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THE WHITE HOUSE

**Office of the Press Secretary
(San Francisco, California)**

For Immediate Release

February 7, 1990

**REMARKS BY THE PRESIDENT
IN QUESTION AND ANSWER SESSION WITH
MEMBERS OF THE COMMONWEALTH CLUB**

**San Francisco Hilton Hotel
San Francisco, California**

12:59 P.M. PST

Q Having reviewed SDI at Livermore Lab today, do you support moving ahead with the project?

THE PRESIDENT: Yes, I do. And our budget calls for that. And again, I would remind the critics that it is defensive; that the science and technology from it will benefit not just this concept of a reasonably-priced way of intercepting somebody else's missile -- whether it's from a major power or from some renegade hand -- but that the science will benefit, I believe, the environment -- I believe it has enormous potential for other uses. I feel more strongly about that than when I went to Livermore.

Q Will the expected troop reductions bring about a savings that can be used to offset the increased cost in strategic arms?

THE PRESIDENT: Yes. And I hope that there will not be a greatly increased cost in strategic arms. The Soviets have modernized. They've modernized their systems and we have not yet. But I would hope that the resulting reductions in the strategic arms, which I am pledged to and which I will work for, will have a beneficial effect on -- and will result in savings.

You see, I am convinced that if politics of international change are handled correctly and if things go more forward, we will eventually have far lower levels of spending. But I've spelled out for you here why I think that should be approached in a very prudent manner.

Q With the recent events in Eastern Europe, do you think we should now again prepare for a world economic struggle, rather than be preparing unnecessarily for a military struggle?

THE PRESIDENT: Well, I wouldn't necessarily shift priorities. I've told you the priority I place on defense. But when it comes to competitiveness of the United States, we should be struggling with that on the front burner right now. And I think we are. And that's one of the reasons I increased dramatically R&D spending in our budget. It's one of the inevitable by-products of a better education system. It's why we're putting more emphasis on math and science. It's why I'm imposing on great scientists like David Packard and others to give us the advice on how we can become more competitive. It's why my trade negotiator, Carla Hills, and our Secretary of Commerce are doing their level best to convince people that if we are going to have free trade, that has to be fair trade.

And so this competition on the economic front is big; it's going to get even bigger, in my view, and we've got an enormous job to do. Not just the federal government; we can't do this. Many businesses have already moved into much more -- in the sense of quality product -- moved much more into the sense of automation and

MORE

modernization. So it is a national goal that we be more competitive, but it can't wait until we get our defense program in line. It's right now. It's urgent. (Applause.)

And let me just throw in one, Joe, on the success of the Uruguay trade round, for those who are a little more technically-oriented than some. The success of this Uruguay trade round is very, very important to our ability to enhance the rest of the world and ourselves by free trade. But we've got some big barriers out there. We've got some problems we have to overcome.

Q Can you pledge that a certain amount of dollars from armament reduction be transferred as a reduction in the debt?

THE PRESIDENT: No, I can't pledge that, but I am pledged to get the deficit down in accordance with the Gramm-Rudman targets. We will have that, if we get our way with Congress -- which doesn't exactly do things the way I want, I've found out -- (laughter) -- but if we get that done, I stated in my State of the Union message, that that should be an objective. And to move right into it, the minute we are in balance -- which would be in three years. Now, I expect there will be a lot of pressure on. You hear pressure today on what is referred to alluring as a peace dividend. And it appeals to me. There are things that I'd love to be able to say, we can put a little more in this research, or we can help this homeless person a little more, or whatever it is. The pressures will be on, but I think that it would be a very good thing to do -- because I have this -- as a grandparent of 12 I must confess, like a lot of people here, you feel that we are burdening the generations to come with a debt that does nothing but click off at the beginning of each year an enormously high and even higher rate of interest that we're pledged -- interest account that we're pledged to pay on the national debt. So, yes, as I said in the State of the Union, that's what I want to do. (Applause.)

Q If the Soviet Union and others in the Warsaw Pact substantially scale back their military commitment, doesn't the U.S. run the risk of moving in the opposite direction of the world? Are we prepared to stand alone?

THE PRESIDENT: No, because I think as I mentioned to you earlier, and this is the truth, our allies want us involved. They don't want to see us decouple or delink from Europe. They see the changes and welcome them. All the allied leaders -- and I talk to the leaders of NATO on a fairly regular basis -- they see and welcome the change, but they do not want to see the United States pull back into what would be perceived worldwide as some kind of a neo-isolationist decoupling.

And I am not suggesting that we can't save money; indeed, we will. If our proposal -- the proposal that I put forward -- is accepted by the Soviets, and we negotiate out all the details and get a CFE, Conventional Force Agreement, as we are proposing, I think we will see substantial savings in -- that are made by the -- what do you call it? Suddenly gone blank -- in terms of when you bring a guy back and he no longer is in the army -- (laughter) -- but it's not just transferring, it's a question of having fewer troops on both sides. And that will inevitably result in some savings.

So we're aware that there's a chance to save, but it is not that we are going to be swimming against the tide with our European allies. And as I said in the speech -- and I recognize his question -- didn't indicate the guy that asked the question was asleep, he probably wrote the question before the speech -- I hope. (Laughter.) But what I also said is that I hope and believe that many of the new fledgling democracies in Eastern Europe are going to welcome a stabilizing presence on the part of the United States. Now, some will say that's sacrificing. And I say, no, it is in our interest because we provide a certain stability that wouldn't be there if we, the United States, weren't there.

Q Do you see the freedom of the communist country as a

threat to the globe? That is, if they all want the comforts we have, will we use up the resources of our Earth at an even greater rate?

THE PRESIDENT: No. I think there's an environmental awareness in the world today that is encouraging. I will readily concede there are some in what is known as the Third World -- I'm not thinking so much as the evolution of Eastern Europe into the arms of democracy -- but I think there's a feeling in some Third World countries, don't you big guys from the United States who have raped, pillaged and plundered the environment now come and tell us what we can't do. We understand that. But we've got to work with them and share our tremendously advanced technology, existing technology, as we work to find even greater technological breakthroughs to protect the environment.

But I don't think you're going to necessarily see that is because of the evolution of Iron Curtain countries into growing -- hopefully, growing democracies. I think there's an awareness now in Europe about the need to have sound international environmental practice -- based on science. Not on myth, but on science.

Q As Eastern Europe and the U.S.S.R. progress toward democracy, do you see foresee any potential military alliances being formed that could threaten the Free World, such as a united Germany and Japan?

THE PRESIDENT: No, I don't. And I think everybody that's interested in foreign affairs, I'm sure, has an opinion one way or another as to what happens on the reunification of Germany. But I think that can be -- well, let me recite just as background the U.S. position, which is, self-determination -- and this is the NATO position -- self-determination, and then when it comes to borders, I believe Helsinki says no alteration in borders without agreement of the parties. So that gives you a rather stable framework.

Now, you can read every day about the rapidity of change and what might happen in terms of German reunification. But I think it can be managed in such a way that it will not be a threat to Western Europe or to what was termed in the question, I think, the Free World. And when I hear both Mr. Genscher and Chancellor Kohl talking about a Germany that remains tied into NATO in some way -- maybe not a NATO in exactly the same form it is -- but that's encouraging. That's encouraging.

Q In the past, smaller countries used to play the U.S. versus the U.S.S.R. to get military and economic aid. Now that relations have improved with the U.S.S.R., and if we can anticipate continued improvement, what are the chances of the U.S. and the U.S.S.R. working together to solve some of the world's problems, such as the Middle-East?

THE PRESIDENT: Better, far better. And I think there's certain things that the Soviet Union could do that would facilitate their role as a catalyst for peace in the Middle East. One of them would be to assist more, through transportation -- direct flights -- for Soviet Jews wishing to leave the Soviet Union to go to Israel. I think that would send a sign that their presence -- their interest in the Middle East is not just on the side of what heretofore has been the side of the more radical states in the area. So they can do something like that. I'd like to see them normalize diplomatic relations with the State of Israel. I think that would be helpful. But I would think that, as the Soviet Union evolves in a more democratic fashion, that some of the concerns we've had in the past will be lessened.

So I wouldn't say that at some point they wouldn't have a useful role. I've cited two areas where I think they can have a useful role in building credibility, not just with the State of Israel, but with other states as well. So let's hope that they can do something. (Applause.)

Q How can we help Mr. Gorbachev in his quest for a

the scourge of narcotics. (Applause.)

Q There are claims that the removal of General Ortega will improve our efforts at interdicting drug -- international drug trafficking. Do you agree with this?

THE PRESIDENT: Yes, I do, because there's some symbolism there and just as I think the extradition of Carlos Lehder and the Colombians pursuit of the drug lord that was recently killed down there in battle in Colombia -- Those things help, because if they see major participants, traffickers going about their life without threat, why, I just think it sends the wrong signal.

Q Since the Panama invasion, have our relations with Mexico improved?

THE PRESIDENT: Yes. And I'll tell you one thing that was good. Our Secretary of the Treasury went down there maybe -- I don't know whether you saw it on Sunday -- and signed with President Salinas, the very fine young President of Mexico, an agreement on Third World debt. I think that was a good sign. I -- look, I think I know enough about this hemisphere to know that anytime a United States force is used in Central America or wherever else in this hemisphere, there are going to be concerns built on a foundation of history that concern our friends and those who are less friendly to us in this hemisphere. But I've explained as best I can, through letter and by phone, to these leaders why we acted the way we did.

I will tell you that I am convinced not only will the relation -- is the relationship with Mexico good and is it strong, I see nothing but making it even better. And I'm going to work at that, because Mexico we must not take for granted the fact that we have marvelously strong allies to our North and friends to our South. Sometimes, blessed as we are by our own geography, we forget that. And there could be an inclination to neglect our neighbors, and I don't want to do that. And I can't tell you that there has been no strains, but I think some of what you've been reading about South American reaction has been overstated. And I base that on some contact with the individual leaders in this hemisphere. But it's an exciting hemisphere. This hemisphere can be, in the next couple of years, totally democratic. We must not neglect it.

So if somebody disagrees with me on Panama and South America or Central America, that just redoubles my desire to make it right. Make them understand that the President of the United States is going to protect American life. Make them understand that 92 percent of the people in Panama support what I did. Make them understand that democracy now has a chance. And make them understand that we're going to assist that democracy. Once I do a better job of that, I think any last concerns about what happened there will be laid to rest. (Applause.)

Q Why are we wasting time with Noriega when he cannot possibly receive a constitutionally-fair trial without compromising national security? Why not send him to exile in a country willing to take him? (Laughter.)

THE PRESIDENT: Well, the line is not very long for one thing. And secondly -- (laughter.) Secondly, look -- I would just disagree with the person writing the question that the given is he can't get a fair trial. Of course, he can get a fair trial. And we've seen that over and over again in highly-controversial cases. And so our justice system that bends over backwards to be fair will, indeed, acquit itself well in this case.

Q Is your administration --

THE PRESIDENT: And should. The man's entitled to a fair trial.

Q Is your administration prepared to accept governments you dislike, even if they carry their public support,

such as the Sandinistas in Nicaragua?

THE PRESIDENT: Please define acceptance. (Laughter.) I mean, we are -- my aspiration is to help and assist those countries in this hemisphere that want to walk down democracy's road. Freedom. Democracy. The very things that we see -- changes that we see coming forward in Eastern Europe. Who would have thought we'd be talking about trying to assist Czechoslovakia a year ago? Or Romania? Or some of these other countries? So I don't think we can dictate exactly what kind of system somebody else has. It's not our business, particularly if they have free and certifiably fair elections. But I think one's inclination is to help those who have the same reverence for democracy and freedom that we have.

Q You stated in your State of the Union Address that you wish to improve education and to implement the goal of best by 2000 -- the year 2000. How do you plan to implement your goal of having our graduates be the best by the year 2000?

THE PRESIDENT: Well, we have a sound program, what I call the Education Excellence Act, before the Congress today. It's complex legislation, but I want to see it passed. Probably get amended, probably get changed, but it challenges people to think anew. We've gotten the governors together in a governors conference that was more than just frill. What it did was set -- agree to set national goals. And in the speech the other night, I spelled out four of the national goals that the governors have agreed should be national, and they, themselves, will get to work and redouble their efforts in their states and try to encourage the localities to implement the program that we've spelled out.

But let me be careful here, because it isn't the role of the federal government to do this alone. It can't do it. Seven percent of the educational spending in this country is federal. And the rest, for very understandable, and I think, wonderful reasons, belong at the state and local level -- or private educational institution level.

And so, we can exhort; we can push for the kind of legislation; we can push for implementation of the national goals through the use of the bully-pulpit in the White House, and then, we've got to encourage the governors and the local school boards and our teachers when it comes to alternative certification, and all of these things, to think anew. And we can do this. But we're trying to set from Washington -- put some emphasis on things, like math and science, so we can guarantee our ability to compete in the future. But the federal government isn't going to do it alone. It wouldn't be good, either, for the federal government to try to do it alone. (Applause.)

Q President Bush, this is your last question, and before I ask the question, I wish to remind our audience to please remain seated until President Bush and Governor Deukmejian have left the room. This is a summary of many different questions that I've received, President Bush, and that is, where is Mrs. Bush and how is she? (Laughter and applause.)

THE PRESIDENT: I know you'll never believe this, but I'm getting a terrible inferiority complex. (Laughter.) She's fine. And we both have something in common now -- the vision thing -- because she has this eye problem. But she is doing very well. There is no hidden agenda to her health. And today, she is down as one of the Thousand Points of Light, which she's been for a long time, helping on literacy in Southern California. And I'll meet her tonight in Omaha. But she's doing just great, and thank you for asking about her. Thank you very much. (Applause.)

Extended Date 13.1

END

1:31 P.M. PST

COMMONWEALTH CLUB, SAN FRANCISCO
12 NOON, WEDNESDAY, FEBRUARY 7TH, 1990

THANK YOU DR. JOSEPH FINK, GOVERNOR DEUKMEIJIAN,
[YOUR GREAT SENATOR, PETE WILSON], AND COMMONWEALTH
CLUB PRESIDENT, JOSEPH PERRELLI. IT'S GREAT TO BE WITH
YOU TODAY.

