings. We face a hostile ideology—global in scope, atheistic in character, ruthless in purpose, and insidious in method. Unhappily the danger it poses promises to be of indefinite duration. To meet it successfully, there is called for, not so much the emotional and transitory sacrifices of crisis, but rather those which enable us to carry forward steadily, surely, and without complaint the burdens of a prolonged and complex struggle—with liberty the stake. Only thus shall we remain, despite every provocation, on our charted course toward permanent peace and human betterment.

Crises there will continue to be. In meeting them, whether foreign or domestic, great or small, there is a recurring temptation to feel that some spectacular and costly action could become the miraculous solution to all current difficulties. A huge increase in newer elements of our defense; development of unrealistic programs to cure every ill in agriculture; a dramatic expansion in basic and applied research—these and many other possibilities, each possibly promising in itself, may be suggested as the only way to the road we wish to travel.

But each proposal must be weighed in the light of a broader consideration: the need to maintain balance in and among national programs—balance between the private and the public economy, balance between cost and hoped for advantage—balance between the clearly necessary and the comfortably desirable; balance between our essential requirements as a nation and the duties imposed by the nation upon the individual; balance between actions of the moment and the national welfare of the future. Good judgment seeks balance and progress; lack of it eventually finds imbalance and frustration.

The record of many decades stands as proof that our people and their government have, in the main, understood these truths and have responded to them well, in the face of stress and threat. But threats, new in kind or degree, constantly arise. I mention two only.

IV.

A vital element in keeping the peace is our military establishment. Our arms must be mighty, ready for instant action, so that no potential aggressor may be tempted to risk his own destruction.

Our military organization today bears little relation to that known

by any of my predecessors in peacetime, or indeed by the fighting men of World War II or Korea.

Until the latest of our world conflicts, the United States had no armaments industry. American makers of plowshares could, with time and as required, make swords as well. But now we can no longer risk emergency improvisation of national defense; we have been compelled to create a permanent armaments industry of vast proportions. Added to this, three and a half million men and women are directly engaged in the defense establishment. We annually spend on military security more than the net income of all United States corporations.

This conjunction of an immense military establishment and a large arms industry is new in the American experience. The total influence—economic, political, even spiritual—is felt in every city, every State house, every office of the Federal government. We recognize the imperative need for this development. Yet we must not fail to comprehend its grave implications. Our toil, resources and livelihood are all involved; so is the very structure of our society.

In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist.

We must never let the weight of this combination endanger our liberties or democratic processes. We should take nothing for granted. Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense with our peaceful methods and goals, so that security and liberty may prosper together.

Akin to, and largely responsible for the sweeping changes in our industrial-military posture, has been the technological revolution during recent decades.

In this revolution, research has become central; it also becomes more formalized, complex, and costly. A steadily increasing share is conducted for, by, or at the direction of, the Federal government.

Today, the solitary inventor, tinkering in his shop, has been overshadowed by task forces of scientists in laboratories and testing fields. In the same fashion, the free university, historically the fountainhead of free ideas and scientific discovery, has experienced a revolution in the conduct of research. Partly because of the huge costs involved, a government contract becomes virtually a substitute for intellectual curiosity. For every

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old blackboard there are now hundreds of new electronic computers.

The prospect of domination of the nation's scholars by Federal employment, project allocations, and the power of money is ever present—and is gravely to be regarded.

Yet, in holding scientific research and discovery in respect, as we should, we must also be alert to the equal and opposite danger that public policy could itself become the captive of a scientific-technological elite.

It is the task of statesmanship to mold, to balance, and to integrate these and other forces, new and old, within the principles of our democratic system—ever aiming toward the supreme goals of our free society.

v.

Another factor in maintaining balance involves the element of time. As we peer into society's future, we—you and I, and our government—must avoid the impulse to live only for today, plundering, for our own ease and convenience, the precious resources of tomorrow. We cannot mortgage the material assets of our grandchildren without risking the loss also of their political and spiritual heritage. We want democracy to survive for all generations to come, not to become the insolvent phantom of tomorrow.

vi.

Down the long lane of the history yet to be written America knows that this world of ours, ever growing smaller, must avoid becoming a community of dreadful fear and hate, and be, instead, a proud confederation of mutual trust and respect.

Such a confederation must be one of equals. The weakest must come to the conference table with the same confidence as do we, protected as we are by our moral, economic, and military strength. That table, though scarred by many past frustrations, cannot be abandoned for the certain agony of the battlefield.

Disarmament, with mutual honor and confidence, is a continuing imperative. Together we must learn how to compose differences, not with arms, but with intellect and decent purpose. Because this need is so sharp and apparent I confess that I lay down my official responsibilities in this field with a definite sense of disappointment. As one who has witnessed the horror and the lingering sadness of war—as one who knows that another war could utterly destroy this civilization which has been so slowly and painfully built over thousands of years—I wish I

could say tonight that a lasting peace is in sight.

Happily, I can say that war has been avoided. Steady progress toward our ultimate goal has been made. But, so much remains to be done. As a private citizen, I shall never cease to do what little I can to help the world advance along that road.

vii.

So—in this my last good night to you as your President—I thank you for the many opportunities you have given me for public service in war and peace. I trust that in that service you find some things worthy; as for the rest of it, I know you will find ways to improve performance in the future.

You and I—my fellow citizens—need to be strong in our faith that all nations, under God, will reach the goal of peace with justice. May we be ever unswerving in devotion to principle, confident but humble with power, diligent in pursuit of the Nation's great goals.

To all the peoples of the world, I once more give expression to America's prayerful and continuing aspiration:

We pray that peoples of all faiths, all races, all nations, may have their great human needs satisfied; that those now denied opportunity shall come to enjoy it to the full; that all who yearn for freedom may experience its spiritual blessings; that those who have freedom will understand, also, its heavy responsibilities; that all who are insensitive to the needs of others will learn charity; that the scourges of poverty, disease and ignorance will be made to disappear from the earth, and that, in the goodness of time, all peoples will come to live together in a peace guaranteed by the binding force of mutual respect and love.

422 ¶ The President's News Conference of January 18, 1961

THE PRESIDENT. Good morning. Please sit down.

I came this morning not with any particularly brilliant ideas about the future, but I did want the opportunity to say goodbye to people that I have been associated with now for 8 years, mostly I think on a friendly basis—[laughter]—and at least it certainly has always been interesting.

There is one man here who has attended every press conference that I have had, at home and abroad, and who has been of inestimable serv-

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“States have no rights—only people have rights. States have responsibilities.”—George Romney, July 8, 1964

—JULY 9—

Zodiac sign for the day: Cancer, the crab.

Zodiac birthstone for the day: Agate (pearl, alexandrite, moonstone).

The day in history:

1816—Argentine Independence Day marks 1816 formal declaration of independence from Spain. (see May 25.)

1850—President Zachary Taylor died in the White House of infection and was succeeded by Millard Fillmore.

1947—Engagement was announced of England's Princess Elizabeth and Philip Mountbatten.

1971—Presidential aide Henry Kissinger began secret visit to Red China to arrange for visit by President Nixon.

The day's birthdays:

Inventor Elias Howe 1819, Spencer, Mass.; Prime Minister Edward Heath 1916, Broadstairs, England; football's O.J. Simpson 1947, San Francisco.

Quotation of the day:

“A man ought to read just as inclination leads him; for what he reads as a task will do him little good.”—Samuel Johnson, July 9, 1763

“I have endeavored to do my duty.”—President Zachary Taylor's last words, July 9, 1850

—JULY 10—

Zodiac sign for the day: Cancer, the crab.

Zodiac birthstone for the day: Agate (pearl, alexandrite, moonstone).

The day in history:

1890—Wyoming admitted to U.S. as 44th state.

1929—New, smaller-size paper money went into use in U.S. (still used).

1943—U.S. & British invaded Sicily in World War II.

1953—Soviet secret police head Lavrenti P. Beria purged by U.S.S.R.

The day's birthdays:

Artist James Whistler 1834, Lowell, Mass.; theologian John Calvin 1509, Noyon, France; writer Marcel Proust 1871, Paris; inventor Nikola Tesla 1856, Smiljan, Croatia; television's David Brinkley 1920, Wilmington, N.C.; artist Giorgio de Chirico 1888, Volos, Greece.

Quotation of the day:

“Every monopoly and all exclusive privileges are granted at the expense of the public, which ought to receive a fair equivalent.”
Andrew Jackson, July 10, 1832

—JULY 11—

Zodiac sign for the day: Cancer, the crab.

Zodiac birthstone for the day: Agate (pearl, alexandrite, moonstone).

The day in history:

1804—Aaron Burr fatally wounded Alexander Hamilton in duel at Weehawken, N.J.

1936—Triborough Bridge linking Manhattan, Bronx and Queens in New York City was opened.

1955—U.S. Air Force Academy opened at Lowry Air Force Base, Colo.; moved to Colorado Springs three years later.

The day's birthdays:

President John Quincy Adams 1767, Braintree, Mass.; merchant John Wanamaker 1838, Philadelphia; editor Thomas Bowdler 1754, Ashley, England; King Robert I, “The Bruce” 1274, Turnberry, Scotland.

Quotation of the day:

“Idleness and pride tax with a heavier hand than kings and parliaments.”—Benjamin Franklin, July 11, 1765

—JULY 12—

Zodiac sign for the day: Cancer, the crab.

Zodiac birthstone for the day: Agate (pearl, alexandrite, moonstone).

Kenneth Burman, chief of endocrinology at the Walter Reed Army Medical Center; Lawrence Mohr, White House physician; Colum Gorman, endocrinologist at the Mayo Clinic; Marlin Fitzwater, Press Secretary to the President; Yevgenity M. Primakov, Soviet Presidential Council member and envoy for President Gorbachev; Mikhail A. Moiseyev, Chief of the General Staff of the Soviet Union; Grigory A. Yavlinsky, Director of the Soviet Center for Economic and Political Research; Prime Minister Brian Mulroney of Canada; Prime Minister John Major of the United Kingdom; Ed Hewett, Special Assistant to the President for National Security Affairs and Senior Director of Soviet Affairs; Brent Scowcroft, Assistant to the President for National Security Affairs; Carla Hills, U.S. Trade Representative; and Robert A. Mosbacher, Secretary of Commerce.

**Statement by Press Secretary Fitzwater on the President's Health
May 28, 1991**

Because of the remarkable coincidence of the President and First Lady both having Graves' disease, the President's physician is exploring any possible link to environmental or other causes. While the doctors feel it is highly unlikely that their thyroid condition could be related, or in any way related to the lupus disease suffered by Millie, prudence dictates that all such possibilities be examined.

The Secret Service is taking water samples at Camp David, the Vice President's residence, the White House and Walker's Point to ascertain any possible presence of iodine or lithium, two substances which have been associated with thyroid disease. In addition, Dr. Charles L. Christian, head of medicine at the Hospital for Special Surgery in New York, has been asked to review the medical history of the First Family, including Millie, to ensure that there is no relationship in any way. These tests and reviews will be made over the next few weeks. We do not expect conclusions for some time.

**Remarks at the United States Air Force Academy Commencement Ceremony in Colorado Springs, Colorado
May 29, 1991**

What a day. Please be seated, and thank you for that warm welcome. To my old friend, Senator Goldwater; to Secretary Rice and General McPeak; to General Hamm, who's done such a fantastic job here; ladies and gentlemen; graduates. Our altitude is 7,250 feet above sea level—far, far above that of West Point or Annapolis. And I'm sorry I'm a little late. I flunked my room inspection at Kennebunkport this morning. [Laughter] Barbara gave me 20 demerits. Then it took time to talk the pilot of Air Force One, Colonel Barr, out of doing an Immelmann over this stadium. [Laughter]

It is an honor for me to join you here at "Wild Blue U"—the home of the quick and the brave. There's never been a better day to be part of this magnificent team.

For 40 years, my generation struggled in the confines of a divided world—frozen in the ice of ideological conflict, preoccupied with the possibility of yet another war in Europe. More recently, many here and abroad wondered whether America still possessed the strength and the will to bear the burden of world leadership. My fellow Americans, we do—and we will.

Through strength of example and commitment, we lead. You've been taught the price and the importance of leadership. As you leave the Academy, you answer your nation's call to advance the cause of freedom—to lead. There's a new sense of pride and patriotism in our land. And it's good for our nation's soul.

The beltway cynics may call this renewal of patriotism old-fashioned, but Americans rarely mistake cynicism for sophistication. Patriotism binds the real and lasting fabric of our nation. Assertive but not arrogant—self-assured, kind, generous—we remain committed to our fundamental values.

So today I speak to you, and to every member of America's Armed Forces, to say thanks. When others weren't sure we were up to the task—you were. When your country asked you to serve—you did. And when others said, "No, no, we're not ready, we

Go ahead
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JFK

can't"—you said, "Yes, we are ready, we can." You and your colleagues in all the services prove that Americans consider no risk too great, no burden too onerous to defend our interests and our principles—in short, to do what's just and to do what's right.

Good

Consider our fundamental decency and humanity—our commitment to liberty. Our service men and women in the Gulf, weary from months in the desert, now help suffering Kurds and the people of Bangladesh. When a carrier on the way home after months in the Gulf was diverted to Bangladesh, a crewman was asked, "Aren't you disappointed that you don't get to go home?" He replied, "Not at all. We're saving lives. We're doing what we ought to do."

We do not dictate the courses nations follow, but neither can we overlook the fact that our examples reshape the world. We can't right all wrongs—but neither can any nation lead as we can.

