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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 9, 1989

REMARKS BY THE PRESIDENT
TO THE JOINT SESSION OF CONGRESS

The Capitol
Washington, D.C.

9:07 P.M. EST

THE PRESIDENT: Mr. Speaker, Mr. President, and distinguished members of the House and Senate, honored guests, and fellow citizens. Less than three weeks ago, I joined you on the West Front of this very building -- and looking over the monuments to our proud past -- offered you my hand in filling the next page of American history with a story of extended prosperity and continued peace. And tonight, I'm back to offer you my plans, as well. The hand remains extended, the sleeves are rolled up, America is waiting, and now we must produce. Together, we can build a better America.

It is comforting to return to this historic Chamber. Here, 22 years ago, I first raised my hand to be sworn into public life. So tonight, I feel as if I'm returning home to friends and I intend -- (applause.) And I intend, in the months and years to come, to give you what friends deserve: frankness, respect, and my best judgment about ways to improve America's future.

In return, I ask for an honest commitment to our common mission of progress. If we seize the opportunities on the road before us, there'll be praise enough for all. The people didn't send us here to bicker. And it's time to govern.

And many presidents have come to this Chamber in times of great crisis. War and depression, loss of national spirit. And eight years ago, I sat in that very chair as President Reagan spoke of punishing inflation and devastatingly high interest rates and people out of work, American confidence on the wane. And our challenge is different.

We're fortunate -- a much changed landscape lies before us tonight. So I don't propose to reverse direction. We're headed the right way. But we cannot rest. We're a people whose energy and drive have fueled our rise to greatness. And we're a forward-looking nation -- generous, yes, but ambitious, as well -- not for ourselves, but for the world. Complacency is not in our character -- not before, not now, not ever. (Applause.)

And so tonight, we must take a strong America and make it even better. We must address some very real problems. We must establish some very clear priorities. And we must make a very substantial cut in the federal budget deficit. (Applause.)

Some people find that agenda impossible. But I'm presenting to you tonight a realistic plan for tackling it. My plan has four broad features: attention to urgent priorities, investment in the future, an attack on the deficit, and no new taxes. (Applause.)

This budget represents my best judgment of how we can address our priorities. There are many areas in which we would all like to spend more than I propose; I understand that. But we cannot until we get our fiscal house in order.

MORE

Next year alone, thanks to economic growth, without any change in the law, the federal government will take in over \$80 billion dollars more than it does this year. That's right -- over \$80 billion in new revenues, with no increases in taxes. And our job is to allocate those new resources wisely.

We can afford to increase spending by a modest amount, but enough to invest in key priorities and still cut the deficit by almost 40 percent in one year. And that will allow us to meet the targets set forth in the Gramm-Rudman-Hollings law. But to do that, we must recognize that growth above inflation in federal programs is not preordained; that not all spending initiatives were designed to be immortal. (Applause.)

I make this pledge tonight: My team and I are ready to work with the Congress, to form a special leadership group, to negotiate in good faith, to work day and night -- if that's what it takes -- to meet the budget targets, and to produce a budget on time.

We cannot settle for business as usual. Government by continuing resolution -- or government by crisis -- will not do. And I ask the Congress tonight to approve several measures which will make budgeting more sensible. We could save time and improve efficiency by enacting two-year budgets. (Applause.) Forty-three governors have the line-item veto. President's should have it, too. (Applause.) And the very least -- at the very least, when a President proposes to rescind federal spending, the Congress should be required to vote on that proposal -- instead of killing it by inaction. (Applause.)

And I ask the Congress to honor the public's wishes by passing a constitutional amendment to require a balanced budget. (Applause.) Such an amendment, once phased in, will discipline both the Congress and the Executive Branch.

Several principles describe the kind of America I hope to build with your help in the years ahead. We will not have the luxury of taking the easy, spendthrift approach to solving problems -- because higher spending and higher taxes put economic growth at risk. Economic growth provides jobs and hope. Economic growth enables us to pay for social programs. Economic growth enhances the security of the nation. And low tax rates create economic growth.

I believe in giving Americans greater freedom and greater choice -- and I will work for choice for American families, whether in the housing in which they live, the schools to which they send their children, or the child care they select for their young. (Applause.)

You see, I believe that we have an obligation to those in need, but that government should not be the provider of first resort for things that the private sector can produce better. I believe in a society that is free from discrimination and bigotry of any kind. (Applause.) And I will work to knock down the barriers left by past discrimination -- (applause) -- and to build a more tolerant society that will stop such barriers from ever being built again.

I believe that family and faith represent the moral compass of the nation -- and I'll work to make them strong, for as Benjamin Franklin said, "If a sparrow cannot fall to the ground without His notice, can a great nation rise without his aid?"

And I believe in giving people the power to make their own lives better through growth and opportunity. And together, let's put power in the hands of people. (Applause.)

Three weeks ago, we celebrated the Bicentennial Inaugural, the 200th anniversary of the first presidency. And if you look back, one thing is so striking about the way the Founding

Fathers looked at America. They didn't talk about themselves. They talked about posterity. They talked about the future.

And we, too, must think in terms bigger than ourselves. We must take actions today that will ensure a better tomorrow. (Applause.) We must extend American leadership in technology, increase long-term investment, improve our educational system, and boost productivity. These are the keys to building a better future.

And here are some of my recommendations:

I propose almost \$2.2 billion for the National Science Foundation to promote basic research and keep us on track to double its budget by 1993. (Applause.)

I propose to make permanent the tax credit for research and development. (Applause.)

I've asked Vice President Quayle to chair a new Task Force on Competitiveness. (Applause.)

And I request funding for NASA and a strong space program -- an increase of almost \$2.4 billion over the current fiscal year. We must have a manned space station; a vigorous, safe space shuttle program; and more commercial development in space. The space program should always go "full throttle up" -- and that's not just our ambition; it's our destiny. (Applause.)

I propose that we cut the maximum tax rate on capital gains to increase long-term investment. (Applause.) History is clear -- history on this is clear; this will increase revenues, help savings, and create new jobs. (Applause.) We won't be competitive if we leave whole sectors of America behind. This is the year we should finally enact urban enterprise zones and bring hope to the inner cities. (Applause.)

But the most important competitiveness program of all is one which improves education in America. When some of our students actually have trouble locating America on a map of the world, it is time for us to map a new approach to education. (Applause.)

We must reward excellence and cut through bureaucracy. We must help schools that need help the most. We must give choice to parents, students, teachers, and principals; and we must hold all concerned accountable. In education, we cannot tolerate mediocrity. (Applause.)

I want to cut that dropout rate and make America a more literate nation. (Applause.) Because what it really comes down to is this: the longer our graduation lines are today, the shorter our unemployment lines will be tomorrow.

So tonight I'm proposing the following initiatives:

The beginning of a \$500-million program to reward America's best schools -- "merit schools."

The creation of special presidential awards for the best teachers in every state -- because excellence should be rewarded. -- (Applause.)

The establishment of a new program of National Science Scholars, one each year for every Member of the House and Senate, to give this generation of students a special incentive to excel in science and mathematics. (Applause.)

The expanded use of magnet schools, which give families and students greater choice; and a new program -- to encourage "alternative certification" which will let talented people from all fields teach in our classrooms. (Applause.)

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I've said I'd like to be the "Education President." And tonight, I've asked you to join me by becoming the "Education Congress." (Applause.)

Just last week, as I settled into this new office, I received a letter from a mother in Pennsylvania who had been struck by my message in the Inaugural Address. "Not 12 hours before," she wrote, "my husband and I received word that our son was addicted to cocaine. He had the world at his feet. Bright, gifted, personable. He could have done anything with his life. And now he has chosen cocaine."

"And please," she wrote, "find a way to curb the supply of cocaine. Get tough with the pushers. Our son needs your help." (Applause.)

My friends, that voice crying out for help could be the voice of your own neighbor, your own friend, your own son. Over 23 million Americans used illegal drugs last year -- at a staggering cost to our nation's well-being.

Let this be recorded as the time when America rose up and said "no" to drugs. The scourge of drugs must be stopped. And I am asking tonight for an increase of almost a billion dollars in budget outlays to escalate the war against drugs. (Applause.) The war must be waged on all fronts. Our new drug czar, Bill Bennett, and I will be shoulder-to-shoulder in the Executive Branch leading the charge.

Some money will be used to expand treatment to the poor and to young mothers. This will offer the helping hand to the many innocent victims of drugs -- like the thousands of babies born addicted, or with AIDS because of the mother's addiction.

Some will be used to cut the waiting time for treatment. Some money will be devoted to those urban schools where the emergency is now the worst. And much of it will be used to protect our borders, with help from the Coast Guard, and the Customs Service, the Departments of State and Justice, and yes, the U.S. military. (Applause.)

I mean to get tough on the drug criminals. And let me be clear: this President will back up those who put their lives on the line every single day -- our local police officers. (Applause.)

My budget asks for beefed-up prosecution, for a new attack on organized crime, and for enforcement of tough sentences -- and for the worst kingpins, that means the death penalty. (Applause.) I also want to make sure that when a drug dealer is convicted, there's a cell waiting for him. And he should not go free because prisons are too full.

And so let the word go out: If you're caught and convicted, you will do time.

But for all we do in law enforcement, in interdiction and treatment, we will never win this war on drugs unless we stop the demand for drugs. So some of this increase will be used to educate the young about the dangers of drugs. We must involve the parents. We must involve the teachers. We must involve the communities. And my friends, we must involve ourselves -- each and every one of us in this concern. (Applause.)

One problem related to drug use demands our urgent attention and our continuing compassion. And that is the terrible tragedy of AIDS. I'm asking for \$1.6 billion for education to prevent the disease -- and for research to find a cure.

If we're to protect our future, we need a new attitude about the environment. We must protect the air we breathe. I will

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send to you shortly legislation for a new, more effective, Clean Air Act. It will include a plan to reduce, by date certain, the emissions which cause acid rain -- (applause) -- because the time for study alone has passed, and the time for action is now. (Applause.)

We must make use of clean coal. My budget contains full funding, on schedule, for the clean coal technology agreement that we've made with Canada. (Applause.) We've made that agreement with Canada and we intend to honor that agreement.

We must not neglect our parks. So I'm asking to fund new acquisitions under the Land and Water Conservation Fund. We must protect our oceans. And I support new penalties against those who would dump medical waste and other trash into our oceans. (Applause.) The age of the needle on the beaches must end. (Applause.)

And in some cases, the gulfs and oceans off our shores hold the promise of oil and gas reserves which can make our nation more secure and less dependent on foreign oil. And when those with the most promise can be tapped safely, as with much of the Alaska National Wildlife Refuge, we should proceed. (Applause.) But we must use caution. We must respect the environment.

And so tonight I'm calling for the indefinite postponement of three lease sales which have raised troubling questions -- two off the coast of California, and one which could threaten the Everglades in Florida. (Applause.) Action on these three lease sales will await the conclusion of a special task force set up to measure the potential for environmental damage.

I'm directing the Attorney General and the Administrator of the Environmental Protection Agency to use every tool at their disposal to speed and toughen the enforcement of our laws against toxic waste dumpers. (Applause.) I want faster cleanups and tougher enforcement of penalties against polluters.

In addition to caring for our future, we must care for those around us. A decent society shows compassion for the young, the elderly, the vulnerable, and the poor.

Our first obligation is to the most vulnerable -- infants, poor mothers, children living in poverty -- and my proposed budget recognizes this. I ask for full funding of Medicaid -- an increase of over \$3 billion -- and an expansion of the program to include coverage of pregnant women who are near the poverty line. (Applause.)

I believe we should help working families cope with the burden of child care. Our help should be aimed at those who need it most -- low-income families with young children. I support a new child care tax credit that will aim our efforts at exactly those families -- without discriminating against mothers who choose to stay at home. (Applause.)

Now, I know there are competing proposals. But remember this -- the overwhelming majority of all preschool child care is now provided by relatives and neighbors and churches and community groups. Families who choose these options should remain eligible for help. Parents should have choice. (Applause.)

And for those children who are unwanted or abused or whose parents are deceased, we should encourage adoption. I propose to reenact the tax deduction for adoption expenses, and to double it to \$3,000. (Applause.) Let's make it easier for these kids to have parents who love them.

We have a moral contract with our senior citizens. And in this budget, Social Security is fully funded, including a full cost-of-living adjustment. We must honor our contract.

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We must care about those in the shadow of life, and I, like many Americans, am deeply troubled by the plight of the homeless. The causes of homelessness are many, the history is long. But the moral imperative to act is clear.

Thanks to the deep well of generosity in this great land, many organizations already contribute. But we in government cannot stand on the sidelines. In my budget, I ask for greater support for emergency food and shelter, for health services and measures to prevent substance abuse, and for clinics for the mentally ill. (Applause.) And I propose a new initiative involving the full range of government agencies. We must confront this national shame.