((A FEW MINUTES AGO, I ASKED A 49ER FAN WHAT HE
THOUGHT WAS THE TURNING POINT IN THE SUPER BOWL. HE
SAID "THE NATIONAL ANTHEM."))\\

((OF COURSE, NOT ALL RECENT MEMORIES IN THE BAY
AREA HAVE BEEN PLEASANT ONES. I'M SURE YOU REMEMBER
THE LAST TIME I WAS HERE, AFTER THIS CITY SUFFERED A
TRAGEDY. I REMEMBER A CLUTTER OF CAR WRECKS, THAT
FLATTENED FREEWAY, AND A TERRIBLE BLACK CLOUD RISING
FROM THE MARINA DISTRICT. AND I KNOW SOME DAMAGE
REMAINS. BUT TODAY I'VE SEEN SOMETHING ELSE --
RENEWAL. THE PEOPLE OF THE BAY AREA HAVE STOOD UP,
DUSTED THEMSELVES OFF AND REBUILT. THE DEVASTATION AND
DANGER ARE PAST. BECAUSE YOU CAME TOGETHER, SAN
FRANCISCO IS AS BEAUTIFUL AS EVER\\ -- SAN FRANCISCO IS
BACK.))\\

I HAVE COME BACK TO CALIFORNIA FOR ANOTHER REASON, TO GIVE YOU -- NO-NONSENSE, HARDNOSED BUSINESSMEN AND WOMEN THAT YOU ARE -- A STRAIGHTFORWARD AND HOPEFUL MESSAGE ABOUT OUR NATIONAL SECURITY. YESTERDAY, AT FORT IRWIN, I ALSO THANKED OUR MEN AND WOMEN IN UNIFORM -- NOT JUST BECAUSE THEY KEEP AMERICA SAFE AND FREE. I CAME TO THANK THEM BECAUSE THEY HELP TO MAKE POSSIBLE THE WONDERFUL CHANGES THAT ARE SWEEPING THE WORLD.

AND AS THE THREATS TO AMERICAN SECURITY CHANGE, SO TOO MUST OUR DEFENSE STRATEGY. IN 1986, DEFENSE EXPENDITURES CONSUMED 6.3 PERCENT OF OUR GROSS NATIONAL PRODUCT. AS YOU KNOW, I JUST SUBMITTED MY 1991 BUDGET TO CONGRESS, WHICH HOLDS DOWN DEFENSE SPENDING FOR THE FIFTH YEAR IN A ROW -- DOWN TO JUST ABOVE 5 PERCENT OF GNP.

I AM SUBMITTING THIS BUDGET AT A TIME WHEN THE POSTWAR WORLD WE HAVE KNOWN -- THE WORLD THAT BEGAN IN 1945 -- IS CHANGING BEFORE OUR VERY EYES. SO TO UNDERSTAND WHERE WE ARE GOING, LET ME FIRST REVIEW WHERE WE HAVE BEEN AND WHERE WE ARE TODAY.

THE FIRST GENERATION OF POSTWAR LEADERS HAD THE CAUTIONARY EXAMPLE OF THEIR PREDECESSORS. THEY REMEMBERED THAT THE GREAT WAR -- THE WAR TO END ALL WARS -- WAS FOLLOWED BY CHAOS AND CONFLICT. THEY REMEMBERED THAT VISIONARY STATESMEN, AFTER THE FIRST WORLD WAR, HAD TRIED TO LIMIT LARGE NAVIES -- EVEN OUTLAWED WAR ITSELF. BUT SOON THESE GREAT HOPES FADED IN THE FACE OF UNCHECKED AGGRESSION. AND NO PACT COULD PREVENT WORLD WAR TWO.

SO BY 1945 OUR LEADERS HAD ACQUIRED A REALISM BORN OF BLOODY EXPERIENCE, \\ A PRAGMATISM BORN OF A SOBER APPRAISAL OF THE WORLD AS IT WAS. AND FROM HARRY TRUMAN TO RONALD REAGAN, OUR STRENGTH BECAME THE WORLD'S SHIELD; OUR IDEALS OF FREEDOM AND DEMOCRACY, THE WORLD'S HOPE. WE PAID DEARLY FOR THE DEFENSE OF LIBERTY -- WITH OUR NATIONAL WEALTH, AND WITH MANY OF OUR YOUNGEST AND BRAVEST.

AND SO, OVER THE PAST 40 YEARS, OUR LEADERS CONTINUED TO PROVIDE FOR WAR EVEN AS THEY SOUGHT PEACE. IT WAS DURING THE TRUMAN ADMINISTRATION, IN THIS VERY CITY, THAT MEN AND WOMEN OF GREAT VISION AND HIGH IDEALS CAME FROM AROUND THE WORLD TO CREATE AN ASSEMBLY OF NATIONS. AND SO IT WAS IN SAN FRANCISCO, 45 YEARS AGO, THAT THE UNITED NATIONS WAS BORN.

THEN, AS NOW, THE UNITED STATES STROVE TO BALANCE ITS ROLE AS PEACE-KEEPER WITH THAT OF PEACE-MAKER. WE HELPED CREATE THE UNITED NATIONS AND NATO; WE ENCOURAGED SOVIET CHANGE EVEN AS WE THWARTED SOVIET EXPANSION.

THOSE WHO CRAFTED THIS NEW POLICY CALLED IT CONTAINMENT, AND PREDICTED THAT IF WE BLOCKED THE EASY PATH OF EXPANSION, THE SOVIET UNION WOULD ONE DAY HAVE TO CONFRONT THE CONTRADICTIONS OF ITS INHUMANE, ILLOGICAL SYSTEM. THE PURPOSE OF CONTAINMENT WAS NOT TO DEFEAT OR HUMILIATE THE SOVIETS. THE PURPOSE WAS TO PRESERVE AND EXTEND LIBERTY. THE HOPE WAS SOMEDAY TO SEE, AS GEORGE KENNAN PUT IT IN 1947, "THE GRADUAL MELLOWING OF SOVIET POWER." IT TOOK NEARLY HALF A CENTURY TO VINDICATE THIS STRATEGY, BUT WE CAN NOW SEE THE RESULTS: TODAY, THE COLD WAR IS IN RETREAT.\ \ \

THAT IS GOOD NEWS, FOR NO SANE MAN OR WOMAN IS NOSTALGIC FOR THE COLD WAR. WE ARE INSPIRED BY THIS REVOLUTION OF '89 -- HEARTENED, FOR EXAMPLE, TO SEE A MAN OF LETTERS AND CONSCIENCE IN PRAGUE MOVE FROM PRISON TO THE PRESIDENTIAL PALACE. WE ARE HEARTENED TO SEE THE BERLIN WALL FALL, SETTING OFF A SHOCKWAVE THAT UPENDED A TYRANT IN ROMANIA.

AND WE ARE GRATEFUL FOR SOMETHING MORE. NOW, BECAUSE OF OUR STRENGTH AND THAT OF OUR ALLIES; NOW, THANKS TO THE MARCH OF FREEDOM AND DEMOCRACY IN EASTERN EUROPE -- AND EVEN IN THE SOVIET UNION ITSELF -- NOW THE PROSPECTS FOR AN ENDURING PEACE ARE GREATER THAN EVER BEFORE. WE CAN NOW ENVISION A NEW DESTINY FOR THE NATIONS OF THE CONTINENT -- THAT OF A EUROPE TRULY WHOLE AND FREE.\\\

WE ARE TAKING THE FIRST STEPS ACROSS A BRIDGE BEGUN BY OTHERS LONG AGO. IT IS A BRIDGE THAT CAN LEAD US FROM SEEMINGLY ENDLESS CONFLICT TO THE PROMISE OF A LASTING PEACE. BUT NO MATTER HOW GREAT THE PROMISE, WE MUST BE CERTAIN THE BRIDGE IS SECURE.

AS PRESIDENT, I RECEIVE AN INTELLIGENCE BRIEFING EVERY MORNING. AND I RECEIVE THE BEST INFORMATION AVAILABLE TO ANY WORLD LEADER TODAY. YET THE MORNING NEWS IS OFTEN OVERTAKEN BY THE NEWS THAT VERY EVENING. THE WORLD IS SIMPLY MOVING TOO FAST TO FORECAST WITH ABSOLUTE CERTAINTY WHAT WILL HAPPEN NEXT. OUR CHALLENGE IS TO MANAGE THIS PERIOD OF TRANSITION FROM THE WORLD OF TODAY TO THE WORLD OF TOMORROW -- AND SAFEGUARD THE SECURITY OF AMERICA IN THE PROCESS.

OUR PURSUIT OF THIS PROMISING FUTURE MUST START WITH AN UNDERSTANDING OF TODAY'S REALITIES.

TAKE, FOR EXAMPLE, MY MOST RECENT PROPOSAL, WARMLY RECEIVED BY OUR ALLIES AND PRESIDENT GORBACHEV. I PROPOSED REDUCING THE TROOP LEVELS ON BOTH SIDES IN CENTRAL AND EASTERN EUROPE TO 195,000 TROOPS. THAT'S THE LESS THREATENING FUTURE WE ENVISION, AND IT HOLDS GREAT PROMISE.

BUT RIGHT NOW THE SOVIETS STILL HAVE MORE THAN 560,000 MEN UNDER ARMS IN CENTRAL EUROPE.

ON THE ISSUE OF STRATEGIC WEAPONS WE HAVE MADE PROGRESS IN THE START NEGOTIATIONS. WE NOW HOPE TO *dramatically* SLASH THE NUMBER OF STRATEGIC WEAPONS ON BOTH SIDES ~~IN~~ ~~HALF~~. IT IS THESE IMPORTANT REDUCTIONS THAT SECRETARY BAKER IS SEEKING THIS VERY DAY IN MOSCOW. THAT'S THE FUTURE WE ENVISION, AND IT TOO HOLDS GREAT PROMISE.

BUT LET US NOT FORGET THAT RIGHT NOW THE SOVIETS STILL HAVE MORE THAN 10,000 STRATEGIC WEAPONS. THEY ARE MODERNIZING THEM; THEY HAVE DEPLOYED TWO NEW MOBILE ICBMS, AND THEIR SPENDING ON ~~THEIR~~ STRATEGIC DEFENSE ~~INITIATIVE~~ IS COMPARABLE TO THEIR SPENDING ON STRATEGIC OFFENSIVE FORCES.

AS PRESIDENT, I AM THE COMMANDER-IN-CHIEF. I AM BOUND BY THE CONSTITUTION TO DEFEND AND PROTECT THE UNITED STATES OF AMERICA. SOME WOULD HAVE ME PREDICATE THE DEFENSE OF OUR PEOPLE ON PROMISING, BUT AS YET UNFULFILLED, HOPES FOR THE FUTURE. I WILL NOT. I AM DETERMINED TO SEEK FROM THE SOVIETS THE COLLATERAL TO IMPLEMENT A NEW PEACE. IN INTERNATIONAL TERMS, COLLATERAL MEANS: SOLDIERS DISCHARGED, TANKS DISMANTLED, NUCLEAR MISSILES DEMOLISHED, AND CHEMICAL WEAPONS BANNED FROM THE FACE OF THE EARTH.\\

SOME SEE OUR MEASURED APPROACH AS ENDANGERING THE PROCESS OF CHANGE. I SEE OUR APPROACH AS ESSENTIAL TO CHANGE, ESSENTIAL TO THE SECURITY OF THIS NATION AND AS THE ONLY WAY TO A LASTING PEACE. WE HAVE SHOWN THAT AMERICAN RESOLVE CAN HELP FURTHER SOVIET REFORM. WE HAVE SHOWN THAT AMERICAN STRENGTH IS THE CATALYST FOR ARMS CONTROL. WE HAVE SHOWN THAT THE IDEA CALLED AMERICA CAN INSPIRE CHANGE. NOW WE MUST NOT LET IMPATIENCE, BORN OF EUPHORIA, JEOPARDIZE ALL WE HAVE ACHIEVED SO FAR, AND ALL WE CAN ACHIEVE IN THE FUTURE.

NO MATTER HOW URGENTLY WE WANT TO CROSS THAT BRIDGE BETWEEN NATIONS, TO CROSS TO A NEW AND MORE PROMISING WORLD, WE SHOULD NOT, IN OUR HASTE, ABANDON THE PATH THAT BROUGHT US TO THIS MOMENT.

FIRST, AS AMERICANS HAVE ALWAYS BELIEVED, OUR FOREMOST GOAL IS TO PREVENT ANOTHER WORLD WAR. TO DO SO, WE WILL STILL NEED TO MAINTAIN THE GLOBAL BALANCE OF POWER. EUROPEAN SECURITY, STABILITY AND FREEDOM -- SO TIED TO OUR OWN -- REQUIRES AN AMERICAN PRESENCE. WE MUST REMAIN THERE AS LONG AS WE ARE NEEDED AND WANTED. THE PROSPECT OF GLOBAL PEACE, THEREFORE, DEPENDS ON AN AMERICAN FORWARD PRESENCE -- WITH GLOBAL REACH.

SECOND, WE WILL, OF COURSE, CONTINUE TO REDUCE THE LIKELIHOOD OF A NUCLEAR WAR. AND THAT IS WHY I WILL VIGOROUSLY PURSUE OUR START TALKS WITH THE SOVIET UNION.\\ BUT ARMS CONTROL AND STRATEGIC MODERNIZATION ARE NOT COMPETING STRATEGIES. RATHER, THEY CAN WORK TOGETHER TO MAKE THE WORLD A SAFER PLACE.