Joined by the world's leading nations, we worked to create a coalition in which countries great and small joined forces to liberate Kuwait. That coalition saw soldiers from dozens of lands fight shoulder-to-shoulder, fly wingtip-to-wingtip in the cause of freedom. And it saw our forces as fully integrated as any in our history, demonstrating the true strength of joint operations.

A year before you came to Colorado Springs, I was privileged to be here. And I told the Class of '86, "There's no doubt the Soviets remain our major adversary. Our two separate systems represent fundamentally different values."

Since then, we've seen remarkable political change. But let's not forget the Soviet Union retains enormous military strength. It will have the largest land force in Europe for the foreseeable future. With perhaps five new strategic missile systems in development, they'll be ready for yet another round of strategic modernization by the mid-1990's.

At the same time, however, Soviet troops have embarked on the long trek home from Czechoslovakia, Hungary, Poland—and, happily, from a reunified Germany. We are hopeful that the Soviet Union itself will continue its move toward freedom.

As superpower polarization and conflict melt, military thinkers must focus on more volatile regimes—regimes packed with modern weapons and seething with ancient ambitions. We are committed to stopping the proliferation of weapons of mass destruction. But there is danger that despite our efforts, by the end of this century nearly two dozen developing nations could have ballistic missiles. Many already have nuclear, chemical, or biological weapons programs.

Nowhere are the dangers of weapons of proliferation more urgent than in the Middle East. After consulting with governments inside the region and elsewhere about how to slow and then reverse the buildup of unnecessary and destabilizing weapons, I am today proposing a Middle East arms control initiative.

It features supplier guidelines on conventional arms exports; barriers to exports that contribute to weapons of mass destruction; a freeze now, and later a ban on surface-to-surface missiles in the region; and a ban on production of nuclear weapons material. Halting the proliferation of conventional and unconventional weapons in the Middle East—while supporting the legitimate need of every state to defend itself—will require the cooperation of many states, in the region and around the world. It won't be easy—but the path to peace never is.

And as the world changes, our military must evolve and change with it. Last year, I announced a shift in our defense focus: away from old threats and toward the dangers that will face us in the years to come. We need a more agile, flexible military force that we can put where it is needed, when it is needed. I also called for new technology in our defense systems. And I proposed a defense package to the Congress that meets these demands.

In the years ahead, defense spending will drop to below four percent of our gross national product—the lowest level in over 50 years. But we must spend that money in ways that address the threats that we are likely to face in the future. Although we developed this budget before the Gulf war, it anticipates very important lessons of that war—lessons that, frankly, some in the United States Congress now ignore:

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Administration of George Bush, 1991 / May 29

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Gulf Lesson One is the value of air power. I remember meeting with General McPeak up at Camp David. In his quiet but forceful way, he told me exactly what he felt air power could do. After he left, I turned to my trusted National Security Adviser, who's with me here today, a former political science professor here at the Academy and a pilot, General Scowcroft—and said, "Brent, does this guy really know what he's talking about?" General Scowcroft assured me he did—and General McPeak, like the entire Air Force, was right on target from day one. The Gulf war taught us that we must retain combat superiority in the skies.

Then there's Gulf Lesson Two: The value of Stealth. Surprise is a classic principle of warfare—and, yes, it depends on sound intelligence work. But Stealth adds a new dimension of surprise. Our air strikes were the most effective, yet humane in the history of warfare.

The F-117 proved itself by doing more, doing it better, doing it for less, and targeting soldiers, not civilians. It flew hundreds of sorties into the most heavily defended areas without a scratch.

The F-117 carried a revolution in warfare on its wings. The next step in that revolution is the Stealth bomber, the B-2. Not only for its contribution to nuclear deterrence, but also from the standpoint of conventional cost-effectiveness, the B-2 has no peer. It carries over 10 times the conventional load of an F-117 and can fly 5 times further between refuelings. It gets to the job faster, with more tons of ordnance—without the force buildup and time we needed prior to Desert Storm—and without needing foreign airfields in the immediate proximity of a conflict. And it replaces B-52 aircraft approaching twice the age of you graduates—and I say that respectively. [Laughter]

Yet, last week, the House of Representatives voted to terminate the B-2, redirecting those funds at unnecessary weapons. Anyone who tells you the B-2 is "too expensive" hasn't seen flak up close lately. America needs the B-2 bomber, and I'm going to fight for it every inch of the way.

Gulf Lesson Three: We learned that missile defense works and that it promotes peace and security. In the Gulf, we had the

technologies of defense to pick up where theories of deterrence left off. You see, Saddam Hussein was not deterred, but the Patriot saved lives and helped keep the coalition together.

That's one reason that we've refocused strategic defense toward Global Protection Against Limited Strikes, or "G-PALS," as we call it. It defends us and our allies from accidental launches or from the missile attacks of international renegades. While the Patriot worked well in the Gulf, we must prepare for the missiles more likely to be used by future aggressors. We can't build a defense system that simply responds to the threats of the past.

Yet some in Congress want to gut our ability to develop strategic defenses. Last week the House irresponsibly voted to cut nearly \$2 billion from G-PALS and to kill its most promising technologies. I call on the Senate today to restore our missile defense programs, to safeguard American and allied lives, and to promote security.

Gulf Lesson Four, the most fundamental, is the value of people. People fight and win wars. And this nation never has fielded better fighting men and women than it does today. In 1980, 68 percent of those enlisting in the military had high school diplomas—now it's 95 percent and climbing. The military has become our greatest equal opportunity employer. It offers everyone a chance and it promotes people solely on the basis of merit. The men and women you will soon be leading are the best educated and most motivated anywhere, anytime, ever. You know the standards. You know, I was tempted to ask General Scowcroft how he thought I was performing during the war, but I was afraid he'd say, "Fast, neat, average, friendly, good, good." [Laughter]

Although we will cut troop levels 25 percent by mid-decade, we must ensure that they remain fully prepared to respond quickly and decisively to crises. We must ensure that they are totally integrated, taking full advantage of the kinds of joint operations so powerfully demonstrated in the Gulf. We must ensure that they have weapons that emerge from military necessity—not pork barrel politics. We must ensure that the cuts in the active and reserve components result in the most effective

May 29 / Administration of George Bush, 1991

tive and efficient forces possible. We must not compromise our readiness just to protect unneeded bases, programs, and forces.

Look, no president—no president could or would deny Congress its right to approve budgets or conduct oversight. But as Commander in Chief, my greatest responsibility is national defense—and I will veto any bill that doesn't support and sustain my defense program.

And so I ask the Congress to help make our forces leaner and more effective. Don't weigh them down with pork. Don't deny our people the tools that they will need to do their jobs in the next century.

You graduates will find that no other combat force you encounter will have your skills, your technology, or support. You'll find that in world leadership we have no challengers, but in our turbulent world, you will find no lack of challenges. And I know you are ready.

So, to all of America's servicemen—all of them, wherever they may be—and all of America's servicewomen, I salute them—I salute you. And to this 1991 graduating class of the United States Air Force Academy, may I say, you have earned your commissions. Well done, and Godspeed. And may God bless you and the United States of America. Thank you all very, very much.

Note: The President spoke at 11:15 a.m. in Falcon Stadium. In his opening remarks, he referred to Secretary of the Air Force Donald B. Rice; Gen. Merrill A. McPeak, Air Force Chief of Staff; and Gen. Charles Hamm, superintendent of the U.S. Air Force Academy.

Nomination of Lynn M. Hansen for the Rank of Ambassador While Serving as United States Representative to the Conventional Armed Forces in Europe Joint Consultative Group
May 29, 1991

The President today announced his intention to nominate Lynn Marvin Hansen, of Colorado, for the Rank of Ambassador during his tenure of service as the U.S. Representative on the Conventional Armed

Forces in Europe (CFE) Joint Consultative Group and to the Negotiations on Conventional Armed Forces in Europe (CFE). He would succeed R. James Woolsey.

Since 1989 Dr. Hansen has served as the John M. Olin Distinguished Professor of National Defense and Security Studies at the United States Air Force Academy in Colorado Springs, Colorado. Prior to this Dr. Hansen served as Assistant Director at the United States Arms Control and Disarmament Agency in Washington, DC, 1986-1989.

Dr. Hansen graduated from Utah State University (B.S., 1960) and the University of Utah (M.A., 1966; Ph.D., 1970). He was born December 27, 1935 in Idaho Falls, Idaho. Dr. Hansen served in the United States Air Force, 1960-1983, retiring as a colonel. Dr. Hansen is married, has seven children, and resides in Monument, CO.

Memorandum on Disaster Assistance for Bangladesh
May 29, 1991

Presidential Determination No. 91-35

Memorandum for the Secretary of State
The Secretary of Defense

Subject: Drawdown of Department of Defense Articles and Services for International Disaster Assistance in Bangladesh

Pursuant to the authority vested in me by section 506(a)(2) of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2318(a)(2)) (the "Act"), I hereby determine that it is in the national interest of the United States to draw down defense articles from the stocks of the Department of Defense and defense services of the Department of Defense, for the purpose of providing international disaster assistance in Bangladesh.

Therefore, I hereby authorize the furnishing of up to \$20 million of defense articles from the stocks of the Department of Defense and defense services of the Department of Defense, for the purposes and under the authorities of Chapter 9 of Part I of the Act.

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Draft Speech Insert

for A.F. Academy

I must tell you that I am very disappointed with the House of Representatives actions on this year's Defense Authorization Bill.

My budget, my defense program, recognizes that we can make cuts because of the historical and dramatic changes in the international security environment. It recognizes that we must make cuts to meet our own fiscal goals.

The cuts I've proposed are, quite literally, draconian. Virtually every military unit and every defense program will be affected to some degree. Some units will be disbanded, some bases closed, and some programs cancelled. Virtually every state and every congressional district will see the effects. But there is no alternative if we are to fashion a defense program that is tailored to the new world order.

The defense budget I put forward is a logical, coherent program, designed for maximum effectiveness and efficiency within the available resources. The House bill would unravel the logic of the program; killing the B-2 that is so vital to our new security objectives, emasculating our ability to develop and deploy strategic defenses; and preventing needed reductions in the Guard and Reserve. At the same time, the House bill would force us to buy expensive and unneeded aircraft and other weapons which I never requested.

This is not the time for business as usual. This is no time for pork-barrel politics. Make no mistake -- I will veto a bill that does not allow us to meet today's defense needs or our future challenges.

Mark -

The President
will sign a veto
letter today on the
HASC bill.

Above a suggested add to
the speech. Use as you
see fit

John Gordon
x 3330

July 2, 1991

MEMORANDUM FOR TONY SNOW

FROM: BOB SIMON *BS*
SUBJECT: DEFENSE SPEECH

The President will speak to the American Defense Preparedness Association on July 9 at 10 a.m. at the J.W. Marriott. The association is made up of arms merchants, i.e. friendly.

The outline was approved by Scowcroft. He sees this speech as a chance for the President to lay down some markers before the Senate Armed Services Committee starts mark-up on the 10th or 11th. Essentially, the outline goes through the same material as the Air Force Academy speech, but with an added emphasis on the need to cut Guard and Reserve forces as well as active forces. Congress is really resisting cuts to the Reserves because they are politically potent, so we need to give some political cover to our GOP troops up on the Hill.

Also, the President will send the base closing report to Congress the day after this speech, so we should hit them hard about how painful cuts must be made.

Historical notes: On July 9, 1850, President Zachary Taylor died. His last words: "I have endeavored to do my duty." Also, on July 12, 1862, the Congressional Medal of Honor was authorized. How about "130 years ago, Congress created the Medal of Honor. Now Congress has a chance to win a medal of honor by passing a defense bill that

10 AM
July 9,

OUTLINE FOR A SPEECH ON THE DEFENSE PROGRAM

A New World Order

Any view of defense issues must be anchored in a broader vision.

- In the Gulf we caught a glimmer of the future, a new world order characterized by a growing consensus that force cannot be used to settle disputes and characterized by a world willing to act when that consensus is broken.
- The Gulf crisis showed the value of collective action in dealing with aggression, but it also showed that only the United States can mobilize the international community.
- We remain the country to whom others turn when in distress. We can't do it alone, but no one else can mobilize and lead as we can.
- This leadership must include effective military forces, forces appropriate to the challenges and opportunities before us.

Aspen II

Last year in Aspen I announced a shift in our defense focus toward forces 25 percent smaller and restructured for a new era.

- Events since then -- in the Gulf, in Europe, in the Soviet Union -- have validated this shift, a shift away from many of the threats of the Cold War toward a new agility for our armed forces, an ability to respond to unpredictable regional crises, even as we continue to deter nuclear attack.
- We are moving from a force that has largely been garrisoned at likely points of attack by known enemies to one that is agile enough to respond to a variety of new and unpredictable dangers.
- Let me make this clear. This is a fundamental redirection of our defense effort -- conceptually a different kind of force. And fiscally, for the first time in over 40 years, we are planning to spend progressively less for defense.
- The threats have changed. The ability -- indeed, the willingness -- of the Soviet Union to project conventional military power beyond its borders has been significantly reduced. This permits us to scale back our forces.
- But dangers remain. We still face the sobering truth that the Soviet Union will retain the physical ability to destroy the United States in a single cataclysmic attack and Saddam Hussein's barbarity dramatized the terrible menace of outlaw states armed with modern weapons and ancient ambitions.

- Our forces will be smaller but we can't afford to let them be less ready, to be equipped with the wrong kinds of weapons, or to be weighed down with unneeded systems, unneeded bases or unneeded units.

Holding the Line

The defense program we sent to Congress provides for effective military forces and it stays within the limits agreed to in last year's budget summit.