There's another issue that I've decided to mention here tonight. I've long believed that the people of Puerto Rico should have the right to determine their own political future. Personally, I strongly favor statehood. But I urge the Congress to take the necessary steps to allow the people to decide in a referendum.

Certain problems, the result of decades of unwise practices, threaten the health and security of our people. Left unattended, they will only get worse -- but we can act now to put them behind us.

Earlier this week, I announced my support for a plan to restore the financial and moral integrity of our savings system. I ask Congress to enact our reform proposals within 45 days. We must not let this situation fester. (Applause.) We owe it to the savers in this country to solve this problem. (Applause.)

Certainly, the savings of Americans must remain secure. Let me be clear. Insured depositors will continue to be fully protected. But any plan to refinance the system must be accompanied by major reform. Our proposals will prevent such a crisis from recurring. The best answer is to make sure that a mess like this will never happen again.

The majority of thrifts in communities across the nation have been honest. They've played a major role in helping families achieve the dream of home ownership. But make no mistake -- those who are corrupt, those who break the law, must be kicked out of the business and they should go to jail. (Applause.)

We face a massive task in cleaning up the waste left from decades of environmental neglect at our America's nuclear weapons plants. Clearly, we must modernize these plants and operate them safely. That's not at issue -- our national security depends on it. But beyond that, we must clean up the old mess that's been left behind -- and I propose in this budget to more than double our current effort to do so. This will allow us to identify the exact nature of the various problems so we can clean them up -- and clean them up we will. (Applause.)

We've been fortunate during these past eight years. America is a stronger nation than it was in 1980. Morale in our Armed Forces has been restored. Our resolve has been shown. Our readiness has been improved. And we are at peace. There can no longer be any doubt that peace has been made more secure through strength. And when America is stronger, the world is safer. (Applause.)

Most people don't realize that after the successful restoration of our strength, the Pentagon budget has actually been reduced in real terms for each of the last four years. We cannot tolerate continued real reduction in defense. In light of the compelling need to reduce the deficit, however, I support a one-year freeze in the military budget -- something I proposed last fall in my flexible freeze plan.

And this freeze will apply for only one year, and after that, increases above inflation will be required. I will not sacrifice American preparedness, and I will not compromise American strength. (Applause.)

I should be clear on the conditions attached to my recommendation for the coming year:

The savings must be allocated to those priorities for investing in our future that I've spoken about tonight.

This defense freeze must be a part of a comprehensive budget agreement which meets the targets spelled out in Gramm-Rudman-Hollings law without raising taxes, and which incorporates reforms in the budget process.

I have directed the National Security Council to review our national security and defense policies and report back to me within 90 days to ensure that our capabilities and resources meet our commitments and strategies.

I'm also charging the Department of Defense with the task of developing a plan to improve the defense procurement process and management of the Pentagon -- one which will fully implement the Packard Commission report. (Applause.) Many of these changes can only be made with the participation of the Congress -- and so I ask for your help.

We need fewer regulations. We need less bureaucracy. We need multiyear procurement and two-year budgeting. And frankly, -- and don't take this wrong -- we need less congressional micromanagement of our nation's military policy. (Applause.) I detect a slight division on that question, but nevertheless -- (laughter.)

Securing a more peaceful world is perhaps the most important priority I'd like to address tonight. You know we meet at a time of extraordinary hope. Never before in this century have our values of freedom, democracy, and economic opportunity been such a powerful and intellectual force around the globe.

Never before has our leadership been so crucial, because while America has its eyes on the future, the world has its eyes on America.

And it's time of great change in the world -- and especially in the Soviet Union. Prudence and common sense dictate that we try to understand the full meaning of the change going on there, review our policies and then proceed with caution. But I've personally assured General Secretary Gorbachev that at the conclusion of such a review we will be ready to move forward. We will not miss any opportunity to work for peace.

The fundamental facts remain that the Soviets retain a very powerful military machine, in the service of objectives which are still too often in conflict with ours. So let us take the new openness seriously. But let's also be realistic. And let's always be strong. (Applause.)

There are some pressing issues we must address: I will vigorously pursue the Strategic Defense Initiative. (Applause.) The spread and even use of sophisticated weaponry threatens global security as never before.

Chemical weapons must be banned from the face of the Earth, never to be used again. (Applause.) And, look, this won't be easy. Verification -- extraordinarily difficult. But civilization and human decency demand that we try.

And the spread of nuclear weapons must be stopped. And

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I'll work to strengthen the hand of the International Atomic Energy Agency. Our diplomacy must work every day against the proliferation of nuclear weapons.

And around the globe, we must continue to be freedom's best friend. And we must stand firm for self-determination and democracy in Central America -- including in Nicaragua. (Applause.) It is my strongly held conviction that when people are given the chance, they inevitably will choose a free press, freedom of worship, and certifiably free and fair elections.

We must strengthen the alliance of the industrial democracies -- as solid a force for peace as the world has ever known. And this is an alliance forged by the power of our ideals, not the pettiness of our differences. So let's lift our sights -- to rise above fighting about beef hormones to building a better future, to move from protectionism to progress.

I've asked the Secretary of State to visit Europe next week and to consult with our allies on the wide range of challenges and opportunities we face together -- including East-West relations. And I look forward to meeting with our NATO partners in the near future.

And I, too, shall begin a trip shortly -- to the far reaches of the Pacific Basin, where the winds of democracy are creating new hope, and the power of free markets is unleashing a new force.

When I served as our representative in China 14 or 15 years ago, few would have predicted the scope of the changes we've witnessed since then. But in preparing for this trip, I was struck by something I came across from a Chinese writer. He was speaking of his country, decades ago, but his words speak to each of us, in America, tonight.

"Today," he said, "we're afraid of the simple words like goodness and mercy and kindness."

My friends, if we're to succeed as a nation, we must rediscover those words.

In just three days, we mark the birthday of Abraham Lincoln -- the man who saved our Union, and gave new meaning to the word opportunity. Lincoln once said: "I hold that while man exists, it is his duty to improve not only his own condition, but to assist in ameliorating that of mankind."

It is this broader mission to which I call all Americans. Because the definition of a successful life must include serving others. (Applause.)

And to the young people of America, who sometimes feel left out -- I ask you tonight to give us the benefit of your talent and energy through a new program called "YES," for Youth Entering Service to America.

To those men and women in business -- remember the ultimate end of your work -- to make a better product, to create better lives. I ask you to plan for the longer-term and avoid that temptation of quick and easy paper profits.

To the brave men and women who wear the uniform of the United States of America -- thank you. Your calling is a high one -- (applause.) To be the defenders of freedom and the guarantors of liberty. And I want you to know that this nation is grateful for your service.

To the farmers of America, we appreciate the bounty you provide. We will work with you to open foreign markets to American

agricultural products. (Applause.)

And to the parents of America, I ask you to get involved in your child's schooling. Check on the homework. Go to the school, meet the teachers, care about what is happening there. It's not only your child's future on the line, it's America's.

To kids in our cities -- don't give up hope. Say no to drugs. Stay in school. And yes, "Keep hope alive."

To those 37 million Americans with some form of disability -- you belong in the economic mainstream. We need your talents in America's workforce. Disabled Americans must become full partners in America's opportunity society. (Applause.)

To the families of America watching tonight in your living rooms: Hold fast to your dreams, because ultimately America's future rests in your hands.

And to my friends in this Chamber, I ask your cooperation to keep America growing while cutting the deficit. That's only fair to those who now have no vote -- the generations to come.

Let them look back and say that we had the foresight to understand that a time of peace and prosperity is not the time to rest, but a time to press forward -- a time to invest in the future.

And let all Americans remember that no problem of human-making is too great to be overcome by human ingenuity, human energy, and the untiring hope of the human spirit. I believe this. I would not have asked to be your President if I didn't.

And tomorrow, the debate on the plan I've put forward begins, and I ask the Congress to come forward with your own proposals. Let's not question each other's motives. Let's debate. Let's negotiate. But let us solve the problem. (Applause.)

Recalling anniversaries may not be my specialty in speeches -- (laughter and applause.) -- but tonight is one of some note. On February 9, 1941, just 48 years ago tonight, Sir Winston Churchill took to the airwaves during Britain's hour of peril. He'd received from President Roosevelt a hand-carried letter quoting Longfellow's famous poem: "Sail on, oh Ship of State! Sail on, Oh Union, strong and great! Humanity with all its fears, with all the hopes of future years, is hanging breathless on thy fate!"

And Churchill responded on this night by radio broadcast to a nation at war, but he directed his words to Franklin Roosevelt. "We shall not fail or falter," he said. "We shall not weaken or tire. Give us the tools, and we will finish the job."

Tonight, almost half a century later, our peril may be less immediate, but the need for perseverance and clear-sighted fortitude is just as great.

Now, as then, there are those who say it can't be done. There are voices who say that America's best days have passed; that we're bound by constraints, threatened by problems, surrounded by troubles which limit our ability to hope. Well, tonight, I remain full of hope. We Americans have only begun on our mission of goodness and greatness. And to those timid souls, I repeat the plea -- give us the tools, and we will do the job.

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

((Grady; 2/9/89, 6am))
MESSAGE OF PRESIDENT GEORGE BUSH
TO A
JOINT SESSION OF CONGRESS
FEBRUARY 9, 1989

Mr. Speaker, Mr. President, Distinguished Members of
the House and Senate, honored guests, fellow citizens:

Less than three weeks ago, I joined you on the West
Front of this very building and -- looking over the
monuments to our proud past -- offered you my hand in
filling the next page of American history with a story of
extended prosperity and continued peace. Tonight, I am
back, to offer you my plans as well. The hand remains
extended, the sleeves are rolled up, America is waiting, and
now we must produce.

Together, we can build a better America.

It is comforting to return to this historic chamber.
Here, twenty-two years ago, I first raised my hand to be
sworn into public life. So tonight, I feel as if I am
returning home to friends. And I intend, in the months and
years to come, to give you that to which friends are
entitled: frankness, respect, and my best judgment about
ways to improve America's future.

In return, I ask for an honest commitment to our common
mission of progress. If we seize the opportunities on the
road before us, there will be praise enough for all.

The people didn't send us here to bicker. It's time to
produce. It's time to govern.

Many Presidents have come to this Chamber in times of great crisis. War. Depression. Loss of national spirit.

Eight years ago, I sat in that chair as President Reagan spoke of punishing inflation and devastatingly high interest rates, people out of work, American confidence on the wane.

Our challenge is different.

We are fortunate -- a much changed landscape lies before us tonight.

So I don't propose to reverse direction. We are headed the right way.

But we cannot rest. We are a people whose energy and drive has fueled our rise to greatness. We are a forward-looking nation -- generous, yes, but ambitious as well -- not for ourselves, but for the world.

Complacency is not in our character -- not before, not now, not ever.

So tonight, we must take a strong America -- and make it even better.

We must address some very real problems. We must establish some very clear priorities. And we must make a very substantial cut in the Federal budget deficit.

Some people find that agenda impossible.

But I am presenting to you tonight a realistic plan for tackling it. My plan has four broad features: attention to urgent priorities, investment in the future, an attack on the deficit, and no new taxes.

I have made my position clear to the American people -- we don't need to raise taxes; and the people don't want us to.

This budget represents my best judgement of how we can address our priorities, consistent with the people's view. There are many areas in which we would all like to spend more than I propose, but we cannot until we get our fiscal house in order.

Next year alone, thanks to economic growth, without any change in the law, the Federal government will take in over \$80 billion dollars more than it does this year. That's right -- over \$80 billion in new revenues, with no increase in taxes. Our job is to allocate those new resources wisely.

We can afford to increase spending -- by a modest amount, but enough to invest in key priorities without raising taxes -- and still cut the deficit by almost 40 percent in one year.

That will allow us to meet the targets set forth in the Gramm-Rudman-Hollings law.

But to do that, we must recognize that growth above inflation in Federal programs is not preordained, that not all spending initiatives were designed to be immortal.

I make this pledge tonight: I am prepared to participate in a special process with the Congressional leadership; and my team and I are ready to work with the Congress, to negotiate in good faith, to work day and night

-- if that's what it takes -- to meet the budget targets, and to produce a budget on time.

We cannot settle for business as usual.

Government by continuing resolution -- or government by crisis -- won't do.

I ask the Congress tonight to approve several measures which will make budgeting more sensible. We could save time and improve efficiency by enacting two-year budgets.

~~Forty-three~~ 43 Governors have the line item veto. Presidents should have it, too.

At the very least, when a President proposes to rescind Federal spending, the Congress should be required to vote on the proposal -- instead of killing it by inaction.

And I ask for Congress to honor the public's wishes by passing a constitutional amendment to require a balanced budget. Such an amendment, once phased in, will discipline both Congress and the Executive branch.

Several principles describe the kind of America I hope to build with your help in the years ahead.