JUST THIS MORNING, I VISITED LAWRENCE LIVERMORE LABS AND MET THOSE VISIONARY MEN AND WOMEN WHO STRIVE TO MAKE A NUCLEAR STRIKE ON OUR COUNTRY -- WHETHER FROM A NUCLEAR SUPERPOWER, OR RENEGADE NATION, OR TERRORIST GROUP -- EVEN MORE UNLIKELY THAT IT IS TODAY. IF THE TECHNOLOGY I HAVE SEEN TODAY PROVES FEASIBLE -- AND IT LOOKS VERY PROMISING -- NO AGGRESSOR COULD BE CONFIDENT OF THE SUCCESS OF A BALLISTIC MISSILE ATTACK. THAT'S WHAT DETERRENCE IS ALL ABOUT. WHEN SOME COMPLAIN OF THE COST OF DEVELOPING SUCH TECHNOLOGIES, THEY SHOULD FIRST CONSIDER THE COST OF NOT DOING ALL WE CAN TO DETER CONFLICT AND PROTECT THE CITIES AND CITIZENS OF AMERICA. THAT IS WHY I WILL SEEK TO PERSUADE THE SOVIETS, THROUGH OUR DEFENSE AND SPACE TALKS, THAT, IN FACT, GREATER RELIANCE ON STRATEGIC DEFENSES WILL CONTRIBUTE TO A SAFER WORLD.

LET ME NOW TELL YOU SOMETHING ABOUT THE STRATEGY BEHIND OUR 1991 DEFENSE BUDGET:

FIRST, NEW THREATS ARE EMERGING BEYOND THE TRADITIONAL EAST-WEST ANTAGONISM OF THE PAST 45 YEARS. THESE CONTINGENCIES MUST LOOM LARGER IN OUR DEFENSE PLANNING. REMEMBER THE THREATS OF LIBYAN AND IRANIAN TERRORISM? REMEMBER OUR LIBERATION OF GRENADA AND PANAMA? AND REMEMBER THE DEDICATION OF ~~THE U.S. NAVY~~ *our American Servicemen* ON DUTY IN THE PERSIAN GULF TWO YEARS AGO, SAFEGUARDING THE FLOW OF OIL TO THE INDUSTRIAL DEMOCRACIES?

REMEMBER, TOO, THAT THERE ARE MORE THAN 15 COUNTRIES IN THE WORLD THAT WILL HAVE DEVELOPED BALLISTIC MISSILES BY THE END OF THE DECADE -- MANY WITH CHEMICAL AND BIOLOGICAL CAPABILITIES. NUCLEAR WEAPONS CAPABILITIES ARE PROLIFERATING AS WELL. AND INEVITABLY HIGH-TECH WEAPONS WILL FALL INTO THE HANDS OF THOSE WHOSE HATRED OF AMERICA, AND CONTEMPT FOR CIVILIZED NORMS, IS WELL KNOWN. WE WILL WORK HARD TO PREVENT THIS DANGEROUS PROLIFERATION. BUT ONE THING IS CERTAIN: WE MUST BE READY FOR ITS CONSEQUENCES. AND WE WILL BE READY.\ \

THEN THERE ARE THE NARCO-GANGSTERS -- ALREADY A THREAT TO OUR NATIONAL HEALTH AND SPIRIT. NOW THEY ARE TAKING ON THE PRETENSIONS OF A GEOPOLITICAL FORCE. AND THEY MUST BE DEALT WITH AS SUCH -- BY OUR MILITARY -- IN THE AIR, ON THE LAND, AND ON THE SEAS.\\\

CLEARLY, IN THE FUTURE, WE WILL NEED TO BE ABLE TO STOP AGGRESSION, REPEL A MISSILE, PROTECT A SEALANE OR ^{stop} ~~ARREST~~ A DRUG LORD. WE WILL NEED FORCES ADAPTABLE TO CONDITIONS ANYWHERE IN THE WORLD. WE WILL NEED AGILITY, READINESS, SUSTAINABILITY. WE WILL NEED SPEED AND STEALTH. AND WE WILL NEED LEADERSHIP.

IN SHORT, WE MUST CONTINUE TO DETER BOTH A GLOBAL WAR AND LIMITED CONFLICTS IN NEW CONDITIONS. AND FOR THIS REASON, WE DOUBLY NEED TO CONTINUE THE MODERNIZATION OF OUR FORCES. I PRAY, IT WILL NOT BE MY SAD DUTY TO COMMIT AMERICAN FIGHTING MEN AGAIN TO COMBAT. BUT IF I DO, ~~WITH THE SECURITY OF THIS NATION~~ ON MY WATCH, THE LIVES OF AMERICAN FIGHTING MEN WON'T BE SHORT-CHANGED.\\

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((YOU KNOW, I READ THAT KHRUSHCHEV ONCE SPOKE TO THE COMMONWEALTH CLUB FOR THREE HOURS.\)\ PERHAPS HE BEGAN HIS SPEECH WITH THESE WORDS: "LET ME MAKE JUST A FEW BRIEF OBSERVATIONS . . .))\)\

SO I'LL GET TO MY FINAL CONCERN -- HOW ALL THIS CHANGE IN OUR DEFENSE BUDGET AFFECTS US AT HOME. MANY SPEAK OF THE PEACE DIVIDEND. FEW DISCUSS THE SHORT-TERM COST OF PEACE. THERE WILL BE COSTS AS WE CROSS THE BRIDGE TO A BETTER FUTURE -- FOR DISLOCATED INDUSTRIES AND WORKERS, FOR COMMUNITIES -- PAINFUL PERSONAL ADJUSTMENTS TO BE MADE.

BUT AMERICA HAS ALWAYS BEEN WILLING TO PAY THE PRICE OF PEACE. I KNOW THAT SOME OF THE BASES THAT HAVE BEEN PROPOSED FOR CUTBACKS ARE IN THIS AREA. BUT LET ME STATE RIGHT HERE AND NOW: THERE HAVE BEEN NO POLITICS IN THESE PROPOSALS. SOME TALK ABOUT BASES IN DEMOCRATIC DISTRICTS HERE -- WELL, THEY ARE ALSO IN THE SAME STATE AS A REPUBLICAN GOVERNOR. I ASK CONGRESS TO JOIN ME IN A SPIRIT OF FAIRNESS. LONGSTANDING CRITICS OF DEFENSE SPENDING SHOULD NOT TURN AROUND AND BLOCK THE CLOSING OF A BASE IN THEIR HOME DISTRICT. I CANNOT AND WILL NOT ACCEPT THAT. THE TAXPAYER DESERVES BETTER, AND SO DO THOSE AFFECTED BY OUR DECISIONS. LET ME ASSURE YOU: IF A BASE CLOSES, IT DOESN'T CLOSE FEDERAL CONCERN AND COMMITMENT.\

CIVILIANS WHO ARE LAID OFF WILL RECEIVE TOP PRIORITY FOR PLACEMENT IN OTHER DOD POSITIONS. THE HOMEOWNER'S ASSISTANCE PROGRAM WILL PROTECT MILITARY AND CIVILIAN PERSONNEL FROM FALLING REAL ESTATE PRICES. AND THE OFFICE OF ECONOMIC ADJUSTMENT WILL WORK WITH COMMUNITIES TO DEVELOP POWERFUL NEW ECONOMIC ASSETS, NEW WAYS TO USE OLD BASES. THE BIBLE SPEAKS OF BEATING SWORDS INTO PLOWSHARES. WE ARE TRANSFORMING MILITARY RUNWAYS INTO MUNICIPAL AIRPORTS; MILITARY BASES INTO INDUSTRIAL PARKS AND COMMUNITY COLLEGES; AND MISSILE HANGARS INTO FACTORIES.

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WE CAN NOW ENVISION A TIME WHEN THE WORLD IS MORE SECURE THAN EVER; WHEN ALL THE COMPETITIVE INSTINCTS OF MODERN MAN WILL BE DIVERTED TO COMMERCE . . . EVEN TO FOOTBALL.

YOU KNOW, I STARTED BY JOKING ABOUT THE 49ERS
WINNING THE SUPER BOWL DURING THE NATIONAL ANTHEM. BUT
IT'S NOT HOW MANY PASSES JOE MONTANA COMPLETED. IT'S
THAT HE KNEW BETTER THAN TO REST ON HIS LAURELS AT THE
BEGINNING OF THE FOURTH QUARTER. SO SHOULD WE. I WILL
WORK WITH CONGRESS TO BUILD THAT BRIDGE TO A MORE
SECURE WORLD. AND IF WE WORK TOGETHER, THEN PEACE
ITSELF WILL BE THE GREATEST DIVIDEND OF ALL.\\

THANK YOU FOR INVITING ME TO SAN FRANCISCO. GOD
BLESS YOU, AND GOD BLESS AMERICA.

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Master

COMMONWEALTH CLUB, SAN FRANCISCO
12 NOON, WEDNESDAY, FEBRUARY 7TH, 1990

THANK YOU DR. JOSEPH FINK, GOVERNOR DEUKMEIJIAN,
[YOUR GREAT SENATOR, PETE WILSON], AND COMMONWEALTH
CLUB PRESIDENT, JOSEPH PERRELLI. IT'S GREAT TO BE WITH
YOU TODAY.

((A FEW MINUTES AGO, I ASKED A 49ER FAN WHAT HE
THOUGHT WAS THE TURNING POINT IN THE SUPER BOWL. HE
SAID "THE NATIONAL ANTHEM."))\\

((OF COURSE, NOT ALL RECENT MEMORIES IN THE BAY
AREA HAVE BEEN PLEASANT ONES. I'M SURE YOU REMEMBER
THE LAST TIME I WAS HERE, AFTER THIS CITY SUFFERED A
TRAGEDY. I REMEMBER A CLUTTER OF CAR WRECKS, THAT
FLATTENED FREEWAY, AND A TERRIBLE BLACK CLOUD RISING
FROM THE MARINA DISTRICT. AND I KNOW SOME DAMAGE
REMAINS. BUT TODAY I'VE SEEN SOMETHING ELSE --
RENEWAL. THE PEOPLE OF THE BAY AREA HAVE STOOD UP,
DUSTED THEMSELVES OFF AND REBUILT. THE DEVASTATION AND
DANGER ARE PAST. BECAUSE YOU CAME TOGETHER, SAN
FRANCISCO IS AS BEAUTIFUL AS EVER\\ -- SAN FRANCISCO IS
BACK.))\\

BACK

I HAVE COME^A TO CALIFORNIA FOR ANOTHER REASON, TO GIVE YOU -- NO-NONSENSE, HARDNOSED BUSINESSMEN AND WOMEN THAT YOU ARE -- A STRAIGHTFORWARD AND HOPEFUL MESSAGE ABOUT OUR NATIONAL SECURITY. YESTERDAY, AT FORT IRWIN, I ALSO THANKED OUR MEN AND WOMEN IN UNIFORM -- NOT JUST BECAUSE THEY KEEP AMERICA SAFE AND FREE. I CAME TO THANK THEM BECAUSE THEY HELP TO MAKE POSSIBLE THE WONDERFUL CHANGES THAT ARE SWEEPING THE WORLD.

I WISH ALL OF YOU COULD HAVE BEEN WITH ME AS I TALKED TO THE YOUNG TROOPS. IT IS VERY CLEAR WHY OUR JOINT CHIEFS KEEP TELLING ME OUR SERVICES ALL HAVE THE FINEST, MOST DEDICATED YOUNG MEN AND WOMEN TO EVER SERVE IN UNIFORM.

AS THE THREATS TO AMERICAN SECURITY CHANGE, SO TOO MUST OUR DEFENSE STRATEGY. IN 1986, DEFENSE EXPENDITURES CONSUMED 6.3 PERCENT OF OUR GROSS NATIONAL PRODUCT. AS YOU KNOW, I JUST SUBMITTED MY 1991 BUDGET TO CONGRESS, WHICH HOLDS DOWN DEFENSE SPENDING FOR THE FIFTH YEAR IN A ROW -- DOWN TO JUST ABOVE 5 PERCENT OF GNP.

I AM SUBMITTING THIS BUDGET AT A TIME WHEN THE POSTWAR WORLD WE HAVE KNOWN -- THE WORLD THAT BEGAN IN 1945 -- IS CHANGING BEFORE OUR VERY EYES. SO TO UNDERSTAND WHERE WE ARE GOING, LET ME FIRST REVIEW WHERE WE HAVE BEEN AND WHERE WE ARE TODAY.

FREE WORLD'S
THE FIRST GENERATION OF POSTWAR LEADERS HAD THE

CAUTIONARY EXAMPLE OF THEIR PREDECESSORS. THEY REMEMBERED THAT THE GREAT WAR -- THE WAR TO END ALL WARS -- WAS FOLLOWED BY CHAOS AND CONFLICT. THEY REMEMBERED THAT VISIONARY STATESMEN, AFTER THE FIRST WORLD WAR, HAD TRIED TO LIMIT LARGE NAVIES -- EVEN OUTLAWED WAR ITSELF. BUT SOON THESE GREAT HOPES FADED IN THE FACE OF UNCHECKED AGGRESSION. AND NO PACT COULD PREVENT WORLD WAR TWO.

SO BY 1945 OUR LEADERS HAD ACQUIRED A REALISM BORN OF BLOODY EXPERIENCE, A PRAGMATISM BORN OF A SOBER APPRAISAL OF THE WORLD AS IT WAS. AND FROM HARRY TRUMAN TO RONALD REAGAN, OUR STRENGTH BECAME THE WORLD'S SHIELD; OUR IDEALS OF FREEDOM AND DEMOCRACY, THE WORLD'S HOPE. WE PAID DEARLY FOR THE DEFENSE OF LIBERTY -- WITH OUR NATIONAL WEALTH, AND WITH MANY OF OUR YOUNGEST AND BRAVEST.

AND SO, OVER THE PAST 40 YEARS, OUR LEADERS CONTINUED TO PROVIDE FOR WAR EVEN AS THEY SOUGHT PEACE. IT WAS DURING THE TRUMAN ADMINISTRATION, IN THIS VERY CITY, THAT MEN AND WOMEN OF GREAT VISION AND HIGH IDEALS CAME FROM AROUND THE WORLD TO CREATE AN ASSEMBLY OF NATIONS. AND SO IT WAS IN SAN FRANCISCO, 45 YEARS AGO, THAT THE UNITED NATIONS WAS BORN.