- But there is no slack here. This is a defense program that meets minimum defense needs.
- When Congress adds fat (or should I say pork) to this program, they have to take muscle out to pay for it.
- That's why I intend to hold the line on defense. I will veto any defense bill that does not do what it has to do to defend this nation, its values and its interests.
- This is not a question of politics but of putting American interests and lives unnecessarily at risk in the future.
- I will fight for the B-2. This aircraft will advance the revolution in warfare begun by the F-117, but with greater range and payload, to deter across the spectrum of conflict. Some have suggested we should compromise -- accept a total of 15 aircraft. That makes no sense operationally or fiscally. Our program -- 75 B-2s -- is the compromise.
- I will fight for strategic defenses. GPALS will pick up where deterrence leaves off, offering protection in the event of accidental launch and defending against international renegades who will soon possess threats more sophisticated than the Model-T SCUD. I will not accept a defense program that guts our ability to pursue the most promising technologies for the future.
- I will fight for the right kind of active-reserve ^{guard} mix -- and that means reshaping our reserve forces as we reshape the total force. When the House adds hundreds of millions of dollars to buy reserve equipment we do not want -- when the House makes the Pentagon retain tens of thousands of reserve positions we do not need -- they are taking dollars away from those things that will make all of our forces, active and reserve, more effective in the future. House action on reserve personnel alone would cost us more than \$11 billion over the next five years.

- I will fight for the mobility programs we must have to get our forces where they are needed when they are needed. We can't let the lightning success of our forces in the 100 hour ground war blind us to the fact that it took us a full six months to deploy those forces.
- And I will fight to eliminate the pet programs and pet projects that have been added to the ^{House} defense bill. Things like aircraft the Air Force and Navy have not asked for or tanks the Army has not requested. Things like nearly two billion dollars in construction projects that Dick Cheney says that we can do without.

Managing Risk

This isn't an argument about how much to spend on defense. We settled that last year with the Budget Agreement. Rather it is a question of how to spend our money.

- We cannot live with a defense program that has been at one and the same time both bloated and gutted by narrow interests. The defense program has to serve the national interest.
- I've been a Congressman and I've been a businessman so I know something of the pressures that a changing defense budget can create. But N-I-M-B-Y -- not in my backyard -- cannot be the foundation of a defense program.
- What we are really doing here is managing risk. We can't have everything we might like to have for defense. We never could and we certainly can't now.
- We have to focus on those things we need and make the tough choices. Business as usual just won't do it!!!
- [Today I sent to the Congress with my approval the final report of the Base Closure Commission recommending we close xx bases and reduce or realign forces at yy more. The Commission did its work fairly, impartially and with a sense of the national interest.]
- [This is the spirit we have to have as we work on the defense budget. This is the spirit that will enable us to scale back and restructure our forces rationally.]
- I challenge the Senate to do what is right, to pass a defense program that will allow us to take the Nation safely into the 21st century.

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SENATE ARMED SERVICES
COMMITTEE

**STATEMENT OF
THE SECRETARY OF DEFENSE**

DICK CHENEY

BEFORE THE

SENATE ARMED SERVICES COMMITTEE

IN CONNECTION WITH

**THE FY 1992-93 BUDGET FOR
THE DEPARTMENT OF DEFENSE**

FEBRUARY 21, 1991

FOR OFFICIAL USE ONLY
UNTIL RELEASED BY THE
SENATE ARMED SERVICES
COMMITTEE

STATEMENT OF SECRETARY OF DEFENSE DICK CHENEY
IN CONNECTION WITH THE FY 1992-93 DEPARTMENT OF DEFENSE BUDGET
SENATE ARMED SERVICES COMMITTEE
FEBRUARY 21, 1991

Mr. Chairman, members of the Committee, thank you for this opportunity to discuss the Administration's fiscal year (FY) 1992-93 defense budget request.

As we meet here today, the Defense Department is engaged in two formidable tasks. First, the men and women of our armed forces, under the mandate of the United Nations, are engaged in war in the sands of Arabia to liberate Kuwait. Their dedication and professionalism are making us proud.

Yet even as we fight a significant war far from our shores, the Department, in the second task, is restructuring and reducing American military forces to adapt to changes in the strategic environment and to meet the challenge and opportunities of the post-Cold War era. Today is an important step in that process, and I welcome the opportunity to testify before you on these crucial matters.

Underpinning each of these formidable tasks is a new strategy for America's defense. This strategy was first set forth publicly in a speech by President Bush last August 2--the very day Saddam Hussein invaded Kuwait. This is ironic, because the strategy President Bush presented directs attention away from a global war beginning in Europe -- the contingency that had necessarily preoccupied America's planners for four decades. The new strategy focuses our efforts instead on regional contingencies and on sustaining the forward military presence in peacetime necessary to deter the outbreak of regional wars.

This new strategy also emphasizes that technological breakthroughs will change military art, even as our Stealth fighters today carry a disproportionate role in the air war. It calls for ballistic missile defense, much as American Patriot units are now engaged almost nightly. It directs resources for increased mobility, as we conduct one of the largest and most rapid deployments in our history. And it recognizes potential new roles for us, for our allies and for the Soviets, even as an unprecedented international effort has been forged.

But it is also a strategy that recognizes the importance of continuing historic roles for America's defense, as our Army, Navy, Air Force, and Marines prepare for one of the largest land assaults of modern times. It cites the continued importance of the quality of our armed forces and the critical need to maintain and modernize our strategic capabilities. And it warns of the continued need for caution in an uncertain world, the

need to be ready to rebuild, even as we plan to reduce dramatically over the next several years.

Today I would like to discuss this new strategy, the elements that underlie it, and its implications for our defense budget. For an effective strategy for America's defense requires first a sound understanding of the challenges and opportunities ahead of us, a clear sense of our interests and goals, and an honest appreciation of our strengths and characteristics as a nation. On these sound bases the President has built America's defense strategy for the 1990s, a strategy fully reflected in the force structures and programs contained in the defense budget recently submitted to the Congress.

TREATS AND OPPORTUNITIES

The remarkable changes of 1989 in Europe and the Soviet Union brought to the fore the need to reexamine the strategy of containment that had guided us from early post-World War II days. But there are other changes afoot, as well, partly as a consequence of the end of the Cold War, and partly from other historical trends. These have interlocking effects on our purposes as a nation and on the resources we will devote to our defense. Let me discuss briefly problems and opportunities presented in four categories:

- Changes in the Soviet Union and Eastern Europe.
- Changes in future regional threats.
- Changes in relations with our allies.
- Changes in the nature of future warfare.

Changes in the Soviet Union and Eastern Europe

The past two years have seen extraordinary, historic changes in the strategic environment. The revolutionary change in the nations of Eastern Europe has been more wide-ranging and sweeping than anything we have seen in the last forty years. Noncommunists now lead each of the former non-Soviet Warsaw Pact states. Germany has been unified in NATO. The Soviet Union has agreed to withdraw its troops from Czechoslovakia, Hungary and Germany and is unilaterally reducing its general purpose forces at home. The Warsaw Pact is set to be dissolved April 1. In short, the West has achieved a great strategic success.

The Soviets have played a responsible and helpful role in many of these developments. Communism collapsed in Eastern Europe and is under siege elsewhere because it failed to nurture the spirit and innovation of its individual citizens. Democracy and free market economies have proven more durable, more successful and more responsive to the aspirations of the majority of mankind. But the Soviets helped change along and in the past two years took some steps toward reform at home as well. Significantly, the Soviets have also joined with the overwhelming majority of the international community in

supporting 12 UN Security Council resolutions condemning Iraq's wanton aggression in the Persian Gulf. In this sense it is now common to say, at last, "the Cold war is over."

Last fall, during trips to Poland and the Soviet Union, I witnessed some of these advances first hand. In Moscow, I addressed a joint meeting of the Defense and State Security and International Affairs committees of the Supreme Soviet, and this experience in particular left me with a sense of the great changes taking place in the Soviet Union.

But the moves towards democracy and demilitarization of the Soviet Union that we all welcomed now appear to be in doubt. Recent, worrisome events raise questions about the prospects for needed economic and political reform and the Soviet Union's future course.

The economic situation in the Soviet Union today is as bleak as it has been since the end of World War II. In October 1990, just about the time I visited the Soviet Union, the central government rejected the Shatalin plan, the only economic program that had any real prospect to reform the Soviet economy. The Soviet government has taken other steps that make any significant improvement in the Soviet economy less likely, including reasserting the priority of state orders in the economy, authorizing the KGB to search business enterprises for economic data, and otherwise countering the movement toward free markets and prices. These actions are certain to trouble western businessmen contemplating investment in the Soviet Union. In short, the Soviet central government has for now abandoned economic reform and in turn has been abandoned by the most prominent economic reformers, many of whom are now working with the government of the Russian Republic.

As a result of the center's policies, the Soviet economy is collapsing. There only remains the question of how rapidly the shrinkage is occurring. Estimates for 1990 range from an official Soviet estimate of some 2 percent reduction in Soviet economic activity to at least a 10 percent reduction in the 12 months ending in February 1991. Many experts anticipate that 1991 will see a further contraction of the Soviet economy.

Mr. Gorbachev's success in the eyes of many hinged upon his ability to deliver economic reform, to move the Soviet Union into the modern era so that it could compete with the West. Success depended first and foremost upon his ability to dismantle the old structures that clearly did not work, and put new structures in their place. In my view, to date, he has clearly not yet achieved that transformation. Given this failure, we have to anticipate that there will continue to be economic decline and increased prospects for significant unrest. If the government pursues additional anti-reform steps, Moscow will find itself locked in a vicious cycle. It is hard to

discern, at this point, a strategy at the center for dealing with these problems or regenerating a process of reform.

Political reform in the Soviet Union is also under attack. Leading liberal political figures have left the government, most notably former Foreign Minister Shevardnadze, whose resignation speech warned of an impending dictatorship. Shortly thereafter, Gorbachev resorted to and sanctioned a crackdown on the freely elected governments in the Baltic states. There has been a reversal of progress in human rights and a broad campaign attacking press freedoms. Political conflict is worsening. Rather than moving toward greater openness to resolve the underlying problems, Gorbachev appears ready to rely on the security services and the military and their use of force to maintain order inside the Soviet Union. He has issued a decree establishing joint Interior Ministry-Army patrols. There is now a widespread consensus among Soviet observers that the central government is increasingly influenced by the military and the security services, as well as the Communist party bureaucracy.

In the absence of ongoing reform there is no prospect for a permanent transformation in U.S.-Soviet relations. Experience shows that ultimately U.S.-Soviet relations are driven by how the Soviet Union governs itself. Except at the margins, long-term improvement depends on the democratization and demilitarization of Soviet society. The failure of reform would not necessarily mean a return to the worst days of the cold war, but it would prevent movement to thoroughgoing, across the board cooperation with the Soviet Union.

Reform need not fail. Our President has said many times that we want the process of reform in the Soviet Union to succeed. We still hope that it will be successful, and the central government, we believe, may still be able to take steps to return to the path of reform.

But what do these conflicting trends mean for our long-term defense requirements? Five implications must be weighed.

First, the Warsaw Pact is dead as a military organization. I do not see any possibility of resurrecting it. Even though the Soviet military will remain, by a wide margin, the largest armed force on the continent, the threat of a short-warning, global war starting in Europe is now less likely than at any time in the last 45 years. The USSR will, very likely, continue withdrawing forces from Eastern Europe. The withdrawals from Hungary and Czechoslovakia are well on their way to completion; and, despite some recent difficulties, we anticipate that withdrawal from Germany and Poland will be completed some time thereafter.

Second, the Soviet ability to project conventional power beyond its borders will continue to decline, whether that decline is part of a broad strategy of improving relations with

the West or is simply an unintended effect of the continued economic collapse of the Soviet Union. For the moment there does not appear to be a constituency for a revanchist policy toward Europe or a forward policy in the Third World. More generally, as many Soviets have noted, the Soviet Union has a sick economy, and it is getting sicker. The military is not able to insulate itself completely from this broader social illness, and as a consequence some of its capabilities inevitably will be degraded. Thus, I think overall the Soviets are going to find it increasingly difficult to project power beyond their borders, and that obviously reduces the threat we have been faced with for the past 40 years.

Third, there is enormous uncertainty about developments inside the Soviet Union, and this should be reflected in our planning. Absent a return to the course of reform, I believe the Soviet decline will continue. Growing unrest and violence in the Soviet Union would threaten its neighbors in Central and Eastern Europe since some of the turmoil may well spill over the borders of the Soviet Union. This unrest will be particularly troubling to the Soviet Union's neighbors since, as former Foreign Minister Shevardnadze said not long ago:

[N]o one can calculate the consequences of a social explosion capable of igniting not only befogged minds but also the giant stockpiles of nuclear and chemical weapons and nuclear power stations and the zones already weakened by environmental and natural disasters and regions shaken by interethnic strife.

As the situation deteriorates in the Soviet Union, anticommunist democrats and ethnic nationalists could well take to the streets in protest or flee. Large flows of refugees to Europe are possible. This will only heighten the concerns of Eastern European nations, as they seek solutions to their longer-term security needs.

Fourth, and a key point, the Soviets not only retain significant strategic capability but are modernizing it virtually across the board. It is expected that Soviet nuclear forces will be fully modernized by the mid-1990s, including Typhoon/Delta IV submarines, SS-24 and SS-25 missiles and follow-ons to each, and a new highly accurate version of the SS-18 missile. They will also modernize their air-breathing forces with the ALCM-carrying Bear-H, Blackjack and Backfire bombers, among other improvements. In all, we see five or six new Soviet long-range ballistic missiles under development. The USSR also continues to modernize its strategic defenses. While we seek to capitalize on the significant reductions in conventional capabilities, we must recognize the continued importance of maintaining robust strategic offensive and defensive capabilities.