We will not have the luxury of taking the easy, spendthrift approach to solving problems -- because higher spending and higher taxes put economic growth at risk.

Economic growth provides jobs and hope. Economic growth enables us to pay for social programs. Economic growth enhances the security of the nation. And low tax rates create economic growth.

I believe in giving Americans greater freedom and greater choice -- and I will work for choice for American families, whether in the housing in which they live, the schools to which they send their children, or the child care they select for their young.

I believe that we have an obligation to those in need, but that government should not be the provider of first resort for things that the private sector can produce better.

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We must take actions today that will ensure a better tomorrow. We must extend American leadership in technology, increase long-term investment, improve our educational system, and boost productivity. These are the keys to building a better future.

Here are some of my recommendations:

- I propose almost \$2.2 billion for the National Science Foundation to promote basic research and keep us on track to double its budget by 1993;
- I propose to make permanent the tax credit for research and development;
- I have asked Vice President Quayle to chair a new Task Force on Competitiveness;
- I request funding for NASA and a strong space program -- an increase of almost \$2.4 billion over the current fiscal year. We must have a manned space station; a vigorous, safe space shuttle program; and more commercial development in space. The space program should always go "full throttle up" -- that's not just our ambition, it's our destiny.
- I propose that we cut the maximum tax rate on capital gains to increase long[^]term investment. History is clear: this will increase revenues, help savings, and create new jobs.

We won't be competitive if we leave whole sectors of America behind. This is the year we should finally enact urban enterprise zones, and bring hope to our inner cities.

But the most important competitiveness program of all is one which improves education in America.

When some of our students actually have trouble locating America on a map of the world, it is time for us to map a new approach to education.

We must reward excellence, and cut through bureaucracy. We must help those schools that need help most. We must give choice to parents, students, teachers, and principals. And we must hold all concerned accountable. In education, we cannot tolerate mediocrity.

I want to cut the dropout rate, and make America a more literate nation. Because what it really comes down to is this: the longer our graduation lines are today, the shorter our unemployment lines will be tomorrow.

So tonight I am proposing the following initiatives:

- the beginning of a \$500-million program to reward America's best schools -- "merit schools";

- the creation of special Presidential awards for the best teachers in every state -- because excellence should be rewarded;

- the establishment of a new program of National Science Scholars, one each year for every member of the House and Senate, to give this generation of students a special incentive to excel in science and mathematics;

- the expanded use of magnet schools which give families and students greater choice;
- and a new program to encourage "alternative certification" -- which will let talented people from all fields teach in the classroom.

I have said I'd like to be "the Education President." Tonight, I ask you to join me by becoming "the Education Congress."



Just last week, as I settled into this new office, I received a letter from a mother in Pennsylvania, who had been struck by my message in the Inaugural address. "Not 12 hours before," she wrote, "my husband and I received word that our son was addicted to cocaine. He had the world at his feet. Bright, gifted, personable, he could have done anything with his life. Now he has chosen cocaine."

"Please," she wrote, "find a way to curb the supply of cocaine. Get tough with the pushers. Our son needs your help."

My friends, that voice crying for help could be the voice of your own neighbor. Your own friend. Your own relative. Over 23 million Americans used illegal drugs last year -- at a staggering cost to our nation's well-being. ~~X~~

Let this be recorded as the time when America rose up and said "no" to drugs. The scourge of drugs must stop.


I am asking tonight for an increase of almost a billion dollars in budget outlays to escalate the war against drugs. The war will be waged on all fronts.

Some money will be used to expand treatment to the poor, and to young mothers. This will offer the helping hand  to the many innocent victims of drugs -- like the thousands of babies born addicted, or with AIDS, because of the mother's addiction. 

Some will be used to cut the waiting time for treatment.

Some money will be devoted to those urban schools where the emergency is now the worst. And much of it will be used to protect our borders, with help from the Coast Guard, the Customs Service, the Departments of State and Justice, and yes, the U.S. military.

I mean to get tough on the drug criminals. Let me be clear: this President will back up those who put their lives on the line every day -- our local police officers.

My budget asks for beefed-up prosecution, for a new attack on organized crime, and for enforcement of tough sentences -- and for the worst kingpins, that means the death penalty. 

I also want to make sure that when a drug dealer is convicted, there is a cell waiting for him. He should not go free because prisons are too full.

Let the word go out: if you are caught and convicted, you must do time.

But for all we do in law enforcement, in interdiction and treatment, we will never win this war on drugs unless we stop demand for drugs.

So some of this increase will be used to educate the young about the dangers of drugs. We must involve parents. We must involve teachers. We must involve communities. And my friends, we must involve ourselves.

One problem related to drug use demands our urgent attention and our continuing compassion. That is the terrible tragedy of AIDS.

I am asking for \$1.6 billion for education to prevent the disease -- and for research to find a cure.

If we're to protect our future, we need a new attitude about the environment.

We must protect the air we breathe.

I will send to you shortly legislation for a new, more effective Clean Air Act. It will include a plan to reduce, by date certain, the emissions which cause acid rain -- because the time for study alone has passed, and the time for action is now.

We must make use of clean coal. My budget contains full funding, on schedule, for the clean coal technology agreement we have made with Canada. We intend to honor that agreement.

I believe we should expand our parks. So I am asking to fund new acquisitions under the land and water conservation fund.

We must protect our oceans. I support new penalties against those who would dump medical waste and other trash in the oceans. The age of the needle on the beach must end.

In some cases, the gulfs and oceans off our shores hold the promise of reserves of oil and gas which can make our nation more secure and less dependent on foreign oil. When those with the most promise can be tapped safely, as with much of the Alaska National Wildlife Refuge, we should proceed. But we must use caution and we must respect the environment.

So tonight I am calling for the indefinite postponement of three lease sales which have raised troubling questions -- two off the coast of California, and one which could threaten the Everglades in Florida.

Action on these three lease sales will await the conclusions of a special task force set up to measure the potential for environmental damage.

I am directing the Attorney General and the Administrator of the Environmental Protection Agency to use every tool at their disposal to speed and toughen the enforcement of our laws against toxic waste dumpers. I want faster cleanups and tougher enforcement of penalties against polluters.

In addition to caring for our future, we must care for those around us. A decent society shows compassion for the young, the elderly, the vulnerable, and the poor.

Our first obligation is to the most vulnerable -- infants, poor mothers, children living in poverty -- and my proposed budget recognizes this. I ask for full funding of Medicaid -- an increase of over \$3 billion -- and an expansion of the program to include coverage of pregnant women who are near the poverty line.

I believe we should help working families cope with the burden of child care.

Our help should be aimed at those who need it most -- low-income families with young children. I support a new child care tax credit that will aim our efforts at exactly those families -- without discriminating against mothers who choose to stay at home. X

Now, I know there are competing proposals. But remember this: the overwhelming majority of all ^{preschool} child care is now provided by relatives and neighbors, churches and community groups. Families who choose these options should remain eligible for help. Parents should have choice. X

And for those children who cannot live with their parents, I believe we should encourage adoption. I propose to re-enact the tax deduction for adoption expenses, and to double it to \$3,000.

We have a moral contract with our senior citizens. In this budget, Social Security is fully funded, including a full cost-of-living adjustment. We must honor our contract. ✓

We must care about those in "the shadows of life," and I, like many Americans, am deeply troubled by the plight of

the homeless. The causes of homelessness are many, the history is long, but the moral imperative to act is clear.

Thanks to the deep well of generosity in this great land, many organizations already contribute. But we in government cannot stand on the sidelines. In my budget, I ask for greater support for emergency food and shelter, for health services and measures to prevent substance abuse, and for clinics for the mentally ill -- and I propose a new initiative involving the full range of government agencies. We must confront this national shame.

Tragedy has been brought to this very chamber by the long-debated issue of the future of Puerto Rico. I wanted to mention tonight that I favor a referendum for the people of this commonwealth. Personally, I favor statehood. But let's let the people decide.

Certain problems, the result of decades of unwise practices, threaten the health and security of our people. Left unattended, they will only get worse -- but we can act now to put them behind us.

Earlier this week, I announced my support for a plan to restore the financial and moral integrity of our savings system. I ask Congress to enact our reform proposals within 45 days. We must not let this situation fester.

Certainly, the savings of Americans must remain secure -- insured depositors will continue to be fully protected. But any plan to refinance the system must be accompanied by major reform. Our proposals will prevent such a crisis from

re-occurring. Because the best answer is to make sure that a mess like this will never happen again.

The majority of thrifts in communities across this nation have been honest; they have played a major role in helping families achieve the American dream of home ownership. But make no mistake: those who are corrupt, those who break the law, must be kicked out of the business; and they should go to jail.

We face a massive task in cleaning up the waste left from decades of environmental neglect at America's nuclear weapons plants.

Clearly, we must modernize these plants and operate them safely. That is not at issue -- our national security depends on it.

But beyond that, we must clean up the old mess that's been left behind -- and I propose in this budget to more than double our current effort to do so. This will allow us to identify the exact nature of the various problems so we can clean them up -- and clean them up we will.

We have been fortunate during these past eight years. America is a stronger nation today than it was in 1980.

Morale in our armed forces is restored. Our resolve has been shown. Our readiness has been improved. And we are at peace.

There can no longer be any doubt that peace has been made more secure through strength. When America is stronger, the world is safer.

Most people don't realize that, after the successful restoration of our strength, the Pentagon budget has actually been reduced in real terms for each of the last four years.

In light of the compelling need to reduce the deficit, I propose a one-year freeze in the military budget -- something I proposed last fall in my flexible freeze plan.

This freeze will apply for only one year -- after that increases above inflation will be required. I will not sacrifice American preparedness; and I will not compromise American strength.

I should be clear on the conditions attached to my recommendation for the coming year:

- the savings must be allocated to those priorities for investing in our future that I have spoken about tonight;
- this defense freeze must be part of a comprehensive budget agreement which meets the targets spelled out in the Gramm-Rudman-Hollings law without raising taxes, and which incorporates reforms in the budget process.

I have directed the National Security Council to review our national security and defense policies and report back to me within 90 days to ensure that our capabilities and resources meet our commitments and strategies.

I am also charging the Department of Defense with the task of developing a plan to improve the defense procurement process and management of the Pentagon -- one which will fully implement the Packard Commission report. Many of the

changes can only be made with the participation of the Congress -- so I ask for your help.

We need fewer regulations. We need less bureaucracy. We need multi-year procurement and two-year budgeting. And frankly, we need less Congressional micromanagement of our nation's military policy.

Securing a more peaceful world is perhaps the most important priority I'd like to address tonight.

We meet tonight at a time of extraordinary hope. Never before in this century have our values of freedom, democracy, and economic opportunity been such a powerful political and intellectual force around the globe.

Never before has our leadership been so crucial, because while America has its eyes on the future, the world has its eyes on America.

It is a time of great change in the world -- and especially in the Soviet Union. Prudence and common sense dictate that we try to understand the full meaning of the change, review our policies carefully, and proceed with caution. But I have personally assured General Secretary Gorbachev that, at the conclusion of such a review, we will be ready to move forward. We will not miss any opportunity to work for peace.

The fundamental fact remains that the Soviets retain a very powerful military machine, in the service of objectives which are still too often in conflict with ours. So let us

take the new openness seriously. But let us be realistic. And let us negotiate from strength.

There are some pressing issues we must address:

I will vigorously pursue the Strategic Defense Initiative.

The spread and even use of sophisticated weaponry threatens global stability as never before.

Chemical weapons must be banned from the face of the earth, never to be used again. This won't be easy. Verification will be difficult. But civilization and human decency demand that we try.

And the spread of nuclear weapons must be stopped. I will work to strengthen the hand of the International Atomic Energy Agency. Our diplomacy must work every day against the proliferation of nuclear weapons.

And around the globe, we must continue to be freedom's best friend.

We must stand firm for self-determination and democracy in Central America -- including in Nicaragua.

For when people are given their own choice, they inevitably will choose a free press; freedom of worship; and certifiably free and fair elections.

We must strengthen the alliance of industrial democracies -- as solid a force for peace as the world has ever known. This is an alliance forged by the power of our ideals, not the pettiness of our differences. So let us

lift our sights -- from beef hormones to a better future, from protectionism to progress.

I have asked the Secretary of State to visit Europe next week -- to forge a ~~New Compact~~ with our allies -- and to consult with them on the wide range of challenges and opportunities we face together -- including East-West relations. And I look forward to meeting myself with our NATO partners in the near future.

I, too, shall begin a trip shortly -- to the far reaches of the Pacific Basin, where the winds of democracy are creating new hope, and the power of free markets is unleashing a new force.

When I served as our representative in China just 13 years ago, few would have predicted the scope of the changes we've witnessed since then.

But in preparing for this trip, I was struck by something I came across from a Chinese writer, Lin Yutang ((you-TANG)). He was speaking of his country, decades ago -- but his words speak to each of us, in America, tonight.