THEN, AS NOW, THE UNITED STATES STROVE TO BALANCE ITS ROLE AS PEACE-KEEPER WITH THAT OF PEACE-MAKER. WE HELPED CREATE THE UNITED NATIONS AND NATO; WE ENCOURAGED SOVIET CHANGE EVEN AS WE THWARTED SOVIET EXPANSION.

THOSE WHO CRAFTED THIS NEW POLICY CALLED IT CONTAINMENT, AND PREDICTED THAT IF WE BLOCKED THE EASY PATH OF EXPANSION, THE SOVIET UNION WOULD ONE DAY HAVE TO CONFRONT THE CONTRADICTIONS OF ITS INHUMANE, ILLOGICAL SYSTEM. THE PURPOSE OF CONTAINMENT WAS NOT TO DEFEAT OR HUMILIATE THE SOVIETS. THE PURPOSE WAS TO PRESERVE AND EXTEND LIBERTY. THE HOPE WAS SOMEDAY TO SEE, AS GEORGE KENNAN PUT IT IN 1947, "THE GRADUAL MELLOWING OF SOVIET POWER." IT TOOK NEARLY HALF A CENTURY TO VINDICATE THIS STRATEGY, BUT WE CAN NOW SEE THE RESULTS: TODAY, THE COLD WAR IS IN RETREAT.\ \ \

THAT IS GOOD NEWS, FOR NO SANE MAN OR WOMAN IS NOSTALGIC FOR THE COLD WAR. WE ARE INSPIRED BY THIS REVOLUTION OF '89 -- HEARTENED, FOR EXAMPLE, TO SEE A MAN OF LETTERS AND CONSCIENCE IN PRAGUE MOVE FROM PRISON TO THE PRESIDENTIAL PALACE. WE ARE HEARTENED TO SEE THE BERLIN WALL FALL, SETTING OFF A SHOCKWAVE THAT UPENDED A TYRANT IN ROMANIA.

AND WE ARE GRATEFUL FOR SOMETHING MORE. NOW, BECAUSE OF OUR STRENGTH AND THAT OF OUR ALLIES; NOW, THANKS TO THE MARCH OF FREEDOM AND DEMOCRACY IN EASTERN EUROPE -- AND EVEN IN THE SOVIET UNION ITSELF -- NOW THE PROSPECTS FOR AN ENDURING PEACE ARE GREATER THAN EVER BEFORE. WE CAN NOW ENVISION A NEW DESTINY FOR THE NATIONS OF THE CONTINENT -- THAT OF A EUROPE TRULY WHOLE AND FREE.\\\

WE ARE TAKING THE FIRST STEPS ACROSS A BRIDGE BEGUN BY OTHERS LONG AGO. IT IS A BRIDGE THAT CAN LEAD US FROM SEEMINGLY ENDLESS CONFLICT TO THE PROMISE OF A LASTING PEACE. BUT NO MATTER HOW GREAT THE PROMISE, WE MUST BE CERTAIN THE BRIDGE IS SECURE.

AS PRESIDENT, I RECEIVE AN INTELLIGENCE BRIEFING EVERY MORNING. AND I RECEIVE THE BEST INFORMATION AVAILABLE TO ANY WORLD LEADER TODAY. YET THE MORNING NEWS IS OFTEN OVERTAKEN BY THE NEWS THAT VERY EVENING. THE WORLD IS SIMPLY MOVING TOO FAST TO FORECAST WITH ABSOLUTE CERTAINTY WHAT WILL HAPPEN NEXT. OUR CHALLENGE IS TO MANAGE THIS PERIOD OF TRANSITION FROM THE WORLD OF TODAY TO THE WORLD OF TOMORROW -- AND SAFEGUARD THE SECURITY OF AMERICA IN THE PROCESS.

When it comes to the security of this country, I would rather be called cautious than reckless.

OUR PURSUIT OF THIS PROMISING FUTURE MUST START WITH AN UNDERSTANDING OF TODAY'S REALITIES.

TAKE, FOR EXAMPLE, ^{our} ~~the~~ MOST RECENT PROPOSAL, WARMLY RECEIVED BY OUR ALLIES AND PRESIDENT GORBACHEV. I PROPOSED REDUCING THE TROOP LEVELS ON BOTH SIDES IN CENTRAL AND EASTERN EUROPE TO 195,000 TROOPS. THAT ~~is~~ *balance encourages* THE LESS THREATENING FUTURE WE ENVISION, AND IT HOLDS GREAT PROMISE.

BUT RIGHT NOW THE SOVIETS STILL HAVE MORE THAN 560,000 MEN UNDER ARMS IN CENTRAL EUROPE.

ON THE ISSUE OF STRATEGIC WEAPONS WE HAVE MADE PROGRESS IN THE START NEGOTIATIONS. WE NOW HOPE TO SLASH DRAMATICALLY THE NUMBER OF STRATEGIC WEAPONS ON BOTH SIDES. IT IS THESE IMPORTANT REDUCTIONS THAT SECRETARY BAKER IS SEEKING THIS VERY DAY IN MOSCOW. THAT'S THE FUTURE WE ENVISION, AND IT TOO HOLDS GREAT PROMISE.

BUT LET US NOT FORGET THAT RIGHT NOW THE SOVIETS
STILL HAVE MORE THAN 10,000 STRATEGIC WEAPONS. THEY
ARE MODERNIZING THEM; THEY HAVE DEPLOYED TWO NEW MOBILE
ICBMS, AND THEIR SPENDING ON STRATEGIC DEFENSE .
IS COMPARABLE TO THEIR SPENDING ON STRATEGIC OFFENSIVE
FORCES.

~~AS~~ ^{The} PRESIDENT ^{is} ~~I AM~~ THE COMMANDER-IN-CHIEF, ~~I AM~~
BOUND BY THE CONSTITUTION TO DEFEND AND PROTECT THE
UNITED STATES OF AMERICA. SOME WOULD HAVE ME PREDICATE
THE DEFENSE OF OUR PEOPLE ON PROMISING, BUT AS YET
UNFULFILLED, HOPES FOR THE FUTURE. I WILL NOT. I AM
DETERMINED TO SEEK ^{with} ~~FROM~~ THE SOVIETS THE COLLATERAL TO
IMPLEMENT A NEW PEACE. IN INTERNATIONAL TERMS,
COLLATERAL MEANS: SOLDIERS DISCHARGED, TANKS
DISMANTLED, NUCLEAR MISSILES DEMOLISHED, AND CHEMICAL
WEAPONS BANNED FROM THE FACE OF THE EARTH.\\

SOME SEE OUR MEASURED APPROACH AS ENDANGERING THE
PROCESS OF CHANGE. I SEE OUR APPROACH AS ESSENTIAL TO
CHANGE, ESSENTIAL TO THE SECURITY OF THIS NATION AND AS
THE ONLY WAY TO A LASTING PEACE. WE HAVE SHOWN THAT
AMERICAN RESOLVE CAN HELP FURTHER SOVIET REFORM. WE
HAVE SHOWN THAT AMERICAN STRENGTH IS THE CATALYST FOR
ARMS CONTROL. WE HAVE SHOWN THAT THE IDEA CALLED
AMERICA CAN INSPIRE CHANGE. NOW WE MUST NOT LET
IMPATIENCE, BORN OF EUPHORIA, JEOPARDIZE ALL WE ^{hope to} ~~HAVE~~
~~ACHIEVE~~ SO FAR, AND ALL WE CAN ACHIEVE IN THE FUTURE.

NO MATTER HOW URGENTLY WE WANT TO CROSS THAT
BRIDGE BETWEEN NATIONS, TO CROSS TO A NEW AND MORE
PROMISING WORLD, WE SHOULD NOT, IN OUR HASTE, ABANDON
THE PATH THAT BROUGHT US TO THIS MOMENT.

FIRST, AS AMERICANS HAVE ALWAYS BELIEVED, OUR FOREMOST GOAL IS TO PREVENT ANOTHER WORLD WAR. TO DO SO, WE WILL STILL NEED TO ^{remain fully engaged.} ~~MAINTAIN THE GLOBAL BALANCE OF POWER.~~ EUROPEAN SECURITY, STABILITY AND FREEDOM -- SO TIED TO OUR OWN -- REQUIRES AN AMERICAN PRESENCE. ←

FF WE MUST REMAIN ^{in Europe} THERE AS LONG AS WE ARE NEEDED AND WANTED. THE PROSPECT OF GLOBAL PEACE, THEREFORE, DEPENDS ON AN AMERICAN FORWARD PRESENCE. ~~WITH GLOBAL REACH?~~

SECOND, WE WILL, OF COURSE, CONTINUE TO REDUCE THE LIKELIHOOD OF A NUCLEAR WAR. AND THAT IS WHY I WILL VIGOROUSLY PURSUE OUR START TALKS WITH THE SOVIET UNION. \\ BUT ARMS CONTROL AND STRATEGIC MODERNIZATION ARE NOT COMPETING STRATEGIES. RATHER, THEY CAN WORK TOGETHER TO MAKE THE WORLD A SAFER PLACE.

Western Europeans all want us to stay there -- want us to avoid pulling back into an uninvolved isolation. I have the feeling that when the dust settles, the new democracies of Eastern Europe will feel the same way.

JUST THIS MORNING, I VISITED LAWRENCE LIVERMORE LABS AND MET THOSE VISIONARY MEN AND WOMEN WHO STRIVE TO MAKE A NUCLEAR STRIKE ON OUR COUNTRY -- WHETHER FROM A NUCLEAR SUPERPOWER, OR RENEGADE NATION, OR TERRORIST GROUP -- EVEN MORE UNLIKELY THAT IT IS TODAY. IF THE TECHNOLOGY I HAVE SEEN TODAY PROVES FEASIBLE -- AND IT LOOKS VERY PROMISING -- NO AGGRESSOR COULD BE CONFIDENT OF THE SUCCESS OF A BALLISTIC MISSILE ATTACK. THAT'S WHAT DETERRENCE IS ALL ABOUT. ^{IF} WHEN SOME COMPLAIN OF THE COST OF DEVELOPING SUCH TECHNOLOGIES, THEY SHOULD FIRST CONSIDER THE COST OF NOT DOING ALL WE CAN TO DETER CONFLICT AND PROTECT THE CITIES AND CITIZENS OF AMERICA. THAT IS WHY I WILL SEEK TO PERSUADE THE SOVIETS, THROUGH OUR DEFENSE AND SPACE TALKS, THAT, IN FACT, GREATER RELIANCE ON STRATEGIC DEFENSES WILL CONTRIBUTE TO A SAFER WORLD.

LET ME NOW TELL YOU SOMETHING ABOUT THE STRATEGY BEHIND OUR 1991 DEFENSE BUDGET:

And let's be clear: This purely defensive concept doesn't threaten a single person anywhere in the world. God forbid, if it ever had to be used, it would be used against missiles, not against people.

FIRST, NEW THREATS ARE EMERGING BEYOND THE TRADITIONAL EAST-WEST ANTAGONISM OF THE PAST 45 YEARS. THESE CONTINGENCIES MUST LOOM LARGER IN OUR DEFENSE PLANNING. REMEMBER THE THREATS OF LIBYAN AND IRANIAN TERRORISM! REMEMBER OUR LIBERATION OF GRENADA AND PANAMA! AND REMEMBER THE DEDICATION OF OUR AMERICAN SERVICEMEN ON DUTY IN THE PERSIAN GULF TWO YEARS AGO, SAFEGUARDING THE FLOW OF OIL, ~~TO THE INDUSTRIAL~~ ^{set} DEMOCRACIES! And, indeed, welcomed by many small ~~independent~~ ~~countries~~ nations who were afraid that the Iran-Iraq war would adversely affect their freedom.

REMEMBER, TOO, THAT THERE ARE MORE THAN 15 COUNTRIES IN THE WORLD THAT WILL HAVE DEVELOPED BALLISTIC MISSILES BY THE END OF THE DECADE -- MANY WITH CHEMICAL AND BIOLOGICAL CAPABILITIES. NUCLEAR WEAPONS CAPABILITIES ARE PROLIFERATING AS WELL. AND INEVITABLY HIGH-TECH WEAPONS WILL FALL INTO THE HANDS OF THOSE WHOSE HATRED OF AMERICA, AND CONTEMPT FOR CIVILIZED NORMS, IS WELL KNOWN. WE WILL ^{continue to} WORK HARD TO PREVENT THIS DANGEROUS PROLIFERATION. BUT ONE THING IS CERTAIN: WE MUST BE READY FOR ITS CONSEQUENCES. AND WE WILL BE READY.

THEN THERE ARE THE NARCO-GANGSTERS -- ALREADY A THREAT TO OUR NATIONAL HEALTH AND SPIRIT. NOW THEY ARE TAKING ON THE PRETENSIONS OF A GEOPOLITICAL FORCE. AND THEY MUST BE DEALT WITH AS SUCH -- BY OUR MILITARY -- IN THE AIR, ON THE LAND, AND ON THE SEAS.\\

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There is something a little ironic about certain members of Congress whose philosophy seems to be "make deep cuts, but cut somewhere else."

CIVILIANS WHO ARE LAID OFF WILL RECEIVE TOP PRIORITY FOR PLACEMENT IN OTHER DOD POSITIONS. THE HOMEOWNER'S ASSISTANCE PROGRAM WILL PROTECT MILITARY AND CIVILIAN PERSONNEL FROM FALLING REAL ESTATE PRICES. AND THE OFFICE OF ECONOMIC ADJUSTMENT WILL WORK WITH COMMUNITIES TO DEVELOP POWERFUL NEW ECONOMIC ASSETS, NEW WAYS TO USE OLD BASES. THE BIBLE SPEAKS OF BEATING SWORDS INTO PLOWSHARES. WE ARE TRANSFORMING MILITARY RUNWAYS INTO MUNICIPAL AIRPORTS; MILITARY BASES INTO INDUSTRIAL PARKS AND COMMUNITY COLLEGES; AND MISSILE HANGARS INTO FACTORIES.

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BLESS YOU, AND GOD BLESS AMERICA.