Fifth, the prospects for arms control are in doubt. We have serious, unresolved differences with Moscow over the agreement to reduce Conventional Forces in Europe (CFE). There is still, at this time, no resolution on START, although at various times there has been reason to believe we were close to finishing a START agreement. These setbacks in arms control demonstrate the spillover effects of Soviet domestic unrest and the resurgent role of the military. Nevertheless, we remain hopeful that we may yet conclude meaningful arms control agreements with the Soviets.

Changes in Future Regional Threats

The cooling of the superpower rivalry has implications for the regional conflicts we confront as well. The containment strategy dictated that part of our regional interests derived directly from Moscow's expansionist strategy, and our own efforts to counter that expansionism. U.S.-Soviet rivalry did not create U.S. regional interests but gave them a special context and urgency. A new era holds the prospect for treating regional issues independent of the East-West context.

A true demise to the Cold War therefore promises many positive effects on regional conflicts, including greater superpower cooperation, with the most dramatic example to date being the Soviet support in the United Nations against Iraq. The cooling of superpower rivalry decreases the chances that a regional conflict will escalate into global war--a worrisome concern throughout the Cold War. This shift drains many regional insurgencies of their most common source of military and economic support, and undercuts adherents to Communist ideological fervor. On the other hand, there is a risk that the end of the bipolar world could unleash local, destructive forces that were previously kept in check. For example, there is some thought that Saddam Hussein saw the end of the Cold War as an opportunity to pursue his own expansionism.

Whatever the positive consequences of Soviet "new thinking" on foreign affairs, we face the sobering truth that local sources of instability and oppression will continue to foster conflicts small and large virtually across the globe. The Gulf conflict has illustrated once again that these regional crises and conflicts are likely to arise, or to escalate, unpredictably and on very short notice. This will require that we be able to respond if necessary, very rapidly, often very far from home, and against hostile forces that are increasingly well-armed with conventional and unconventional capabilities.

No one can predict with certainty the precise course of the war with Iraq. Nonetheless, we are confident that we will ultimately prevail. In the near future, one way or another, Iraqi forces will leave Kuwait. Similarly, the region's post-crisis political and military relationships remain uncertain, but we are confident of a more favorable post-crisis future

there. Several points will guide our approach. First, the security structure that was in place on August 2 failed; we need a new structure which can maintain the peace. Second, our friends in the gulf will have to take the lead; they are most directly affected by conflict there. Third, we have major interests in that part of the world; we must remain engaged to protect those interests, consistent with the wishes of our local friends. Fourth, we are prepared to increase our presence compared to the pre-crisis period. We will want to have the capability to return forces quickly to the region should that ever be required. We will want to do much more prepositioning of heavy equipment in the region than was the case before, while seeking to minimize any long-term, large U.S. presence.

But while we are confident of success in the Gulf, this war presages very much the type of conflict we are most likely to confront again in this new era--major regional contingencies against foes well-armed with advanced conventional and unconventional weaponry. In addition to Southwest Asia, we have important interests in Europe, Asia, the Pacific and Central and Latin America. In each of these regions there are opportunities and potential future threats to our interests. We must configure our policies and our forces to effectively deter, or quickly defeat, such future regional threats.

Iraq's forces are considerable, but not entirely unique: there are other regional powers with modern armored forces, sophisticated attack aircraft and integrated air defenses, anti-ship cruise missiles, and even modern diesel submarines. The problem will be exacerbated by post-Cold War phenomena: transfers of Cold War surplus armaments, increasing economic pressures on international arms dealers, and growing indigenous technical capabilities in the Third World. Opponents in regional conflicts are unlikely to possess the across-the-board technical sophistication of the USSR. It will not be uncommon, however, for U.S. forces to face sophisticated systems containing high technology in regional confrontations.

Iraq also illustrates the growing problem of the proliferation of weapons of mass destruction. For the first time in more than 70 years, we face the possibility of the use of chemical and biological weapons against us in a conflict. The use of such capabilities would require a devastating response. We must respond resolutely not only because of current combat requirements, but also to deter future use. Only a few years hence, had it continued on its same path, Iraq could well have credibly threatened a nuclear weapons capability as well. By the year 2000, it is estimated that at least 15 developing nations will have the ability to build ballistic missiles--eight of which either have or are near to acquiring nuclear capabilities. Thirty countries will have chemical weapons, and ten will be able to deploy biological weapons as well.

One implication for future regional conflicts emerging from Hussein's aggression is the need for tighter arms transfer and proliferation controls. Those responsible for violations of such control should be held strictly accountable. We cannot allow the end of cold-war-level hostilities to open further the door to transfer of unconventional or ballistic systems.

A second implication for future regional conflicts that clearly emerges from the current crisis is the military and political importance of enhancing defenses to counter missile proliferation. Patriot missiles have demonstrated the technical efficacy and strategic importance of missile defenses. This underscores the future importance of developing and deploying a system for Global Protection Against Limited Strikes (GPALS) to defend against limited missile attacks--whatever their source. As President Bush said last week, "Thank God that when the Scuds came--the people of Israel and Saudi Arabia, and the brave forces of our coalition had more to protect their lives than some abstract theory of deterrence."

A third implication is the importance of being able to focus intelligence efforts more on specific regional threats in the post-Cold war world. This is not simply a matter of redirecting our intelligence specialists from the study of the Soviet Union to concentration on other areas. We will need, if anything, to continue our close attention to the Soviet Union and the increasingly diverse activity we must understand as we also track developments in other regions.

Separate and apart from the broad regional conflicts discussed above, there is another set of demanding threats. They are low intensity conflicts, including insurgencies, terrorism, and drug trafficking. Some of these challenges require uniquely tailored military capabilities. Countering such challenges deserves our attention and support.

Changes in Relations with Our Allies

The third area of change is our relations with key allies. Europe is experiencing fundamental changes. In security terms, the challenge from the Warsaw Pact has disintegrated, and the military capability of the Soviet forces that remain in Eastern Europe is diminishing. The countries of Eastern Europe are seeking to reweave themselves back into the larger political and economic fabric of Europe. A unified Germany stands at the center of the continent. Economic change is also underway: the United States supports European efforts to create a single unified market by 1992. As the continent works through the political, economic and security challenges of this new era, and discovers a new identity, there will be pressures and temptations to question fundamental elements of our trans-Atlantic commitments. These ties must not weaken: the U.S. shares with its allies in Western Europe a common history and

heritage--a shared commitment to freedom and individual rights. The continued strength of NATO remains critical.

As our concerns shift from the containment of the Soviet Union to possible instability in Europe, a substantial American presence and continued cohesion within the Western alliance remain vital to furthering our interests. A U.S. presence will provide reassurance and stability as the new democracies of Eastern Europe mesh themselves into a larger and evolving Europe. The Soviet Union will retain the largest army in Europe by far even after its forces are pulled back within its borders and projected conventional force reductions are completed. While its mission may be changed in this new era, the North Atlantic Alliance remains indispensable to peace and stability in Europe. To keep the Alliance strong and viable in a new environment, we must recognize that there are important tasks beyond the changed--but still important--task to balance and deter Soviet military power. In this regard, it is important to note that both our new friends in Eastern Europe and the leaders of the Soviet Union have made it clear to me in my visits that they consider a continued U.S. presence in Europe and a strong NATO to be essential to overall European stability.

We expect to share more equitably with our increasingly strong allies and partners the worldwide responsibilities that go with leadership. Operation Desert Shield/Storm is a good model for dealing with future crises.

Changes in the Nature of Future Warfare

For some time the Soviets have been writing about a military technological revolution that lies just ahead. They liken it to the 1920s and 1930s, when revolutionary breakthroughs--such as the blitzkrieg, aircraft carriers, and amphibious operations--changed the shape and nature of warfare. We have already seen the early signs of this revolution in the recent breakthroughs in Stealth, information, and other key technologies. This revolution will present enormous challenges, not just technologically, but in the development of doctrine and operational concepts. Whatever we do, the Soviets and others will be pursuing this revolution diligently. Revolutionary military capabilities are a reality with which our future strategy must deal.

The military technological revolution will have political, as well as military import, both in our competition with the Soviets and more broadly in the military arena. The recent changes in the Soviet Union reflect in no small degree the Soviet perception of this military technological revolution. In large part the Soviet leadership accepted the changes Gorbachev sought because they perceived they could not keep pace in this technological revolution. By the same token, the technological revolution could be used as justification to devote more resources to Soviet defense spending, further inhibiting

any other potential aggressor will look at ~~the~~ the relative ease with which we beat Iraq 9 + that, twice conventional deterrence.

economic prospects. The technological edge we have shown in Desert Storm and the promise of breakthroughs tomorrow will have an even greater effect on the calculations of regional powers. Staying ahead in this technical revolution will help shape the future security environment in ways favorable to us and will help give us capabilities that we are comfortable employing for deterrence or defense against tomorrow's regional aggressors.

ENDURING U.S. SECURITY OBJECTIVES

In the first exhilaration of the dramatic changes of 1989, some began to question the nature of enduring U.S. interests. Let me review briefly some broad American purposes that persist--even in this changed world I have described.

Security. Security is the first requirement upon which all our individual and national aspirations depend. We must accept that even after historic Cold war successes we live in a dangerous world. The Soviet strategic nuclear arsenal is the most dramatic example of our vulnerability because the USSR continues to possess, and indeed has a modernized capability, to destroy this country with little warning. This is not to imply that we believe a bolt from the blue attack is likely, but to note our vulnerability. We must also ensure the safety of our commerce and of our people at home and abroad as they pursue the normal conduct of their daily affairs. Thus our security requires maintaining capabilities for deterrence and defense across the broad spectrum, from low intensity threats and noncombatant evacuation efforts to strategic nuclear threats.

Democracy and Prosperity. Second, we seek to promote a world environment in which societies with values similar to our own--political and economic freedom, human rights, and democratic institutions--can flourish. We engage in such efforts because they benefit our friends abroad, but also because we know our own security and prosperity are well-served when we are surrounded by friends and allies who share our fundamental values and aims. We know we cannot long remain secure in isolation.

The President, in his State of the Union address, spoke of these "universal aspirations of mankind: peace and security, freedom, and the rule of law." For 200 years we have served such ends through our example. But it is also necessary from time to time to help others in providing for their own security, to join in security alliances, and to promote regional military and political stability through economic and social development and the pursuit of just resolutions of persistent regional conflicts. And, at times, where our interests merit the sacrifice, it will be necessary to use force to deter aggressors or defend freedom. In the Persian Gulf today, in Panama last year, and in our longstanding commitments in Asia, the Pacific and Europe we have demonstrated our readiness to bear the burdens our interests demand.

*Technology =
"conventional deterrence
to regional
aggressors."*

*If we
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then
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from
attacking.*

Leadership. The President clearly outlined his view of America's role in the world in the State of the Union address: "Today, in a rapidly changing world, American leadership is indispensable....Among the nations of the world, only the United States of America has had both the moral standing and the means to back it up. We are the only nation on this earth that could assemble the forces of peace." Our experience in the Persian Gulf demonstrates once again the continued importance of American leadership. In my recent discussions with world leaders, I have been struck by how unique a role America plays in furthering the President's vision of a world "where diverse nations are drawn together in common cause," and "aggression will meet collective resistance."

THE NEW DEFENSE STRATEGY

To meet our aims in the changing and increasingly interdependent world around us, we must be ready to show moral and political leadership; to reassure others of our commitment to protect our interests; and, if necessary, to respond to threats resolutely with forces for deterrence or defense. These aims and a close appreciation of the changes and continuities in today's world give rise to the main emphases of our new defense strategy.

Let me summarize briefly the key elements of the new defense strategy outlined by the President last August. First, we need to maintain a system of alliances worldwide. Second, to give substance and meaning to those commitments, we want to maintain US forward deployed forces, although at lower levels than in the past. Third, we must retain the forces and mobility to respond to crises and to reinforce those forward units. Fourth, we need a robust navy to control the world's oceans. Fifth, as we reduce forces deliberately--based on continuing reevaluations of the strategic environment, we must retain the national capacity to reconstitute forces, should this be needed. Sixth, we need to preserve a strong strategic offensive and defensive capability.

The most important change reflected in this new strategy is that we no longer are focused on the threat of a Soviet-led, European-wide conflict leading to global war. Our strategy continues to recognize the massive conventional capabilities the Soviets will retain for the foreseeable future. Yet, we judge that the striking political and military changes in the USSR and Eastern Europe noted earlier would alter the character of the remaining Soviet threat from the capability to wage global war to a threat to a single region in Europe or elsewhere. To size and shape the forces we will need in the future, the new strategy therefore shifts its focus to regional threats and the related requirements for forward presence and crisis response. We believe we will have sufficient warning of the redevelopment

of a Soviet threat of global war, so that we could reconstitute forces over time if needed.

Our program of reductions and our budget have thus been based on certain assumptions about the future strategic environment. If trends prove less favorable along the way than we first projected, we may not be able to reduce forces as fast or as far as we have planned. Remarkably, the reshaping and reducing of our forces now underway is occurring against the backdrop of a major war in the Persian Gulf and worrisome trends in the Soviet Union. I know of no historical precedent for our country making changes of this magnitude under such conditions. This in itself is cause for due caution.

Strategic Deterrence

I have earlier noted that the Soviets continue to modernize their strategic nuclear arsenal at a pace that seems out of step with their positive actions in other spheres. Given all that is at stake, this is an area in which we can ill-afford to accept much risk. America must continue to maintain a diverse mix of survivable and highly capable offensive nuclear forces, as well as supporting command and control assets. At the same time as we modernize, we have planned to scale back our strategic forces in accordance with our expectations of a START agreement covering such forces. Negotiations with the Soviets are continuing intensively but have not yet yielded success in negotiation. We hope to be able to complete a treaty in the near future, as we assumed when we formulated our currently planned reductions.