"Today," he said, "we are afraid of the simple words like goodness and mercy and kindness."

My friends, if we're to succeed as a nation, we must rediscover those words.

In just three days, we mark the birthday of Abraham Lincoln -- the man who saved our union, and gave new meaning to the word opportunity. Lincoln once said:

"I hold that while man exists, it is his duty to improve not only his own condition, but to assist in ameliorating ((that of)) mankind."

It is that broader mission to which I call all Americans. Because the definition of a successful life should include serving others.

To the young and the old, who sometimes feel left out -- I ask you tonight to give us the benefit if your talent and energy through a new program called "YES," for Youth Entering Service to America.

To those men and women in business -- remember the ultimate end of your work -- to make a better product, to create better lives. I ask you to plan for the longer term and avoid the temptation of quick and easy paper profits.

To the brave men and women who wear the uniform of the United States of America -- thank you. Your calling is a high one -- to be the defenders of freedom and the guarantors of liberty. And I want you to know that ^{the} a nation is grateful for your service.

To the parents of America, I ask you to get involved in your child's schooling. Check on their homework. Go to the school, meet the teachers, care about what is happening there. It is not only your child's future on the line, it is America's.

To kids in our cities -- don't give up hope. Say no to drugs. Stay in school. And yes, "keep hope alive."

To those 37 million Americans with some form of disability -- you belong in the economic mainstream. We need your talents in America's workforce. Disabled Americans must become full partners in America's opportunity society.

To the families of America, watching tonight in your living rooms, ~~Hold~~ Hold fast to your dreams, because ultimately America's future rests in your hands.

And to my friends in this chamber, I ask for your cooperation ^{to} ~~in keeping~~ America growing while cutting the deficit. That is only fair to those who now have no vote --- the generations to come.

Let them look back and say that we had the foresight to understand that a time of peace and prosperity is not a time to rest, but a time to push forward. A time to invest in the future.

And let all Americans remember that no problem of human making is too great to be overcome by human ingenuity, human energy, and the untiring hope of the human spirit. I believe this. I would not have asked to be your leader if I didn't.

Tomorrow, the debate on the plan I have put forward begins. I ask you to come forward with your proposals, if they are different. But let us not question each other's motives. Let us debate. Let us negotiate. And in the end, let us produce.

Recalling anniversaries may not be my specialty in speeches... but tonight is one of some note. # On February 9th, 1941, just 48 years ago tonight, Sir Winston Churchill took to the airwaves during Britain's hour of peril. X

He had received from President Roosevelt a hand carried letter quoting Longfellow's famous poem: "Sail on, oh ship of state! Sail on, oh union, strong and great! Humanity with all its fears, with all the hopes of future years, Is hanging breathless on thy fate!"

Sketch Churchill responded on this night by radio broadcast to a nation at war, but he directed his words to Roosevelt.

"We shall not fail or falter," he said. "We shall not weaken or tire. Give us the tools, and we will finish the job."

Tonight, almost a half century later, our peril may be less immediate, but the need for perseverance and clear-sighted fortitude is just as great.

Now, as then, there are those who say it can't be done. There are voices who say that America's best days have past. That we are bound by constraints, threatened by problems, surrounded by troubles which limit our ability to hope.

Well, tonight I remain full of hope. We Americans have only begun on our mission of goodness and greatness. And to those timid souls, I repeat the plea -- give us the tools; and we will do the job.

Thank you, and God bless you.

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ADDRESS TO THE JOINT SESSION OF CONGRESS
THURSDAY, FEBRUARY 9, 1989

MR. SPEAKER, MR. PRESIDENT, DISTINGUISHED
MEMBERS OF THE HOUSE AND SENATE, HONORED GUESTS,
FELLOW CITIZENS:

LESS THAN 3 WEEKS AGO, I JOINED YOU ON THE
WEST FRONT OF THIS VERY BUILDING AND -- LOOKING
OVER THE MONUMENTS TO OUR PROUD PAST -- OFFERED
YOU MY HAND IN FILLING THE NEXT PAGE OF AMERICAN
HISTORY WITH A STORY OF EXTENDED PROSPERITY AND
CONTINUED PEACE. TONIGHT, I AM BACK, TO OFFER YOU
MY PLANS AS WELL. THE HAND REMAINS EXTENDED, THE
SLEEVES ARE ROLLED UP, AMERICA IS WAITING, AND NOW
WE MUST PRODUCE.

TOGETHER, WE CAN BUILD A BETTER AMERICA.

IT IS COMFORTING TO RETURN TO THIS HISTORIC
CHAMBER. HERE, 22 YEARS AGO, I FIRST RAISED MY
HAND TO BE SWORN INTO PUBLIC LIFE. SO TONIGHT, I
FEEL AS IF I AM RETURNING HOME TO FRIENDS. AND I
INTEND, IN THE MONTHS AND YEARS TO COME, TO GIVE
YOU WHAT FRIENDS DESERVE: FRANKNESS, RESPECT, AND
MY BEST JUDGMENT ABOUT WAYS TO IMPROVE AMERICA'S
FUTURE.

IN RETURN, I ASK FOR AN HONEST COMMITMENT TO OUR COMMON MISSION OF PROGRESS. IF WE SEIZE THE OPPORTUNITIES ON THE ROAD BEFORE US, THERE WILL BE PRAISE ENOUGH FOR ALL.

THE PEOPLE DIDN'T SEND US HERE TO BICKER. IT'S TIME TO GOVERN.

MANY PRESIDENTS HAVE COME TO THIS CHAMBER IN TIMES OF GREAT CRISIS. WAR. DEPRESSION. LOSS OF NATIONAL SPIRIT.

EIGHT YEARS AGO, I SAT IN THAT CHAIR AS PRESIDENT REAGAN SPOKE OF PUNISHING INFLATION AND DEVASTATINGLY HIGH INTEREST RATES, PEOPLE OUT OF WORK, AMERICAN CONFIDENCE ON THE WANE.

OUR CHALLENGE IS DIFFERENT.

WE ARE FORTUNATE -- A MUCH CHANGED LANDSCAPE LIES BEFORE US TONIGHT.

SO I DON'T PROPOSE TO REVERSE DIRECTION. WE ARE HEADED THE RIGHT WAY.



BUT WE CANNOT REST. WE ARE A PEOPLE WHOSE ENERGY AND DRIVE HAVE FUELED OUR RISE TO GREATNESS. WE ARE A FORWARD-LOOKING NATION -- GENEROUS, YES, BUT AMBITIOUS AS WELL -- NOT FOR OURSELVES, BUT FOR THE WORLD.

COMPLACENCY IS NOT IN OUR CHARACTER -- NOT BEFORE, NOT NOW, NOT EVER.

SO TONIGHT, WE MUST TAKE A STRONG AMERICA -- AND MAKE IT EVEN BETTER.

WE MUST ADDRESS SOME VERY REAL PROBLEMS. WE MUST ESTABLISH SOME VERY CLEAR PRIORITIES. AND WE MUST MAKE A VERY SUBSTANTIAL CUT IN THE FEDERAL BUDGET DEFICIT.

SOME PEOPLE FIND THAT AGENDA IMPOSSIBLE.

BUT I AM PRESENTING TO YOU TONIGHT A REALISTIC PLAN FOR TACKLING IT. MY PLAN HAS FOUR BROAD FEATURES: ATTENTION TO URGENT PRIORITIES, INVESTMENT IN THE FUTURE, AN ATTACK ON THE DEFICIT, AND NO NEW TAXES.

4

THIS BUDGET REPRESENTS MY BEST JUDGMENT OF HOW WE CAN ADDRESS OUR PRIORITIES. THERE ARE MANY AREAS IN WHICH WE WOULD ALL LIKE TO SPEND MORE THAN I PROPOSE, BUT WE CANNOT UNTIL WE GET OUR FISCAL HOUSE IN ORDER.

NEXT YEAR ALONE, THANKS TO ECONOMIC GROWTH, WITHOUT ANY CHANGE IN THE LAW, THE FEDERAL GOVERNMENT WILL TAKE IN OVER \$80 BILLION DOLLARS MORE THAN IT DOES THIS YEAR. THAT'S RIGHT -- OVER \$80 BILLION IN NEW REVENUES, WITH NO INCREASE IN TAXES. OUR JOB IS TO ALLOCATE THOSE NEW RESOURCES WISELY.

WE CAN AFFORD TO INCREASE SPENDING -- BY A MODEST AMOUNT, BUT ENOUGH TO INVEST IN KEY PRIORITIES AND STILL CUT THE DEFICIT BY ALMOST 40 PERCENT IN ONE YEAR.

THAT WILL ALLOW US TO MEET THE TARGETS SET FORTH IN THE GRAMM-RUDMAN-HOLLINGS LAW.

BUT TO DO THAT, WE MUST RECOGNIZE THAT GROWTH ABOVE INFLATION IN FEDERAL PROGRAMS IS NOT PREORDAINED, THAT NOT ALL SPENDING INITIATIVES WERE DESIGNED TO BE IMMORTAL.

I MAKE THIS PLEDGE TONIGHT: MY TEAM AND I ARE READY TO WORK WITH THE CONGRESS, TO FORM A SPECIAL LEADERSHIP GROUP, TO NEGOTIATE IN GOOD FAITH, TO WORK DAY AND NIGHT -- IF THAT'S WHAT IT TAKES -- TO MEET THE BUDGET TARGETS, AND TO PRODUCE A BUDGET ON TIME.

5

WE CANNOT SETTLE FOR BUSINESS AS USUAL.

GOVERNMENT BY CONTINUING RESOLUTION -- OR GOVERNMENT BY CRISIS -- WILL NOT DO.

I ASK THE CONGRESS TONIGHT TO APPROVE SEVERAL MEASURES WHICH WILL MAKE BUDGETING MORE SENSIBLE. WE COULD SAVE TIME AND IMPROVE EFFICIENCY BY ENACTING 2-YEAR BUDGETS.

FORTY-THREE GOVERNORS HAVE THE LINE-ITEM VETO. PRESIDENTS SHOULD HAVE IT, TOO.

AT THE VERY LEAST, WHEN A PRESIDENT PROPOSES TO RESCIND FEDERAL SPENDING, THE CONGRESS SHOULD BE REQUIRED TO VOTE ON THAT PROPOSAL -- INSTEAD OF KILLING IT BY INACTION.

AND I ASK FOR CONGRESS TO HONOR THE PUBLIC'S WISHES BY PASSING A CONSTITUTIONAL AMENDMENT TO REQUIRE A BALANCED BUDGET. SUCH AN AMENDMENT, ONCE PHASED IN, WILL DISCIPLINE BOTH CONGRESS AND THE EXECUTIVE BRANCH.

6

SEVERAL PRINCIPLES DESCRIBE THE KIND OF AMERICA I HOPE TO BUILD WITH YOUR HELP IN THE YEARS AHEAD.

WE WILL NOT HAVE THE LUXURY OF TAKING THE EASY, SPENDTHRIFT APPROACH TO SOLVING PROBLEMS -- BECAUSE HIGHER SPENDING AND HIGHER TAXES PUT ECONOMIC GROWTH AT RISK.

ECONOMIC GROWTH PROVIDES JOBS AND HOPE. ECONOMIC GROWTH ENABLES US TO PAY FOR SOCIAL PROGRAMS. ECONOMIC GROWTH ENHANCES THE SECURITY OF THE NATION. AND LOW TAX RATES CREATE ECONOMIC GROWTH.

I BELIEVE IN GIVING AMERICANS GREATER FREEDOM AND GREATER CHOICE -- AND I WILL WORK FOR CHOICE FOR AMERICAN FAMILIES, WHETHER IN THE HOUSING IN WHICH THEY LIVE, THE SCHOOLS TO WHICH THEY SEND THEIR CHILDREN, OR THE CHILD CARE THEY SELECT FOR THEIR YOUNG.

I BELIEVE THAT WE HAVE AN OBLIGATION TO THOSE IN NEED, BUT THAT GOVERNMENT SHOULD NOT BE THE PROVIDER OF FIRST RESORT FOR THINGS THAT THE PRIVATE SECTOR CAN PRODUCE BETTER.

I BELIEVE IN A SOCIETY THAT IS FREE FROM DISCRIMINATION AND BIGOTRY OF ANY KIND. I WILL WORK TO KNOCK DOWN THE BARRIERS LEFT BY PAST DISCRIMINATION AND TO BUILD A MORE TOLERANT SOCIETY THAT WILL STOP SUCH BARRIERS FROM EVER BEING BUILT AGAIN.

I BELIEVE THAT FAMILY AND FAITH REPRESENT THE MORAL COMPASS OF THE NATION -- AND I WILL WORK TO MAKE THEM STRONG, FOR AS BENJAMIN FRANKLIN SAID: "IF A SPARROW CANNOT FALL TO THE GROUND WITHOUT HIS NOTICE, [CAN] A [GREAT NATION] RISE WITHOUT HIS AID?"