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 2/5/90 ACTION/CONCURRENCE/COMMENT DUE BY: 2/5/90 4:00 PM

SUBJECT: PRESIDENTIAL REMARKS: COMMONWEALTH CLUB

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>ROGERS</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>WINSTON</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>PINKERTON</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:
 Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 4:00 PM TODAY, Monday, February 5, with a copy to my office. Thank you.

RESPONSE:
N/C 2/5/90
 90 FEB 6 4:44 PM

James W. Cicconi
 Assistant to the President
 and Deputy to the Chief of Staff
 Ext. 2702

1990 FEB -5 PM 12: 15

Davis/Martin
January 29, 1990
Title: SF
Draft: Three

**PRESIDENTIAL ADDRESS: COMMONWEALTH CLUB, SAN FRANCISCO
Noon, Wednesday, February 7th, 1990**

((Acknowledgements to come.))

((A few minutes ago, I asked a 49er fan what he thought was the turning point in the Super Bowl. He said "the National Anthem."))\\

((Of course, not all recent memories in the Bay Area have been pleasant ones. I'm sure you remember the last time I was here, after this city suffered a tragedy and found renewal. I remember a clutter of car wrecks, collapsed buildings, flattened freeways\\ and a terrible black cloud rising from the Marina District. Some damage remains. But today I've seen something else -- the people of the Bay Area have stood up, dusted themselves off and rebuilt. The devastation and danger are past. Because you came together, San Francisco is as beautiful as ever\\ -- San Francisco is back.))\\

I have come back to California for another reason, to give you -- no-nonsense, hardnosed businessmen and women that you are -- a straightforward, but hopeful, message about our national security. Yesterday, at Fort Irwin, I also thanked our men and women in uniform -- not just because they keep America safe and

free. I came to thank them because they help to make possible the wonderful changes that are sweeping the world.

And as the threats to American security change, so too must our defense strategy. In 1986, defense expenditures consumed 6.5 percent of our Gross National Product. As you know, I just submitted my 1991 budget to Congress, which cuts defense for the fifth year in a row -- to almost 5 percent of GNP.

I am submitting this budget at a time when the postwar world we know -- the world that began in 1945 -- is changing before our very eyes. So to understand where we are going, let me first review where we have been and where we are today.

The first generation of postwar leaders had the cautionary example of their predecessors. They remembered that visionary statesmen, after the First World War, had outlawed large navies. They remembered that their predecessors had even outlawed war itself. But no pact prevented World War Two.

So by 1945 our leaders had acquired a patience, \\ a pragmatism, \\ born of a sober appraisal of the world as it was. And from Harry Truman, to John F. Kennedy, to Ronald Reagan, we paid any price, we bore any burden, in the defense of liberty. We paid with part of our national wealth. And many brave Americans paid with their very lives.

Yet over the past 40 years, our leaders continued to seek peace even as they provided for war. It was during the Truman Administration, in this very city, that men and women of great vision and high ideals came from around the world to create a

parliament of nations. And so it was in San Francisco, 45 years ago, that the United Nations was born.

Then, as now, the United States strove to balance its role as peace-keeper with that of peace-maker. We helped create the United Nations and NATO; we encouraged Soviet reform even as we rebuffed Soviet expansion.

Those who crafted this new policy, and called it containment, predicted that if we blocked the easy path of expansion, then the Soviet Union would one day have to confront its inhumane, illogical system. The purpose of this confrontation was not to defeat or to humiliate the Soviets. The purpose was to lead to a "mellowing of the Soviet Union." It took a half a century to vindicate this strategy, and at long last we can say it works: And that is why the Cold War today is in retreat.\\\

That is good news, for no sane man or woman is nostalgic for the Cold War. We are inspired by the Revolution of '89 -- delighted to see a man of letters and conscience in Prague move from prison to the presidential palace. We are heartened to see the Berlin Wall fall, setting off a shockwave that upended a tyrant in Romania.

And we are grateful for something more. The likelihood of a war with the Soviets has always been small, because of our strength and that of our Allies. Now, thanks to the courageous reforms of a dynamic Soviet leader, the threat of war is smaller than ever before.\\\ Like Harold MacMillian before him,

President Gorbachev freely acknowledges that empire is a burden, more problem than protection. And so now "the winds of change" are shaping a new destiny for the nations of the Continent -- that of a Europe whole and free.\\\

We are taking the first steps across a bridge begun by others long ago. It is a bridge that can lead us from seemingly endless conflict to the promise of a lasting peace. But no matter how great the promise, a bridge between nations must be reinforced with realism.

As President, I receive a briefing every morning from the Central Intelligence Agency. And I get from the CIA the best intelligence available to any world leader today. Yet I often find that the events reported to me by the CIA in the morning are overcome by the news in the evening. The world is simply moving too fast for any person or organization to forecast what will happen next. With so much that is unpredictable, the promising future we seek must be weighed against the realities of today.

My most recent proposal, warmly received by President Gorbachev, was to reduce land forces on both sides in Central Europe to 195,000 troops. That's the prospect for change, and it holds great promise.

But the reality? -- The Soviets still have almost 600,000 men under arms in Central Europe today.

Another example: Because of the new openness in Moscow, we hope to slash the number of strategic weapons on both sides to

6,000. That's the prospect for change, and it too holds great promise.

But the reality? -- the Soviets still have ((number)) strategic weapons. And they are still developing, at a furious pace, two new mobile strategic weapons systems and a strategic defense initiative.

I am your Commander-in-Chief. I am bound by the Constitution to defend and protect the United States of America. And I cannot, as some would have me do, predicate our defense on promising, but as of yet unfulfilled, hopes for the future. Our national defense strategy must not be a response to the professed intentions of other nations, but to the weapons they hold in their hands.\\ That's the reality we face.

You certainly don't do business on the basis of a promise. The banks you do business with expect collateral. And I will seek from the Soviets the collateral to implement a new peace. In international terms, collateral means: **soldiers decommissioned, tanks dismantled, and nuclear missiles demolished.**\\\

Some see our measured approach as endangering the process of change. I see our approach as **essential** to change, as the **only** way to a lasting peace. We have shown that American resolve leads to Soviet reform. We have shown that American strength is the catalyst for arms control. We are all excited by change in the East, but we must not let impatience, born of euphoria, ruin all we have achieved.

No matter how urgently we want to cross that bridge between nations, to cross to a new and more promising world, we should not, in our haste, abandon the path that brought us to this moment.

First, as Americans have always done, our foremost goal is to prevent another world war. To do so, we will still need what the people in the Pentagon call a forward defense. Let me tell you what a forward defense means. America spans a continent, but in strategic terms, we are an island nation. And an island nation must defend itself before a threat can reach its shores. And that is why we will continue to have a forward presence -- fighting forces\\ and American troops\\ with global reach.

Second, we will, of course, continue to reduce the likelihood of a nuclear war. And that is why I will aggressively pursue Strategic Arms Reduction Talks with the Soviet Union.\\\ But arms control and strategic modernization are not competing strategies. Rather, they can work together to make the world a safer place.

Just this morning, I visited Lawrence Livermore Labs and met those visionary men and women who strive to make an all-out nuclear strike on our country, or a limited strike from a madman, even more unlikely than it is today. Of course, some complain of the cost of developing such technologies. They should first consider the cost of not doing all we can to protect the cities and citizens of America. That is why I will seek to persuade the

Soviets, through our Defense and Space talks, to use SDI to help us all make a transition to safer world.

Let me now tell you the ways in which our 1991 defense strategy is a dramatic departure from the military strategies of the past.

First, new threats are emerging outside the traditional East-West antagonism of the past 45 years. Ever since the Mayaguez incident, most conflicts involving U.S. forces -- like our actions in Libya or Panama -- have had nothing to do with Soviet expansionism. Nowhere was this more apparent than in the Persian Gulf two years ago, where only the U.S. Navy could secure the flow of oil to the industrial democracies.

Even worse, there are 15 countries in the world that are developing ballistic missile technology, many with chemical and biological weapons. Despite our best efforts, nuclear weapons are proliferating. And inevitably high-tech weapons will fall into the hands of leaders whose hatred of America is well known. **We must be ready.**

Then there are the narco-gangsters -- already a threat to our national health and spirit. Now they are taking on the dimensions of a geopolitical force. And they must be dealt with as such -- **by our military -- in the air and on the seas.**

Clearly, in the future, we will need to be able to repel a missile, arrest a drug lord or protect a sealane. We will need forces adaptable to conditions **anywhere** in the world. We need

will agility, readiness, sustainability. We will need speed and stealth.

In short, we must now deter both a global war and limited conflicts with sophisticated new powers. And for this reason, we doubly need to continue the modernization of our forces. It is my duty, and mine alone, to commit American fighting men to combat. And while the security of this nation is on my watch, the lives of American fighting men won't be traded for dollars.\\

Just yesterday, I visited at the National Training Center at Fort Irwin, near Barstow, where our fighting forces are preparing for combat. It was at this very base that we trained many of our troops who fought with such distinction in Panama. As other threats emerge on the horizon, we must be ready to fight under any conditions anywhere in the world.\\

((You know, I read that Khrushchev once spoke to the Commonwealth Club from lunch until 11 p.m.\\ \\ Perhaps he began his speech with these words: "Let me make just a few brief observations . . .))\\ \\

So I'll get to my final concern -- how all this change in our defense budget affects us at home. Many speak of the peace dividend. Few discuss the short-term cost of peace. There will be costs as we cross the bridge to a better future -- for dislocated industries and workers, for disappointed men and women in the Armed Services who will return to civilian life, for whole communities.

But America has always been willing to pay the price of peace. I know that some of the bases that have been proposed for closure are in this area. So I have come to San Francisco today to assure you that if a base closes, it doesn't close federal concern and commitment.\\

Civilians who are laid off will receive top priority for placement in other DOD positions. The Homeowner's Assistance Program will protect military and civilian personnel from falling real estate prices. And the Office of Economic Adjustment will work with communities to develop powerful new economic assets, new ways to use old bases. The Bible speaks of beating swords into plowshares. We are transforming military runways into municipal airports; military bases into industrial parks and community colleges; and missile hangers into factories.

((NSC Insert))

I have no doubt the American people will support these measures for a continued strong defense. My travels around America tell me that. But to have the means to negotiate reductions and ensure the peace, I will need the support, cooperation and consultation of Congress.

We can now envision a time when military competition is past; when all the competitive instincts of modern man will be diverted to commerce; when the warriors of the future will be businessmen and women like you, briefcase in hand.

You know, I started by joking about the 49ers winning the Super Bowl during the National Anthem. But I don't care how many passes Joe Montana completed. He knew better than to rest on his laurels at the beginning of the fourth quarter. So should we. If Congress will work with me, **then peace itself will be the greatest dividend of all.**

Before us is a bridge to a new and better world. The way is clear. It's time to cross. Thank you for inviting me to San Francisco. God bless you, and God bless America.

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THE WHITE HOUSE

WASHINGTON

February 6, 1990

MEMORANDUM FOR CHRISS WINSTON

FROM: ROGER B. PORTER *RBP*

SUBJECT: Presidential Remarks: Commonwealth Club

The draft remarks are fine, but we strongly recommend deleting the National Security Council insert.

cc: James W. Cicconi

18 104 8-0211-00

WHITE HOUSE STAFFING MEMORANDUM

DATE: 2/5/90 ACTION/CONCURRENCE/COMMENT DUE BY: 2/5/90 4:00 PM

SUBJECT: PRESIDENTIAL REMARKS: COMMONWEALTH CLUB

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>ROGERS</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>WINSTON</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>PINKERTON</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 4:00 PM TODAY, Monday, February 5, with a copy to my office. Thank you.

RESPONSE:

ok. except for NISC insert.

James W. Cicconi
 Assistant to the President
 and Deputy to the Chief of Staff
 Ext. 2702

1990 FEB -5 PM 12: 15

Davis/Martin/
January 29, 1990
Title: SF
Draft: Three

**PRESIDENTIAL ADDRESS: COMMONWEALTH CLUB, SAN FRANCISCO
Noon, Wednesday, February 7th, 1990**

((Acknowledgements to come.))

((A few minutes ago, I asked a 49er fan what he thought was the turning point in the Super Bowl. He said "the National Anthem."))\\

((Of course, not all recent memories in the Bay Area have been pleasant ones. I'm sure you remember the last time I was here, after this city suffered a tragedy and found renewal. I remember a clutter of car wrecks, collapsed buildings, flattened freeways\\ and a terrible black cloud rising from the Marina District. Some damage remains. But today I've seen something else -- the people of the Bay Area have stood up, dusted themselves off and rebuilt. **The devastation and danger are past. Because you came together, San Francisco is as beautiful as ever\\ -- San Francisco is back.**))\\

I have come back to California for another reason, to give you -- no-nonsense, hardnosed businessmen and women that you are -- a straightforward, but hopeful, message about our national security. Yesterday, at Fort Irwin, I also thanked our men and women in uniform -- not just because they keep America safe and

free. I came to thank them because they help to make possible the wonderful changes that are sweeping the world.

And as the threats to American security change, so too must our defense strategy. In 1986, defense expenditures consumed 6.5 percent of our Gross National Product. As you know, I just submitted my 1991 budget to Congress, which cuts defense for the fifth year in a row -- to almost 5 percent of GNP.

I am submitting this budget at a time when the postwar world we know -- the world that began in 1945 -- is changing before our very eyes. So to understand where we are going, let me first review where we have been and where we are today.

The first generation of postwar leaders had the cautionary example of their predecessors. They remembered that visionary statesmen, after the First World War, had outlawed large navies. They remembered that their predecessors had even outlawed war itself. But no pact prevented World War Two.

So by 1945 our leaders had acquired a patience, \\ a pragmatism, \\ born of a sober appraisal of the world as it was. And from Harry Truman, to John F. Kennedy, to Ronald Reagan, we paid any price, we bore any burden, in the defense of liberty. We paid with part of our national wealth. And many brave Americans paid with their very lives.