Future Secretaries of Defense are going to have to be able to deploy defenses against ballistic missiles--whether against the kind of theater threat we face today against SCUDs, or the far more sophisticated threats we anticipate in the future. We will pursue a defensive system for global protection against limited ballistic missile strikes--whatever their source.

Forward Presence

Our new strategy emphasizes the importance of U.S. presence abroad, albeit at reduced levels. This is one of the key roles on which we will size our forces. The success of our historic strategy of forward presence should be carefully recognized. We should be slow to make destabilizing changes. Recent attention has focussed on our plans to reduce our levels of forward deployed forces, especially in Europe under CFE, but also in Asia under last year's strategy initiative.

Despite its historic success, the great importance of maintaining a forward military presence may not be widely appreciated. Our presence sends an unmistakable signal to allies and adversaries alike of our commitment to be engaged in a region. It supports our aim of continuing to play a

leadership role in international events. In this era of shifting regional power balances, our forward military presence supports our aim of maintaining the stability that lets other nations flourish, by preventing the emergence of dangerous power vacuums or imbalances and by staving off regional arms races. Forward forces also provide an initial capability to respond rapidly to regional crises or contingencies.

Presence can take many forms. The stationing of forces in selected forward bases is perhaps the most tangible demonstration of U.S. commitment in key areas. Periodic deployments, rotations, exercises, and visits provide a flexible operational presence, and may loom larger than before as a way of maintaining our future forward presence. Not least, we must maintain the infrastructure and logistics arrangements that are so essential to being able to sustain a forward presence.

While we will reduce our forward presence, there are risks in reducing too far or too fast. These risks regarding reduced forward presence are sometimes likened to thin ice: you don't know for sure how much is too little, until you've fallen through--and then the consequences can be dire and long-lasting. To keep this risk acceptable, reductions in presence to levels near the minimum acceptable should be gradual and part of a carefully developed and agreed long-term plan. Our phased plan for reductions in Asia, including the agreement with our allies on a 10 percent reduction in our forces there by FY 1992, exemplify this commitment to keeping our forward presence as trim as possible. Let me reemphasize, however, that we cannot withdraw from the world. Our forward military presence will remain a key factor in our overall national defense strategy and in the strategies at our allies as well.

Crisis Response

The need to respond to regional crises is one of the key elements of our new strategy and plays a significant role in how we size our active and reserve forces. We have already noted--and we see today--how important regional threats can be to our interests. Under conditions pertaining during our policy of containment, safety demanded that we assume that a major regional conflict involving superpower interests might not stay limited to that region, but could well escalate to a global conflict. This made any single-regional conflict a "lesser-included case" or a potential precursor to a global war scenario. In contrast, we now focus on a disparate array of possible regional conflicts that we believe are more likely to remain localized.

always has been, america must be defended abroad. If the battle ever reaches our shores, we've lost.

The regional contingencies we might face are many and varied, including differences in terrain, climate, distance from the U.S., nature of threat forces, potential for outside involvement, and level of infrastructure and host nation support. One trait most of them share, however, is that they

will arise on very short notice, and therefore require a highly responsive military capability. As we have learned again most clearly in Operation Desert Shield/Desert Storm, a regional crisis can also mean mounting a very large military operation. Furthermore, the proliferating unconventional threats of ballistic missiles and chemical, biological or even nuclear weapons, plus the potentially confounding threat of terrorism, raise the risks our forces face if deployed to respond to such crises, and raise the stakes involved in forestalling or containing them.

Finally, we must recognize that when the U.S. is engaged (perhaps in concert with others) in responding to a substantial regional crisis, potential aggressors in other areas may be tempted to capitalize on our preoccupation. The requirements of both deterrence and defense dictate that we not reduce forces to a level that would leave ourselves overly vulnerable to this threat.

Force Reconstitution

The dramatic changes of 1989 and 1990 in Eastern Europe and the Soviet Union allow us to plan on dramatic increases in the time available to meet any renewed threat of a massive, theater-wide attack on Europe that could lead to global war. Such long warning of a renewed global threat enables us to reduce our forces in being to levels sufficient to meet the regional threats which are now our focus. This allows us to reduce our forces now, so long as we are prepared to build, as the President has said, "wholly new forces" should the need to counter a global threat reemerge.

Timely reconstitution requires that we take care to preserve the longest-lead elements of our security. This includes particularly our alliance structures, forward deployments and access, and the technological and doctrinal edge that comes from vigorous innovation and development. This also includes particular weapons systems or capabilities that take a long time to rebuild, such as large weapons platforms that require long production or recommission times, and highly skilled personnel, like unit commanders and specialized technicians. We can benefit from our defense investments over the last decade by retaining some equipment of disestablished units in laid-up status, and tapping the pool of trained personnel exiting units but still accessible in reserve manpower categories. We also will retain some units in very low-strength, cadre-type status. But our emphasis has been on removing from the force those units needed for a resurgent global threat that could be reconstituted in the expected time available. Moreover, our reconstitution concept is not necessarily simply to recreate the same forces that we "deconstituted." Rather, we would consider what new forces were most needed for a specific reemerging threat.

We recognize that to take major reconstitution measures would require major political decisions, potentially on the basis of early strategic warning indications. We will therefore give increased attention to the intelligence and warning processes that would support such decision making, as well as measures that will provide an early response while minimizing undue escalatory pressures.

Following a strategy of reconstitution prudently accepts some risk during a time of reduced likelihood of global conflict, to permit adequate attention to other concerns. These include capabilities for the more likely regional threats we face now, plus the long-term technological and doctrinal innovation which may be decisive against future threats--including those in the further future which we cannot now even foresee.

OPERATION DESERT SHIELD/DESERT STORM

The 1990 budget summit agreement specified that incremental costs associated with Operation DESERT SHIELD are to be treated as emergency funding requirements, not subject to the defense caps in the agreement. The President's FY 1992-93 defense request and its projected long-term outlays do not reflect those costs, including DoD's eventual requirements as a result of DESERT SHIELD and DESERT STORM. It is possible that some of the program decisions in the FY 1992-93 request will have to be adjusted in the aftermath of the Gulf crisis.

FY 1990 incremental costs associated with DESERT SHIELD and increased fuel prices were covered by shifts in previously appropriated DoD funds (\$800 million) and by a supplemental appropriation (\$2.1 billion). For FY 1991, the President is requesting a supplemental appropriation which, when added to contributions from our allies, could cover the DESERT SHIELD/STORM costs that we project for the foreseeable future. I urge timely passage of this supplemental request.

Pending passage of our supplemental request, U.S. forces engaged in and supporting combat operations in the Middle East must have the support they need, and our servicemembers must receive their pay and allowances. To that end, I have authorized the obligation of funds in excess of available appropriations, in accordance with section 3732 of the Revised Statutes, commonly called the Feed and Forage Act. The incurring of deficiencies has been authorized for clothing, subsistence, forage, fuel, quarters, transportation, and medical and hospital supplies. Additionally, pursuant to Section 2201 of Title 10 and in view of the President's determination of the necessity to continue on active duty more members of the armed forces than were provided for in DoD appropriations, I have authorized the incurring of deficiencies for the costs of such personnel.

IMPLEMENTING THE NEW STRATEGY

The Administration's FY 1992-93 budget request is the first installment of the Defense Department's comprehensive FY 1992-97 multiyear defense program. That program is the result of the Department's rigorous analysis of the capabilities needed to support the new U.S. defense strategy. The overall goal is to streamline and restructure America's armed forces, in order to provide those needed capabilities within projected fiscal constraints. In essence, U.S. forces are becoming smaller, but still fully capable of securing our nation and its global interests.

The FY 1992-93 DoD budget reflects priorities that flow directly from our new strategy. (Chart 1) Rapid response to global crises requires sustainment of the current high quality and superior capabilities of U.S. forces, especially as their total size is reduced. This in turn requires continued support for the high quality of U.S. military personnel, vigorous defense research and development, the fielding of advanced military systems as soon as necessary, and the preservation of critical elements of America's defense industrial and technology base. These priorities also enable DoD to reconstitute a larger military posture, if needed.

Other priorities include the ability to project military power rapidly to areas of U.S. strategic interest. The new strategy also requires that U.S. forces sustain their traditional high readiness. To ensure credible nuclear deterrence, DoD will maintain strong offensive nuclear forces. We will also pursue strategic and theater defenses to provide global protection against limited ballistic missile strikes--regardless of their source.

DoD budget proposals also reflect my commitment to continue to strengthen defense management and streamline the U.S. defense infrastructure, to extract the greatest security value from increasingly scarce resources. Special attention is going toward efficient acquisition. The goals include funding sustainable production rates for essential programs and terminating lower priority programs.

FY 1992-93 DEFENSE BUDGET REQUEST

Budget Topline and Trends

The FY 1992 DoD request is \$278.3 billion in budget authority and \$283.0 billion in outlays. Adjusting for inflation, this means a real decline in DoD budget authority of 1 percent below FY 1991, 12 percent below FY 1990, and 24 percent below FY 1985. In FY 1996, the cumulative real decline since FY 1985 will reach 34 percent. (Chart 2-3)

DoD budget authority levels for FY 1991 through FY 1995 are consistent with the discretionary caps for defense in last fall's budget summit agreement. These topline numbers represent a nominal freeze in DoD budget authority at about \$278 billion, starting in FY 1992. Total DoD budget authority for FY 1991 through FY 1995 will be \$131 billion less than estimated in the President's January 1990 request. After an 11.3 percent real decline in FY 1991, DoD budget authority will decline, in real terms, an average 3 percent per year through FY 1996. (Chart 4)

DoD outlays as a share of America's Gross National Product (GNP) are expected to fall to 3.6 percent in FY 1996, the lowest level since before World War II and well below the 4.7 percent reached during the defense decline of the 1970s. (Chart 5)

The Administration's FY 1992-93 budget request is the result of many months of intense scrutiny. We have come down to the budget summit's lower defense levels through a combination of cuts in force structure and major procurement programs, management initiatives, and numerous reductions made during a rigorous budget review this past fall. (Chart 6)

Force Structure

The FY 1992-93 request includes reductions in the U.S. force structure that continue a prudently phased plan for reaching the force targets established for the new strategy and threat projections. Our FY 1995 forces will approximate those targets and be well below FY 1990 levels. (Chart 7)

U.S. strategic forces are programmed to be scaled back in accordance with expectations regarding arms reductions agreements and to enable DoD to maintain credible strategic deterrence at the least cost. Retirement of the Minuteman II force will begin in FY 1992. Retirements of submarines with the aging Poseidon missile are to be accelerated. During the 1990s, the current mix of 34 Poseidon and Trident boats will be reduced to a force of 18 Trident submarines carrying Trident I (C-4) and Trident II (D-5) missiles. Strategic bombers will decrease from 268 in FY 1990 to 171 in FY 1993, as older B-52s are retired and FB-111s are transferred to tactical use.

U.S. conventional forces will be restructured so that they best support the new strategy. For crisis response, we must be able to deploy to regions of U.S. interest sufficient forces with the capabilities needed to counter a wide variety of contingencies. Thus the restructured force will include a high airlift and sealift capacity, substantial and highly effective maritime and amphibious forces, a full and sophisticated array of combat aircraft, both heavy and light Army divisions, and appropriate special operations forces.

Because serious contingencies can arise quickly, a timely U.S. response would require mostly active forces. Reserve forces would initially provide airlift, sealift, and some other vital support for deploying forces. When longer preparation allowed, reserve components could provide additional support, plus combat units that would be needed for larger or prolonged deployments.

In working out these roles for the new strategy, DoD will continue its Total Force Policy to ensure the optimal utilization of its active and reserve components. That Policy will be driven by this principle: The composition of our total force must be derived from the requirements of our new strategy. For example, forces for forward presence must be almost entirely active, as must be a sufficiently large stateside rotation base to replace those forward forces periodically.

In applying the new strategy to our total force structure, we project that overall U.S. reserve forces will decline by about the same percentage as active forces. That circumstance, however, should not mask the fact that our future force will not merely be a proportionally scaled-back version of today's force. We are planning to eliminate those forces--be they active or reserve--whose justification has been based on the previous threat of short-notice global war. We also have given priority to preserving a mix of forces that can best meet our strategy's requirements for forward presence and crisis response. Some types of reserve forces will be fully retained or even increased, while others will be cut considerably. For example, Army reserve (and active) components will be cut substantially; in contrast, the Air Force reserve will decline only slightly. The criteria for such restructuring have come from the new strategy.

To help provide for reconstitution in our new strategy, some reserve forces will be maintained in "cadre" status. Cadre units would have greatly reduced manpower and training; but they would have the equipment and other preparations needed to facilitate a smooth transition to full strength if required. Our plans currently include two cadre divisions in the Army (not counted in the 18 divisions programmed for FY 1995), plus creation of a new status for some Navy frigates.

Personnel Programs and Issues

In connection with the restructuring of America's armed forces, U.S. military manpower will decline considerably in the coming years. By the end of FY 1995, active military end strength will fall to 1,653,000, 24 percent below its post-Vietnam peak of 2,174,000 in FY 1987. In FY 1995, reserve personnel levels will drop to 906,000, 21 percent below FY 1987.

While manpower is projected to decline, there will be no diminution in DoD support for pay and other incentives aimed at preserving the high quality and morale of America's uniformed men and women. The budget requests pay raises of 4.2 percent for FY 1992 and 4.7 percent for FY 1993. These proposals are based on projected increases in the Employment Cost Index.