AND I BELIEVE IN GIVING PEOPLE THE POWER TO MAKE THEIR OWN LIVES BETTER THROUGH GROWTH AND OPPORTUNITY. TOGETHER, LET'S PUT POWER IN THE HANDS OF PEOPLE.

((PAUSE))

7

THREE WEEKS AGO, WE CELEBRATED THE BICENTENNIAL INAUGURAL, THE 200TH ANNIVERSARY OF THE FIRST PRESIDENCY.

AND IF YOU LOOK BACK, ONE THING IS SO STRIKING ABOUT THE WAY THE FOUNDING FATHERS LOOKED AT AMERICA. THEY DIDN'T TALK ABOUT THEMSELVES. THEY TALKED ABOUT POSTERITY. THEY TALKED ABOUT THE FUTURE.

WE, TOO, MUST THINK IN TERMS BIGGER THAN OURSELVES.

WE MUST TAKE ACTIONS TODAY THAT WILL ENSURE A BETTER TOMORROW. WE MUST EXTEND AMERICAN LEADERSHIP IN TECHNOLOGY, INCREASE LONG-TERM INVESTMENT, IMPROVE OUR EDUCATIONAL SYSTEM, AND BOOST PRODUCTIVITY. THESE ARE THE KEYS TO BUILDING A BETTER FUTURE.

HERE ARE SOME OF MY RECOMMENDATIONS:

- I PROPOSE ALMOST \$2.2 BILLION FOR THE NATIONAL SCIENCE FOUNDATION TO PROMOTE BASIC RESEARCH AND KEEP US ON TRACK TO DOUBLE ITS BUDGET BY 1993;



- I PROPOSE TO MAKE PERMANENT THE TAX CREDIT FOR RESEARCH AND DEVELOPMENT;

- I HAVE ASKED VICE PRESIDENT QUAYLE TO CHAIR A NEW TASK FORCE ON COMPETITIVENESS;

- I REQUEST FUNDING FOR NASA AND A STRONG SPACE PROGRAM -- AN INCREASE OF ALMOST \$2.4 BILLION OVER THE CURRENT FISCAL YEAR. WE MUST HAVE A MANNED SPACE STATION; A VIGOROUS, SAFE SPACE SHUTTLE PROGRAM; AND MORE COMMERCIAL DEVELOPMENT IN SPACE. THE SPACE PROGRAM SHOULD ALWAYS GO "FULL THROTTLE UP" -- THAT'S NOT JUST OUR AMBITION; IT'S OUR DESTINY.

- I PROPOSE THAT WE CUT THE MAXIMUM TAX RATE ON CAPITAL GAINS TO INCREASE LONG-TERM INVESTMENT. HISTORY IS CLEAR: THIS WILL INCREASE REVENUES, HELP SAVINGS, AND CREATE NEW JOBS.

WE WON'T BE COMPETITIVE IF WE LEAVE WHOLE SECTORS OF AMERICA BEHIND. THIS IS THE YEAR WE SHOULD FINALLY ENACT URBAN ENTERPRISE ZONES, AND BRING HOPE TO OUR INNER CITIES.

BUT THE MOST IMPORTANT COMPETITIVENESS PROGRAM OF ALL IS ONE WHICH IMPROVES EDUCATION IN AMERICA.

9

WHEN SOME OF OUR STUDENTS ACTUALLY HAVE TROUBLE LOCATING AMERICA ON A MAP OF THE WORLD, IT IS TIME FOR US TO MAP A NEW APPROACH TO EDUCATION.

WE MUST REWARD EXCELLENCE, AND CUT THROUGH BUREAUCRACY. WE MUST HELP THOSE SCHOOLS THAT NEED HELP MOST. WE MUST GIVE CHOICE TO PARENTS, STUDENTS, TEACHERS, AND PRINCIPALS. AND WE MUST HOLD ALL CONCERNED ACCOUNTABLE. IN EDUCATION, WE CANNOT TOLERATE MEDIOCRITY.

I WANT TO CUT THE DROP-OUT RATE, AND MAKE AMERICA A MORE LITERATE NATION. BECAUSE WHAT IT REALLY COMES DOWN TO IS THIS: THE LONGER OUR GRADUATION LINES ARE TODAY, THE SHORTER OUR UNEMPLOYMENT LINES WILL BE TOMORROW.

SO TONIGHT I AM PROPOSING THE FOLLOWING INITIATIVES:

- THE BEGINNING OF A \$500-MILLION PROGRAM TO REWARD AMERICA'S BEST SCHOOLS -- "MERIT SCHOOLS";

- THE CREATION OF SPECIAL PRESIDENTIAL AWARDS FOR THE BEST TEACHERS IN EVERY STATE -- BECAUSE EXCELLENCE SHOULD BE REWARDED;

- THE ESTABLISHMENT OF A NEW PROGRAM OF NATIONAL SCIENCE SCHOLARS, ONE EACH YEAR FOR EVERY MEMBER OF THE HOUSE AND SENATE, TO GIVE THIS GENERATION OF STUDENTS A SPECIAL INCENTIVE TO EXCEL IN SCIENCE AND MATHEMATICS;

- THE EXPANDED USE OF MAGNET SCHOOLS WHICH GIVE FAMILIES AND STUDENTS GREATER CHOICE;

- AND A NEW PROGRAM TO ENCOURAGE "ALTERNATIVE CERTIFICATION" -- WHICH WILL LET TALENTED PEOPLE FROM ALL FIELDS TEACH IN THE CLASSROOM.

I HAVE SAID I'D LIKE TO BE "THE EDUCATION PRESIDENT." TONIGHT, I ASK YOU TO JOIN ME BY BECOMING | "THE EDUCATION CONGRESS."

JUST LAST WEEK, AS I SETTLED INTO THIS NEW OFFICE, I RECEIVED A LETTER FROM A MOTHER IN PENNSYLVANIA, WHO HAD BEEN STRUCK BY MY MESSAGE IN THE INAUGURAL ADDRESS. "NOT 12 HOURS BEFORE," SHE WROTE, "MY HUSBAND AND I RECEIVED WORD THAT [OUR] SON WAS ADDICTED TO COCAINE. [HE] HAD THE WORLD AT HIS FEET. BRIGHT, GIFTED, PERSONABLE..., HE COULD HAVE DONE ANYTHING WITH HIS LIFE. [NOW] HE HAS CHOSEN COCAINE."

11

"PLEASE," SHE WROTE, "FIND A WAY TO CURB THE SUPPLY OF COCAINE. GET TOUGH WITH THE PUSHERS. [OUR SON] NEEDS YOUR HELP."

MY FRIENDS, THAT VOICE CRYING OUT FOR HELP COULD BE THE VOICE OF YOUR OWN NEIGHBOR. YOUR OWN FRIEND. YOUR OWN SON. OVER 23 MILLION AMERICANS USED ILLEGAL DRUGS LAST YEAR -- AT A STAGGERING COST TO OUR NATION'S WELL-BEING.

LET THIS BE RECORDED AS THE TIME WHEN AMERICA ROSE UP AND SAID "NO" TO DRUGS. THE SCOURGE OF DRUGS MUST BE STOPPED.

I AM ASKING TONIGHT FOR AN INCREASE OF ALMOST A BILLION DOLLARS IN BUDGET OUTLAYS TO ESCALATE THE WAR AGAINST DRUGS. THE WAR WILL BE WAGED ON ALL FRONTS.

OUR NEW "DRUG CZAR" BILL BENNETT AND I WILL BE SHOULDER-TO-SHOULDER, LEADING THE CHARGE.

SOME MONEY WILL BE USED TO EXPAND TREATMENT TO THE POOR, AND TO YOUNG MOTHERS. THIS WILL OFFER THE HELPING HAND TO THE MANY INNOCENT VICTIMS OF DRUGS -- LIKE THE THOUSANDS OF BABIES BORN ADDICTED, OR WITH AIDS, BECAUSE OF THE MOTHER'S ADDICTION.

SOME WILL BE USED TO CUT THE WAITING TIME FOR TREATMENT.

SOME MONEY WILL BE DEVOTED TO THOSE URBAN SCHOOLS WHERE THE EMERGENCY IS NOW THE WORST. AND MUCH OF IT WILL BE USED TO PROTECT OUR BORDERS, WITH HELP FROM THE COAST GUARD, THE CUSTOMS SERVICE, THE DEPARTMENTS OF STATE AND JUSTICE, AND YES, THE U.S. MILITARY.

I MEAN TO GET TOUGH ON THE DRUG CRIMINALS. LET ME BE CLEAR: THIS PRESIDENT WILL BACK UP THOSE WHO PUT THEIR LIVES ON THE LINE EVERY DAY -- OUR LOCAL POLICE OFFICERS.

MY BUDGET ASKS FOR BEEFED-UP PROSECUTION, FOR A NEW ATTACK ON ORGANIZED CRIME, AND FOR ENFORCEMENT OF TOUGH SENTENCES -- AND FOR THE WORST KINGPINS, THAT MEANS THE DEATH PENALTY.

I ALSO WANT TO MAKE SURE THAT WHEN A DRUG DEALER IS CONVICTED, THERE IS A CELL WAITING FOR HIM. HE SHOULD NOT GO FREE BECAUSE PRISONS ARE TOO FULL.

LET THE WORD GO OUT: IF YOU ARE CAUGHT AND CONVICTED, YOU WILL DO TIME.

13

BUT FOR ALL WE DO IN LAW ENFORCEMENT, IN INTERDICTION AND TREATMENT, WE WILL NEVER WIN THIS WAR ON DRUGS UNLESS WE STOP DEMAND FOR DRUGS.

SO SOME OF THIS INCREASE WILL BE USED TO EDUCATE THE YOUNG ABOUT THE DANGERS OF DRUGS. WE MUST INVOLVE PARENTS. WE MUST INVOLVE TEACHERS. WE MUST INVOLVE COMMUNITIES. AND MY FRIENDS, WE MUST INVOLVE OURSELVES.

ONE PROBLEM RELATED TO DRUG USE DEMANDS OUR URGENT ATTENTION AND OUR CONTINUING COMPASSION. THAT IS THE TERRIBLE TRAGEDY OF AIDS.

I AM ASKING FOR \$1.6 BILLION FOR EDUCATION TO PREVENT THE DISEASE -- AND FOR RESEARCH TO FIND A CURE.

((PAUSE))

IF WE'RE TO PROTECT OUR FUTURE, WE NEED A NEW ATTITUDE ABOUT THE ENVIRONMENT.

WE MUST PROTECT THE AIR WE BREATHE.

14

I WILL SEND TO YOU SHORTLY LEGISLATION FOR A NEW, MORE EFFECTIVE CLEAN AIR ACT. IT WILL INCLUDE A PLAN TO REDUCE, BY DATE CERTAIN, THE EMISSIONS WHICH CAUSE ACID RAIN -- BECAUSE THE TIME FOR STUDY ALONE HAS PASSED, AND THE TIME FOR ACTION IS NOW.

WE MUST MAKE USE OF CLEAN COAL. MY BUDGET CONTAINS FULL FUNDING, ON SCHEDULE, FOR THE CLEAN COAL TECHNOLOGY AGREEMENT WE HAVE MADE WITH CANADA. WE INTEND TO HONOR THAT AGREEMENT.

WE MUST NOT NEGLECT OUR PARKS. SO I AM ASKING TO FUND NEW ACQUISITIONS UNDER THE LAND AND WATER CONSERVATION FUND.

WE MUST PROTECT OUR OCEANS. I SUPPORT NEW PENALTIES AGAINST THOSE WHO WOULD DUMP MEDICAL WASTE AND OTHER TRASH IN THE OCEANS. THE AGE OF THE NEEDLE ON THE BEACH MUST END.

15

IN SOME CASES, THE GULFS AND OCEANS OFF OUR SHORES HOLD THE PROMISE OF OF OIL AND GAS RESERVES WHICH CAN MAKE OUR NATION MORE SECURE AND LESS DEPENDENT ON FOREIGN OIL. WHEN THOSE WITH THE MOST PROMISE CAN BE TAPPED SAFELY, AS WITH MUCH OF THE ALASKA NATIONAL WILDLIFE REFUGE, WE SHOULD PROCEED. BUT WE MUST USE CAUTION AND WE MUST RESPECT THE ENVIRONMENT.

SO TONIGHT I AM CALLING FOR THE INDEFINITE POSTPONEMENT OF THREE LEASE SALES WHICH HAVE RAISED TROUBLING QUESTIONS -- TWO OFF THE COAST OF CALIFORNIA, AND ONE WHICH COULD THREATEN THE EVERGLADES IN FLORIDA.