Yet over the past 40 years, our leaders continued to seek peace even as they provided for war. It was during the Truman Administration, in this very city, that men and women of great vision and high ideals came from around the world to create a

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So I'll get to my final concern -- how all this change in our defense budget affects us at home. Many speak of the peace dividend. Few discuss the short-term cost of peace. There will be costs as we cross the bridge to a better future -- for dislocated industries and workers, for disappointed men and women in the Armed Services who will return to civilian life, for whole communities.

But America has always been willing to pay the price of peace. I know that some of the bases that have been proposed for closure are in this area. So I have come to San Francisco today to assure you that if a base closes, it doesn't close federal concern and commitment.\\

Civilians who are laid off will receive top priority for placement in other DOD positions. The Homeowner's Assistance Program will protect military and civilian personnel from falling real estate prices. And the Office of Economic Adjustment will work with communities to develop powerful new economic assets, new ways to use old bases. The Bible speaks of beating swords into plowshares. We are transforming military runways into municipal airports; military bases into industrial parks and community colleges; and missile hangers into factories.

((NSC Insert))

I have no doubt the American people will support these measures for a continued strong defense. My travels around America tell me that. But to have the means to negotiate reductions and ensure the peace, I will need the support, cooperation and consultation of Congress.

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((That still leaves a lot of decommissioned soldiers, sailors, airmen and Marines. So I am here today to propose a way they can make a contribution to our national security **after** they have left the service. They have, after all, what many Americans lack -- a strong background in math and the sciences. So let us challenge these men and women to educate yet another generation of American children.\\

((I propose an exemption of 50 percent of military retired pay from federal taxes for those who enter full time into the teaching of elementary and secondary school youth\\ . . . **and a 100 percent exemption for those who teach in the classrooms of the inner city.**\\ \\ Some will be alternatively certified. For

those men and women still in the military, I propose that they be allowed to acquire the necessary teaching credentials at reduced cost prior to retirement.

((This is as much an investment in our national security as any other defense program. I began my Presidency by saying that the purpose of power is to help people. Let us allow these men and women of our Armed Forces to keep the American people competitive in the 21st century.))

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 2/5/90 ACTION/CONCURRENCE/COMMENT DUE BY: 2/5/90 4:00 PM

SUBJECT: PRESIDENTIAL REMARKS: COMMONWEALTH CLUB

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE <i>N/C</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES <i>N/C</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
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REMARKS: Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 4:00 PM TODAY, Monday, February 5, with a copy to my office. Thank you.

RESPONSE:

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

1990 FEB -5 PM 12: 15

Davis/Martin
January 29, 1990
Title: SF
Draft: Three

**PRESIDENTIAL ADDRESS: COMMONWEALTH CLUB, SAN FRANCISCO
Noon, Wednesday, February 7th, 1990**

((Acknowledgements to come.))

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1 sentence
elaborate

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The first generation of postwar leaders had the cautionary example of their predecessors. ^{They remembered the Great War - the war to end all wars - was followed by chaos and conflict.} They remembered that visionary statesmen, after the First World War, had ^{tried to limit} outlawed large navies --

~~They remembered that their predecessors had even outlawed war~~ ^{But soon their great hopes faded in the face of unchecked aggression.} itself. ^{And} ~~no pact prevented World War Two.~~ ^{could}

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a pragmatism, ~~XX~~ born of a sober appraisal of the world as it was.

And from Harry Truman, ~~to John F. Kennedy,~~ ^{our strength} to Ronald Reagan, ~~we~~ ^{became the world's shield, our ideals of freedom and democracy, the world's hope.} ~~paid any price, we bore any burden, in the defense of liberty.~~

We paid ^{dearly for the defense of liberty --} with ~~part~~ of our national wealth, ^{with of our} And many ^{youngest.} bravest and

Americans paid with their very lives.

^{And so} ~~yet~~ over the past 40 years, our leaders continued to ~~seek~~ ^{provide for} peace even as they ^{sought peace.} ~~provided for war.~~ It was during the Truman Administration, in this very city, that men and women of great vision and high ideals came from around the world to create an

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~~parliament~~ of nations. And so it was in San Francisco, 45 years ago, that the United Nations was born.

Then, as now, the United States strove to balance its role as peace-keeper with that of peace-maker. We helped create the United Nations and NATO; we encouraged Soviet ^{change} ~~reform~~ even as we ^{thwarted} ~~rebuffed~~ Soviet expansion.

Those who crafted this new policy, ~~and~~ called it containment ^{and} predicted that if we blocked the easy path of expansion, ~~then~~ the Soviet Union would one day have to confront its inhumane, illogical system. The purpose of this ^{containment} ~~confrontation~~ was not to defeat or to humiliate the Soviets. ^{The} ~~The~~ ^{purpose was to preserve liberty, extend?} ~~purpose~~ was to lead to a "mellowing of the Soviet ^{Union}." It took ^{nearly} ~~a~~ half a century to vindicate this strategy, ^{but} ~~and~~ ^{now} ~~at long~~ last we can ^{see the results} ~~say it works~~: ~~And that is why the Cold War~~ today ~~is~~ in retreat. \\\

That is good news, for no sane man or woman is nostalgic for the Cold War. We are inspired by ^{this} ~~the~~ Revolution of '89 -- ^{for example,} ~~delighted~~ ^{heartened} to see a man of letters and conscience in Prague move from prison to the presidential palace. We are heartened to see the Berlin Wall fall, setting off a shockwave that upended a tyrant in Romania.

And we are grateful for something more. ~~The likelihood of a war with the Soviets has always been small,~~ ^{Now,} because of our strength and that of our Allies, ^{Now,} thanks to the ^{marches of freedom and democracy in Eastern Europe} ~~seurageous~~ reforms of a dynamic Soviet leader, ~~the threat of war is smaller than ever before. \\\~~ Like Harold MacMillian before him, ^{-- and even in the Soviet Union itself --}

^{Now} the prospects for an enduring peace are greater than ever before.

~~President Gorbachev freely acknowledges that empire is a burden, more problem than protection. And so now "the winds of change" are shaping a new destiny for the nations of the Continent -- that of a Europe ^{truly} whole and free.\\ \\~~

We are taking the first steps across a bridge begun by others long ago. It is a bridge that can lead us from seemingly endless conflict to the promise of a lasting peace. But no matter how great the promise, ~~a bridge between nations~~ ^{we} must be ~~certain the bridge is secure. reinforced with realism.~~

As President, I receive ^{an intelligence} a briefing every morning, ~~from the Central Intelligence Agency.~~ And I ^{receive} get from the CIA the best ~~information~~ ^{intelligence} available to any world leader today. Yet I often ~~find that the events reported to me by the CIA in the morning are~~ ^{often} ~~overcome~~ ^{taken} by the news ~~in the evening.~~ ^{that very} The world is simply moving too fast for ~~any person or organization~~ to forecast ^{with absolute certainty.} what will

happen next. ^{Our pursuit of} With so much that is unpredictable, ~~the~~ ^{is} promising future, we seek must be weighed against ~~the~~ ^{start with an understanding of today's} realities of today.

My most recent ^{Take for example,} proposal, warmly received by ^{our allies and} President Gorbachev, ^{I proposed reducing the troop levels} was to reduce land forces on both sides in Central and Eastern Europe to 195,000 troops. That's the ~~prospect for change,~~ ^{less threatening future we envision} and it holds great promise.

But ~~the reality,~~ ^{right now} ~~to that~~ The Soviets still have ^{over 560} almost ~~600,000~~ men under arms in Central Europe. ~~today.~~ ^{On the issue of strategic weapons, we have made progress in the start negotiations.} Another example: Because of the new openness in Moscow, We now hope to slash the number of strategic weapons on both sides ~~to~~ ^{in half.}

Our challenge is to manage this period of transition from the world of today to the world of tomorrow and safeguard the security of America in the process

6,000. That's the ~~prospect for change~~, and it too holds great promise.

But ~~the reality~~ ^{right now} -- the Soviets still have ^{over 10,000} ~~(number)~~ strategic weapons. ~~And they are still developing~~ ^{modernizing them; they have deployed} ~~at a furious~~ ^{two} ~~pace~~, ~~two~~ new mobile ^{ICBM's, and their strategic defense spending is comparable} ~~strategic weapons systems~~ and a ~~strategic~~ defense initiative. ^{to their spending on strategic offensive forces.}

*Mention
at this very
moment
Jim Baker
is in Moscow
working with
Nicolai
+ Gorb to
now the process
forward*

^{As President} I am ^{the} your Commander-in-Chief. I am bound by the Constitution to defend and protect the United States of America. ~~And I cannot~~ ^{will not} ~~as~~ some would have me ~~do~~ ^{the} predicate our defense ^{of our people} on promising, but as ~~of~~ yet unfulfilled, hopes for the future. ~~Our~~ national defense strategy must not be a response to the professed intentions of other nations, but to the weapons they hold in their hands. \\ That's the reality we face.

I will not.

~~You certainly don't do business on the basis of a promise.~~
~~The banks you do business with expect collateral.~~ And I ^{am determined} will

^{to} seek from the Soviets the collateral to implement a new peace. In international terms, collateral means: **soldiers discharged, tanks dismantled, and nuclear missiles demolished.** \\ \\

Some see our measured approach as endangering the process of change. I see our approach as ^{essential to the security of this nation and} **essential** to change, ^{as the only} way to a lasting peace. We have shown that American resolve ^{can help further} ~~leads to~~ Soviet reform. We have shown that American strength is the catalyst for arms control. ^{We have shown that the idea called America can inspire} ~~We are all excited by change in~~ ^{change.} the East, ^{Now} ~~but~~ we must not let impatience, born of euphoria, ~~ruin~~ ^{jeopardize} all we have achieved ^{so far}, and all we can achieve in the future.

No matter how urgently we want to cross that bridge between nations, to cross to a new and more promising world, we should not, in our haste, abandon the path that brought us to this moment.

First, as Americans have always ^{believed} ~~done~~, our foremost goal is to prevent another world war. To do so, we will still need ~~what~~ ^{to maintain the global balance of power. European security, stability, and the people in the Pentagon call a forward defense. Let me tell you what a forward defense means. America spans a continent, but} ~~to maintain the global balance of power. European security, stability, and the people in the Pentagon call a forward defense. Let me tell you what a forward defense means. America spans a continent, but~~ ^{freedom -> so tied to our own - requires an American presence. We must remain} ~~freedom -> so tied to our own - requires an American presence. We must remain~~ ^{long as we are needed and wanted.} ~~long as we are needed and wanted.~~ ^{there as} ~~in strategic terms, we are an island nation. And an island nation must defend itself before a threat can reach its shores. The prospect of global peace, therefore, depends upon an American And that is why we will continue to have a forward presence -- fighting forces and American troops with global reach.~~

Second, we will, of course, continue to reduce the likelihood of a nuclear war. ^{vigorously} ~~And that is why I will aggressively~~ **pursue Strategic Arms Reduction Talks with the Soviet Union.** But arms control and strategic modernization are not competing strategies. Rather, they can work together to make the world a safer place.

Just this morning, I visited Lawrence Livermore Labs and met those visionary men and women who strive to make ~~an all-out~~ ^{whether from a nuclear superpower or neorepublic nation or terrorist group,} ~~a nuclear strike on our country, or a limited strike from a madman,~~ ^{when} ~~even more unlikely than it is today. Of course,~~ some complain of the cost of developing such technologies, ^{They should first deter conflict and} ~~consider the cost of not doing all we can to protect the cities and citizens of America. That is why I will seek to persuade the~~

If the technology I have seen today proves feasible -- and it looks very promising -- no aggressor could be confident of the success of a ballistic missile attack. That's what deterrence is all about.

Soviets, through our Defense and Space talks, to ^{discuss how strategic defenses} use SDI to help ~~can lead to a reliance on strategic defenses~~ will contribute to a ~~us all make a transition to~~ safer world.

Let me now tell you ^{something about the strategy behind our} the ways in which our 1991 defense budget : strategy is a dramatic departure from the military strategies of the past.

First, new threats are emerging ^{beyond} outside the traditional East-West antagonism of the past 45 years. ^{These contingencies must be larger in our defense planning.} Ever since the ~~Mayaguez incident, most conflicts involving U.S. forces -- like our actions in Libya or Panama -- have had nothing to do with of Grenada and Panama. And remember the dedication of the U.S. Navy on duty~~ Soviet expansionism. Nowhere was this more apparent than in the Persian Gulf two years ago, where ^{by safeguarding} only the U.S. Navy could secure the flow of oil to the industrial democracies.

^{Remember too that} Even worse, there are ^{more than} 15 countries in the world that ^{will} ~~are~~ ^{have} developing ballistic missile ^{additional} technology, many with chemical and biological weapons. ^{as well.} Despite our best efforts, ^{capabilities} nuclear weapons are proliferating. ^{And} inevitably high-tech weapons will fall into the hands of ^{those} leaders whose hatred of America ^{and contempt for civilized norms} is well known. ~~We will intensify our work hard to prevent this dangerous proliferation.~~ ^{by the end of the decade --} **We must be ready** ~~for its consequences.~~ ^{And} we will be ready.