In FY 1993, DoD civilian strength will fall to 976,000, about 9 percent below FY 1990. In FY 1995, DoD civilian strength is projected to drop to 940,000, about 17 percent below its post-Vietnam peak of 1,133,000 in FY 1987. This decrease will be the result of both a smaller military force structure and DoD management improvements. (Chart 8)

Readiness

A strategy geared to crisis response demands that its component forces be ready to perform their missions on short notice. The FY 1992-93 request includes spending on training, maintenance, and other relevant accounts at levels sufficient to sustain the traditionally high readiness of U.S. forces. The request funds a training tempo approximately the same as in FY 1991. Active Army ground and air training operations will continue at 800 miles per year for combat vehicles and 14.5 flying hours per month for tactical aircrews. Navy steaming days remain at 50.5/29.0 days per quarter for the deployed/non-deployed fleets. Flying hours for active Air Force tactical aircrews will hold at about 19 hours per month.

Investment

In FY 1992-93, the fielding of advanced weapons and other systems will continue, although many programs have been adjusted in recognition of evolving requirements and to bring acquisition plans in line with reduced defense spending projections. For example, major adjustments have been made in the B-2 bomber, C-17 transport, SSN-21 attack submarine, and Milstar communications satellite programs.

My overall acquisition approach for the 1990s differs markedly from the past. This will be a decade of development, more than of production. Scaling back production helps us to (1) preserve our technological superiority through ambitious research and development, (2) procure high priority systems at more efficient rates, and (3) lay the foundation for sustaining U.S. military strength through the year 2000 and beyond.

The FY 1992-93 budget submission terminates a number of programs including TRIDENT submarine, P-7A anti-submarine patrol aircraft, F-14D aircraft remanufacture, Naval Advanced Tactical Fighter, A-12 stealth aircraft, Air Force Advance Tactical Aircraft, Peacekeeper missiles, Mark XV aircraft identification system, Boost Surveillance and Tracking System, and TACIT

RAINBOW cruise missile. (As a consequence of the decision to terminate the A-12 for default, funds are requested to pursue development of medium attack aircraft alternatives and seek a longer-range, more capable variant of the F/A-18 aircraft.) (Chart 9) These terminations come on top of those made in DoD's FY 1991 request, most notably: V-22 OSPREY, M-1 tank, new F-14D production, F-15E aircraft, Apache helicopter, and Army Helicopter Improvement Program. (Chart 10) Our request also includes rescissions of \$3.4 billion in FY 1991, reflecting proposed program terminations in FY 1992 and the elimination of other lower-priority expenditures.

Strategic Forces and SDI. Modernization of U.S. strategic systems is being scaled back or adjusted substantially. Funding for the Rail-garrison Peacekeeper is cut back significantly, but development of the small ICBM is continuing. No Trident submarines will be built beyond the 18th boat approved in the FY 1991 budget. ASAT funding has been substantially reduced. The backfit of 8 Trident submarines to carry D-5 missiles has been deferred beyond FY 1997. The Milstar satellite program has been substantially restructured to reduce costs, eliminate certain expensive survivability features, and support most effectively both tactical and strategic requirements. Consistent with my restructuring last year of the B-2 Stealth bomber program, the request calls for procurement of 4 aircraft in FY 1992 and 7 in FY 1993. (Chart 11)

The Strategic Defense Initiative (SDI) is being reoriented to provide global protection against limited ballistic missile strikes--whatever their source. This reorientation will make possible major savings, about 20 percent over the next 6 years compared to the earlier plan. In FY 1992, \$4.6 billion is requested for SDI and \$4.9 billion in FY 1993.

This refocused defensive concept, known as Global Protection Against Limited Strikes (GPALS), includes theater missile defenses to protect U.S. and allied troops deployed abroad. To centralize and accelerate development of such defenses, the Strategic Defense Initiative Organization has been charged with developing advanced defensive technologies to deploy much improved, transportable theater missile defenses within the next 5 years. Budget authority for the Tactical Missile Defense Initiative (TMDI) will \$218 million in FY 1991, \$603 million in FY 1992 and \$724 million in FY 1993.

Conventional Forces. The Army's major modernization effort, begun in the early 1980s, is nearly complete. However, important development continues on the Light Helicopter and armored vehicles. (Chart 12)

Procurement of the Navy's SSN-21 attack submarine has been scaled back to one per year. Other naval modernization priorities include Aegis destroyers, F/A-18 fighters, and several types of tactical missiles. Regarding sealift, DoD

expects to be able to meet its most important contingency requirements worldwide, especially because of the programmed increase of the Ready Reserve Force (RRF) from 96 to 142 cargo and tanker ships by FY 1994. DoD is also initiating a sealift program in FY 1993 to improve U.S. response time for those contingencies. Consistent with this effort, a program is being structured to utilize funds appropriated in FY 1991. (Chart 13)

Modernization of U.S. tactical air forces continues with procurement of F-16 fighters, C-130 transports, and AMRAAM missiles. The next generation air superiority fighter--the Advanced Tactical Fighter (ATF)--continues in development. The C-17 program has been scaled back and extended. But the C-17 is needed more than ever to begin to replace aging C-141s, which have been used so heavily in the Gulf crisis. (Chart 14)

Research, Development, Test and Evaluation (RDT&E). Reflecting the emphasis on preserving the technological superiority of U.S. forces, FY 1993 RDT&E budget authority will, after inflation, be 10 percent above FY 1991 levels. DoD Technology Base funding--\$3.9 billion in FY 1992 and \$4.0 billion in FY 1993--will include emphasis on high performance computing and improved materials for electronics, gas turbine engines, and airframe components.

Base Closure. The streamlining of the military's base structure is continuing with the elimination or closure of 86 domestic bases and 139 overseas sites. In addition, 5 domestic bases will be partially closed and another 25 overseas sites will be drawn down. During 1991 a new commission will review my proposals for additional base closures and realignments and make recommendations for consideration by the President and the Congress. No new proposals are included in this FY 1992-93 request; but savings of \$150 million in FY 1992 and \$735 million in FY 1993 are included in its legislative contingency account, in anticipation of Congressional approval.

DEFENSE MANAGEMENT

DoD management continues to undergo fundamental change through implementation of my July 1989 Defense Management Report (DMR). Special emphasis is going toward streamlining and improving defense acquisition. DoD is eliminating unnecessary management layers, limiting unneeded reporting requirements, reducing burdensome regulations, and enhancing the education and quality of its acquisition professionals. (Chart 15)

Central to these management efforts is the goal of bringing down the Department's cost of doing business. This means reducing overhead, cutting excess infrastructure and redundancy, and consolidating and improving a number of common functions. An example is the creation of the Defense Finance and Accounting Service (DFAS). This proposal was announced along with other FY 1990 initiatives and was under debate last year. On January

15, 1991, the military departments' accounting centers were finally merged under the new organization. This will streamline and strengthen DoD's financial management, and better enable it to employ new technologies to cut costs even further.

Other management improvements involve supply operations, maintenance depots, and RDT&E. To enhance supply depot efficiency, DoD will consolidate the management of supply operations under the Defense Logistics Agency. This will save base and headquarters overhead costs, systems development costs, and inventory and transportation costs, plus significantly improve utilization of our existing supply capacity.

For DoD's maintenance depots, we are working toward fuller use of our depot capacity, greater competition among the services and with the private sector, reduced infrastructure, and improvements in DoD's maintenance productivity.

To increase efficiency and reduce the costs of RDT&E operations, there will be greater coordination within the Department on specific technology areas, consolidation of facilities, and enhanced competition for Science and Technology (S&T) tasks among laboratories. Management oversight also will be increased to improve the quality, productivity, and effectiveness of RDT&E operations.

As a result of its DMR-related management efforts, the Department anticipates reductions of over 30,000 civilian and 40,000 military positions by the end of FY 1997. DoD expects its management initiatives to save about \$72 billion from FY 1991 through FY 1997.

CONCLUSION

We are at the dawn of a new era. For much of the past 45 years our primary security concern has been the Soviet threat in Europe. We met that challenge successfully. The threat to Western Europe has diminished. But as the war in the Gulf demonstrates, meeting regional threats can be quite demanding even when we can marshal international cooperation.

To preserve our unique international role, to consolidate the changes in Europe, and to contain and defeat the many possible regional threats we may one day face, we must sustain America's military forces for the new world. We must remember that military strength of the kind we have relied on in the Persian Gulf cannot be built overnight. Continued investment in America's defense is a must, as we look forward with confidence to the years ahead.

DEFENSE BUDGET PRIORITIES

- People
- Power Projection/Mobility
- Force Quality
- Readiness
- Strategic Offensive and Defensive Forces
- Technological Advantage
- Efficient Acquisition
- Streamlined Infrastructure

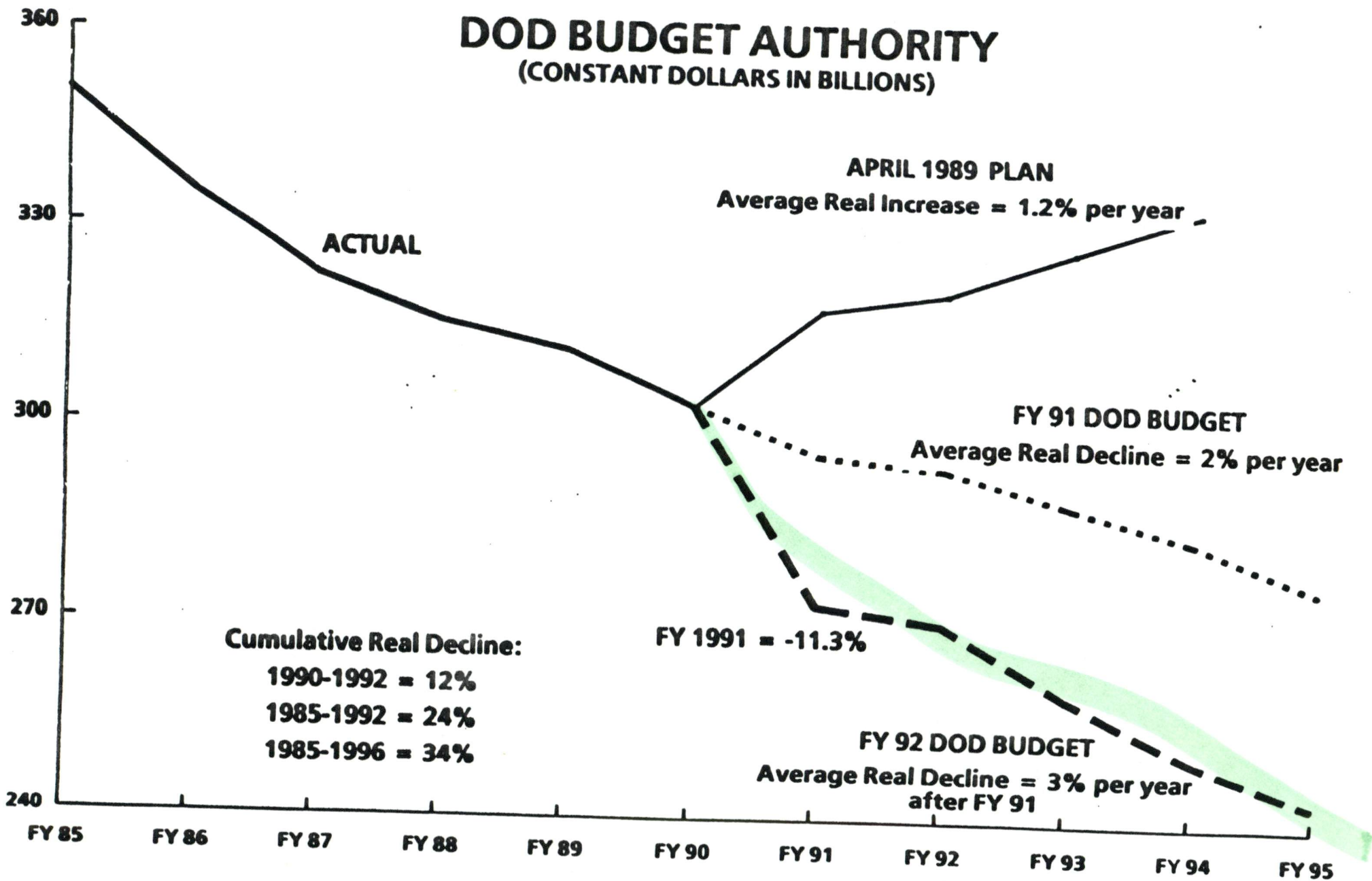
NATIONAL DEFENSE TOPLINE

(Current \$ Billions)

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
<u>BUDGET AUTHORITY</u>						
DoD 051	273.0	278.3	277.9	278.2	280.7	282.6
DoE & Other	12.6	12.5	13.0	13.7	14.4	15.1
TOTAL 050	285.6	290.8	290.9	291.9	295.1	297.8
<u>OUTLAYS</u>						
DoD 051	287.5	283.0	279.1	273.3	274.6	278.5
DoE & Other	11.5	12.2	12.8	13.4	14.0	14.7
TOTAL 050	298.9	295.2	292.0	286.7	288.6	293.2