ACTION ON THESE THREE LEASE SALES WILL AWAIT THE CONCLUSIONS OF A SPECIAL TASK FORCE SET UP TO MEASURE THE POTENTIAL FOR ENVIRONMENTAL DAMAGE.

I AM DIRECTING THE ATTORNEY GENERAL AND THE ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY TO USE EVERY TOOL AT THEIR DISPOSAL TO SPEED AND TOUGHEN THE ENFORCEMENT OF OUR LAWS AGAINST TOXIC WASTE DUMPERS. I WANT FASTER CLEANUPS AND TOUGHER ENFORCEMENT OF PENALTIES AGAINST POLLUTERS.

((PAUSE))

16

IN ADDITION TO CARING FOR OUR FUTURE, WE MUST CARE FOR THOSE AROUND US. A DECENT SOCIETY SHOWS COMPASSION FOR THE YOUNG, THE ELDERLY, THE VULNERABLE, AND THE POOR.

OUR FIRST OBLIGATION IS TO THE MOST VULNERABLE -- INFANTS, POOR MOTHERS, CHILDREN LIVING IN POVERTY -- AND MY PROPOSED BUDGET RECOGNIZES THIS. I ASK FOR FULL FUNDING OF MEDICAID -- AN INCREASE OF OVER \$3 BILLION -- AND AN EXPANSION OF THE PROGRAM TO INCLUDE COVERAGE OF PREGNANT WOMEN WHO ARE NEAR THE POVERTY LINE.

I BELIEVE WE SHOULD HELP WORKING FAMILIES COPE WITH THE BURDEN OF CHILD CARE.

OUR HELP SHOULD BE AIMED AT THOSE WHO NEED IT MOST -- LOW-INCOME FAMILIES WITH YOUNG CHILDREN. I SUPPORT A NEW CHILD CARE TAX CREDIT THAT WILL AIM OUR EFFORTS AT EXACTLY THOSE FAMILIES -- WITHOUT DISCRIMINATING AGAINST MOTHERS WHO CHOOSE TO STAY AT HOME.

17

NOW, I KNOW THERE ARE COMPETING PROPOSALS. BUT REMEMBER THIS: THE OVERWHELMING MAJORITY OF ALL PRESCHOOL CHILD CARE IS NOW PROVIDED BY RELATIVES AND NEIGHBORS, CHURCHES AND COMMUNITY GROUPS. FAMILIES WHO CHOOSE THESE OPTIONS SHOULD REMAIN ELIGIBLE FOR HELP. PARENTS SHOULD HAVE CHOICE.

18

AND FOR THOSE CHILDREN WHO ARE UNWANTED OR ABUSED, OR WHOSE PARENTS ARE DECEASED, WE SHOULD ENCOURAGE ADOPTION. I PROPOSE TO RE-ENACT THE TAX DEDUCTION FOR ADOPTION EXPENSES, AND TO DOUBLE IT TO \$3,000. LET'S MAKE IT EASIER FOR THESE KIDS TO HAVE PARENTS WHO LOVE THEM.

WE HAVE A MORAL CONTRACT WITH OUR SENIOR CITIZENS. IN THIS BUDGET, SOCIAL SECURITY IS FULLY FUNDED, INCLUDING A FULL COST-OF-LIVING ADJUSTMENT. WE MUST HONOR OUR CONTRACT.

WE MUST CARE ABOUT THOSE IN "THE SHADOWS OF LIFE," AND I, LIKE MANY AMERICANS, AM DEEPLY TROUBLED BY THE PLIGHT OF THE HOMELESS. THE CAUSES OF HOMELESSNESS ARE MANY, THE HISTORY IS LONG, BUT THE MORAL IMPERATIVE TO ACT IS CLEAR.

THANKS TO THE DEEP WELL OF GENEROSITY IN THIS GREAT LAND, MANY ORGANIZATIONS ALREADY CONTRIBUTE. BUT WE IN GOVERNMENT CANNOT STAND ON THE SIDELINES. IN MY BUDGET, I ASK FOR GREATER SUPPORT FOR EMERGENCY FOOD AND SHELTER, FOR HEALTH SERVICES AND MEASURES TO PREVENT SUBSTANCE ABUSE, AND FOR CLINICS FOR THE MENTALLY ILL -- AND I PROPOSE A NEW INITIATIVE INVOLVING THE FULL RANGE OF GOVERNMENT AGENCIES. WE MUST CONFRONT THIS NATIONAL SHAME.

THERE IS ANOTHER ISSUE I HAVE DECIDED TO MENTION HERE TONIGHT. I HAVE LONG BELIEVED THAT THE PEOPLE OF PUERTO RICO SHOULD HAVE THE RIGHT TO DETERMINE THEIR OWN POLITICAL FUTURE. PERSONALLY, I FAVOR STATEHOOD. BUT I ASK THE CONGRESS TO TAKE THE NECESSARY STEPS TO LET THE PEOPLE DECIDE IN A REFERENDUM.

CERTAIN PROBLEMS, THE RESULT OF DECADES OF UNWISE PRACTICES, THREATEN THE HEALTH AND SECURITY OF OUR PEOPLE. LEFT UNATTENDED, THEY WILL ONLY GET WORSE -- BUT WE CAN ACT NOW TO PUT THEM BEHIND US.

19

EARLIER THIS WEEK, I ANNOUNCED MY SUPPORT FOR A PLAN TO RESTORE THE FINANCIAL AND MORAL INTEGRITY OF OUR SAVINGS SYSTEM. I ASK CONGRESS TO ENACT OUR REFORM PROPOSALS WITHIN 45 DAYS. WE MUST NOT LET THIS SITUATION FESTER.

20

CERTAINLY, THE SAVINGS OF AMERICANS MUST REMAIN SECURE -- INSURED DEPOSITORS WILL CONTINUE TO BE FULLY PROTECTED. BUT ANY PLAN TO REFINANCE THE SYSTEM MUST BE ACCOMPANIED BY MAJOR REFORM. OUR PROPOSALS WILL PREVENT SUCH A CRISIS FROM REOCCURRING. THE BEST ANSWER IS TO MAKE SURE THAT A MESS LIKE THIS WILL NEVER HAPPEN AGAIN.

THE MAJORITY OF THRIFTS IN COMMUNITIES ACROSS THIS NATION HAVE BEEN HONEST; THEY HAVE PLAYED A MAJOR ROLE IN HELPING FAMILIES ACHIEVE THE AMERICAN DREAM OF HOME OWNERSHIP. BUT MAKE NO MISTAKE: THOSE WHO ARE CORRUPT, THOSE WHO BREAK THE LAW, MUST BE KICKED OUT OF THE BUSINESS; AND THEY SHOULD GO TO JAIL.

WE FACE A MASSIVE TASK IN CLEANING UP THE WASTE LEFT FROM DECADES OF ENVIRONMENTAL NEGLECT AT AMERICA'S NUCLEAR WEAPONS PLANTS.

CLEARLY, WE MUST MODERNIZE THESE PLANTS AND OPERATE THEM SAFELY. THAT IS NOT AT ISSUE -- OUR NATIONAL SECURITY DEPENDS ON IT.

BUT BEYOND THAT, WE MUST CLEAN UP THE OLD MESS THAT'S BEEN LEFT BEHIND -- AND I PROPOSE IN THIS BUDGET TO MORE THAN DOUBLE OUR CURRENT EFFORT TO DO SO. THIS WILL ALLOW US TO IDENTIFY THE EXACT NATURE OF THE VARIOUS PROBLEMS SO WE CAN CLEAN THEM UP -- AND CLEAN THEM UP WE WILL.

WE HAVE BEEN FORTUNATE DURING THESE PAST 8 YEARS. AMERICA IS A STRONGER NATION TODAY THAN IT WAS IN 1980.

MORALE IN OUR ARMED FORCES IS RESTORED. OUR RESOLVE HAS BEEN SHOWN. OUR READINESS HAS BEEN IMPROVED. AND WE ARE AT PEACE.

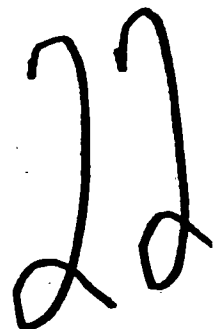
THERE CAN NO LONGER BE ANY DOUBT THAT PEACE HAS BEEN MADE MORE SECURE THROUGH STRENGTH. WHEN AMERICA IS STRONGER, THE WORLD IS SAFER.

MOST PEOPLE DON'T REALIZE, THAT AFTER THE SUCCESSFUL RESTORATION OF OUR STRENGTH, THE PENTAGON BUDGET HAS ACTUALLY BEEN REDUCED IN REAL TERMS FOR EACH OF THE LAST 4 YEARS. WE CANNOT TOLERATE CONTINUED REAL REDUCTIONS IN DEFENSE.

21

IN LIGHT OF THE COMPELLING NEED TO REDUCE THE DEFICIT, HOWEVER, I SUPPORT A 1-YEAR FREEZE IN THE MILITARY BUDGET -- SOMETHING I PROPOSED LAST FALL IN MY FLEXIBLE FREEZE PLAN.

THIS FREEZE WILL APPLY FOR ONLY 1 YEAR -- AFTER THAT INCREASES ABOVE INFLATION WILL BE REQUIRED. I WILL NOT SACRIFICE AMERICAN PREPAREDNESS; AND I WILL NOT COMPROMISE AMERICAN STRENGTH.



I SHOULD BE CLEAR ON THE CONDITIONS ATTACHED TO MY RECOMMENDATION FOR THE COMING YEAR:

- THE SAVINGS MUST BE ALLOCATED TO THOSE PRIORITIES FOR INVESTING IN OUR FUTURE THAT I HAVE SPOKEN ABOUT TONIGHT;

- THIS DEFENSE FREEZE MUST BE PART OF A COMPREHENSIVE BUDGET AGREEMENT WHICH MEETS THE TARGETS SPELLED OUT IN THE GRAMM-RUDMAN-HOLLINGS LAW WITHOUT RAISING TAXES, AND WHICH INCORPORATES REFORMS IN THE BUDGET PROCESS.

I HAVE DIRECTED THE NATIONAL SECURITY COUNCIL TO REVIEW OUR NATIONAL SECURITY AND DEFENSE POLICIES AND REPORT BACK TO ME WITHIN 90 DAYS TO ENSURE THAT OUR CAPABILITIES AND RESOURCES MEET OUR COMMITMENTS AND STRATEGIES.

23

I AM ALSO CHARGING THE DEPARTMENT OF DEFENSE WITH THE TASK OF DEVELOPING A PLAN TO IMPROVE THE DEFENSE PROCUREMENT PROCESS AND MANAGEMENT OF THE PENTAGON -- ONE WHICH WILL FULLY IMPLEMENT THE PACKARD COMMISSION REPORT. MANY OF THE CHANGES CAN ONLY BE MADE WITH THE PARTICIPATION OF THE CONGRESS -- SO I ASK FOR YOUR HELP.

WE NEED FEWER REGULATIONS. WE NEED LESS BUREAUCRACY. WE NEED MULTI-YEAR PROCUREMENT AND 2-YEAR BUDGETING. AND FRANKLY, WE NEED LESS CONGRESSIONAL MICROMANAGEMENT OF OUR NATION'S MILITARY POLICY.

SECURING A MORE PEACEFUL WORLD IS PERHAPS THE MOST IMPORTANT PRIORITY I'D LIKE TO ADDRESS TONIGHT.

WE MEET AT A TIME OF EXTRAORDINARY HOPE. NEVER BEFORE IN THIS CENTURY HAVE OUR VALUES OF FREEDOM, DEMOCRACY, AND ECONOMIC OPPORTUNITY BEEN SUCH A POWERFUL POLITICAL AND INTELLECTUAL FORCE AROUND THE GLOBE.

24

NEVER BEFORE HAS OUR LEADERSHIP BEEN SO CRUCIAL, BECAUSE WHILE AMERICA HAS ITS EYES ON THE FUTURE, THE WORLD HAS ITS EYES ON AMERICA.

IT IS A TIME OF GREAT CHANGE IN THE WORLD -- AND ESPECIALLY IN THE SOVIET UNION. PRUDENCE AND COMMON SENSE DICTATE THAT WE TRY TO UNDERSTAND THE FULL MEANING OF THE CHANGE GOING ON THERE, REVIEW OUR POLICIES CAREFULLY, AND PROCEED WITH CAUTION. BUT I HAVE PERSONALLY ASSURED GENERAL SECRETARY GORBACHEV THAT, AT THE CONCLUSION OF SUCH A REVIEW, WE WILL BE READY TO MOVE FORWARD. WE WILL NOT MISS ANY OPPORTUNITY TO WORK FOR PEACE.

THE FUNDAMENTAL FACT REMAINS THAT THE SOVIETS RETAIN A VERY POWERFUL MILITARY MACHINE, IN THE SERVICE OF OBJECTIVES WHICH ARE STILL TOO OFTEN IN CONFLICT WITH OURS. SO LET US TAKE THE NEW OPENNESS SERIOUSLY. BUT LET US ALSO BE REALISTIC. AND LET US ALWAYS BE STRONG.