Then there are the narco-gangsters -- already a threat to our national health and spirit. Now they are taking on the ^{pretensions} dimensions of a geopolitical force. And they must be dealt with as such -- ^{on the land} by our military -- in the air and on the seas. \\\

Clearly, in the future, we will need to be able to ^{stop aggression,} ~~repel~~ a missile, ^{or} arrest a drug lord ~~or~~ protect a sealane. We will need forces adaptable to conditions **anywhere** in the world. We ^{will} need

also? Retso insert

this is certain:



~~will~~ agility, readiness, sustainability. We will need speed and stealth. *And we will need leadership.*

In short, we must ~~now~~ ^{continue to} deter both a global war and limited conflicts ^{in new conditions} ~~with sophisticated new powers~~. And for this reason, we doubly need to continue the modernization of our forces. ^{I pray it will not be} ~~It is~~ ^{again} my sad ~~my duty, and mine alone,~~ to commit American fighting men [^] to combat. ^{But if I do, with} ~~And while~~ the security of this nation ~~is~~ on my watch, ^{short changed.} the lives of American fighting men won't be ~~traded for dollars.~~ \\

As I mentioned, Just yesterday, I visited ~~at~~ the National Training Center at Fort Irwin, near Barstow, where our fighting forces ~~are~~ ^{are} preparing for ^{action.} ~~combat~~. It was at this very base that we trained many of our

at ^{Commonwealth} troops who fought with such distinction in ^{And they were terrified.} Panama. ^{But} ~~As other~~ ^{Being prepared is} ~~also the best way to ensure that wars are prevented. And after seeing our threats emerge on the horizon, we must be ready to fight under men and women again, talking with them - they're indeed up to the any conditions anywhere in the world. \\~~ ^{challenges of the future.}

((You know, I read that Khrushchev once spoke to the Commonwealth Club from lunch until 11 p.m. \\ \\ \\ Perhaps he began his speech with these words: "Let me make just a few brief observations . . .)) \\ \\ \\

So I'll get to my final concern -- how all this change in our defense budget affects us at home. Many speak of the peace dividend. Few discuss the short-term cost of peace. There will be costs as we cross the bridge to a better future -- for dislocated industries and workers, ^{for communities, and painful personal} ~~for disappointed men and women~~ ^{adjustments to be made.} ~~in the Armed Services who will return to civilian life, for whole communities.~~

and order

? ? ?

But America has always been willing to pay the price of peace. I know that some of the bases that have been proposed for closure are in this area. So I have come to San Francisco today to assure you that **if a base closes, it doesn't close federal concern and commitment.** \\

Civilians who are laid off will receive top priority for placement in other DOD positions. The Homeowner's Assistance Program will protect military and civilian personnel from falling real estate prices. And the Office of Economic Adjustment will work with communities to develop powerful new economic assets, new ways to use old bases. The Bible speaks of beating swords into plowshares. We ^{()?} are transforming military runways into municipal airports; military bases into industrial parks and community colleges; and missile hangers^a into factories.

~~((NSC Insert))~~

^{Know}
I ~~have no doubt~~ the American people will support these measures for a continued strong defense. My travels around America tell me that. But to have the means to negotiate reductions and ensure the peace, I will need the support, cooperation and consultation of Congress.

We can now envision a time when ^{the world is more secure than ever} ~~military competition is~~ ^{when freedom thrives} past; [^] when all the competitive instincts of modern man will be diverted to commerce; ^{-- or football.} ~~when the warriors of the future will be businessmen and women like you, briefcase in hand.~~ ✓

* this copy

You know, I started by joking about the 49ers winning the Super Bowl during the National Anthem. But ~~I don't care~~ ^{it's not how} how many passes Joe Montana completed. ^{It's that} He knew better than to rest on his laurels, at the beginning of the fourth quarter. So should we. ~~I ^{will} persuade~~ If Congress ~~will~~ work with me, then peace itself will be the greatest dividend of all.\\\

Before us is a bridge to a new and better world. The way is clear. It's time to cross. Thank you for inviting me to San Francisco. God bless you, and God bless America.

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~~I realize that some~~

WHITE HOUSE STAFFING MEMORANDUM

DATE: 2/5/90 ACTION/CONCURRENCE/COMMENT DUE BY: 2/5/90 4:00 PM

SUBJECT: PRESIDENTIAL REMARKS: COMMONWEALTH CLUB

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES <i>N/C</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 4:00 PM TODAY, Monday, February 5, with a copy to my office. Thank you.

RESPONSE:

*Adm. Frank Kelso
Superior Allied Comm.
Atlantic*

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

Davis/Martin
January 29, 1990
Title: SF
Draft: Three

1990 FEB. -5 PM 12: 15

PRESIDENTIAL ADDRESS: COMMONWEALTH CLUB, SAN FRANCISCO
Noon, Wednesday, February 7th, 1990

((Acknowledgements to come.))

((A few minutes ago, I asked a 49er fan what he thought was the turning point in the Super Bowl. He said "the National Anthem.))\|\|

overwritten
((Of course, not all recent memories in the Bay Area have been pleasant ones. I'm sure you remember the last time I was here, after this city suffered a tragedy ~~and found renewal~~. I remember a clutter of car wrecks, collapsed buildings, flattened freeways\| and a terrible black cloud rising from the Marina District. Some damage remains. But today I've seen something ^{-- renewal} else -- the people of the Bay Area have stood up, dusted themselves off and rebuilt. The devastation and danger are past. Because you came together, San Francisco is as beautiful as ever\| -- San Francisco is back.))\|\|

I have come back to California for another reason, to give you -- no-nonsense, hardnosed businessmen and women that you are -- a straightforward ^{and} ~~but~~ hopeful _ε message about our national security. Yesterday, at Fort Irwin, I also thanked our men and women in uniform -- not just because they keep America safe and

free. I came to thank them because they help to make possible the wonderful changes that are sweeping the world.

And as the threats to American security change, so too must our defense strategy. In 1986, defense expenditures consumed 6.5 percent of our Gross National Product. As you know, I just submitted my 1991 budget to Congress, which cuts defense for the fifth year in a row -- ^{down} to ^{just above} almost 5 percent of GNP. held 294

clarify
I am submitting this budget at a time when the postwar world ^{have} we know -- the world that began in 1945 -- is changing before our very eyes. So to understand where we are going, let me first review where we have been and where we are today.

The first generation of postwar leaders had the cautionary example of their predecessors. ^{They remembered the Great War - the war to end all wars - was followed by chaos and conflict.} They remembered that visionary statesmen, after the First World War, had ^{tried to limit} outlawed large navies -- ~~They remembered that their predecessors had even outlawed war~~ ^{But soon these great hopes faded in the face of unchecked aggression.} itself. ^{And} ~~no pact prevented World War Two.~~ ^{realism born of bloody experience}

So by 1945 our leaders had acquired a ^{patience,} a pragmatism, ~~XX~~ born of a sober appraisal of the world as it was.

And from Harry Truman, ~~to John F. Kennedy,~~ to Ronald Reagan, ^{our strength} ~~we~~ became the world's shield, ^{our ideals of freedom and democracy, the world's hope.} ~~paid any price, we bore any burden, in the defense of liberty.~~ We paid, ^{dearly for the defense of liberty --} with part of our national wealth, ^{with of our} And many ^{bravest and youngest.} Americans paid with their very lives.

^{And so} ~~yet~~ over the past 40 years, our leaders continued to ~~seek~~ ^{provided for} peace even as they ^{Sought peace.} ~~provided for war.~~ It was during the Truman Administration, in this very city, that men and women of great vision and high ideals came from around the world to create an

~~parliament~~^{assembly} of nations. And so it was in San Francisco, 45 years ago, that the United Nations was born.

Then, as now, the United States strove to balance its role as peace-keeper with that of peace-maker. We helped create the United Nations and NATO; we encouraged Soviet ~~reform~~^{change} even as we ~~thwarted~~^{thwarted} ~~rebuffed~~ Soviet expansion.

Those who crafted this new policy, ~~and~~ called it containment, ^{and} predicted that if we blocked the easy path of expansion, ~~then~~ the Soviet Union would one day have to confront its inhumane, illogical system. The purpose of this ~~containment~~^{the contradictions of} ~~confrontation~~ was not to defeat or to humiliate the Soviets. ^{The purpose was to preserve liberty and} ~~The~~ ^{and} ~~hope~~ ^{was someday to see, as George Kennan put it in 1947, "the gradual} ~~purpose~~ ^{power} was to lead to a "mellowing of the Soviet ~~Union."~~ ^{Union."} It took ^{nearly} ~~a~~ half a century to vindicate this strategy, ~~and~~ ^{but} ~~at long~~ last we can ^{now} ~~say it works:~~ ^{See the results} ~~And that is why~~ the Cold War today is in retreat. \\\

That is good news, for no sane man or woman is nostalgic for the Cold War. We are inspired by ~~the~~^{this} Revolution of '89 -- ~~delighted~~^{for example,} ~~to see~~ a man of letters and conscience in Prague move from prison to the presidential palace. We are heartened to see the Berlin Wall fall, setting off a shockwave that upended a tyrant in Romania.

And we are grateful for something more. ~~The likelihood of a war with the Soviets has always been small,~~ ^{Now,} because of our strength and that of our Allies, ~~Now,~~ thanks to the ~~surgeous~~^{march of freedom and democracy in Eastern Europe} reforms of a dynamic Soviet leader, ~~the threat of war is smaller~~ ~~than ever before.~~ \\\ ~~Like Harold MacMillian before him,~~

^{Now} the prospects for an enduring peace are greater than ever before.

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But ^{right now} ~~the reality~~ ~~is~~ The Soviets still have ^{over 560} ~~almost 600~~,000 men under arms in Central Europe. ~~today.~~ ^{On the issue of strategic weapons, we have made progress in the start negotiations.} Another example: Because of the new openness in Moscow, we now hope to slash the number of strategic weapons on both sides ~~to~~ ^{in half.}

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*STR A
ACM
RSD
TROR*

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But ~~the reality~~ ^{right now} -- the Soviets still have ~~(number)~~ ^{over 10,000} strategic weapons. ~~And they are still developing at a furious pace, two new mobile strategic weapons systems and a strategic defense initiative.~~ ^{modernizing them; they have deployed ICBM's, and their strategic defense spending is comparable to their spending on strategic offensive forces.}

Baker in Moscow

As President I am ~~the~~ ^{the} Commander-in-Chief. I am bound by the Constitution to defend and protect the United States of America.

~~And I cannot, as~~ ^{will not} some would have me ~~do~~ ^{the} predicate our defense ^{of our people} on ~~our~~ ^{I will not.} promising, but as ~~of~~ yet unfulfilled, hopes for the future. ~~Our national defense strategy must not be a response to the professed intentions of other nations, but to the weapons they hold in their hands.~~ ~~That's the reality we face.~~

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*
STRAT?

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there as

Second, we will, of course, continue to reduce the likelihood of a nuclear war. And that is why I will ~~aggressively~~^{vigorously} pursue Strategic Arms Reduction Talks with the Soviet Union.\\

Chemicals
CFE

But arms control and strategic modernization are not competing strategies. Rather, they can work together to make the world a safer place.

Just this morning, I visited Lawrence Livermore Labs and met those visionary men and women who strive to make ~~an all-out~~^{whether from a nuclear superpower or neorealist or terrorist} nuclear strike on our country, ~~or a limited strike from a madman,~~^{when} even more unlikely than it is today. ~~Of course,~~^{of course,} some complain of the cost of developing such technologies, They should first consider the cost of not doing all we can to ~~protect the cities~~^{later conflict and} and citizens of America. That is why I will seek to persuade the

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See? Also insert

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Communities

** and over*

But America has always been willing to pay the price of peace. I know that some of the bases that have been proposed for closure are in this area. So I have come to San Francisco today to assure you that if a base closes, it doesn't close federal concern and commitment.\\

Civilians who are laid off will receive top priority for placement in other DOD positions. The Homeowner's Assistance Program will protect military and civilian personnel from falling real estate prices. And the Office of Economic Adjustment will work with communities to develop powerful new economic assets, new ways to use old bases. The Bible speaks of beating swords into plowshares. We are transforming military runways into municipal airports; military bases into industrial parks and community colleges; and missile hangers into factories.

~~((NSC Insert))~~

^{Know}
I ~~have no doubt~~ the American people will support these measures for a continued strong defense. My travels around America tell me that. But to have the means to negotiate reductions and ensure the peace, I will need the support, cooperation and consultation of Congress.

We can now envision a time when ^{the world is more secure than ever} ~~military competition is~~ ^{past; when freedom thrives} when all the competitive instincts of modern man will be ^{or football} ~~diverted to commerce; when the warriors of the future will be businessmen and women like you, briefcase in hand.~~

recovery

Let me state
no politics in his decision
can't accept the fact
that every long

can't get job done
for the taxpayer

we've got an R
gov
long-time advocate of cutting def.
Nader business

You know, I started by joking about the 49ers winning the Super Bowl during the National Anthem. But ^{it's not how} ~~I don't care how many~~ passes Joe Montana completed. ^{It's that} He knew better than to rest on his laurels at the beginning of the fourth quarter. So should we. If Congress will work with me, then peace itself will be the greatest dividend of all.\\\

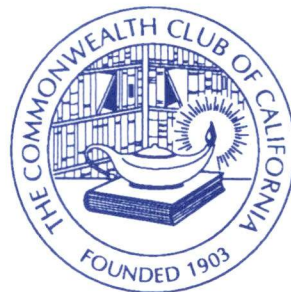
Before us is a bridge to a new and better world. The way is clear. It's time to cross. Thank you for inviting me to San Francisco. God bless you, and God bless America.

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The Honorable George Bush, President of the United States



Wednesday, February 7, 1990

Grand Ballroom, San Francisco Hilton

Excerpts from previous Commonwealth Club Addresses by The Honorable George Bush

The world is not yet such as we would want it to be. Maybe it never will be. It certainly is not likely to become a utopian world within our lifetime or even in the foreseeable future. And while we are striving to make our contribution to a world of peace and security and trust, we find that we still need—quite consistent with this striving—to have national security second to none in the world.

July 23, 1976, Director, Central Intelligence Agency

We are not going to risk American security on the word of a nation that has time and again broken its international commitments. A true, not illusory, relaxation of tensions with the Soviets can only be based on mutual respect between the world's two superpowers and a realistic assessment on our part of Soviet intentions in light of their past record.

September 11, 1980, Republican Candidate for Vice President

The view of America from abroad in recent years has, as you know, been that of a confused, contradictory, often helpless, sometimes clumsy giant. Our experience in Vietnam, our experience in Iran, the open season on American embassies, the vacillations over whether or not we were going to go ahead with one or the other weapons system—all these events have produced in the international community a certain wariness of America.

October 1, 1981, Vice President of the United States

When I see the lack of human rights, such as the Soviet treatment of Jewry, it makes me wonder whether their brutal system is going to let up. But there is an economic side, too. Because of Soviet military spending, there are tremendous economic pressures on a society that is not nearly as productive as we are. I would hope that they would try to reduce tensions and live with civility. But I cannot predict whether they will.