DOD BUDGET AUTHORITY

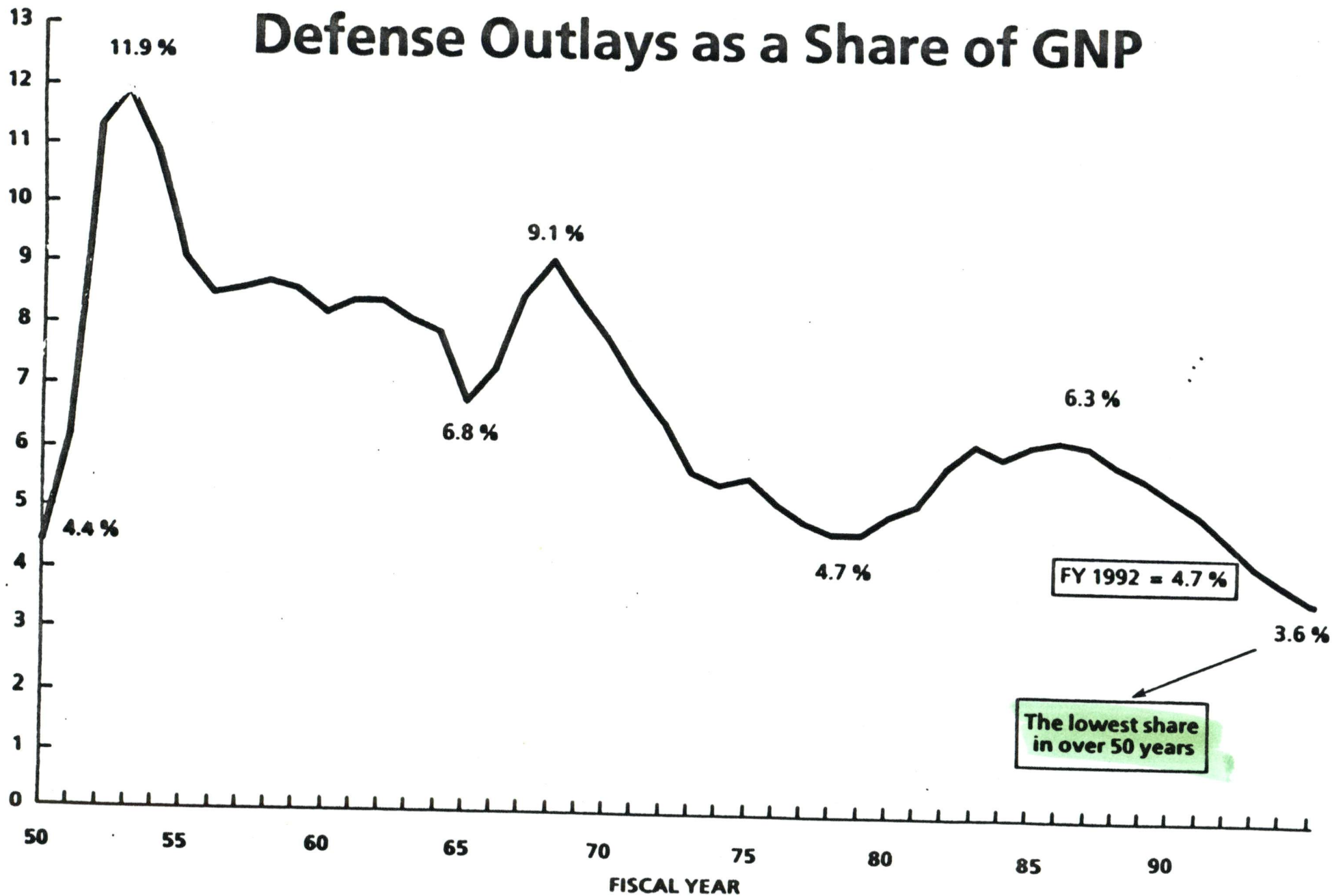
(CONSTANT DOLLARS IN BILLIONS)



DoD BUDGET AUTHORITY (\$ in Billions)

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>Cumulative 1991-1995</u>
President's Budget January 1990	295.1	300.0	304.4	308.0	311.8	1,519.3
Real Program Decline	-2.6%	-2.0%	-2.0%	-2.0%	-2.0%	-10.6%
Dollar Reduction	-22.1	-21.7	-26.5	-29.8	-31.1	-131.2
President's Budget February 1991	273.0	278.3	277.9	278.2	280.7	1,388.1
Real Program Decline	-11.3%	-0.9%	-3.9%	-3.6%	-2.7%	-22.4%

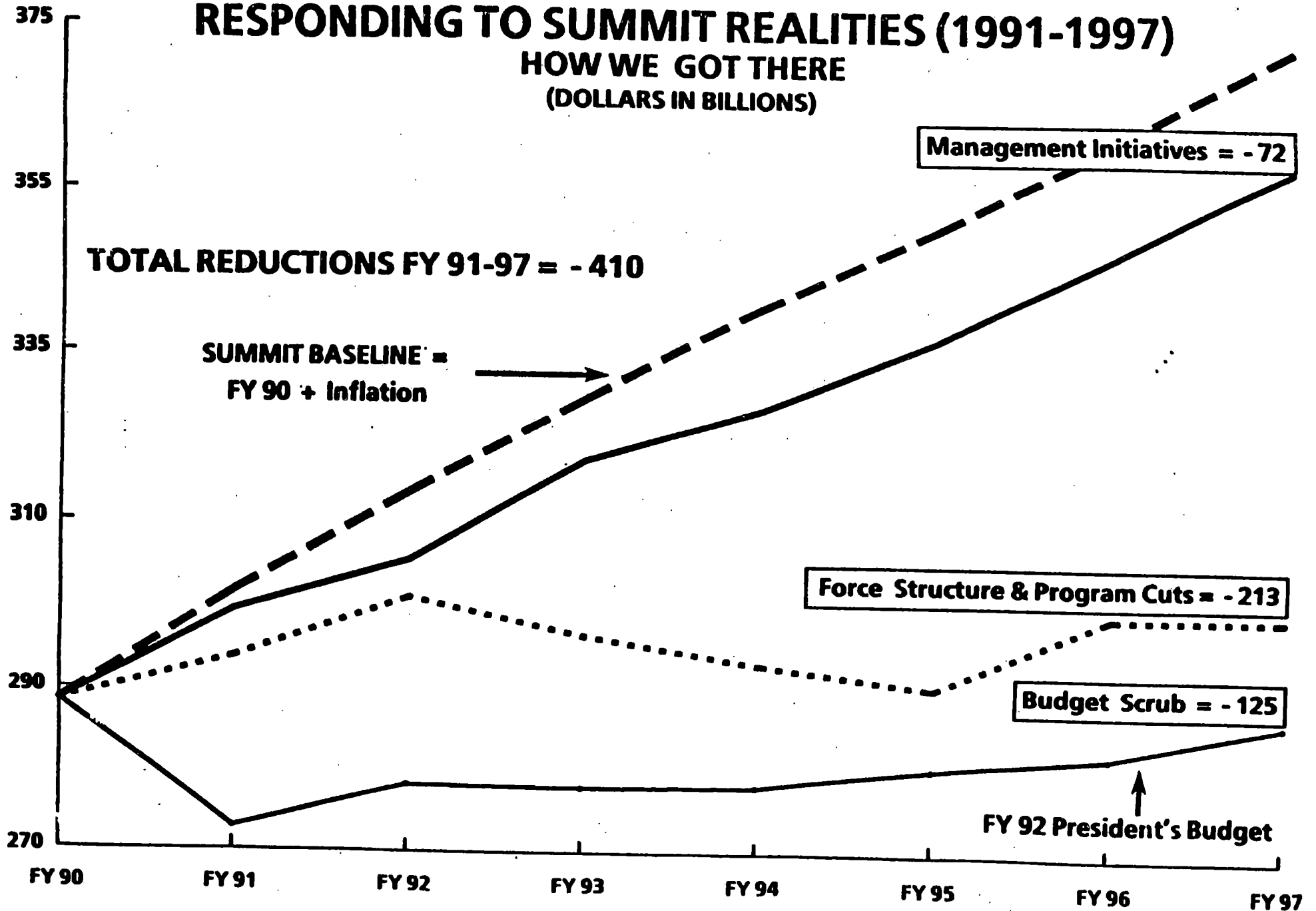
Defense Outlays as a Share of GNP



RESPONDING TO SUMMIT REALITIES (1991-1997)

HOW WE GOT THERE

(DOLLARS IN BILLIONS)



FORCE STRUCTURE

	<u>FY 1990</u>	<u>FY 1995</u>
Army Divisions	28 (18 active)	18 (12 active)
Aircraft Carriers	13	12
Carrier Air Wings	15 (13 active)	13 (11 active)
Battle Force Ships	545	451
Tactical Fighter Wings	36 (24 active)	26 (15 active)
Strategic Bombers	268	181

DoD MANPOWER

(End Strength In Thousands)

	<u>FY 87</u>	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>	<u>FY 87-95 Change</u>
ACTIVE MILITARY						
ARMY	781	660	618	577	536	-245
NAVY	587	551	536	516	510	-77
MARINE CORPS	199	188	182	176	171	-28
AIR FORCE	607	487	458	445	437	-170
TOTAL ACTIVE	2,174	1,886	1,795	1,714	1,653	-521
SELECTED RESERVES	1,151	1,068	989	924	906	-245
CIVILIANS	1,133	1,003	976	958	940	-193

MAJOR PROGRAM TERMINATIONS

(FY 92-93 BUDGET)

	<u>Savings in Billions</u>	
	<u>FY 92</u>	<u>FY93-97</u>
● Bradley Fighting Vehicle	0.7	1.7
● TRIDENT Submarine	1.4	2.8
● LHD Amphibious Ship	-	2.1
● P-7A Anti-Submarine Warfare Aircraft	0.6	5.4
● F-14D Remanufacture	1.4	13.4
● Naval Advanced Tactical Fighter	0.1	2.0
● A-12 Aircraft	2.7	19.5
● Air Force Advanced Tactical Aircraft	-	0.8
● F-16 Aircraft (End of FY 93)	1.6	13.8
● PEACEKEEPER Missiles	0.7	2.2
● MARK XV Combat Identification System	0.1	0.2
● BSTS Warning System	0.4	5.5
● TACIT RAINBOW Program	0.2	2.3

MAJOR PROGRAMS TERMINATED LAST YEAR

- **V-22 OSPREY (Production)**
- **F-14D Aircraft**
- **Army Helicopter Improvement Program (AHIP)**
- **PHOENIX Missile**
- **M-88A2 Improved Recovery Vehicle**
- **F-15E Aircraft**
- **Apache Helicopter**
- **M-1 Tank**
- **Maverick Missile**

FY 1992/FY 1993 STRATEGIC FORCES

(Dollars in Millions)

<u>System</u>	<u>FY 1992</u>		<u>FY 1993</u>	
	<u>Quantity</u>	<u>Dollars</u>	<u>Quantity</u>	<u>Dollars</u>
B-2A Bomber	4	4,822	7	4,639
Strategic Defense Initiative	-	4,581	-	4,933
TRIDENT II Missile	28	1,271	31	1,380
PEACEKEEPER/Rail Garrison	-	458	-	106
Small ICBM	-	549	-	715
Advanced Cruise Missile	120	626	102	552

FY 1992/FY 1993 LAND FORCES
(Dollars in Millions)

<u>System</u>	<u>FY 1992</u>		<u>FY 1993</u>	
	<u>Quantity</u>	<u>Dollars</u>	<u>Quantity</u>	<u>Dollars</u>
UH-60 Helicopter	60	508	60	428
SINGARS	-	288	-	292
Light Helicopter	-	550	-	617
Apache Longbow	-	233	-	264
Medium Tactical Vehicles	1,815	170	3,288	293

FY 1992/FY 1993 NAVAL FORCES
(Dollars in Millions)

<u>System</u>	<u>FY 1992</u>		<u>FY 1993</u>	
	<u>Quantity</u>	<u>Dollars</u>	<u>Quantity</u>	<u>Dollars</u>
Aircraft Carrier Replacement	-	-	-	852
SSN-21 Submarine	1	2,382	1	2,464
DDG-51 Destroyer	5	4,335	4	3,480
LSD (CV)	1	245	1	251
MHC Coastal Minehunter	2	231	2	222
TAGOS Surtass Surveillance Ship	-	-	1	150
AOE Replenishment Ship	1	540	-	-

FY 1992/FY 1993 TACTICAL AIR FORCES

(Dollars in Millions)

<u>System</u>	<u>FY 1992</u>		<u>FY 1993</u>	
	<u>Quantity</u>	<u>Dollars</u>	<u>Quantity</u>	<u>Dollars</u>
F/A-18	36	2,423	20	2,534
Advanced Tactical Fighter	-	1,637	-	2,325
F-16 D	48	1,419	24	923
C-17	6	2,831	12	4,212
EA-6B Remanufacture	-	110	3	556
AMRAAM	1,191	1,031	1,469	1,049
MILSTAR (Restructured)	-	1,404	-	1,536

DEFENSE MANAGEMENT REPORT INITIATIVES

- **Data Processing & Corporate Information Management**
- **Consolidate Finance and Accounting Services**
- **Coordinate Maintenance Depot Services**
- **Consolidate Supply Depots**
- **Reorganize Contract Management**
- **Improve Technical/Engineering Research & Development**
- **Consolidate Commissary Operations**

J. W. MARRIOTT HOTEL

ADPA's concept for Presidential speech, Tuesday, 9 July 1991, 10:15 am.

The White House still camera group plus the ADPA photographer will assemble in the Holding Room NLT 1005 hours.

The ADPA head table party will assemble in the Holding Room at 1010 hours.

The head table party* to consist of:

Mac Cramer
President/CEO
Vitro Corporation

Chairman of the Board ADPA

LTG Skibbie

President, ADPA

Ken Driessen
CEO
MRJ Group, Inc.