THERE ARE SOME PRESSING ISSUES WE MUST ADDRESS:

I WILL VIGOROUSLY PURSUE THE STRATEGIC DEFENSE INITIATIVE.

THE SPREAD AND EVEN USE OF SOPHISTICATED WEAPONRY THREATENS GLOBAL STABILITY AS NEVER BEFORE.

CHEMICAL WEAPONS MUST BE BANNED FROM THE FACE OF THE EARTH, NEVER TO BE USED AGAIN. THIS WON'T BE EASY. VERIFICATION WILL BE DIFFICULT. BUT CIVILIZATION AND HUMAN DECENCY DEMAND THAT WE TRY.

AND THE SPREAD OF NUCLEAR WEAPONS MUST BE STOPPED. I WILL WORK TO STRENGTHEN THE HAND OF THE INTERNATIONAL ATOMIC ENERGY AGENCY. OUR DIPLOMACY MUST WORK EVERY DAY AGAINST THE PROLIFERATION OF NUCLEAR WEAPONS.

AND, AROUND THE GLOBE, WE MUST CONTINUE TO BE FREEDOM'S BEST FRIEND.

WE MUST STAND FIRM FOR SELF-DETERMINATION AND DEMOCRACY IN CENTRAL AMERICA -- INCLUDING IN NICARAGUA.

25

FOR WHEN PEOPLE ARE GIVEN THE CHANCE, THEY INEVITABLY WILL CHOOSE A FREE PRESS, FREEDOM OF WORSHIP, AND CERTIFIABLY FREE AND FAIR ELECTIONS.

WE MUST STRENGTHEN THE ALLIANCE OF INDUSTRIAL DEMOCRACIES -- AS SOLID A FORCE FOR PEACE AS THE WORLD HAS EVER KNOWN. THIS IS AN ALLIANCE FORGED BY THE POWER OF OUR IDEALS, NOT THE PETTINESS OF OUR DIFFERENCES. SO LET US LIFT OUR SIGHTS -- TO RISE ABOVE FIGHTING ABOUT BEEF HORMONES TO BUILDING A BETTER FUTURE; TO MOVE FROM PROTECTIONISM TO PROGRESS.

I HAVE ASKED THE SECRETARY OF STATE TO VISIT EUROPE NEXT WEEK AND TO CONSULT WITH THEM ON THE WIDE RANGE OF CHALLENGES AND OPPORTUNITIES WE FACE TOGETHER -- INCLUDING EAST-WEST RELATIONS. AND I LOOK FORWARD TO MEETING WITH OUR NATO PARTNERS IN THE NEAR FUTURE.

I, TOO, SHALL BEGIN A TRIP SHORTLY -- TO THE FAR REACHES OF THE PACIFIC BASIN, WHERE THE WINDS OF DEMOCRACY ARE CREATING NEW HOPE, AND THE POWER OF FREE MARKETS IS UNLEASHING A NEW FORCE.

WHEN I SERVED AS OUR REPRESENTATIVE IN CHINA JUST 14 YEARS AGO, FEW WOULD HAVE PREDICTED THE SCOPE OF THE CHANGES WE'VE WITNESSED SINCE THEN.

26

BUT IN PREPARING FOR THIS TRIP, I WAS STRUCK BY SOMETHING I CAME ACROSS FROM A CHINESE WRITER. HE WAS SPEAKING OF HIS COUNTRY, DECADES AGO -- BUT HIS WORDS SPEAK TO EACH OF US, IN AMERICA, TONIGHT.

"TODAY," HE SAID, "WE ARE AFRAID OF THE SIMPLE WORDS LIKE GOODNESS AND MERCY AND KINDNESS."

27

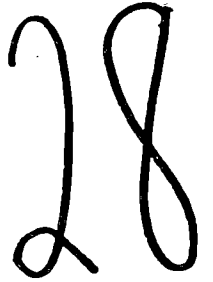
MY FRIENDS, IF WE'RE TO SUCCEED AS A NATION, WE MUST REDISCOVER THOSE WORDS.

IN JUST 3 DAYS, WE MARK THE BIRTHDAY OF ABRAHAM LINCOLN -- THE MAN WHO SAVED OUR UNION, AND GAVE NEW MEANING TO THE WORD OPPORTUNITY. LINCOLN ONCE SAID:

"I HOLD THAT WHILE MAN EXISTS, IT IS HIS DUTY TO IMPROVE NOT ONLY HIS OWN CONDITION, BUT TO ASSIST IN AMELIORATING [THAT OF] MANKIND."

IT IS THIS BROADER MISSION TO WHICH I CALL ALL AMERICANS. BECAUSE THE DEFINITION OF A SUCCESSFUL LIFE MUST INCLUDE SERVING OTHERS.

TO THE YOUNG PEOPLE OF AMERICA, WHO SOMETIMES FEEL LEFT OUT -- I ASK YOU TONIGHT TO GIVE US THE BENEFIT OF YOUR TALENT AND ENERGY THROUGH A NEW PROGRAM CALLED "YES," FOR YOUTH ENTERING SERVICE TO AMERICA.

A large, handwritten number '28' in black ink, positioned to the right of the first paragraph.

TO THOSE MEN AND WOMEN IN BUSINESS -- REMEMBER THE ULTIMATE END OF YOUR WORK -- TO MAKE A BETTER PRODUCT, TO CREATE BETTER LIVES. I ASK YOU TO PLAN FOR THE LONGER-TERM AND AVOID THE TEMPTATION OF QUICK AND EASY PAPER PROFITS.

TO THE BRAVE MEN AND WOMEN WHO WEAR THE UNIFORM OF THE UNITED STATES OF AMERICA -- THANK YOU. YOUR CALLING IS A HIGH ONE -- TO BE THE DEFENDERS OF FREEDOM AND THE GUARANTORS OF LIBERTY. AND I WANT YOU TO KNOW THAT THIS NATION IS GRATEFUL FOR YOUR SERVICE.

TO THE FARMERS OF AMERICA -- WE APPRECIATE THE BOUNTY YOU PROVIDE. WE WILL WORK WITH YOU TO OPEN FOREIGN MARKETS TO AMERICAN AGRICULTURAL PRODUCTS.

TO THE PARENTS OF AMERICA, I ASK YOU TO GET INVOLVED IN YOUR CHILD'S SCHOOLING. CHECK ON THEIR HOMEWORK. GO TO THE SCHOOL, MEET THE TEACHERS, CARE ABOUT WHAT IS HAPPENING THERE. IT IS NOT ONLY YOUR CHILD'S FUTURE ON THE LINE, IT IS AMERICA'S.

A large, stylized handwritten mark, possibly a signature or initials, consisting of a vertical line with a loop at the top and a horizontal stroke at the bottom.

TO KIDS IN OUR CITIES -- DON'T GIVE UP HOPE. SAY NO TO DRUGS. STAY IN SCHOOL. AND YES, "KEEP HOPE ALIVE."

TO THOSE 37 MILLION AMERICANS WITH SOME FORM OF DISABILITY -- YOU BELONG IN THE ECONOMIC MAINSTREAM. WE NEED YOUR TALENTS IN AMERICA'S WORKFORCE. DISABLED AMERICANS MUST BECOME FULL PARTNERS IN AMERICA'S OPPORTUNITY SOCIETY.

TO THE FAMILIES OF AMERICA WATCHING TONIGHT IN YOUR LIVING ROOMS: HOLD FAST TO YOUR DREAMS, BECAUSE ULTIMATELY AMERICA'S FUTURE RESTS IN YOUR HANDS.

AND TO MY FRIENDS IN THIS CHAMBER, I ASK FOR YOUR COOPERATION TO KEEP AMERICA GROWING WHILE CUTTING THE DEFICIT. THAT IS ONLY FAIR TO THOSE WHO NOW HAVE NO VOTE -- THE GENERATIONS TO COME.

LET THEM LOOK BACK AND SAY THAT WE HAD THE FORESIGHT TO UNDERSTAND THAT A TIME OF PEACE AND PROSPERITY IS NOT A TIME TO REST, BUT A TIME TO PUSH FORWARD. A TIME TO INVEST IN THE FUTURE.

30

AND LET ALL AMERICANS REMEMBER THAT NO PROBLEM OF HUMAN MAKING IS TOO GREAT TO BE OVERCOME BY HUMAN INGENUITY, HUMAN ENERGY, AND THE UNTIRING HOPE OF THE HUMAN SPIRIT. I BELIEVE THIS. I WOULD NOT HAVE ASKED TO BE YOUR PRESIDENT IF I DIDN'T.

TOMORROW, THE DEBATE ON THE PLAN I HAVE PUT FORWARD BEGINS. I ASK THE CONGRESS TO COME FORWARD WITH YOUR PROPOSALS. BUT LET US NOT QUESTION EACH OTHER'S MOTIVES. LET US DEBATE. LET US NEGOTIATE. BUT LET US SOLVE THE PROBLEM.

((PAUSE AND SMILE))

RECALLING ANNIVERSARIES MAY NOT BE MY SPECIALTY IN SPEECHES... BUT TONIGHT IS ONE OF SOME NOTE. ON FEBRUARY 9, 1941, JUST 48 YEARS AGO TONIGHT, SIR WINSTON CHURCHILL TOOK TO THE AIRWAVES DURING BRITAIN'S HOUR OF PERIL.

HE HAD RECEIVED FROM PRESIDENT ROOSEVELT A HAND-CARRIED LETTER QUOTING LONGFELLOW'S FAMOUS POEM: "SAIL ON, OH SHIP OF STATE! SAIL ON, OH UNION, STRONG AND GREAT! HUMANITY WITH ALL ITS FEARS, WITH ALL THE HOPES OF FUTURE YEARS, IS HANGING BREATHLESS ON THY FATE!"

31

CHURCHILL RESPONDED ON THIS NIGHT BY RADIO BROADCAST TO A NATION AT WAR, BUT HE DIRECTED HIS WORDS TO ROOSEVELT. "WE SHALL NOT FAIL OR FALTER," HE SAID. "WE SHALL NOT WEAKEN OR TIRE. GIVE US THE TOOLS, AND WE WILL FINISH THE JOB."

TONIGHT, ALMOST A HALF CENTURY LATER, OUR PERIL MAY BE LESS IMMEDIATE, BUT THE NEED FOR PERSEVERANCE AND CLEAR-SIGHTED FORTITUDE IS JUST AS GREAT.

NOW, AS THEN, THERE ARE THOSE WHO SAY IT CAN'T BE DONE. THERE ARE VOICES WHO SAY THAT AMERICA'S BEST DAYS HAVE PAST. THAT WE ARE BOUND BY CONSTRAINTS, THREATENED BY PROBLEMS, SURROUNDED BY TROUBLES WHICH LIMIT OUR ABILITY TO HOPE.

32

WELL, TONIGHT I REMAIN FULL OF HOPE. WE
AMERICANS HAVE ONLY BEGUN ON OUR MISSION OF
GOODNESS AND GREATNESS. AND TO THOSE TIMID SOULS,
I REPEAT THE PLEA -- GIVE US THE TOOLS; AND WE
WILL DO THE JOB.

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

###

PEOPLE AND ORGANIZATIONS
TO PROVIDE SUPPORT

CHILD CARE

1. INTERNAL PEOPLE

- Richard Breeden
- Elizabeth Dole
- Debbie Steelman

2. PEOPLE TO TALK TO PRE-2/9

- Phyllis Schafly
- Heritage Foundation: Ed Feulner
Rob Rector
- Free Congress: Mike Schwarz
Eric Licht
- Senator Domenici
- Congressmen Schulze, Holloway, and Gingrich
- Joe Flader (w/Rep. Petri)
- Gary Bauer
- Columnists: Warren T. Brooks
Irving Kristol
Joseph Sobran
Norman Podhoretz
- Membership of the National Children's Commission,
especially President Reagan's appointees -- see
attachment.

3. AFTER 2/9

- Children's Defense Fund (?)

Draft

2/7/89 a.m.

THEMES AND ISSUES
FOR TALKING POINTS

CHILD CARE

A. The President has proposed a bold new approach to empower parents to choose the child care that is best for them. He will look to his Secretary of Labor, Elizabeth Dole, to take the lead on implementing his plan of broadening choices for families.

B. The strategy is four-fold:

1. A new Child Tax Credit of up to \$1,000 per child under age four in low-income families.
2. A refundable Dependent Care Tax Credit.
3. A \$250 million expansion in Head Start
4. A study of liability insurance by the Department of Labor.

C. Five principles of the Bush Child Care Proposal:

1. PARENTS CHOOSE, NOT THE GOVERNMENT:

George Bush believes that we should leave it up to parents, not the government, to decide how they should care for their children: whether at home, or with grandmother, or with a neighbor, or at church, or at a child care center.