October 17, 1984, Republican Candidate for Vice President

When we impose protectionist measures, consumers lose because they pay higher prices for a poorer choice and a lower quality of goods. Taxpayers lose by paying higher taxes to finance subsidies. Workers lose as job opportunities dwindle. Those who are struggling up from poverty lose because that critical first job evaporates. All of us lose because we chip away at the competitive impulse that has made America the biggest trading nation on earth.

September 11, 1985, Vice President of the United States

We impose high capital gains tax rates, while most of our major trading partners don't even have a capital gains tax. Germany doesn't. Japan doesn't. Nor does Hong Kong, Singapore, South Korea or Taiwan. The capital gains tax is a tax on investment, on innovations, on new technology. I favor a capital gains cut. It will raise revenues and create jobs. It's estimated that a reduction to 15 percent will raise as much as \$4 billion in new revenues for the government. Why? More people take risks, more businesses start, more tax money flows into the Treasury.

September 15, 1988, Republican Candidate for President

At Today's Speakers Table

Audience's Left

James L. Coplan, Director of Member Services, The Commonwealth Club of California.

Henry C. Allnutt, III, Member, Presidential Task Force Committee & Republican Senatorial Committee; Retired Accountant, Pacific Gas and Electric Company.

D. Drew Dowsett, Senior Vice President & Controller, Charles Schwab; Treasurer, The Commonwealth Club of California.

Gerti B. Thomas, Vice Chairman-North, California Republican Party.

Bruce T. Mitchell, Attorney; Past President, The Commonwealth Club of California.

Alfred S. Wilsey, Sr., Executive Vice President & Chairman, Executive Committee, Wilsey Bennett Co.

The Honorable Humberto Urteaga, Consul General of Peru; Dean, San Francisco Consular Corps.

Richard C. Otter, Senior Vice President, Shearson Lehman Hutton; Chairman, Program Committee, The Commonwealth Club of California.

George H. Pfau, Jr., Senior Vice President, Paine Webber; Chairman, Citizens for a Better San Francisco.

The Honorable David Packard, Chairman of the Board, Hewlett Packard Company; Former U.S. Secretary of Defense.

The Honorable Robert W. Merrill, Associate Justice, Court of Appeal, State of California; Chairman, Executive Committee, The Commonwealth Club of California.

The Honorable Art Agnos, Mayor, City & County of San Francisco.

The Honorable Brent Scowcroft, Assistant to the President for National Security Affairs.

Jean Auer, Councilwoman, Town of Hillsborough; President-Elect, The Commonwealth Club of California.

The Honorable George P. Shultz, Former U.S. Secretary of State.

CLUB PRESIDENT: Joseph F. Perrelli, President, California Investors Group, Inc.

SPEAKER: THE HONORABLE GEORGE BUSH, PRESIDENT OF THE UNITED STATES.

QUARTERLY CHAIRMAN: Joseph R. Fink, Ph.D., President, Dominican College.

The Honorable George Deukmejian, Governor, State of California.

The Honorable Pete Wilson, U.S. Senator, California.

Dennis Wu, Partner-in-Charge, Northern California and Nevada, Financial Institutions Group, Deloitte & Touche; Immediate Past President, The Commonwealth Club of California.

Jaquelin H. Hume, Chairman, Foundation for Teaching Economics.

A.W. Clausen, Chairman, BankAmerica Corporation.

Eugene E. Trefethen, Jr., Retired President, Kaiser Industries Corporation.

Richard N. Goldman, Chairman, Richard N. Goldman & Co.

J. B. Dean, Chairman, San Francisco Republican County Central Committee.

William G. Gaede, Associate Managing Partner, Deloitte & Touche; President, World Affairs Council of Northern California.

Nelson S. Weller, Past President, The Commonwealth Club of California.

Bernard H. Schulte, Managing Director, Northwest Region, Korn Ferry International; Secretary, The Commonwealth Club of California.

Victoria A. Barbero, Senior Editor, Cresap-a Towers Perrin Company; Chairwoman, Study Section on International Relations, The Commonwealth Club of California.

Steven A. Savia, Partner, Deloitte & Touche; Member, Board of Governors, The Commonwealth Club of California.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 2/5/90 ACTION/CONCURRENCE/COMMENT DUE BY: 2/5/90 4:00 PM

SUBJECT: PRESIDENTIAL REMARKS: COMMONWEALTH CLUB

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>ROGERS</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>WINSTON</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>PINKERTON</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 4:00 PM TODAY, Monday, February 5, with a copy to my office. Thank you.

RESPONSE:

Very good - ties theme throughout - Note small change - eliminating word "combat" T. you - (S.R.)

James W. Cicconi
 Assistant to the President
 and Deputy to the Chief of Staff
 Ext. 2702

1990 FEB -5 PM 12:15

Davis/Martin
January 29, 1990
Title: SF
Draft: Three

**PRESIDENTIAL ADDRESS: COMMONWEALTH CLUB, SAN FRANCISCO
Noon, Wednesday, February 7th, 1990**

((Acknowledgements to come.))

((A few minutes ago, I asked a 49er fan what he thought was the turning point in the Super Bowl. He said "the National Anthem."))\\\

((Of course, not all recent memories in the Bay Area have been pleasant ones. I'm sure you remember the last time I was here, after this city suffered a tragedy and found renewal. I remember a clutter of car wrecks, collapsed buildings, flattened freeways\\ and a terrible black cloud rising from the Marina District. Some damage remains. But today I've seen something else -- the people of the Bay Area have stood up, dusted themselves off and rebuilt. The devastation and danger are past. Because you came together, San Francisco is as beautiful as ever\\ -- San Francisco is back.))\\\

I have come back to California for another reason, to give you -- no-nonsense, hardnosed businessmen and women that you are -- a straightforward, but hopeful, message about our national security. Yesterday, at Fort Irwin, I also thanked our men and women in uniform -- not just because they keep America safe and

free. I came to thank them because they help to make possible the wonderful changes that are sweeping the world.

And as the threats to American security change, so too must our defense strategy. In 1986, defense expenditures consumed 6.5 percent of our Gross National Product. As you know, I just submitted my 1991 budget to Congress, which cuts defense for the fifth year in a row -- to almost 5 percent of GNP.

I am submitting this budget at a time when the postwar world we know -- the world that began in 1945 -- is changing before our very eyes. So to understand where we are going, let me first review where we have been and where we are today.

The first generation of postwar leaders had the cautionary example of their predecessors. They remembered that visionary statesmen, after the First World War, had outlawed large navies. They remembered that their predecessors had even outlawed war itself. But no pact prevented World War Two.

So by 1945 our leaders had acquired a patience, \\ a pragmatism, \\ born of a sober appraisal of the world as it was. And from Harry Truman, to John F. Kennedy, to Ronald Reagan, we paid any price, we bore any burden, in the defense of liberty. We paid with part of our national wealth. And many brave Americans paid with their very lives.

Yet over the past 40 years, our leaders continued to seek peace even as they provided for war. It was during the Truman Administration, in this very city, that men and women of great vision and high ideals came from around the world to create a

parliament of nations. And so it was in San Francisco, 45 years ago, that the United Nations was born.

Then, as now, the United States strove to balance its role as peace-keeper with that of peace-maker. We helped create the United Nations and NATO; we encouraged Soviet reform even as we rebuffed Soviet expansion.

Those who crafted this new policy, and called it containment, predicted that if we blocked the easy path of expansion, then the Soviet Union would one day have to confront its inhumane, illogical system. The purpose of this confrontation was not to defeat or to humiliate the Soviets. The purpose was to lead to a "mellowing of the Soviet Union." It took a half a century to vindicate this strategy, and at long last we can say it works: **And that is why the Cold War today is in retreat.**\\\

That is good news, for no sane man or woman is nostalgic for the Cold War. We are inspired by the Revolution of '89 -- delighted to see a man of letters and conscience in Prague move from prison to the presidential palace. We are heartened to see the Berlin Wall fall, setting off a shockwave that upended a tyrant in Romania.

And we are grateful for something more. The likelihood of a war with the Soviets has always been small, because of our strength and that of our Allies. Now, thanks to the courageous reforms of a dynamic Soviet leader, **the threat of war is smaller than ever before.**\\\ Like Harold MacMillian before him,

President Gorbachev freely acknowledges that empire is a burden, more problem than protection. And so now "the winds of change" are shaping a new destiny for the nations of the Continent -- that of a Europe whole and free.\\\

We are taking the first steps across a bridge begun by others long ago. It is a bridge that can lead us from seemingly endless conflict to the promise of a lasting peace. But no matter how great the promise, a bridge between nations must be reinforced with realism.

As President, I receive a briefing every morning from the Central Intelligence Agency. And I get from the CIA the best intelligence available to any world leader today. Yet I often find that the events reported to me by the CIA in the morning are overcome by the news in the evening. The world is simply moving too fast for any person or organization to forecast what will happen next. With so much that is unpredictable, the promising future we seek must be weighed against the realities of today.

My most recent proposal, warmly received by President Gorbachev, was to reduce land forces on both sides in Central Europe to 195,000 troops. That's the prospect for change, and it holds great promise.

But the reality? -- The Soviets still have almost 600,000 men under arms in Central Europe today.

Another example: Because of the new openness in Moscow, we hope to slash the number of strategic weapons on both sides to

6,000. That's the prospect for change, and it too holds great promise.

But the reality? -- the Soviets still have ((number)) strategic weapons. And they are still developing, at a furious pace, two new mobile strategic weapons systems and a strategic defense initiative.

I am your Commander-in-Chief. I am bound by the Constitution to defend and protect the United States of America. And I cannot, as some would have me do, predicate our defense on promising, but as of yet unfulfilled, hopes for the future. Our national defense strategy must not be a response to the professed intentions of other nations, but to the weapons they hold in their hands.\\ That's the reality we face.

You certainly don't do business on the basis of a promise. The banks you do business with expect collateral. And I will seek from the Soviets the collateral to implement a new peace. In international terms, collateral means: **soldiers decommissioned, tanks dismantled, and nuclear missiles demolished.**

Some see our measured approach as endangering the process of change. I see our approach as **essential** to change, as the **only** way to a lasting peace. We have shown that American resolve leads to Soviet reform. We have shown that American strength is the catalyst for arms control. We are all excited by change in the East, but we must not let impatience, born of euphoria, ruin all we have achieved.

No matter how urgently we want to cross that bridge between nations, to cross to a new and more promising world, we should not, in our haste, abandon the path that brought us to this moment.

First, as Americans have always done, our foremost goal is to prevent another world war. To do so, we will still need what the people in the Pentagon call a forward defense. Let me tell you what a forward defense means. America spans a continent, but in strategic terms, we are an island nation. And an island nation must defend itself before a threat can reach its shores. **And that is why we will continue to have a forward presence -- fighting forces\\ and American troops\\ with global reach.**

Second, we will, of course, continue to reduce the likelihood of a nuclear war. **And that is why I will aggressively pursue Strategic Arms Reduction Talks with the Soviet Union.** But arms control and strategic modernization are not competing strategies. Rather, they can work together to make the world a safer place.

Just this morning, I visited Lawrence Livermore Labs and met those visionary men and women who strive to make an all-out nuclear strike on our country, or a limited strike from a madman, even more unlikely than it is today. Of course, some complain of the cost of developing such technologies. They should first consider the cost of **not doing** all we can to protect the cities and citizens of America. That is why I will seek to persuade the

Soviets, through our Defense and Space talks, to use SDI to help us all make a transition to safer world.

Let me now tell you the ways in which our 1991 defense strategy is a dramatic departure from the military strategies of the past.

First, new threats are emerging outside the traditional East-West antagonism of the past 45 years. Ever since the Mayaguez incident, most conflicts involving U.S. forces -- like our actions in Libya or Panama -- have had nothing to do with Soviet expansionism. Nowhere was this more apparent than in the Persian Gulf two years ago, where only the U.S. Navy could secure the flow of oil to the industrial democracies.

Even worse, there are 15 countries in the world that are developing ballistic missile technology, many with chemical and biological weapons. Despite our best efforts, nuclear weapons are proliferating. And inevitably high-tech weapons will fall into the hands of leaders whose hatred of America is well known. **We must be ready.**

Then there are the narco-gangsters -- already a threat to our national health and spirit. Now they are taking on the dimensions of a geopolitical force. And they must be dealt with as such -- **by our military -- in the air and on the seas.**

Clearly, in the future, we will need to be able to repel a missile, arrest a drug lord or protect a sealane. We will need forces adaptable to conditions **anywhere** in the world. We need

will agility, readiness, sustainability. We will need speed and stealth.

In short, we must now deter both a global war and limited conflicts with sophisticated new powers. And for this reason, we **doubly** need to continue the modernization of our forces. It is my duty, and mine alone, to commit American fighting men to combat. And while the security of this nation is on my watch, **the lives of American fighting men won't be traded for dollars.**\\

Just yesterday, I visited at the National Training Center at Fort Irwin, near Barstow, where our fighting forces ^{are} preparing for ~~combat~~. *this nation's defense.* It was at this very base that we trained many of our troops who fought with such distinction in Panama. As other threats emerge on the horizon, we must be ready to fight under any conditions anywhere in the world.\\

((You know, I read that Khrushchev once spoke to the Commonwealth Club from lunch until 11 p.m.\\ \\ Perhaps he began his speech with these words: "Let me make just a few brief observations . . .))\\ \\

So I'll get to my final concern -- how all this change in our defense budget affects us at home. Many speak of the peace dividend. Few discuss the short-term cost of peace. There will be costs as we cross the bridge to a better future -- for dislocated industries and workers, for disappointed men and women in the Armed Services who will return to civilian life, for whole communities.

But America has always been willing to pay the price of peace. I know that some of the bases that have been proposed for closure are in this area. So I have come to San Francisco today to assure you that if a base closes, it doesn't close federal concern and commitment.\\

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((NSC Insert))

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