Board member (Executive Committee)

John Myers
President
Textron Lycoming

Board member (Executive Committee)

Greg Sharp
Director
Ferranti International

President Washington Chapter ADPA

Steve Hammer
Vice President
FMC Defense Systems

1st Vice President Washington Chapter ADPA

Wayne Tingle
Director
LTV

2nd Vice President Washington Chapter ADPA

* Social Security numbers and biographies must be provided for the above group.

1838 John Wanamaker, merchant, born
 1859 Treaty of Villafranca, French-Austrian settlement over Italy
 1869 "Buffalo Bill" and the Cavalry surprised the Indians at Summit Spring, Nebraska
 1873 Bismarck Tribune, North Dakota newspaper, first published
 1877 Battle of the Clearwater in the Nez Perce War began
 1895 Thomas Mitchell, actor, born
 1897 3 Swedes left Spitzbergen, Norway, in an unsuccessful attempt to fly a balloon over the North Pole
 1899 E. B. White, humorist, born
 1915 German cruiser Konigsberg sunk by the British in the Rufiji River
 1916 Second Battle of the Somme began
 First federal-aid Road Act for highway construction passed by Congress
 1917 King George II of Greece removed from succession
 1920 Eugenie, wife of Napoleon III, died
 1927 Palestine shaken by a severe earthquake
 1933 King Edward V of England and his brother, murdered in 1438, reburied
 1936 Hitler signed a treaty guaranteeing Austria's frontier
 1938 David Lawrence Pierson, originater of Constitution Day, died
 1955 U.S. Air Force Academy opened
 1962 U.S. frogmen swam the English Channel underwater, in 18 hr
 First U.S. television programs broadcast by the BBC via satellite
 1963 Argentine ship Ciudad de Asuncion burned in the River Platte
 1964 Elektrons III and IV, Russian satellites, launched
 1968 OV 1-15 and OV 1-16, atmospheric testing satellites, launched
 1970 Salmon Festival held at Arcata, California
 Green Corn Festival held at Bixby, Oklahoma

July 12th

100 BC Julius Caesar born
 526 AD Felix III became Pope
 1073 St. John Gualberto died (Feast Day)
 1153 Anastasius IV crowned Pope

1191 Acre taken by Richard the Lionhearted and the 3rd Crusade after a 2-year siege
 1328 David II, infant King of Scotland, married Joanna, sister of King Edward III of England
 1536 Erasmus, Dutch intellectual and writer, died
 1645 Michael, first Romanov Czar of Russia, died
 1691 Antonio Pignatelli was elected Pope as Innocent XII, a compromise candidate, due to a severe heat wave
 1730 Lorenzo Corsini elected Pope (Clement XII)
 1779 British burned Norwalk, Connecticut
 1808 Missouri Gazette, the first in the state, founded in St. Louis and published till 1822
 1817 Henry David Thoreau, writer, born
 1849 Dolley Madison, heroic First Lady, died
 1851 Louis Daguerre, daguerreotype photography inventor, born
 1854 George Eastman, inventor and founder of Eastman Kodak, born
 1859 Pawnee Indian camp in Nebraska attacked by the Cavalry
 1861 "Wild Bill" Hickok shot it out with the McCanles gang at Rock Creek Station, Nebraska
 1862 Congressional Medal of Honor established
 1870 Celluloid, an early plastic, patented
 1874 Lydd Fair in Kent, England held for the last time
 1877 Battle of the Clearwater in the Nez Perce War ended
 1887 Mound Bayou, Mississippi, settled, all residents being former slaves on cotton plantations
 1895 Oscar Hammerstein II, composer, born
 1912 First foreign movie shown in the U.S.
 1917 Andrew Wyeth, artist, born
 1918 Grand Duke Michael, brother of Russia's Czar, shot by Bolsheviks
 1922 Senator Mark Hatfield born
 1934 Van Cliburn, pianist, born
 1942 Lidice, Illinois, changed its name
 1951 Allie Reynolds pitched a no-hitter and New York beat Cleveland 1-0
 1954 Federal highway program proposed
 1961 Tiros III, weather satellite, launched
 1970 Oldtime Fiddlers' Jamboree held at Shoshone, Idaho
 Green River Rendezvous held at Pinedale, Wyoming

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 9, 1991

REMARKS BY THE PRESIDENT
IN ADDRESS TO THE
AMERICAN DEFENSE PREPAREDNESS ASSOCIATION

The J.W. Marriott Hotel
Washington, D.C.

10:28 A.M. EDT

THE PRESIDENT: Thank you ladies and gentlemen. Thank you very much for that warm welcome. Ladies and gentlemen, and, General Skibbie, thank you, sir, for that introduction. It's a pleasure to be your guest here. My thanks also to the Chairman, Mac Cramer, and to all of you for coming. I would single out, except I can't see them, our three service Secretaries and Ambassador Cooper who are all with us today. And I might say, all four of them are doing a superb job for our country, and I'm extraordinarily grateful to them.

I've seen some wonderful things just in the last few days around our country. Larry touched on it, referred to it a little bit, but last week, Mt. Rushmore had its dedication, Americans celebrating their nation and their fighting forces. And here in Washington, we enjoyed an incredible fireworks display last Thursday -- a spectacle surpassed perhaps only by the red glare of those Patriot missiles over Israel and Saudi Arabia.

And I can tell you, maybe not as well as some of you could tell me, that the mood in this country is one of confidence, is one of renewed patriotism and pride, and nobody can take that away from the United States. It's out there and it's strong, and a lot of it, of course, stems from the way our men and women performed in Desert Storm. And somebody touched elusively, the General did a little bit, or alluded to it, the Vietnam period. And let me just say that one of the beautiful things about what's happened out there is there is now a justifiable, long-overdue recognition and credit given to those who served in Vietnam. And I can't tell you how much pride and pleasure I take out of that. (Applause.)

You may not realize it, this is a little-known fact, but today is the anniversary of Zachary Taylor's death. (Laughter.) The poor guy has really suffered his share of indignities recently -- (laughter) -- digging him up. But I want to set the historical record straight about Zachary. I was told that his last words were, "Pass the broccoli." (Laughter.) Not so. His last words were really, "I have endeavored to do my duty."

And what I've done here today is come to talk about our shared duty to maintain an effective national defense. The Senate, as everybody here knows, has started looking at our defense budget. And its deliberations could have a profound impact on our future national security.

Recognizing the changing international environment and taking into account domestic fiscal constraints, our administration has proposed a tough, lean defense budget -- a proposal that consumes a smaller percentage of our gross national product than any defense budget since the Great Depression. Now, you don't have to have an accounting degree or a chest full of medals to understand that under present circumstances, every penny we spend on unnecessary defense items will come at the expense of defense muscle.

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I know that budget cuts are going to hurt. They're going to hurt some right here in this room, and I understand that. But we will have to set new priorities and focus on only our most important, absolutely vital programs. As President, I have a duty to serve the national interest, and our national interest demands a defense budget that guarantees our security at the lowest feasible cost.

And last August I announced plans to restructure our Armed Forces in light of the Cold War's end and the emergence of a new kind of world. And I might say that that proposal was carefully thought out by the top people in the Pentagon -- not only the Joint Chiefs, but others; people in whom I have so much confidence. And that proposal recognized some fundamental facts: One, we don't have a blank check for defense -- never have. We must live within our means. Two, instabilities around the globe still threaten us and many nations have acquired weapons of mass destruction. And when despots such as this Saddam Hussein combine modern weapons and ancient ambitions, they do threaten us all. And Saddam Hussein isn't the only despot around and -- nor regrettably, will he be the last.

And meanwhile, the Soviet Union remains a military superpower, with an increasingly sophisticated war machine and a program to modernize, to modernize many of its weapons systems.

And three, we need the right kind of military. Our forces must have the strength here and abroad to discourage aggression, the mobility to meet unexpected challenges, and the flexibility to deal with everything from ICBMs to regional conflicts to hostage crises.

These considerations lie at the heart of our administration's defense proposals. And any defense bill that fails to incorporate them will get my veto.

With that in mind, let me talk about a few items that I consider absolutely crucial, beginning with the B-2 stealth bomber. I've asked for 75 B-2 bombers, the most revolutionary military aircraft in our nation's history. And when you hear certain members of Congress complain about the B-2's cost, remember that a single B-2 does the job of literally dozens of aircraft, tankers, escorts, suppression and surveillance craft and other bombers. And when people argue coyly that we only need a few B-2s because they're so technologically advanced, ask yourselves: Should we risk our security, the lives of our sons and daughters, and our national credibility just because some do not want to acknowledge the revolutionary advantage this weapon system will give the nation? Should we enter the 21st century reliant upon a bomber designed in the '40s and built in the '50s? No. The B-2 combines the range and payload of the B-52 with the advantages, the enormous advantages, the proven advantages, of stealth technology. And in the end it offers deterrence -- nuclear deterrence, conventional deterrence -- deterrence all across the spectrum.

Think about the costs; think about military operations; think about our long-range national security needs, and you'll conclude that we do, indeed, need two full wings of the B-2.

Some also seem reluctant to spend money protecting Americans from accidental or intentional ballistic missile attacks. We've asked Congress to support the GPAL's system -- that's Global Protection Against Limited Strikes. Anyone who thinks we will face threats more severe than the Scud missile -- won't face them -- are deluding themselves. If we want to protect ourselves and deter aggression, we have a responsibility to develop defense technologies, such as brilliant pebbles, that lie within our reach. This includes GPALS.

As we prepare for the future, we must also ask what kind of military force structure we need. Our Gulf experience reinforced the valuable role that the reserves can play. And it also showed that we don't need the kind of reserve components the House insists that we keep. The House defense bills would spend nearly \$12 billion

over the next five years on unneeded reserve positions and operations. This money would come, frankly, at the expense of programs that all our forces -- active and reserve -- will need.

We learned many things in the Gulf -- many, many things -- a number of which were anticipated in the defense speech that I gave last August 2nd -- ironically, if you think back, the very day Saddam invaded Kuwait. And we learned that nations of the world can and will act collectively to deal with aggression. They'll try diplomacy first, as well we should and as well we did, and use military action only as a last resort. We learned that the United States alone -- it's only the United States that can mobilize the international community and then lead it through such efforts. That leadership was not just coincidence or nice to have, it was a prerequisite for our collective success. And I salute those in our country that led.

We learned that high-tech weapons are not pricey, expensive "toys," as critics have claimed for many years. They minimize civilian casualties, maximize damage to military targets, shorten wars, save lives -- American lives; in this instance, coalition lives, and, yes, even enemy lives. We must never forget any life unnecessarily lost is a tragedy, especially in times of war.

It would be a shame if, so soon after this war, we disregarded these lessons. And it would be a travesty to waste money on defenses that would not have helped us in the Gulf and won't help us meet our future challenges.

As the Senate begins its deliberations, I urge it to pass a budget that defends people, not pork; that enables us to fight the next war, not the last one; that promotes national security, period.

Let me tell you now, if the Congress sends me a defense bill that is inadequate, that fails to fund needed programs and wastes money at the expense of defense muscle, no matter how big a bill, how urgent, I will veto it. (Applause.)

You see, we have tried, we have tried to restore proportion to federal government and use the office of the presidency to make decisions that might seem too painful -- understandably so -- to representatives or senators. I understand where they're coming from. I was a member of the United States Congress; I've served there, and I know the genuine pressure on members of Congress to advance the interests of their home district or of their state.

Thirty years ago, in his valedictory address to the nation, Dwight Eisenhower emphasized several themes that remain important today. "A vital element in keeping the peace is our military establishment," he said. "Our arms must be mighty, ready for instant action, so that no potential aggressor may be tempted to risk his own destruction." And yet, Ike also cautioned that our efforts must serve national interests and national needs -- not the narrow concerns of specific industries or interest groups.

A new world order demands a new set of defense priorities. And together, we can put those priorities into action. As attention turns toward the Senate now, I ask your help in creating a military strong enough to protect our interests, but lean enough to preserve public faith in government.

I am delighted to have had this opportunity to express those who are knowledgeable in this field and who can be extraordinarily helpful in pursuing the ends I've outlined here.

Thank you for all you do. Thank you for your continued efforts to keep America safe and strong.

Let me close on a matter not exactly related to our defense program. Yesterday I had an interview with some journalists. I'm fixing to go overseas on a rather prolonged trip, and we met with the journalists from many of the countries that I will be visiting.

And one of the people asked the question to me about the war against Saddam Hussein. And the question was put, well, given events since victory, do you think it was worthwhile? Do you think what you did as a country, not individually, but do you think what you did was worthwhile? I think that was the way the question was phrased. And I said, I have never been more convinced that what we did was worthwhile. Some are moving the goalposts. Some are trying to redefine what the war was about. Was it instant democracy in Kuwait? Was it the total demise of Saddam Hussein? It wasn't these.

An international coalition came together. We utilized the United Nations in a way that it's never been utilized, but perhaps its framers thought it would be utilized. And we decided that aggression would not stand. And one of the reasons we were successful in proving to the world that aggression would not stand was because of the men and women in the Armed Forces and because we had the equipment, because we had the technology to make our words of warning count.

And I am absolutely convinced that this revisionistic theory thinking that we're hearing around this town and other places is as wrong as it can be, because, in my view, with the thanks of a fantastic military and the equipment and the people, we did something noble. We kicked aggression right out of Kuwait, and we said to the aggressor the international community and international law won't stand for this kind of behavior in the future. And that was the message. It is relevant; it is strong. And that is why I am so determined that we have a defense budget and a defense capability in the future that will permit us, if ever called upon, to make very clear to an aggressor, your aggression will not stand.

Thank you all very much. (Applause.) And may God bless our country. (Applause.)

END

10:45 A.M. EDT