2. NO DISCRIMINATION AGAINST FAMILIES WITH A SPOUSE AT HOME:

The Bush tax credit does not discriminate between families where both parents work and families where one parent stays at home to care for children.

(more)

2-2-2

3. BROADENS CHOICES WITHOUT INFLEXIBLE REGULATION:

The President believes that a family's choices for their children should be broadened with a tax credit and enhanced Head Start -- not constricted by Federal licensing or standards that raise child care costs and prevent options like reliance on grandmothers or other relatives, or neighbors. The Child Care Tax Credit means money back to families, not to bureaucrats.

4. NO DISCRIMINATION AGAINST RELIGIOUS CHILD CARE PROGRAMS:

Broadening Child Care choices also means permitting families to continue relying on churches and synagogues for child care. President Bush believes that families should continue to be able to use child care programs that encourage religious values if that is the parents' choice.

5. EXPANDABLE SCOPE OF THE CHILD CARE TAX CREDIT:

The Child Care Tax Credit initially applies to low-income families. As deficit pressures reduce, however, the credit will be expanded to other income groups as well.

#

ENVIRONMENT

President George Bush believes we have to do more to protect and preserve our environment. Toward this end the President has fashioned a nine-part agenda.

1. Clean Air: The Nation needs a new Clean Air Act.
 - o The Administration will propose legislation to Reauthorize the Clean Air Act, ensuring progress on achieving significant reductions on SO2 and NOx emissions through flexible compliance strategies.
 - o The President also requests full funding for the commitment to the Canadians on the Clean Coal Technology Program; for 1990, the President proposes \$710 million, an increase of 274 percent over 1989.
2. Open Spaces: America's parks and open spaces are national treasures.
 - o The President proposes funding to buy land for parks and protected areas; his request is for the FY89 level of \$206 million, beginning in 1990 and continuing through the outyears.
3. Developing Offshore Oil and Gas While Protecting the Environment: The President believes that oil and gas development of America's offshore areas is necessary, however, drilling will be permitted only in an environmentally sound manner.
 - o The President will direct that an interagency task force be established to review environmental concerns over adverse impacts of sales in three environmentally sensitive areas. By January 1, 1990, the task force will report its recommendations concerning:
 - sale area #91 off northern California;
 - sale area #116 off southern Florida; and
 - sale area #95 off southern California.

Until that time all sales will be postponed.
4. Speeding Hazardous Waste Cleanup: The President will reinvigorate the Superfund hazardous waste program by directing EPA to take a number of actions.
 - o Use its judicial enforcement authorities to collect triple damages from polluters unwilling to clean up their wastes.
 - o Pursue more cost recovery cases sooner.
 - o Use its emergency cleanup authority more often.

5. Fighting Ocean Pollution: The President is committed to clean oceans.
 - o The President will direct EPA to negotiate quickly compliance agreements with existing dumpers to end ocean dumping by the end of 1991. EPA will issue no new permits for ocean dumping of sewage sludge or industrial waste.
 - o The FBI and EPA will be instructed to pursue criminal actions against illegal dumpers of medical wastes and EPA will be directed to issue major fines against ocean discharge permit violators.

6. Preserving Our Wetlands: America must better protect its wetlands, which are now recognized as being among the most productive ecological systems.
 - o The President will immediately establish a wetlands task force under the Domestic Policy Council. The task force will recommend ways to strengthen the current Presidential executive order on wetlands protection. This will include establishment of no net loss as a national goal.

7. Pure Water: Our water -- especially our groundwater -- must be protected.
 - o The President proposes an increase in funding of \$64 million for coordinated Federal water quality programs. Building on an interagency base of \$226 million, the 1990 programs will address critical needs in water quality assessment, research, and public education.

8. Reducing the Growing Volume of Waste: This country must make every effort to stem the rising tide of garbage and industrial waste.
 - o Additional EPA research funds will be used to expand the demonstration of promising pollution prevention and waste minimization technologies. EPA will vigorously enforce environmental laws restricting waste disposal.

9. Fostering International Cooperation on the Environment: The President will ensure that U.S. will take a leadership role in seeking increased international involvement in addressing environmental issues.
 - o The President will convene an international conference on the environment and will direct the Treasury Department to promote environmental considerations as a factor in lending decisions of multilateral development banks.

EPA Administrator Bill Reilly and Interior Secretary Manuel Lujan will work with the President to make sure that America is always beautiful.

Talking Points on Drugs

1. The President is committed to ending drug abuse in America. The policy of this Administration is "zero tolerance." No amount of drug use is acceptable.
2. The Administration proposes nearly \$1 billion in new outlays for anti-drug efforts -- a 21% increase over FY 89, and a 50% increase over FY 88.
3. The President's anti-drug program is based on four strategies:
 - a. Education: Fundamentally, the problem is demand, and the demand must be stopped. Education of our children about the dangers of drugs must begin early and continue through college. An increase of 16% in Federal support for anti-drug education is proposed.
 - b. Treatment: The President's goal is to reclaim lives, not abandon them. The Administration proposes an increase of 18% vs. FY 1989 for treatment programs.
 - c. Interdiction and Enforcement: The President is committed to stopping drugs at the source -- internationally, at U.S. borders, and among drug cartels and drug runners. Funding for interdiction and enforcement measures is increased vs. FY 89 by 10%. This effort includes a strengthened Coast Guard, Drug Enforcement Administration, and more prison space to keep drug criminals off the street.
 - d. Stronger Drug Penalties: The President is committed to strict enforcement of tough penalties for drug users and traffickers -- the death penalty for those who commit drug-related murders, and longer prison sentences.
4. The Administration's crack-down on drugs is part of an aggressive commitment to law enforcement. The Administration is requesting an 11% increase in the budget authority for law enforcement, above and beyond the increases for combatting drug-related crime.
5. The President will work with his designated Director of National Drug Control Policy, Bill Bennett, who upon confirmation will develop a national anti-drug strategy, and help assure that the President's programs are successfully implemented.

DRAFT

February 7, 1989

Talking Points on Homelessness

1. The President is committed to addressing forcefully -- through public and private action -- the tragedy of men, women, and children living without homes. The President's budget request fulfills his pledge to fully fund the McKinney Act.
2. The programs supported through the McKinney Act address four critical components of the problem:
 - o the mentally ill
 - o alcohol and drug abusers
 - o unemployed individuals
 - o families
3. Beyond McKinney, an incremental \$50 million is requested for a new matching program, in partnership with state and local agencies and not-for-profit and volunteer organizations. The program will address the many facets of the homelessness problem, responding to the best proposed local solutions for local problems.
4. Secretary of Housing and Urban Development Jack Kemp will -- working with states, localities, non-profit organizations, and volunteers -- develop new ideas and new approaches and lead an energetic effort to combat homelessness.

#

February 7, 1989

Education Talking Points

The President's initiatives in education are built upon four key principles, which represent his determination to follow through on his mandate to be the "Education President."

1. Excellence and success in education should be recognized and rewarded. Five of the President's initiatives are specifically based on this principle:
 - a. Merit Schools: This initiative provides recognition of schools making significant improvements over time. For FY 90, \$250 million is requested, with growth projected to \$500 million in FY 93.
 - b. Teachers' Awards: The President's Award for Excellence in Education (\$5,000 cash) will be presented to top teachers in every state.
 - c. National Science Scholars: Outstanding high school students in mathematics and sciences -- each selected by a Congressman, Senator, or the President -- will receive up to \$10,000 annually for four years in scholarship awards.
 - d. Experiments for Educational Achievement: The pursuit of excellence requires experimentation and innovation; competitive awards will be provided to the best innovators with the best ideas.
 - e. Improving Accountability in Education: The Secretary of Education will undertake a review of the Federal investment in education to determine if improvements in Federal accountability systems are needed. The Federal government should be a model in assuring that its programs are successful.
2. Federal funding should be targeted to those who need it most. Two of the President's initiatives are specifically based on this principle:
 - a. Merit Schools: This initiative provides recognition of schools making significant improvements over time. Special emphasis will be placed on schools enrolling substantial numbers of disadvantaged students who show significant educational progress.
 - b. Historically Black Colleges and Universities: A special fund of \$60 million -- over four years -- will be developed

to build, through matching grants, the endowments of Historically Black Colleges and Universities.

3. Choice and flexibility -- for educators, parents and students -- are important to educational reform and to achieving excellence. Three of the President's initiatives are specifically based on this principle:

- a. Magnet Schools: An increase of \$100 million is requested to assist in the creation and development of magnet schools which offer students and parents enriched educational choices.
- b. Alternative Certification for Teachers and Principals: This initiative will assist those states interested in developing or enhancing programs to bring individuals with excellent subject area knowledge into the classroom, and proven managers into school management.
- c. Experiments for Educational Achievement: Increased funds for experimentation can assist efforts to bring greater choice and flexibility into the educational system.

4. Greater accountability is needed in the education system to assure that students are actually receiving the highest quality education. Success should be rewarded; programs which do not work should be changed. Four of the President's initiatives are specifically based on this principle:

- a. Accountability Study: The Secretary of Education will undertake a review of the Federal investment in education to determine if improvements in Federal accountability systems are needed.
- b. Merit Schools: This initiative provides recognition of schools making significant improvements over time.
- c. Teacher's Awards: The President's Award for Excellence in Education (\$5,000 cash) will be presented to top teachers in every state.
- d. National Science Scholars: Outstanding high school students in mathematics and sciences -- each selected by a Congressman, Senator, or the President -- will receive up to \$10,000 annually for four years in scholarship awards.

Secretary of Education Lauro Cavazos will be working with the President to implement these initiatives.

Jim Pinkerton

1/20/89

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THE WHITE HOUSE
WASHINGTON

February 7, 1989

MEMORANDUM FOR GOVERNOR JOHN SUNUNU

FROM:

MARLIN FITZWATER *Marlin*

SUBJECT:

UPDATED BUDGET SPEECH MEDIA PLAN

Tuesday, February 7

-- Open photo/writing pool coverage of the President meeting with his budget team (Sununu, Darman, Brady, Boskin). This demonstrates the President's direct involvement in the decision process. If coverage allowed of meeting, allows the President to answer a question or two on the budget.

Wednesday, February 8

-- White House photo released of the President working on a draft of his speech. This, along with the briefing, demonstrates the President's direct involvement in the speech and decisions regarding the budget.

Thursday, February 9 (SPEECH DAY)

2
-- 2:30 p.m. Roosevelt Room Briefing for White House Staff.
Attendees: Secretary Brady, Governor Sununu, Dick Darman, Michael Boskin, Dave Demarest, Jim Cicconi, Steve Studdert, Alixe Glen, B. Jay Cooper, Steve Hart, Andy Card, Ed Rogers, Tom Scully, Fred McClure, and Barbara Clay.

-- 7:00 p.m. Darman Backgrounder for Print Reporters.

-- Speech texts are given out at 7:30 p.m., embargoed to delivery. No quotes are given out for use by the nightly news.

-- Fact sheets, prepared by OMB in coordination with Demarest's shop, are distributed at same time as embargoed texts.

-- 9:00 p.m. The President delivers his speech to a Joint Session of Congress.

-- Recommendations for people to appear on TV with anchors analyzing speech: Drew Lewis, Bob Dole, Alan Simpson.

Friday, February 10 (The President goes to Canada)

-- Morning Shows:

Friday

ABC "Good Morning America": Jeff Greenfield and George Will; David Stockman. Tentatively Boskin.

CBS "This Morning": Governor Sununu

NBC "Today": Dick Darman; Senator Bentson and Congressman Rostenkowski

PBS McNeil-Lehrer: Dick Darman

-- The President, on his way to Canada, visits with the Air Force One pool to follow-up on his speech, providing reaction to the reaction that likely came from Congress and others.

-- Gov. Sununu holds background sessions with the weekly magazines for "tick-tock" on budget decisions.

-- Administration officials appear on shows (live or taped) such as McNeil/Lehrer, "Moneyline", "Nightly Business Report," and "Financial News Network."

Saturday, February 12

CNN Evans and Novak: Michael Boskin

CNN Newsmakers: To be determined

Sunday, February 12

-- Administration officials appear on the Sunday shows:

NBC "Meet the Press": To be determined

CBS "Face the Nation": Dick Darman; Senator Sasser

ABC "This Week with David Brinkley": Secretary Brady or Michael Boskin.

Monday, February 13

-- The President has an interview with The Wall Street Journal to follow up on his speech. This is already on the schedule.

Thursday, February 16

-- The President holds a 2 p.m. press conference in Room 450.

cc: Dick Darman
Michael Boskin
Dave Demarest ✓
Jim Cicconi
Steve Studdert
Andy Card
Ed Rogers
Tom Scully
Fred McClure
Barbara Clay
Ede Holiday